




Shenzhen JingQuanHua Electronics Co.,Ltd.

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2024

SUSTAINABILITY (ESG) REPORT

Shenzhen JingQuanHua Electronics Co.,Ltd.

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About This Report



This report is the first Sustainability and Environmental, Social, and Governance (ESG) Report (the "Report") issued by Shenzhen JingQuanHua Electronics Co.,Ltd. (hereinafter referred to as "JingQuanHua" "the Company" or "We"). In the principles of objectivity, standardization, transparency, and comprehensiveness, this report provides a detailed disclosure of the Company's practices and performance in environmental, social, and governance for the year 2024.

Reporting Scope

This report covers Shenzhen JingQuanHua Electronics Co.,Ltd. and its branches and subsidiaries. Unless otherwise specified, the scope of this report is consistent with that of the Company's Annual Report.

Note: Guangdong JingQuanHua Energy Co., Ltd. was established in April 2024 and has not generated substantial environmental or social impacts as of the end of the reporting period. Consequently, ESG data covered in this report—including quantitative metrics such as carbon emissions, energy consumption, employee rights, etc.—as well as qualitative management practices, do not encompass this entity. Capital expenditures and investment activities related to this subsidiary have been separately disclosed in the financial section of the annual report. Its ESG performance will be incorporated into future reports starting from 2025, once it commences formal operations.

Reporting Period

This report covers the period from January 1, 2024 to December 31, 2024 (the "Reporting Period"). To improve the comparability and completeness, some sections of this report may be appropriately referred to previous years or contains forward-looking statements. This report is released on an annual basis, consistent with the financial year.

Preparation References and Basis

- *Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)*
- *Guide to Corporate Social Responsibility Reporting in China (CASS-ESG 6.0)* of the Chinese Academy of Social Sciences
- *Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards)*
- Sustainable Development Goals (SDGs) of the United Nations

Data Sources

Data sources used in this report include the Company's actual operational data, publicly available data from government agencies, annual financial data, internal statistical reports, third-party questionnaire surveys, etc. The financial data in this report is expressed in RMB. For any discrepancy between this report and the financial statements, the financial statements shall prevail.

Definition

For the ease of expression and readability, Shenzhen JingQuanHua Technology Co., Ltd. and its subsidiaries are referred to as "the Company," "We," or "JingQuanHua" in this report. Unless specifically indicated, the terminology used here has the same meaning as in the Company's 2024 Annual Report.

Confirmation and Approval

This report was approved by the Company's Board of Directors on April 24, 2025, and was subsequently released in conjunction with the Annual Report. The Board pledges to exercise oversight over the contents of this report, ensuring its absence of any false records or misleading representations, and assuming responsibility for its truthfulness, accuracy and completeness.

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

Dear shareholders, partners, and friends from all walks of life,

Amid the global surge of sustainable development and the growing emphasis on corporate social responsibility by all sectors of society, JingQuanHua deeply understands its mission and responsibility. We actively respond to the national call for promoting green development, advancing industrial upgrades, and building a harmonious society. We have deeply integrated sustainable development concepts into every aspect of our operations and are committed to promoting economic, environmental, and social progress, contributing to long-term societal development. As a provider of high-quality magnetic components and power products, JingQuanHua seizes the opportunity of the flourishing green and digital economies. With strong expertise and advantages in technology research and development, manufacturing, and market expansion, we steadily advance on an upward industry track, showcasing robust development momentum and vast prospects for growth.

Looking back at 2024, JingQuanHua has closely followed national policy guidance, paid close attention to industry trends and market demands, and made innovation the core engine of its development, continuously driving the growth of the Company. Over the past year, the Company has steadfastly adhered to the guiding principle of "Innovation-Driven Transformation, Quality Improvement and Efficiency Enhancement," leveraging ESG principles as a key focus. Through technological innovation and product optimization, we have consistently delivered high-quality products that meet market demand, established strategic partnerships with over 20 Fortune 500 companies, and leveraged its well-established supply chain system to customize high-economic-benefit solutions for global customers. The Company has been honored with several accolades, including "Shenzhen Top 500 Enterprises" and "Shenzhen Regional Synergy Effect Top 100."



Corporate governance is the solid foundation of JingQuanHua's steady development. The Company continues to improve its governance structure, strengthen internal controls and risk management, and has established a scientific decision-making and supervision system to ensure transparency and fairness in decision-making. At the same time, the Company has deeply integrated party building work with the governance system, fully leveraging the political leadership role of the party organization to ensure the correctness of the Company's development direction.

Green development is JingQuanHua's resolute commitment. The Company is dedicated to energy conservation and emission reduction in the production process, introducing advanced environmental protection equipment and processes to reduce energy consumption and pollutant emissions from the source. During the Reporting Period, the Company conducted greenhouse gas verification and launched multiple energy-saving and emission-reduction projects, taking concrete actions to support the national "dual carbon" strategy. At the same time, we actively participated in building a green supply chain, guiding suppliers to enhance their environmental protection standards, and jointly promoting the green transformation of the industry.

Innovation-driven development is the key force behind JingQuanHua's sustainable growth. The Company has made significant investments in R&D, achieving breakthroughs in several key areas. Focusing on magnetic components and power products, we have carried out technological research and development, successfully developing a series of highly energy-efficient products that significantly improve energy conversion efficiency, thereby reducing operational costs for our customers. Additionally, we have established industry-university-research collaborations with multiple universities and research institutions, accelerating the conversion of scientific and technological achievements, driving industry-wide technological advancement, enhancing the Company's core competitiveness, and creating greater value for society.

Social responsibility is a mission that JingQuanHua steadfastly upholds. The Company has actively engaged in public welfare activities, including poverty alleviation, education support, and more. In terms of rural revitalization, we leverage our industry advantages to support the development of rural industries and infrastructure. By donating materials, providing technical support, and contributing to the improvement of people's livelihoods, we have earned recognition and praise from all sectors of society.

Looking ahead to 2025, JingQuanHua will start from a new beginning and take more determined steps toward a sustainable future. Under the leadership of the Board of Directors, we will continue to adhere to ESG principles, deepen green development practices, increase innovation investment, enhance corporate governance, and actively fulfill our social responsibilities. We will work hand in hand with partners to explore new paths for sustainable development, contributing JingQuanHua's wisdom and strength toward realizing the beautiful vision of economic prosperity, a beautiful environment, and social harmony, and writing even more brilliant chapters.

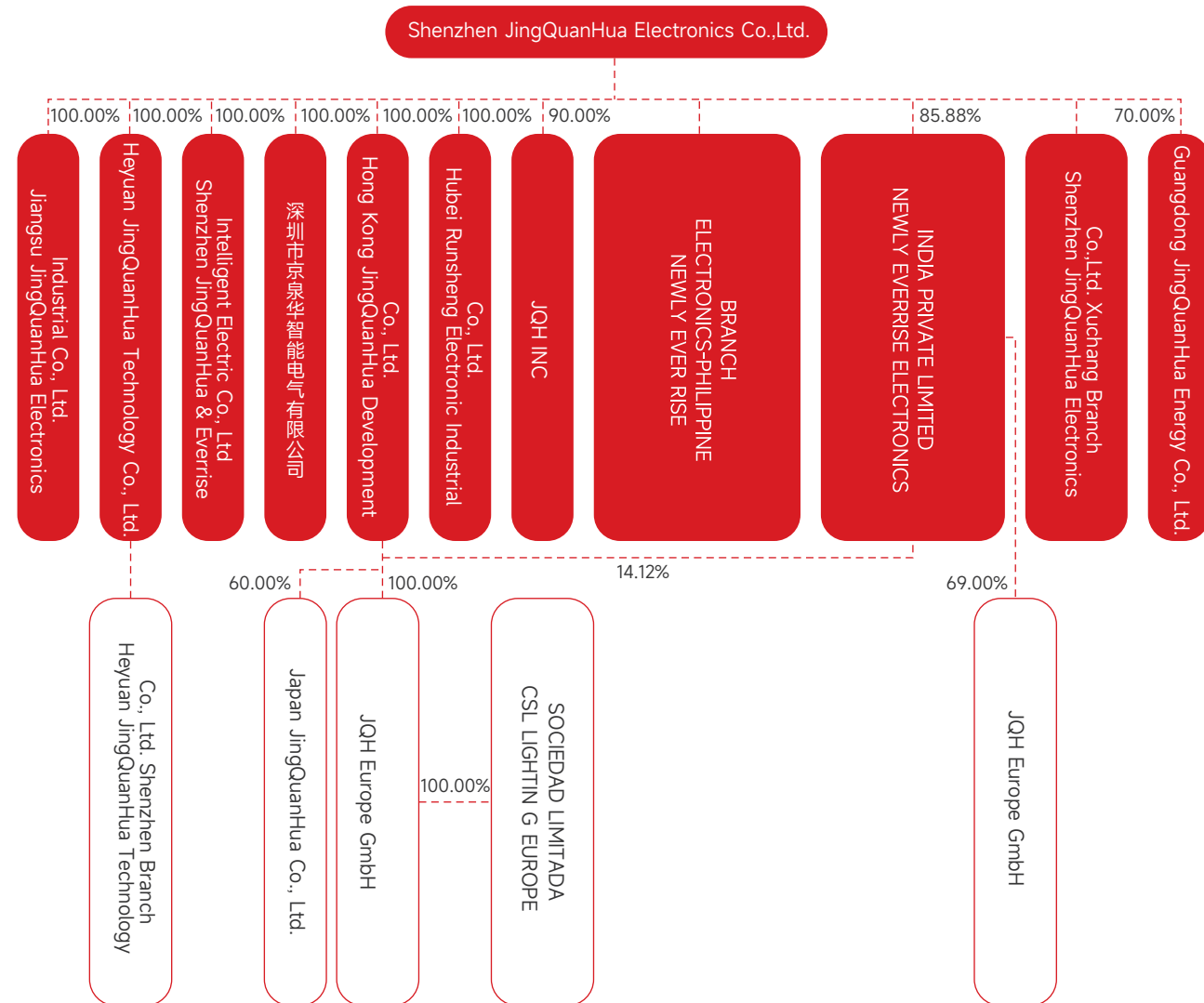
We sincerely thank you for your support and trust in JingQuanHua!

The Chairman of JingQuanHua: Zhang Lipin

About JingQuanHua

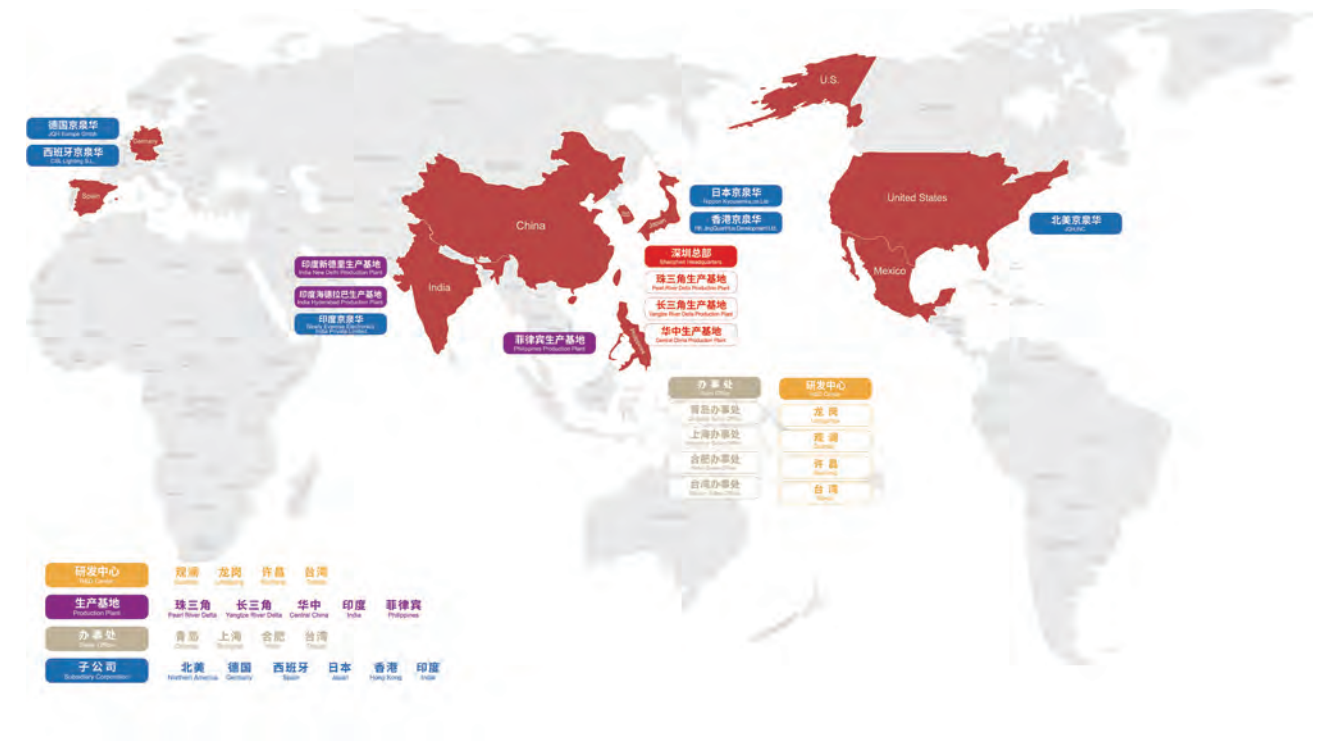
Company Profile

Shenzhen JingQuanHua Electronics Co.,Ltd. (Stock Code: 002885) was originally established as JingQuanHua Electronics in June 1996. As a private enterprise, it operates in the form of a joint-stock Company. Headquartered in Shenzhen, Guangdong Province, the Company is a national high-tech enterprise and one of China's top 100 electronic component enterprises, integrating R&D, production, sales, and service of magnetic components and power products.



Shareholding Structure

The Company adheres to the philosophy of "Respect for life, dedication to products" and collaborates with customers to develop electronic products that enhance the quality of life, making it safer, healthier, and more environmentally friendly. We are committed to providing high-quality magnetic integration and power solutions for consumer electronics, clean energy, and new energy vehicles, and other products that create a cleaner and better future, and contribute to improving human life quality. We serve customers from around the world, and our business currently covers major countries and regions such as Europe, America, East Asia, South Asia, and Southeast Asia.



Global Business Strategy Map

Main Applications

Photovoltaic, Wind Power Generation, and Energy Storage



Computing Power Center



New Energy Vehicles and Charging Piles



Industrial Automation



5G Communication and Applications



Household Appliances and Consumer Electronics



Corporate Culture

Our 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.

Company Mission

Offering optimal choice for advanced electrical manufacturers.

Core Values

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

Milestones

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

- In November, the Company's shareholding reform was completed.
- In November, JingQuanHua Philippines production plant was established.

2014

JingQuanHua North America subsidiary was established.

2016

- In March, the Company celebrated its 20th anniversary.
- In December, NEWLY EVERRISE ELECTRONICS INDIA PRIVATE LIMITED and JingQuanHua Technology India Joint Venture were established.

2017

In June, the Company was listed on the Shenzhen Stock Exchange (Stock Code: 002885).

2018

- In February, JingQuanHua Germany subsidiary was established.
- In December, Shenzhen JingQuanHua & Everrise Intelligent Electric Co., Ltd was established.

2019

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

2022

- In February, the Yangtze River Delta Industrial Plant was established and Yancheng JingQuanHua was founded.
- In July, the Greater Bay Area Industrial Plant was established and Heyuan JingQuanHua was founded.
- In November, the Company's private placement project passed without hearing.

2024

Guangdong JingQuanHua Energy Co., Ltd. was established.

Milestones in 2024

June 11-15

Participated in SNECPV+ 17th (2024) International Photovoltaic Power Generation and Smart Energy Conference & Exhibition.



July 26

Participated in the 18th Philippine Semiconductor & Electronics Convention and Exhibition.



August 8-10

Participated in the World Power Supply Expo & Metaverse Supply Chain Platform 2024.



October 11

Organized and hosted the 2024 JingQuanHua Integrity and Clean Governance Conference.



Honors and Achievements

National Intellectual Property Advantage Enterprise

State Intellectual Property Office

October 2022

High-tech Enterprise

Shenzhen Science and Technology Innovation Committee
Shenzhen Finance Bureau
Shenzhen Tax Service, State Taxation Administration

December 2023

2023 Shenzhen Top 500 Enterprises

Shenzhen Enterprise Confederation
Shenzhen Entrepreneur Association

September 2023

2021 Top 100 Industrial Enterprises in Longhua District, Shenzhen City

People's Government of Longhua District, Shenzhen City

March 2023

2021 Top 100 Foreign Trade Enterprises in Longhua District, Shenzhen City

People's Government of Longhua District, Shenzhen City

March 2023

7th Top 100 SMEs with Independent Innovation in Shenzhen

Shenzhen Promotion Association for Small and Medium Enterprises
Shenzhen Special Economic Zone Daily

March 2023

2024 Shenzhen Top 500 Enterprises

Shenzhen Enterprise Confederation
Shenzhen Entrepreneur Association

September 2024

In September 2024, JingQuanHua, with its impressive revenue performance, stood out among the excellent enterprises in Shenzhen, once again ranking among the Top 500. In the sub-rankings, its global strategic layout and deep enterprise foundation helped it secure a place in the Top 100 International Development and Top 100 Regional Synergy Effect rankings.



京泉华科技

- 2024深圳企业500强
- 区域协同效应TOP100
- 国际化发展TOP100

01

ESG Governance

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Sustainable Development Mission

Implement the concept of sustainable development, and promote the unity of ecological, economic, and social benefits.



Sustainable Development Vision

Integrate sustainable concepts into the Group's values and strategic development plans, become a trusted enterprise for stakeholders, and achieve long-term prosperity.



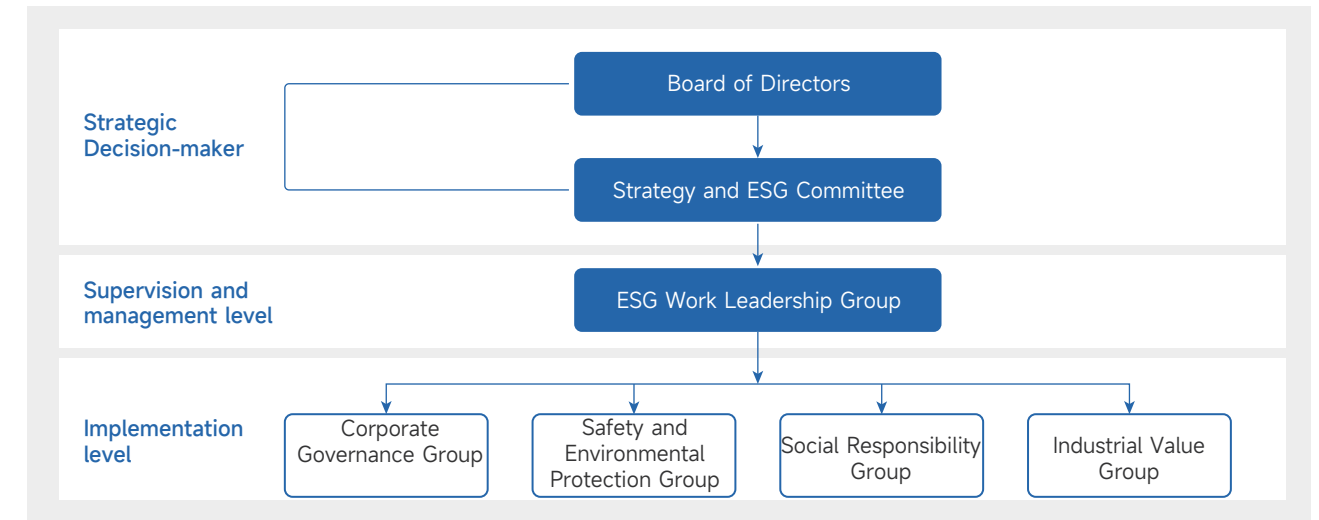
Sustainable Development Policy

- **Integrity and Compliance:** Improve governance systems, implement scientific decision-making, and build core sustainable competitiveness. Comply with laws and regulations, adhere to the principles of fairness, legality, and fair competition, and prohibit any form of corruption or bribery.
- **People-Oriented:** Respect human rights and legitimate rights and interests of employees, create an equal and diverse work environment, and promote talent development; provide employees with a safe and healthy working environment to achieve a win-win situation between the Company and its employees.
- **Low-carbon Operation:** Reduce adverse impacts on society, the environment, and natural resources during production operations, and take effective measures to prevent pollution and conserve resources.
- **Empowering Society:** Actively advance and innovate for the development of better and more friendly choices for stakeholders.

ESG Governance Structure and Capability Building

The Company follows relevant laws and regulations such as the *Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)*, incorporating sustainable development into the overall governance structure. The Company has developed the ESG Work Management Manual and created a 3-tier ESG management structure that includes strategic decision-making, supervision, and implementation.

To meet the Company's strategic development needs, improve ESG management levels, and enhance core competitiveness, during the Reporting Period, the Strategy Committee of the Board of Directors was adjusted to the Strategy and ESG Committee of the Board of Directors. While retaining the original responsibilities, additional tasks related to sustainable development management were included.



Strategic Decision-maker

Board of Directors

- Authorize the Strategy and ESG Committee to approve and decide on the Group's ESG strategy, objectives, and action plans;
- Make decisions on significant ESG matters such as investment projects, partner selections, etc.;
- Review the Group's annual ESG reports and other ESG related disclosure documents.

Strategy and ESG Committee

- Research and formulate the Group's ESG strategic goals and medium and long term plans;
- Supervise the ESG work of the Group and provide recommendations on significant ESG matters;
- Regularly report significant ESG matters to the Board of Directors and accountable to the Board of Directors.



Supervision and management level

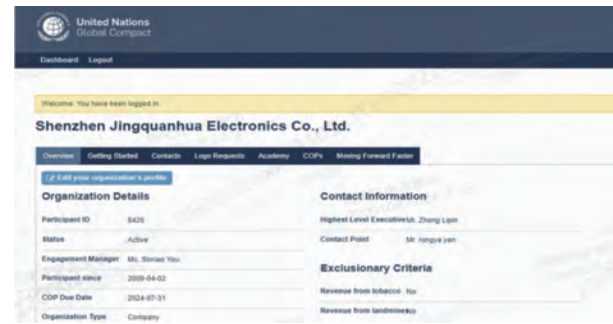
The ESG Work Leadership Group is the central management body for ESG governance, jointly established by the Chairman's Office, the Board Secretary Office, and the General Manager's Office. As the leading body for ESG work, it coordinates and drives the daily ESG management within the Group, formulates the Group's medium and long term and annual ESG plans, and regularly reports ESG implementation to the strategic decision-maker.



Implementation level

The Group's four main ESG thematic working groups and corresponding departments of subsidiary companies are the executive bodies responsible for implementing the Group's ESG governance. Among them, the ESG thematic working groups serve as the leading departments, responsible for coordinating and promoting the implementation of ESG tasks, ensuring the execution and communication of ESG work. Their duties include defining the management responsibilities related to ESG, setting ESG management objectives, planning and executing tasks, driving the implementation of ESG projects, and reporting regularly to the ESG Work Leadership Group; The corresponding departments of subsidiary companies are responsible for cooperating with the implementation of ESG duties and ensuring that ESG topics are integrated with departmental business.

The Company officially joined the United Nations Global Compact (UNGC) in 2009, committing to support the ten principles of the global compact in the four areas of human rights, labor, environment, and anti-corruption. These principles have been integrated into the Company's strategy, culture, and daily operations, becoming a part of the Company's code of conduct. The Company will publish an annual progress report, outlining the actions taken to continuously advance the Global Compact and its principles, in accordance with this globally recognized language and framework. At the same time, we commit to sharing this information with stakeholders through our main communication channels and to working with other member organizations to promote the achievement of the United Nations Sustainable Development Goals.



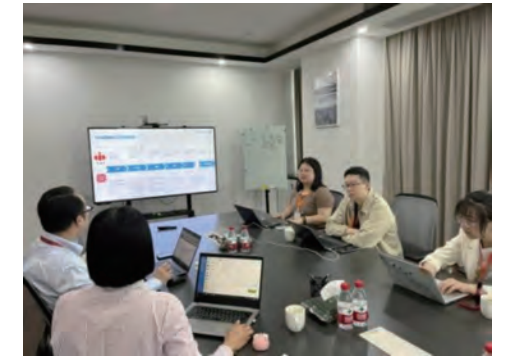
At the same time, we commit to sharing this information with stakeholders through our main communication channels and to working with other member organizations to promote the achievement of the United Nations Sustainable Development Goals.

ESG Management System



Case Study ESG Training

The Company actively responds to the exchange's guidelines on sustainable development and organizes relevant training. The training content comprehensively covers basic ESG concepts, related policy analysis, ESG standard interpretations, and the core points of ESG report preparation. During the training, a comprehensive analysis of the Company's current ESG practices was conducted, aiming to raise awareness of ESG among all employees, advance the Company's ESG management capabilities, and lay a solid foundation for sustainable development.

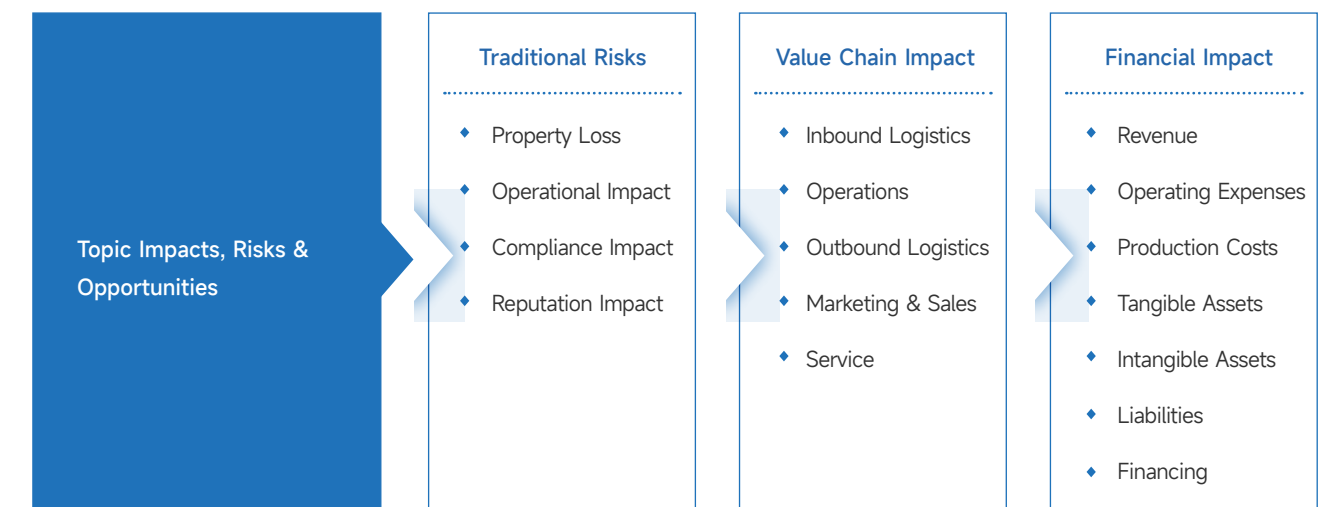


During the Reporting Period, the Company conducted **8** ESG-related training sessions.

ESG Risk Management

JingQuanHua actively practices ESG principles, continuously explores their integration into the Company's entire risk management and decision-making process, and strengthens the control of non-financial risks. The Company has established a comprehensive, systematic, and mutually coordinated ESG risk management process to ensure effective risk response at the environmental, social, and governance levels, promote sustainable development, and enhance the Company's overall competitiveness.

Risk Transmission Path









Risk Monitoring & Identification	Identify ESG risks, define environmental, social, and governance risk indicators, and have each department and business line submit relevant data for review on a regular basis.
Risk Analysis	For identified risks, analyze their positive and negative impacts, and record them in the <i>Risk Identification, Assessment, and Control Table</i> .
Risk Evaluation	Conduct an annual ESG risk assessment, use a combination of quantitative and qualitative methods to assess the likelihood of risk occurrence and severity of potential consequences. Determine risk tolerance and classify ESG risks into different levels (intolerable, high, medium, tolerable, minor or negligible), then create a report and present it to the Board of Directors, etc.
Risk Response	<ul style="list-style-type: none"> Develop Response Strategies: Formulate specific measures for different types of risks. Plan Implementation Details: Set timelines, assign responsible persons, and clarify expected outcomes for each response measure. Develop a detailed implementation plan and update the assessment regularly to ensure alignment with the Company's strategy and business development. Cross-Department Collaboration: Integrate resources and efforts by organizing regular cross-department meetings, building information-sharing platforms, and encouraging cross-department cooperation to address ESG risks together and improve the Company's overall response capability.
Emergency response	<ul style="list-style-type: none"> Develop Emergency Plans: Develop detailed emergency plans for potential ESG risk events, including emergency response procedures, responsibilities, and resource allocation. Drills and Training: Organize regular emergency drills and training sessions to enhance employee response capabilities and improve plans based on findings from the drills.
Risk Tracking and Reporting	<ul style="list-style-type: none"> Report ESG risk monitoring annually to the Board of Directors, covering risk indicator changes, implementation of response measures, handling of risk events, detailed analysis of major risk events, and suggestions for improvements. The report will be in written form and may include charts. The Strategy Committee will review the effectiveness of risk management measures each year before the strategic or management review meeting, prepare the <i>Risk Management Report</i>, report on the meeting, and organize the identification of new risks and opportunities, and update the risk table.

In this report, except for "Response to Climate Change" and "Pollution Control" (corresponding to the chapter *Environmental Compliance Management*), which follow stricter and more topic-specific management processes, the management of impacts, risks, and opportunities for other topics with double materiality will follow this flowchart and will not be repeated in the corresponding chapters.

ESG Goal

The Company closely monitors global sustainability trends, actively responds to the Sustainable Development Goals (SDGs) set by the United Nations, and is committed to sustainable development. The Company highlights its positive contributions to promoting the achievement of global sustainable development goals through publicly sharing specific practices in its operations.

In 2009, the Company joined the United Nations Global Compact (UNGC), fulfilling its commitment to sustainability and working together to address global environmental and social issues, promoting the achievement of global sustainable development goals.

SDGs	Dimensions	JingQuanHua in Action
 	Corporate Governance	Improve governance systems, implement scientific decision-making, and build core sustainable competitiveness. Comply with laws and regulations, adhere to the principles of fairness, legality, and fair competition, and prohibit any form of corruption or bribery.
    	Safety and Environmental Protection	Reduce adverse impacts on society, the environment, and natural resources during production operations, and take effective measures to prevent pollution and conserve resources.
     	Corporate Social Responsibility	Respect human rights and legitimate rights and interests of employees, create an equal and diverse work environment, and promote talent development; provide employees with a safe and healthy working environment to achieve a win-win situation between the Company and its employees.
   	Industry value	Actively advance and innovate for the development of better and more friendly choices for stakeholders.

Issue Management

Issue Identification

In preparing this report, the Company referenced the *Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange - Standardized Operation of Main Board Listed Companies* and the *Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)*. Based on the characteristics of the industry and business operations the Company is involved in, 19 relevant environmental, social, and governance (ESG) issues were identified from which set out in the *Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)*.

Considering the target market for the Company's products and the potential concerns of main customers, the preparation of this report also referenced international mainstream sustainability reporting standards to broaden the report's perspective, enrich its content, and enhance its comprehensiveness.

Communications with Stakeholders

The Company actively communicates with stakeholders who are affected by or, in turn, influence the Company's activities or performance. The Company has identified 9 key stakeholder groups and actively responds to their demands and expectations, striving to balance and maximize benefits while safeguarding the rights of all parties, laying the foundation for the Company's prosperity and development.

Due Diligence | Due diligence includes the sustainability context of the Company's operational locations, regions, and industries. It also involves planning the framework for the report, including the selection and trend analysis of ESG topics that are important to stakeholders.

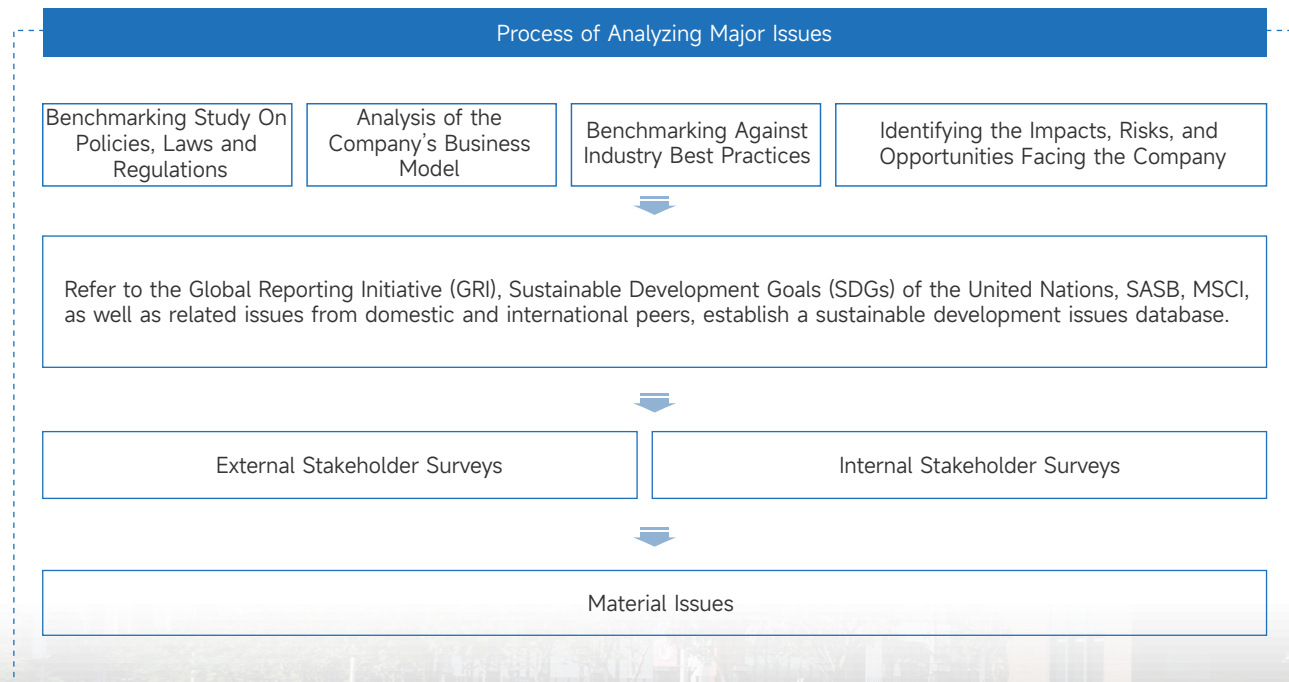
Stakeholders	Investors/Shareholders	Corporate Management	Company Employees	Suppliers	Customers	Governmental or Regulatory Agencies	Industry Associations, Research Institutions	Public Welfare and Community Organizations	Media Agencies
Expectations and Demands	Governance Structure Investment Returns Investor Engagement R&D and Innovation	Governance Structure Investment Returns	Diversity and Equal Opportunity Employees' Rights, Interests and Benefits Occupational Health and Safety Safety Production Training and Development	Industry Exchanges Supply Chain Management R&D and Innovation Business Ethics Safety Production	Customer Service Industry Exchanges R&D and Innovation Product and Services Privacy and Security Business Ethics	Compliant Operations Lawful Tax Payment Business Ethics	Industry Exchanges R&D and Innovation Product and Services	Information Disclosure Social Welfare Rural Revitalization Community Development	Compliant Operations R&D and Innovation Product and Services
Communication Methods	irm.cninfo.com.cn General Meeting of Shareholders Report Disclosure Media Reports Strategic Annual Meetings Investor Hotline Performance Briefings	Work Reports	Annual Meetings Employees' Congress Face to Face Communication Emails	Business Visits Phone Calls and Emails Supplier Training	Business Visits Invitation for Visits Industry Associations Customer Satisfaction Survey	Information Disclosure Implementing Monitoring and Evaluation Invitation for Visits	Invitation for Visits Industry Associations	Facilitating Exchanges and Visits Media Interviews Community Activities	Invitation for Visits Media Interviews
Our Responses	Optimization of Corporate Governance Enhancing Communication and Interaction Improvement of Profitability Standardized Information Disclosure	Optimization of Corporate Governance Adherence to Compliance with Laws and Regulations Enhancing Risk Control Scientific Management Decision-making	Strengthening Employee Training Improvement of Promotion Channels Employee Democratic Governance Optimization of Compensation Management Guarantee of Safe Production	Adherence to Operation with Integrity Improvement of Supply Chain Management Control of Supply Chain Risks Strategic Cooperation	Strengthening Quality Management Optimization of Customer Service Emphasizing Customer Communication Protecting Information Security	Adherence to Compliance with Laws and Regulations Enhancing Risk Control Responding to National Policies Fulfill Tax Obligations	Participation in Industry Associations Engagement in Industry Standard Setting Encouraging R&D and Innovation Protecting Intellectual Property Rights	Engagement in Charitable Donations Participation in Community Activities Purchase of Poverty Alleviation Products	Adherence to Compliance with Laws and Regulations Enhancing Communication and Interaction Encouraging R&D and Innovation

Analysis and Prioritization

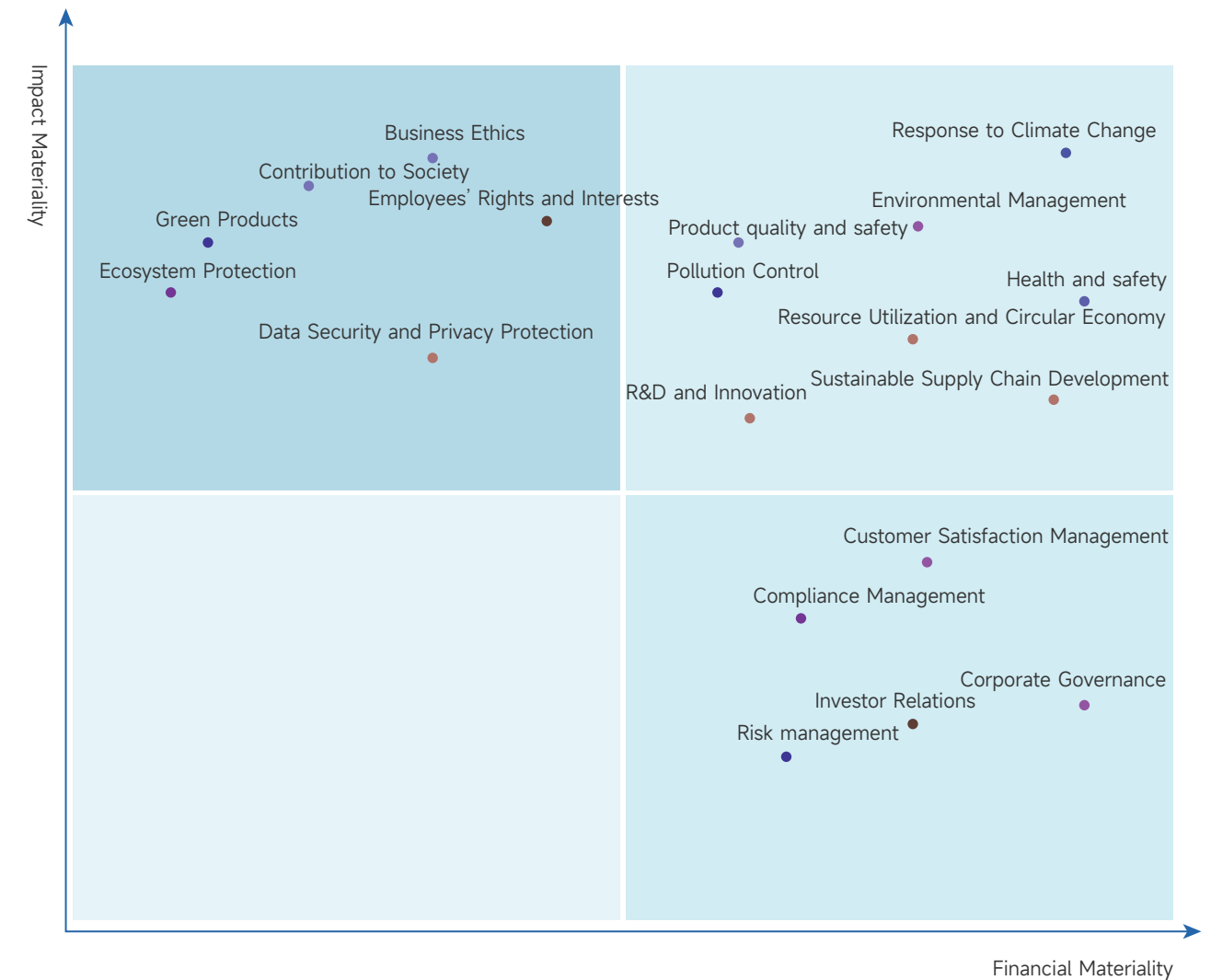
The Company strictly follows the requirements of the *Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)*, and conducts a comprehensive and in-depth dual materiality assessment of sustainability issues based on industry characteristics and its own operational features. On the one hand, from an external perspective, the Company assesses the material impact of the issue on economic, social, and environmental systems (i.e., impact materiality). On the other hand, from an internal perspective, the Company examines the potential role of the issue in corporate strategic layout, business model innovation, financial robustness, cash flow management, financing structure, and value chain resilience (i.e., financial materiality).

The Company conduct research and analysis on stakeholders through questionnaires and other means, sorts out the potential or actual positive or negative impacts of each issue, and adjusts the questionnaire results in combination with industry research and the company's actual situation.

Based on this, the Company refers to internationally recognized ESG standards, such as the Global Reporting Initiative (GRI), to systematically evaluate and rank the sustainability issues database. By constructing a two-dimensional "Impact-Financial" matrix model, the Company is able to accurately identify key issues with both significant social value and material impact on the Company's sustainable development capabilities.



Issues Materiality Matrix



Note: Based on the industry and main business nature of the Company, there are no issues related to technology ethics, so this year's ESG report will not address the "Technology Ethics" content mentioned in Article 43 of the *Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)* and will exclude it from the Company's Issues database.

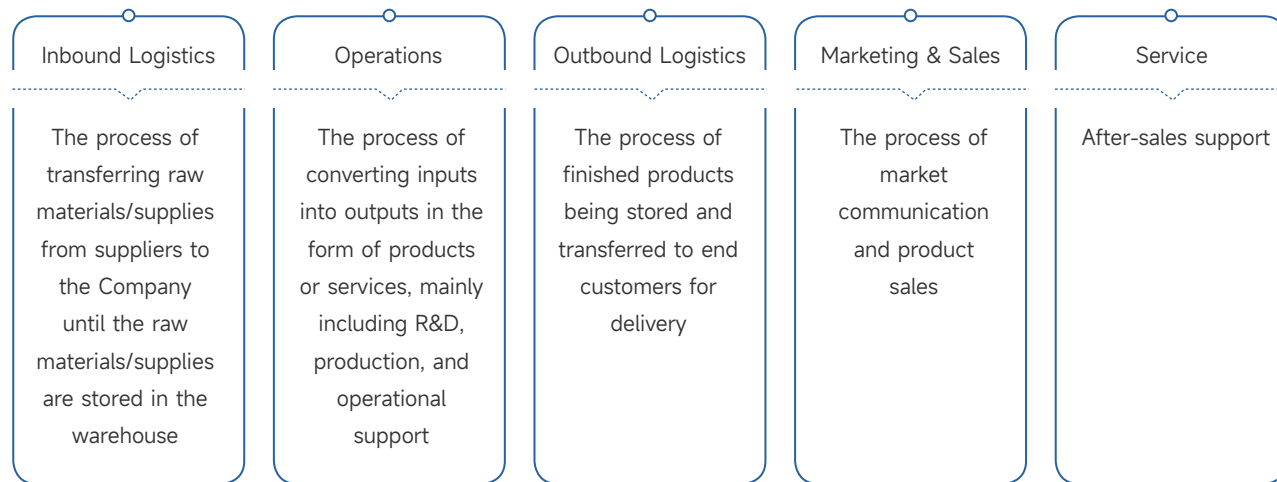
Company's Main Business and Value Chain

Main Businesses

The Company's main business includes the design, development, production, and operation of magnetic components, special transformers, switching power supplies (including electronic control boards), power adapters, inverter power supplies, charging piles, and automotive magnetic components. The products primarily provide component support for sectors such as optical storage energy, new energy vehicles, charging piles, data centers, and consumer electronics.

Value Chain and Corresponding Company Operations

The value chain refers to all activities, resources, and relationships related to the Company's business model and external environment. It includes the parts that the Company uses and relies on throughout the process of advancing products and services from concept to delivery and consumption.



Assessment Standards and Criterion Rules for Impact, Risk, and Opportunity

The Company's business activities have varying degrees of impact on society, the environment, and its own operations. Therefore, the Company has established the following standards for assessing the various impacts, risks, and opportunities arising from its operations to ensure that the impact, risk and opportunity assessments of related issues have comparable value.

Likelihood of Occurrence

Grade	Evaluation Standards
5	The Company has not taken preventive, monitoring, protective, or control measures; risk incidents cannot be detected (without a monitoring system) or such incidents occur frequently under normal circumstances.
4	Risk incidents are not easy to detect, and there is no monitoring system within the organization. There has been no monitoring, or there are corresponding control measures in place, but they are not effectively executed or the control measures are inappropriate. Risk incidents frequently occur or occur under anticipated circumstances.
3	There are no protective or preventive measures, or control procedures or operating procedures are not strictly followed, or risk incidents are easy to detect (with a monitoring system) or monitoring has been done before, or similar risk incidents or events have occurred in the past, or may occur under abnormal circumstances.
2	Once risk incidents occur, they can be detected promptly, and regular monitoring is conducted or comprehensive preventive and control measures are in place and can be effectively executed, or risk incidents have occurred occasionally in the past.
1	There are sufficient, effective preventive, control, monitoring, and protective measures, or employees have a high awareness of risk prevention, and control procedures or operational norms are strictly followed. Risk incidents or events are extremely unlikely to occur.

Severity of Impact

Grade	Evaluation Standards			
	Impact on Compliance	Property Loss	Impact on Company Operations	Impact on Company Image
5	Violation of laws and regulations	Losses over 1 million RMB	Complete shutdown of business operations	Major domestic impact
4	Potential violation of regulations	Losses between 510,000 and 1,000,000 RMB	Around 50% of business operations shut down	Industry impact
3	Non-compliance with the superior Company's policies, systems, and regulations	Losses between 110,000 and 500,000 RMB	Around 25% of business operations shut down	Provincial or city-level impact
2	Non-compliance with the Company's control procedures or operational regulations	Losses below 100,000 RMB	Around 10% of business operations shut down	Impact within the Group, Company, and surrounding areas
1	Fully compliant	No damage	Little impact, no shutdown	No damage to image

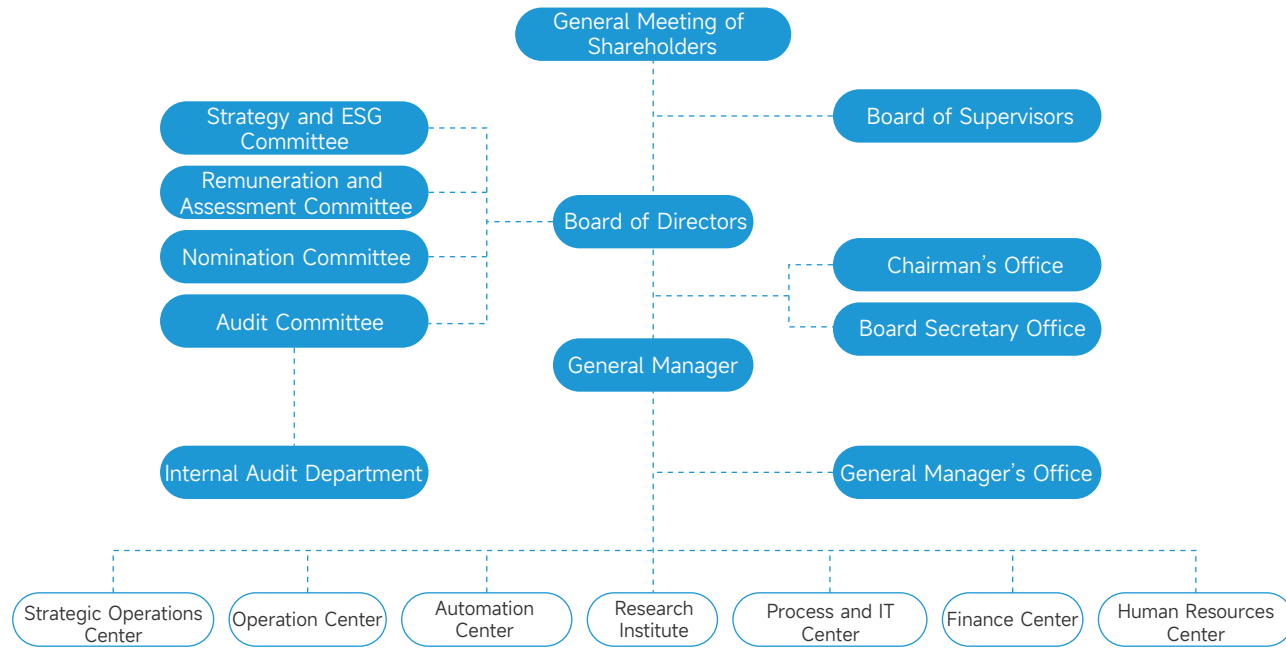
02

Corporate Governance

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Governance Framework



京泉华组织架构

General Meeting of Shareholders

The General Meeting of Shareholders is the highest authority of the Company. The Company convenes and holds the General Meeting of Shareholders in strict accordance with the *Company Law of the People's Republic of China* (hereinafter referred to as the "Company Law"), the *Rules for the General Meeting of Shareholders of Listed Companies*, the *Articles of Association of Shenzhen JingQuanHua Electronics Co.,Ltd.*, and the *Rules of Procedure for General Meetings of Shareholders*. It treats all shareholders equally, provides convenience for shareholders to attend the general meeting, and fully safeguards the exercise of shareholders' rights. During the Reporting Period, the Company's General Meetings of Shareholders were convened by the Board of Directors, and the qualifications of attendees and the procedures for convening and voting at the General Meetings of Shareholders were in compliance with legal requirements.

Key Performance

- In 2024 >>>>>>
- ◆ Convened **2** General Meetings of Shareholders
- ◆ Deliberated and approved **16** proposals.

Board of Directors

The Company elects directors in strict accordance with the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, the *Management Measures for Independent Directors of Listed Companies*, the *Articles of Association*, and the *Rules of Procedure for the Board of Directors*. The number and composition of the Board of Directors comply with the requirements of relevant laws and regulations. The Company's Board of Directors consists of four specialized committees: the Strategy and ESG Committee, the Compensation and Appraisal Committee, the Nomination Committee, and the Audit Committee. All members of these committees are current directors. Each specialized committee exercises its powers in accordance with the Articles of Association and the rules of procedure for each committee, providing professional advice and reference for the scientific decision-making of the Board of Directors.

Board Diversity

The Company is committed to promoting board diversity, taking into account the Company's development needs. When selecting directors, the Company fully considers various factors such as gender, age, expertise, educational level, and educational background to maintain a balanced approach. The Company's directors specialize in areas including business management, financial accounting, and industry experience. On the basis of their respective professional fields, the directors provide rational and scientific opinions and suggestions to support the business decisions and ensure standardized operations of the Company.

Position	Name	Gender	Educational Background/
Chairman	Zhang Lipin	Male	Bachelor
Director	Qi Siming	Male	Bachelor
Director General Manager	Ju Wanjin	Male	College
Director Executive Deputy GM	Wang Zhaohua	Male	Bachelor
Director Deputy GM	Li Zhangong	Male	Bachelor
Director	Zhang Liyang	Male	Master
Independent Directors	Su Min	Male	Master
Independent Directors	Dong Xiuqin	Female	Phd.
Independent Directors	Hu Zongbo	Male	Phd.

Key Performance

- During the Reporting Period >>>>>>
- ◆ Convened **8** meetings of the Board of Directors
- ◆ Deliberated and approved **37** proposals
- ◆ Average attendance rate of **100%** for directors

Board Independence

The Company's independent directors diligently perform their duties in accordance with relevant laws, regulations, and the *Articles of Association*. They play a role in decision-making, supervision, checks&balances, professional consultation and safeguard the overall interests of the Company.

	Independent Directors (Person)	Non-independent Directors (Person)	Whether the Independent Director Serves as Chairman of the Committee
Strategy and ESG Committee	1	2	Yes
Remuneration and Assessment Committee	3	2	Yes
Nomination Committee	2	1	Yes
Audit Committee	2	1	Yes

Board of Supervisors

The Board of Supervisors elects supervisors in strict accordance with the *Articles of Association*, the *Rules of Procedure for the Board of Supervisors* and other relevant regulations. The number and composition of the Board of Supervisors comply with the legal and regulatory requirements. The Board of Supervisors performs its supervisory functions over the Board of Directors and the Company's management, including reviewing the periodic reports prepared by the Board of Directors, providing written review opinions, examining the Company's finances, and supervising related-party transactions, as well as the performance of duties by directors and senior management.

Remuneration for Senior Management

The Company has established fair and transparent performance evaluation standards and incentive and restraint mechanisms for directors, supervisors, and senior management in strict accordance laws and regulations, as well as the Company's *Rules of Procedure for the Nomination Committee of the Board of Directors*, and *Rules of Procedure for the Compensation and Appraisal Committee of the Board of Directors*. The compensation plan for the Company's directors shall be proposed by the Compensation and Appraisal Committee of the Board of Directors, reviewed and approved by the Board of Directors, and submitted to the General Meeting of Shareholders for approval; The compensation plan for the Company's supervisors shall be proposed by the chairman of the Board of Supervisors, reviewed and approved by the Board of Supervisors, and submitted to the General Meeting of Shareholders for approval; The remuneration of senior management personnel of the Company shall be proposed by the Compensation and Appraisal Committee of the Board of Directors and submitted to the Board of Directors for approval.

Key Performance

During the Reporting Period

Convened **17** meetings of the specialized committees

Deliberated and approved **69** proposals

Average attendance rate of **100%** for directors.

In 2024

Convened **6** meetings of the Board of Supervisors

Deliberated and approved **20** proposals

Average attendance rate of **100%** for supervisors.

During the Reporting Period, the Company's directors, supervisors, and senior management received basic salaries on a monthly or quarterly basis. The year-end bonus was distributed after the Compensation and Appraisal Committee of the Board of Directors conducted a comprehensive assessment of the directors, supervisors, and senior management based on the Company's business and performance indicators.

Compliant Operation

The Company continuously improves its compliance management system, adhering to the principles of "Law-abiding Operations, Prudent Business Practices, and Integrity-driven Governance." The Company has formulated a series of relevant regulations, including the *Internal Control Management System*, based on applicable laws and regulations. Through legal and regulatory training, the Company enhances employees' compliance awareness to ensure that all business activities comply with laws, regulations, and internal standards, promoting the Company's steady and sustainable development.

During the Reporting Period, the Company conducted a total of 2851 legal compliance training sessions, totaling 3518 hours, with 15532 participants.

Case Study "Lead with Compliance, Advance with Assurance" 2024 Corporate Compliance Training

From October 29 to 31, JingQuanHua conducted corporate compliance management training sessions in three locations: Guanlan, Longgang, and Heyuan, aiming to enhance employees' compliance awareness and promote the construction of the Company's compliance management system. Leaders from the relevant departments of the Group, department heads, and key business personnel from various subsidiaries attended the training.



Key Performance Indicators

During the reporting period, the Company conducted

2,851 Legal Compliance Training Sessions **13,539** totaling hours **12,856** with participants

Key Performance Indicators

During the reporting period

the Company has paid taxes totaling **31,751,214.49** yuan (excluding individual income tax).

The Company consistently maintains a high level of compliance awareness and strictly follows national tax laws, taking lawful and honest tax payment as the core principle of its tax management. In practice, the Company, in strict accordance with tax collection and administration requirements, employs refined management techniques to complete various tax declarations and payments on time and accurately, ensuring the completeness and timeliness of tax payments, effectively preventing any form of tax evasion or avoidance and other tax violations.

Management of Connected Transactions

The Company fulfills the deliberation procedures and information disclosure obligations for connected transactions in strict accordance with the relevant provisions of the *Articles of Association*, the *Rules of Procedure for General Meetings of Shareholders*, the *Rules of Procedure for the Board of Directors*, the Related Party Transaction Management System and other systems. It strictly implements the system of avoidance of voting on connected transactions and gives full play to the role of independent directors in its actual work to safeguard the legitimate rights and interests of the Company and its shareholders.

Investor Relations Management

Information Disclosure

The Company has established the *Investor Relations Management System* to disclose information in a true, accurate, timely, complete, and fair manner in strict accordance with the *Securities Law of the People's Republic of China*, the *Measures for the Administration of Information Disclosure by Listed Companies*, and other laws, departmental regulations, and normative documents such as the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*. The Company designates the Board Secretary to be responsible for information disclosure, coordinates the relationship between the Company and investors, and effectively conducts investor relations management and actively strengthens communication with investors by promptly responding to questions raised on the investor interaction platform, answering investor calls, and utilizing various other methods.

The Company has designated CNINFO (www.cninfo.com.cn) as the Company's designated website for information disclosure and *Securities Times* as the Company's designated newspaper for disclosing periodic reports to ensure that all shareholders have equal access to company information.

Communication with Investors

The Company's Board Secretary Office serves as the investor relations management department, headed by the Board Secretary, and acts as the main communication channel between the Company and investors, facilitating effective communication.

The Company interacts with investors through multiple channels, including an investor hotline and the Hudongyi platform (irm.cninfo.com.cn), to enhance investors' understanding of the Company. At the same time, the Company strictly follows regulations to ensure the truthfulness, accuracy, completeness, timeliness, and fairness of disclosed information, and has not violated any regulations by disclosing unpublished material information during its investor relations management activities.

Key Performance

During the Reporting Period

>>>>>

◆ the Company disclosed

4 Periodic Reports

◆ **114** Interim Announcements

(including attachments)

◆ Answered **77** investor questions on

Hudongyi platform

Investor Dividends

In accordance with the *Company Law*, the China Securities Regulatory Commission's *Notice on Further Implementing Cash Dividends for Listed Companies*, *No.3 Guideline for the Supervision of Listed Companies - Cash Dividend Distribution of Listed Companies*, and other relevant laws, regulations, and normative documents, as well as the Company's *Articles of Association*, the Company has developed a stable and sustainable profit distribution decision-making process and long-term mechanism. Taking into account the Company's actual operating conditions and future development needs, and to effectively protect the legitimate rights and interests of minority shareholders, the Board of Directors has prepared and the General Meeting of Shareholders has approved the Company's *Shareholder Return Plan for the Next Three Years*, which has been implemented for several consecutive years.

Cash Dividends in the Past Three Years

>> Key Performance	Unit	2022	2023	2024
Cash Dividend per Share	RMB	0.10	0.014	0.22
Total cash dividends (including tax)	RMB 10,000	1,944.97	394.87	592.60
Proportion to Net Profit Attributable to Shareholders of the Listed Company in Consolidated Financial Statements	%	13.61	10.97	14.43

Business Ethics

The company designates the Board of Directors as the highest governing authority for business ethics, having established the *RBA Management Manual* and the *Code of Ethical Conduct Manual*. It strictly adheres to internationally recognized highest standards of business ethics across all commercial activities, upholding principles of integrity-driven operations. The company explicitly prohibits corruption, extortion, and embezzlement; forbids offering or accepting bribes; publicly discloses information regarding business operations, organizational structure, financial status, and performance; respects and safeguards intellectual property rights; and conducts lawful competition and advertising in compliance with fair trading principles.

The Company rigorously complies with all applicable laws and regulations pertaining to business ethics, meets stakeholder requirements, and continuously advances improvement initiatives.

Anti-commercial Bribery and Anti-corruption

The Company strictly complies with relevant laws and regulations, and has formulated systems such as the *Trial Draft of Integrity Construction*, the *Anti-Fraud Management System*, and the *Integrity and Anti-Fraud Audit System*, to create an honest and clean working environment, protect the interests of the Company, shareholders, directors, employees, customers, and business partners, and promote the Company's healthy development. The Chairman directly leads the Integrity and Clean Governance Committee, which includes three main functional departments: Human Resources, Internal Audit, and Compliance Risk Control, to establish the Company's integrity and clean governance system.

Based on the *Anti-Fraud Management System*, the Company has established relevant procedures to conduct risk identification and assessments for commercial bribery, investigate accusations of unethical behavior, and effectively control potential commercial ethics risks in operations. During the Reporting Period, the Company conducted internal evaluations of commercial ethics at all operating locations, achieving a coverage rate of 100%.

The Company actively carried out anti-commercial bribery and anti-corruption activities, and organized Integrity and Clean Governance Conferences. During the Reporting Period, to deepen corporate integrity and clean governance management and create a fair and harmonious cooperation atmosphere, the Company held the "2024 JingQuanHua Integrity and Clean Governance Conference and Oath-taking Ceremony". The conference, themed "Uphold Integrity, Co-Create the Future," gathered the Company's key management and partners from across the country to commemorate this historic moment.

Key Performance

In 2024 >>>>>

◆ the signing rate of the Commitment to Integrity for key personnel in critical areas and positions reached **100%**.

◆ **12,856** employees participated in Anti-corruption Training

◆ With a total of **13,163.5** hours of training.

Anti-unfair Competition and Anti-monopoly

The Company strictly abides by laws and regulations such as the *Company Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*, and upholds the principle of fair competition. It has formulated the Anti-monopoly and Anti-Unfair Competition Management System and refrains from engaging in any activities that may harm market fairness, and prohibits any form of unfair competition.

To prevent and stop monopoly behaviors and unfair competition, and to protect the legitimate interests of the Company and related parties, the Company has implemented the following measures:

Human Resources Department	<ul style="list-style-type: none"> Responsible for new employee orientation training and organizing at least one training session annually for all employees on the anti-monopoly and anti-unfair competition management system, as well as the formulation and signing of relevant anti-monopoly and anti-unfair competition agreements.
Internal Audit Department	<ul style="list-style-type: none"> Responsible for auditing the Company for any anti-monopoly or anti-unfair competition-related behaviors.

During the Reporting Period, 12,856 employees participated in Anti-unfair Competition & Anti-monopoly training, with a total of 13,131.5 hours of training.

Efficient Reporting Channels


The Company encourages suppliers, customers, and any external or internal personnel to actively participate in anti-fraud work through a combination of internal and external supervision, and to report any known fraudulent behaviors. The Company rewards individuals who have reported fraud and considers the integrity of the whistleblower as an important factor when evaluating long-term cooperation partners or career advancement.

Chairman and General Manager Box Feedback

Each factory has a feedback box for the Chairman or General Manager, where employees can submit written materials; The Chairman's feedback box has an online channel, allowing employees to provide feedback by scanning a QR code.

Email Feedback jubao@everrise.net

Phone Feedback 13828821699



The Company has established a comprehensive protection mechanism for whistleblowers, ensuring that the information and materials provided by the whistleblower are handled and investigated confidentially and cautiously. The identity of the whistleblower and their evidence will not be disclosed without the whistleblower's consent. In cases where the whistleblower's identity information is required for legal proceedings or other specific situations, the Company will take all reasonable measures to ensure that the whistleblower does not suffer harm as a result. The Company is resolutely opposed to any harassment or punishment of honest whistleblowers. Such behavior will be regarded as a serious violation of discipline, and once verified, those involved will be held accountable by the Company.



Integrity and Clean Governance Conference

Clean Governance Management Measures

Integrity and Clean Governance Committee	<ul style="list-style-type: none"> Responsible for making final decisions on major integrity issues that occur in the Company's daily business operations.
Internal Audit Department	<ul style="list-style-type: none"> Responsible for conducting internal audits and supervision of all departments to ensure that business activities are conducted within the framework of integrity and clean governance.
Human Resources Department	<ul style="list-style-type: none"> The Human Resources Department at all levels is responsible for assisting the Internal Audit Department in investigating, verifying, providing evidence, and maintaining integrity and clean governance archives for reported issues.
Heads of Organizations at All Levels	<ul style="list-style-type: none"> Responsible for carrying out publicity and training on integrity construction within their organization; supervising the daily integrity and ethical behavior of employees within their organization, conducting self-inspection and self-correction in a timely manner, and reporting any violations to the Internal Audit Department.
Whistleblowing Channel Case Intake Officer	<ul style="list-style-type: none"> Responsible for receiving and registering the reported information, filling out relevant forms, and monitoring the processing progress of the reported incidents.
Chairman's Office	<ul style="list-style-type: none"> Responsible for the registration and safekeeping of external gifts or money received by employees.

03

Environmental Protection

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Response to Climate Change

Governance


In line with the sustainable development philosophy and the climate change strategy outlined in the national "14th Five-Year Plan," JingQuanHua regards response to climate change as one of the core topics in the Company's long-term development strategy. The Company actively explores effective paths for addressing climate change, promotes transformation and upgrading, and is committed to integrating climate governance with its business philosophy by establishing a top-down governance structure, thus efficiently promoting the orderly implementation of climate action.






Strategic Decision-maker

The highest governance body for response to climate change management, responsible for approving climate-related policies, strategies, and objectives, integrating climate-related risks and opportunities into considerations, and supervising climate-related risks and disclosures.



Supervision and management level

Responsible for assessing and managing climate-related risks and opportunities, conducting strategic research on climate change, planning the Company's climate-related strategies, establishing effective mechanisms to ensure the implementation of climate-related actions, and regularly submitting climate risk topics and execution reports to the Board of Directors.



Implementation level

Establish policies, standards, and requirements for climate risk management, provide climate management measures, tools, processes, training, and guidance for each department, and assess the effectiveness and appropriateness of climate risk management.

In January 2024, the Company has formulated the *Climate Change Response Regulation of Shenzhen JingQuanHua Electronics Co.,Ltd.* and the *Climate Change Response Management Measures of Shenzhen JingQuanHua Electronics Co.,Ltd.* These documents clarify the responsibilities of relevant departments in identifying and overseeing emerging risks related to ESG trends and climate change, as well as tracking climate change indicators and targets, in order to advance the deepening and implementation of climate governance practices.

Strategy

To further understand the impact of climate change on the Company and the risks and opportunities it may bring, and to strengthen the Company's business resilience, JingQuanHua conducts in-depth research on various policy information, market changes, and technological development trends. The Company analyzes and summarizes topic risks and opportunities related to JingQuanHua, evaluates their impact according to pre-established evaluation criteria, and ranks the importance of identified risks and opportunities based on the analysis results.

Impact, Risk, and Opportunity Assessment

JingQuanHua adopts scientific and systematic methods to establish a climate change management strategy. Through scenario analysis, the Company identifies and assesses the risks and opportunities posed by climate change, referring to climate, macro-environment, industrial policies, and other relevant research literature. Combined with JingQuanHua's own business situation, the Company identifies and evaluates the potential impact of climate change on its business over the short term (within 3 years), medium term (3-5 years), and long term (more than 5 years), and formulates targeted management strategies and implementation plans.

Category	Specific Category	Impact Factors	Corresponding Traditional Risks	Impacted Value Chain Links	Impacted Financial Indicators	Description	Impact Duration	Response Measures	
								Existing Measures	Optimization Plans
Climate Physical Risks	 Acute Risk	Typhoon	Property Loss Operational Impact	Inbound Logistics Operations Outbound Logistics	Revenue Operating Expenses Production Costs Tangible Assets	<ul style="list-style-type: none"> 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	Anchorage and flood barriers
		Extreme Precipitation	Property Loss Operational	Inbound Logistics Operations Outbound Logistics	Revenue Tangible Assets	<ul style="list-style-type: none"> 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	Anchorage 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	Anchorage and flood barriers
		Extreme Temperatures	Property Loss Operational Impact	Inbound Logistics Operations Outbound Logistics	Revenue Operating Expenses Production Costs	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Reasonably arrange work and rest time; Develop time-segmented production plans to avoid peak electricity usage.
	 Chronic risk	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 Plans
Climate Transition Risks	Policy & Regulatory Risk	Tightening of GHG Emission Management	Compliance impact Operational impact	Operations Marketing & Sales	Revenue Operating Expenses	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Process improvements Equipment adjustments Purchase of climate change insurance
		Rising Obligations for 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. The Company may face increased disclosure obligations driven by customer demands	Mid-term	<ul style="list-style-type: none"> 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 Aelection	Property loss Operational impact Reputation impact	Operations Marketing & Sales Service	Production Costs Revenue Operating Expenses	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Conduct market demand research and analysis based on market demand Strengthen communication with customers to clarify customer needs and preferences 	<ul style="list-style-type: none"> Develop a specification document Conduct a technology audit Establish feedback mechanisms
			Technological Reliability Risks	Reputation Impact Property Loss Operational impact	Operations Marketing & Aales Service	Production Costs Tangible Assets Liabilities Revenue Operating Expenses	<ul style="list-style-type: none"> 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 technology risk assessments
		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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 Opportunities	Impacted Value Chain Links	Impacted Financial Indicators	Description	Impact Duration	Response Measures	
								Existing Measures	Optimization Plans
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	<ul style="list-style-type: none"> 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 chain	<ul style="list-style-type: none"> 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-term	Pay attention to government and investment institutions' green finance plans	Disclose the Company's special carbon management report

Scenario Analysis

Following the principles of high contrast, balance, and scientific basis, the Company uses publicly available data sources to construct scenarios. 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 selects the Stated Policies Scenario (STEPS) and the 2050 Net Zero Emissions Scenario (NZE) proposed by the International Energy Agency (IEA) as transition scenarios to analyze climate transition risks. Additionally, the Company conducts an analysis of the potential climate opportunities it may face based on the two scenarios proposed by the IPCC and IEA.

This scenario analysis covers the Company and all of its subsidiaries and branches. The scope of the analysis is limited to the Company's own production and operations, and it does not yet include the quantitative analysis of climate risk transmission effects in the Company's upstream and downstream value chains.

Scenario Name	Physical Risk Scenarios		Transition Risk Scenarios	
	SSP1-2.6	SSP5-8.5	Stated Policies Scenario (STEPS)	2050 Net Zero Emissions Scenario (NZE)
Scenario Description	<p>A world of inclusive development that respects environmental limits can promote the reduction of inequality and, beyond economic growth, shift towards a path that comprehensively focuses on various aspects of human well-being.</p> <p>Aiming to achieve lower greenhouse gas emissions and achieve net zero emissions by around 2075.</p>	<p>A world that is heavily reliant on fossil fuels, with rapid technological progress and human capital development, leading to significant economic growth at the expense of environmental degradation.</p> <p>Predicted extreme greenhouse gas emissions will lead to a threefold increase in carbon dioxide emissions by 2075.</p>	<p>Only considering the specific policies that have been implemented or announced by the government, and taking into account the situation where global commitments made by various countries cannot be fully realized.</p>	<p>Achieving net zero CO₂ emissions by 2050</p> <p>Achieving its goals without relying on emission reductions outside the energy sector.</p>
Potential Temperature Increase by 2,100	About 1.8°C	About 4.4°C	About 2.7°C	Within 1.5°C

Assessment Results

Category	Specific Category	Impact Factors	SSP1-2.6			SSP5-8.5			
			Magni-tude of Impact	Fre-quency	Proba-bility	Magni-tude of Impact	Fre-quency	Prob-ability	
Risk	Climate Physical Risks	Acute Physical Risks	Typhoon	3	3	3	3	3	3
			Extreme Precipitation	3	2	3	3	3	4
			Flood	4	2	3	4	3	4
			Extreme Temperatures	2	2	2	2	2	5
	Chronic Physical Risks	Long-term Water Pressure	3	3	3	3	4	4	
		Sea Level Rise	2	3	4	2	4	5	
	Policy and Regulatory Risk	Tightening of GHG Emission Management	4	3	5	2	2	3	
		Rising Obligations for GHG Emission Disclosures	3	2	4	4	2	2	
	Climate Transition Risks	Technological Innovation Risks	Improper Technology Selection	3	2	2	5	3	4
			Industry Development Trends	3	3	4	5	4	5
		Technological Reliability Risks	4	3	3	4	4	4	
		Market Risk	Raw Material Vost Fluctuations	4	2	3	5	3	4
		Reputational Risk	Public Opinion Monitoring	4	3	4	2	2	2
	Changes in Stakeholder Concerns		4	4	4	2	2	2	
	Opportunities		Policy Support	5	4	5	5	3	2
Market Opportunities			4	4	5	2	2	2	
Green Financing Opportunities			4	4	5	1	1	1	

Impact, Risk, and Opportunity Management

Management System

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.

Management Process

Risk Identification

Based on stock exchange requirements, industry best practices, industry characteristics, stakeholder opinions, and expert advice, JingQuanHua regularly updates the list of climate change-related risks and opportunities that the Company may face, and discuss and review it.

Risk Assessment

To effectively allocate resources for managing the most significant risks and opportunities, the Company evaluates the risk & opportunity list, analyzes factors such as the likelihood, impact, adaptability, and resilience of risks and opportunities under different scenarios, and prioritize them and then decide how to monitor and manage such risks and opportunities

Assessment Dimensions	Description	Consideration Factors	
Possibility	/	Frequency of risks & opportunities Probability of occurrence of risks & opportunities	
Magnitude of Impact	Impact	<ul style="list-style-type: none"> Impact on Company production and operations Direct impact: Directly impacting housing construction, factory equipment, or transportation facilities, causing physical assets to be damaged, impaired, or lost, thereby resulting in direct physical losses. Indirect impact: Leading to production stoppages, reduced output, or disruptions in production activities, which in turn trigger indirect economic losses such as worsening business conditions, reduced household income, and economic stagnation. 	Financial loss Reputation loss Legal action & fines Loss of partners
	Adaptation Difficulty	Refers to the difficulty for the Company in adapting to changes in the risk/opportunity process by adjusting its structure and strategies in order to maintain its competitive advantage when facing risks/opportunities.	The gap between the resources required to adapt to changes and the Company's existing resources The Company's ability to build adaptation capacity for this risk/opportunity
	Recovery Difficulty	Refers to the time, resources, and efforts required for the Company to return to normal operations or seize opportunities again after an event occurs.	The gap between the resources required for recovery and the Company's existing resources The Company's ability to build recovery capacity for this risk/opportunity
Impact Duration	/	Impact duration	

Priority

Jingquanhua calculates the risk and opportunity scores based on the collected ratings, thereby determining the priority of each risk and opportunity. The Company first calculates the score of a particular risk point for a single subsidiary, then aggregates the results. Based on the Company's business categories, it outputs both physical and transition risk matrices. For business opportunities, the same method is used, and an opportunity matrix is drawn based on the results.

Risk Response

Based on the risk identification and assessment results, JingQuanHua analyzes the root causes of risks and develops or adjusts risk management strategies accordingly, aiming to prevent, avoid, or reduce risks from the root cause. The Company regularly reviews changes in risk nature and severity to ensure effective risk management.

Optimization and Enhancement

Due to the high complexity and uncertainty of climate risks, JingQuanHua will continuously improve its climate risk identification, assessment, and mitigation capabilities. The Company focuses on climate practices from leading international institutions and enterprises, strengthens cross-departmental collaboration and stakeholder engagement, and improves information communication and transparency. At the same time, it will strengthen climate training to enhance the Company and employees' adaptability, enabling a smooth response to climate change challenges.

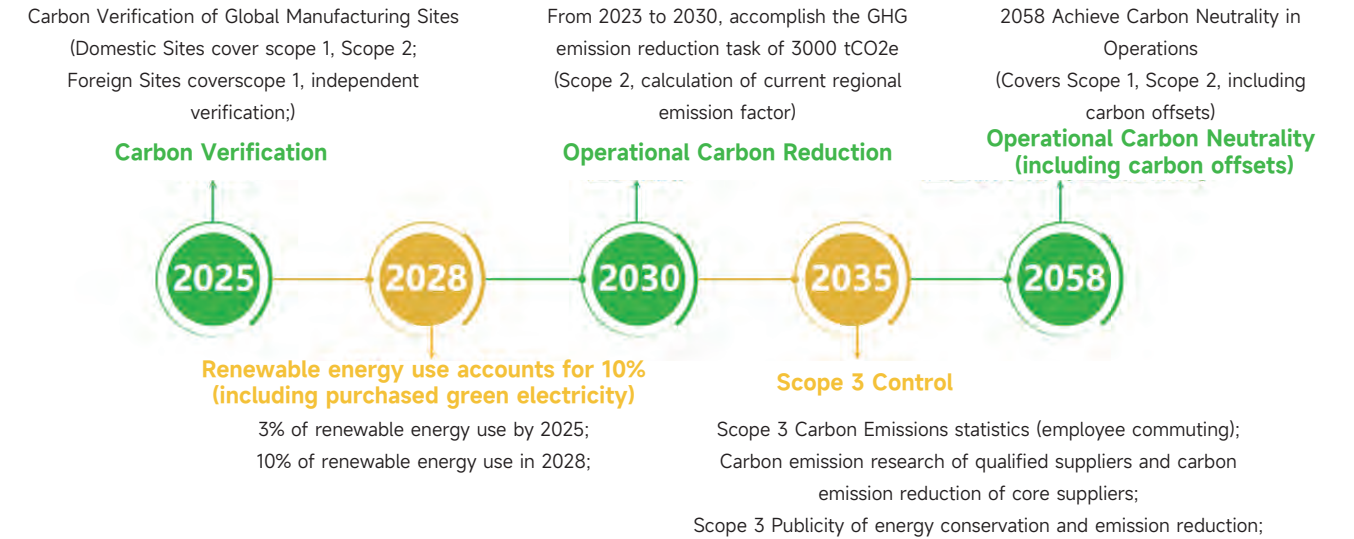
Metrics and Targets

>> Key Indicators		Unit	2023	2024
GHG Emissions	Scope 1	tCO ₂ e	498.78	606.64
	Scope 2		11,720.53	13,557.39
	Total		12,219.31	14,164.03
GHG Emission Intensity	Scope 1	tCO ₂ e/10,000 Yuan of Output Value	0.0019	0.002
	Scope 2		0.045	0.045
	Total		0.047	0.047
Total Energy Consumption	Direct Energy	kgce	28,728.82	26,654.11
	Indirect Energy		2,985,193.76	3,639,693.33
	Total		3,013,922.58	3,666,347.44
Energy Consumption Intensity	Direct Energy	kgce/10,000 Yuan of Output Value	0.11	0.088
	Indirect Energy		11.52	12.01
	Total		11.63	12.10

Note:1. The above data is for the years 2023 and 2024, with foreign factories and the Hubei factory in 2023 being self-inspected.
 2.Emission factors:a. Carbon emissions for domestic factories are calculated using the provincial-level power CO₂ emission factor; b. Carbon emissions for foreign factories are calculated using the national-level power CO₂ emission factor.

Zero Carbon Plan for JingQuanHua

To actively respond to the national "Peak Carbon by 2030, Carbon Neutrality by 2060" dual-carbon policy, JingQuanHua has adopted "Low-carbon Operation" as its slogan. It continues to plan and implement low-carbon initiatives, promote green operations, set carbon reduction targets, design strategies to reduce carbon footprints, and decrease carbon emissions, ultimately aiming for relative zero carbon emissions to contribute to achieving the "Dual Carbon" goals.



Note: The company regularly makes strategic adjustments to the stage targets based on the requirements of relevant parties and the actual situation.

Carbon Reduction & Effectiveness

Jingquanhua has carried out emission reduction actions through Energy Efficiency, Energy Transformation and Outsourcing Renewable Energy to response to climate change. The engineering and HR departments lead the establishment of a project team. The company's leaders assign energy conservation and emission reduction tasks during the annual management review. The system departments share the successful experience from time to time to ensure the effective promotion of emission reduction projects.

Energy Efficiency is reflected in equipment & process optimization, saving 719,000 kWh of electricity annually; The company constructs photovoltaic power generation and solar heating as the priority Energy Transformation strategy, saving 1.249 million kWh of electricity annually. In addition, the company rationally allocated clean energy through electricity trading and absorbed 16,710 MWh of green electricity through Outsourcing the Green Power Certificates of Renewable Energy.

Key Performance

In 2024, Jingquanhua has completed emission reduction of about **53%**.

Greenhouse Gas Verification

JingQuanHua has developed the *Greenhouse Gas Quantification and Reporting Procedure* and prepared the *Organizational GHG Quantification Inventory* and the *Greenhouse Gas Quantification Report* to identify the sources of GHG, set the Carbon Reduction Plans and implemented effective reduction measures. These efforts aim to reduce GHG emissions and lay a solid foundation for the future promotion of carbon reduction across the whole value chain.

During the Reporting Period, the Company and some subsidiaries obtained the ISO 14064 Greenhouse Gas Verification Statement certificate.

ISO 14064-1:2018 Greenhouse Gas Verification Statement Certificate



Shenzhen JingQuanHua Electronics Co.,Ltd.

Shenzhen JingQuanHua & Everrise Intelligent Electric Co., Ltd

Heyuan JingQuanHua Technology Co., Ltd.



Jiangsu JingQuanHua Electronics Industrial Co., Ltd.

Hubei Runsheng Electronic Industry Co., Ltd.

In addition, the company rationally allocates clean energy through market-oriented power trading, and consumes 16710 MWh of green electricity through outsourcing the Green Power Certificates of Renewable Energy.



Operational Carbon Reduction

Carbon Reduction Measures	Location/Base	Rectification Project	Emission Reduction Contribution Link	Emission Reduction Effect (tCO ₂ e/year) ¹
Energy Saving and Carbon Reduction Transformation	Longgang, Shenzhen	Central air conditioning cooling station - energy consumption cloud control solution	Scope 2	269.87
	Longgang, Shenzhen	Testing optimization efficiency improvement	Scope 2	4.40
	Longgang, Shenzhen	Tunnel furnace efficiency improvement retrofit	Scope 2	143.20
	Heyuan	sensor Tunnel furnace modification - adding sensors	Scope 2	236.12
	Jiangsu	Optimization and integration of punch press and bending forming machine into a single machine for punching and bending operations	Scope 2	6.51
	Jiangsu	Optimization of silicon steel sheet cutting from single-coil operation to dual-coil operation	Scope 2	61.88
	Longgang, Shenzhen	Always-on display device set to timed sleep mode	Scope 2	2.08
Adoption of Clean Energy	Longgang, Shenzhen	Wave soldering equipment energy-saving mode enabled	Scope 2	4.85
	Longgang, Shenzhen	Aging cabinet - 75% energy recovery photovoltaic project(to be officially connected to the grid in 2025)	Scope 2	169.99
	Longgang, Shenzhen	Solar Energy	Scope 2	1,015.23
Cumulative Emission Reduction				2,084.92

In addition, the company rationally allocates clean energy through market-oriented power trading, and consumes 16710 MWh of green electricity through outsourcing the Green Power Certificates of Renewable Energy.

Carbon Reduction Awareness & Capacity Building

Encouraging Green Travel



JingQuanHua advocates and practices green and low-carbon development, committing to environmental protection and energy utilization. The smart AC charging piles developed by Shenzhen JingQuanHua & Everrise Intelligent Electric Co., Ltd have been put into use. New energy charging piles have been installed in all factories in Jiangsu, Longgang, Heyuan, and Guanlan to encourage employees to adopt green travel through concrete actions.



¹The greenhouse gas accounting standards refer to the *Guidance for verification of the organization's greenhouse gas emissions* issued by Shenzhen.



Training on Response to Climate Change

To better respond to customer carbon reduction policies, promote sustainable development, and enhance corporate social responsibility, the Company continuously fosters low-carbon and sustainability capabilities through:

- Regular and ad-hoc online and offline coaching from Schneider, Huawei, and Flex
- Online training and learning with the United Nations Global Compact (UNGC)



Inviting Experts for On-Site Energy Retrofit Guidance

Senior experts visit the site in person to provide comprehensive and professional guidance on energy transformation, from energy assessment and solution planning to implementation details, aiming to enhance energy efficiency while contributing to the industry's green transformation.



Low-Carbon Solutions

Business Strategy & Goals

As global nations reach new consensus on addressing climate change, China is intensifying the introduction of various climate-related policies. In line with the industrial directions advocated by the government, JingQuanHua takes green development as its responsibility. Based on magnetic components, the Company simultaneously develops power supplies and special transformers. In the new energy sector, it has completed the layout in three major areas: photovoltaic energy storage inverters, automotive and charging pile magnetic components, JingQuanHua continues to optimize and strengthen its efforts, empowering clean energy and advancing toward a sustainable future.

Technology Reserves and Product Breakthroughs

Automotive Magnetic Components

Provide on-board chargers (OBC) and DC-DC module magnetic component solutions for customers in the new energy vehicle industry, meeting the needs for stable power conversion in electric vehicles and provide high-quality filter components to enhance the overall driving experience of new energy vehicles, contributing to the achievement of the "dual carbon" goals in the new energy vehicle industry.



DC-DC Transformers

Charging Pile Magnetic Components

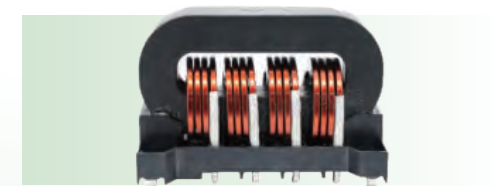
A complete set of charging pile magnetic component solutions, including resonant inductors, main transformers, common-mode inductors, PFC inductors, etc. Accurately meet the functional requirements of charging piles in areas such as circuit power conversion and transmission, filtering, and power factor adjustment, and effectively improve the efficiency and stability of charging piles, providing a solid foundation for the high-quality construction and development of new energy vehicle charging and swapping infrastructure.



Vertical Magnetic Ring Inductor

Photovoltaic Energy Storage Industry Magnetic Component

Focusing on the core needs of the photovoltaic energy storage sector, the Company carefully designs and provides high-quality magnetic components, such as differential-mode inductors, common-mode inductors, boost inductors, and inverter inductors, which precisely align with the complex functional requirements of inverters in power conversion, filtering, and more. At the same time, these components optimize power conversion efficiency, effectively suppress electromagnetic interference, and significantly enhance the overall performance of inverters, promoting the efficient and stable operation of photovoltaic energy storage systems.



Vertical Common-Mode Inductor



Optimization of Standby Power Consumption in Laptop Adapters

Before 2023, the standby power consumption design standard for laptop PD adapters in the industry was: when the output voltage is 20V@0.15W, the AC input power must be ≤ 300 mW. During testing of certain Lenovo, ASUS, and ACER laptops, we found that the power consumption of the laptops in a fully charged and shut-down state was around 170-180mW@20V. In this case, the standby power consumption was between 330-350 mW. Typically, personal laptops have a standby time of about 5 hours a day, while office laptops have a standby time of 8-12 hours. Based on the usage of 115 million laptops in China in 2023, reducing standby power consumption can save a significant amount of energy.

Starting from February 2024, when initiating new projects, JingQuanHua communicated with PC clients in Taiwan to design with the goal of reducing the standby power consumption of laptops to 0.18 W and ensuring that the standby power consumption of the PD adapter is less than 300 mW. To this end, JingQuanHua initiated a project focused on reducing standby power consumption, conducting comprehensive power-saving design from the chip level to the software level, and using low-loss components as an auxiliary method. By optimizing the standby power consumption of the PWM low-power + SR chips and the PD protocol chips, and re-optimizing the feedback loop response speed algorithm and gain within the chips, the PD65W adapter was able to achieve an input power ≤ 300 mW in the 20V/0.18W output state (laptop standby power consumption), meeting the design requirements set during the project initiation.

The project was small-batch trial-produced in August 2024, and mass production began in December, achieving the goal of energy conservation and emission reduction.

JQH test standard standby power consumption data for the laptop PD 65W adapter (optimized adapter mass production test):

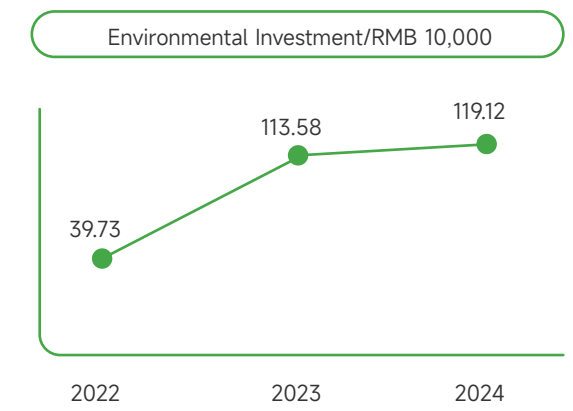
Test Sample	Input Voltage	Output Voltage	Output Power	Input Power
1#	115Vac	20.061V	0.18W	253mW
	230Vac	20.059V		291mW
2#	115Vac	20.040V	0.18W	259mW
	230Vac	20.044V		290mW
3#	115Vac	20.010V	0.18W	263mW
	230Vac	20.003V		288mW

Environmental Compliance Management

Governance

As an enterprise with a strong sense of social responsibility, JingQ-uanHua deeply understands the critical significance of environmental protection and always adheres to the attitude that rapid corporate development must not come at the expense of the environment. Therefore, the Company has formulated the *Quality, Environmental, Safety, and Hazardous Substances Management Manual* and the *Environmental Health Management System* in accordance with the *Environmental Protection Law of the People's Republic of China* and based on the Company's production practices. The Company fully implements and rigorously enforces environmental compliance management policies, from controlling the source, monitoring the process, to end-stage governance, continuously improves environmental compliance management levels in multiple dimensions, and is committed to protecting the environment and achieving harmonious coexistence between the Company and the environment during economic development.

During the Reporting Period, the Company and some of its subsidiaries have obtained ISO 14001:2015 Environmental Management System certification.



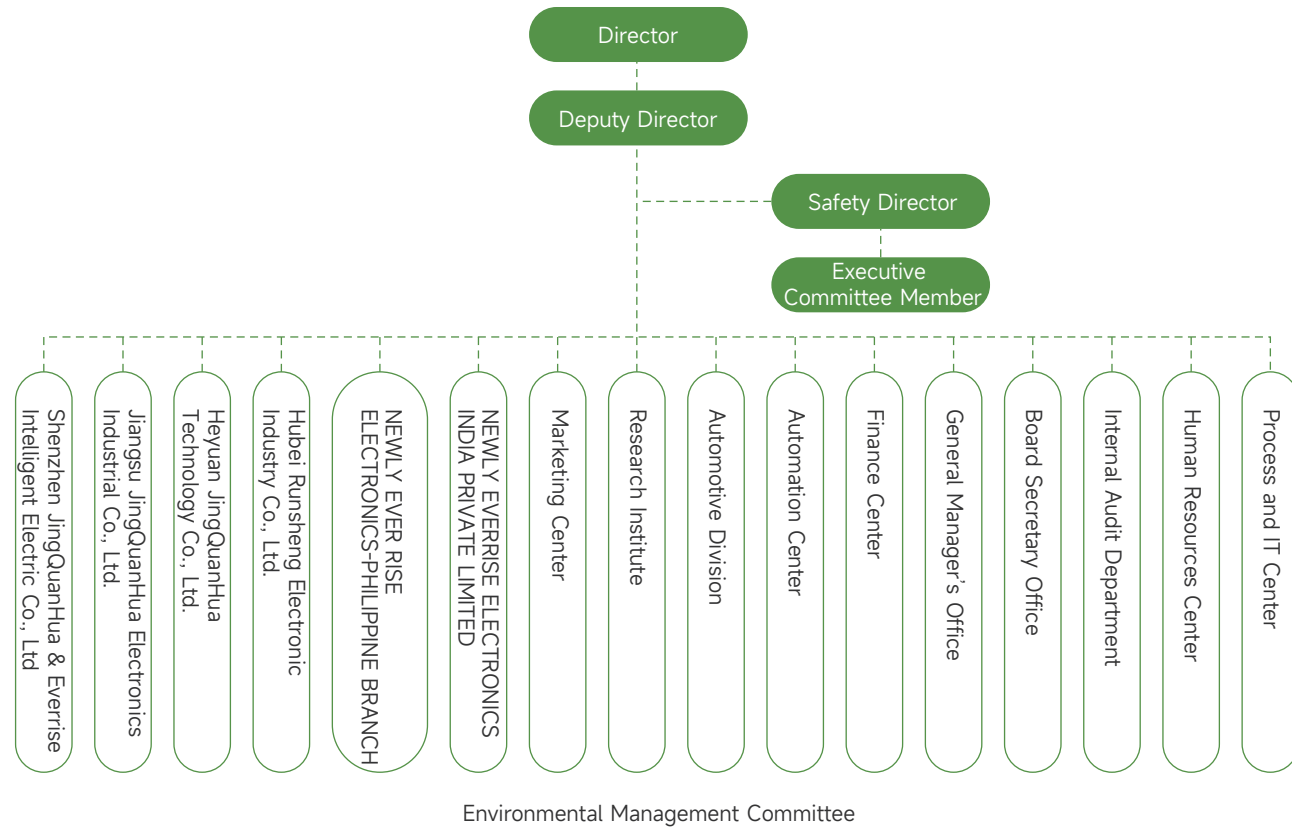
ISO 14001:2015 Environmental Management System Certification



- Shenzhen JingQuanHua Electronics Co.,Ltd.
- Shenzhen JingQuanHua & Everrise Intelligent Electric Co., Ltd
- Heyuan JingQuanHua Technology Co., Ltd.
- Newly Ever Rise Electronics-Philippine Branch
- JQH ELECTRONICS INDIA LLP

Environmental Management Architecture

To run the environmental management system more effectively, the Company has established the Environmental Management Committee of Shenzhen JingQuanHua Electronics Co.,Ltd. to implement national and local environmental management policies, make decisions, supervise, and coordinate all environmental protection work of the Company, and address major issues in the operation of environmental management.



Environmental Protection Capacity Building

JingQuanHua attaches great importance to the development of environmental compliance-related knowledge and awareness. The Company has incorporated environmental training and education into its employee training programs to raise employees' environmental compliance awareness, improve the Company's environmental compliance management level, and achieve sustainable development.

In March 2024, JingQuanHua conducted environmental compliance training, covering the environmental protection situation in major countries and regions around the world, RoHS II Directive, and other relevant regulations. The training emphasized key points of HSF management, helping to enhance employees' environmental compliance awareness.



Key Performance

◆ During the Reporting Period, the Company conducted a total of **2,918** environmental compliance training sessions, totaling **16,575.4** hours

Strategy

To further clarify the impact of environmental compliance and pollutant discharge management on the Company, as well as the associated risks and opportunities, and to enhance the Company's sustainability capacity, JingQuanHua has deeply researched various environmental policies, industry trends, and pollutant treatment technology development trends, analyzed and organized the topic risks and opportunities related to environmental compliance and pollutant discharge management pertinent to JingQuanHua, systematically and accurately identified and evaluated potential environmental compliance issues the Company may face, providing strong support for subsequent improvements, adhering to the environmental protection baseline during economic development and promoting long-term sustainable development.

Risk Type	Description	Impacted Value Chain Links	Impacted Financial Indicators	Impact Magnitude	Impact Duration	Likelihood of Occurrence	Response Measures
Stricter Environmental Regulations	As environmental policies tighten, the Company will face more stringent discharge requirements for wastewater, waste gases, and solid waste, which may require increased investment in environmental protection and operating costs.	Operations	Net Profit	3	Long-term	4	Strengthen policy monitoring, plan for upgrades to environmental protection facilities in advance, and optimize production processes to reduce pollutant generation
Improper Handling & Excessive Emission Risks	The electronic components manufacturing industry, in which the Company operates, is particularly sensitive to pollutant treatment. If pollutant discharge treatment facilities fail, or if the treatment process is inappropriate, resulting in non-compliant emissions, the Company may face environmental compliance penalties and reputational damage.	Operations	Net Profit Company Reputation	4	Short-term	1	<ul style="list-style-type: none"> Establish a regular maintenance and inspection mechanism for equipment. During the Reporting Period, the Company has increased the frequency of maintenance for waste gas treatment facilities; Reserve emergency response materials and emergency facilities (such as rags, fire sandbags, diversion ditches, containment, etc.); Improve the professional competence of management and operation personnel.
Leakage Risks	The chemicals used in the factory include hazardous chemicals such as fluxes and cleaning agents, which have various characteristics such as flammability, explosiveness, and corrosion. Some of the chemicals release harmful gases that can cause poisoning, fires, explosions, and other risks, leading to environmental pollution and legal liabilities.	Inbound logistics Operations Out-bound Logistics	Net Profit Company Reputation	5	Short-term	1	<ul style="list-style-type: none"> Require key positions responsible for hazardous chemicals management processes to hold certificates, and assign specific personnel, positions, and responsibilities for hazardous waste warehouse management; Store chemicals in classified and zoned areas within the chemical warehouse, with each type of chemical having its own signage, and ensure no items other than chemicals and emergency tools are stored; Install combustible gas concentration detection probes in the hazardous chemical warehouse and conduct regular inspections Implement measures such as leak prevention, corrosion protection, loss prevention, and leakage troughs in the hazardous chemical warehouse, and equip the warehouse with emergency supplies; Improve the hazardous chemicals management process.

Opportunity Type	Description	Impacted Value Chain Links	Impacted Financial Indicators	Impact Magnitude	Impact Duration	Likelihood of Occurrence	Response Measures
Green Technology	By adopting advanced green production technologies and pollution control technologies, the Company can reduce costs and enhance competitiveness.	Operations	Net Profit	3	Mid-term	3	<ul style="list-style-type: none"> Vigorously introduce advanced technologies; Build wastewater treatment and reuse facilities, ensuring that industrial wastewater is not discharged externally and is recycled.

Impact, Risk, and Opportunity Management

In compliance with the requirements of the ISO 14001 environmental management system, the Company has planned and implemented the *Important Environmental Factors Monitoring Management Regulations* and the *Environmental Factor Identification and Evaluation Procedure*, and registered the *Important Environmental Factors Registration Form*. Within the scope defined by the Company's environmental management system, the Company evaluates control effectiveness through regular monitoring activities to promptly identify anomalies and take necessary measures to effectively control or reduce the impact of environmental factors.

Risk Identification	Comprehensively consider the internal and external environment of the organization, including production processes, resource conditions, industry trends, and policies and regulations, and also incorporate the expectations and demands of stakeholders such as regulators, customers, and communities. Identify the environmental compliance management risks the Company may face in its production operations.
Impact Estimation	For each identified environmental risk, analyze the potential positive and negative impacts, and record the analysis results in the <i>Risk Identification, Assessment, and Control Table</i>
Risk Assessment	The Strategy Committee organizes its members and department heads to evaluate the identified risks based on the Company's risk assessment criteria, analyze the likelihood of occurrence of risks and the severity of their consequences, and determine the risk levels and the priority for risk mitigation
Risk Response	Clearly classify environmental compliance risks into "Acceptable Risks" (tolerable, minor, or negligible risks) and "Unacceptable Risks" (moderate, major, intolerable risks), and arrange relevant departments to develop practical responses to unacceptable environmental risks.
Effect Evaluation	Regularly conduct a comprehensive follow-up on the implementation and effectiveness of environmental risk management measures, prepare the <i>Risk Management Report</i> , and evaluate the effectiveness of the measures taken by the Company in managing environmental risks and opportunities.

To establish and improve the emergency response mechanism for environmental pollution accidents, enhance the Company's ability to respond to emergent environmental incidents, and prevent the occurrence of sudden environmental pollution events, JingQuanHua has developed the *Emergency Response Plan for Environmental Emergencies*, and regularly conducted emergency drills for emergent environmental incidents to ensure that, when facing unforeseen situations, the Company can respond promptly, orderly, efficiently, and appropriately, minimizing the losses caused by environmental pollution accidents.

In September 2024, to effectively enhance employees' emergency response capabilities for hazardous chemical leaks and ensure safety in production and environmental security, the Company conducted an emergency drill for hazardous chemical leaks. The drill simulated a scenario where hazardous chemicals leaked during use in the workshop. The emergency teams responded quickly and completed key steps such as assembly, alerting, personnel evacuation, first aid, emergency repairs, and firefighting in an orderly manner. The effectiveness of the emergency response plan was successfully tested, and employees' emergency collaboration and practical skills were strengthened.



Metrics and Targets

>> Indicator	Goals for 2024	Achievement
Environmental Management	All operational sites undergo environmental risk assessments	Achieved
Wastewater Discharges	The discharge of various types of wastewater complies with local standards for each production base	Achieved
Waste Gas Emissions	The discharge of fume and exhaust gas complies with the GB18483-2001 standard	Achieved
Air Pollutants	The emission of various air pollutants complies with the local standards for each production base	Achieved
Noise Control	The noise environmental quality at boundary of the Longgang, Guanlan, and Heyuan factories complies with Class 3 zone standards in GB12348-2008 The noise environmental quality at boundary of the Jiangsu factory complies with Class 2 zone standards in GB12348-2008	Achieved
Environmental Incidents and Complaints	Environmental complaints unrelated to products = 0 times/year Major environmental pollution incidents = 0 times/year Fire, explosion, and chemical leakage incidents = 0	Achieved
Capacity Building	All employees have received environmental awareness training	Achieved


Pollution Control and Ecosystem Protection

Pollution Monitoring

The Company actively responds to national environmental protection policies and has established a regular environmental impact management mechanism. On one hand, the Company conducts regular self-inspections and self-corrections to comprehensively identify potential environmental risks. On the other hand, in strict accordance with regulatory requirements, the Company regularly commissions professionally qualified third-party organizations to conduct comprehensive testing on waste gases, noise, domestic wastewater, fume emissions, and other pollutants, ensuring that all discharge indicators comply with environmental protection standards, and demonstrating the Company's commitment to green development through concrete actions.



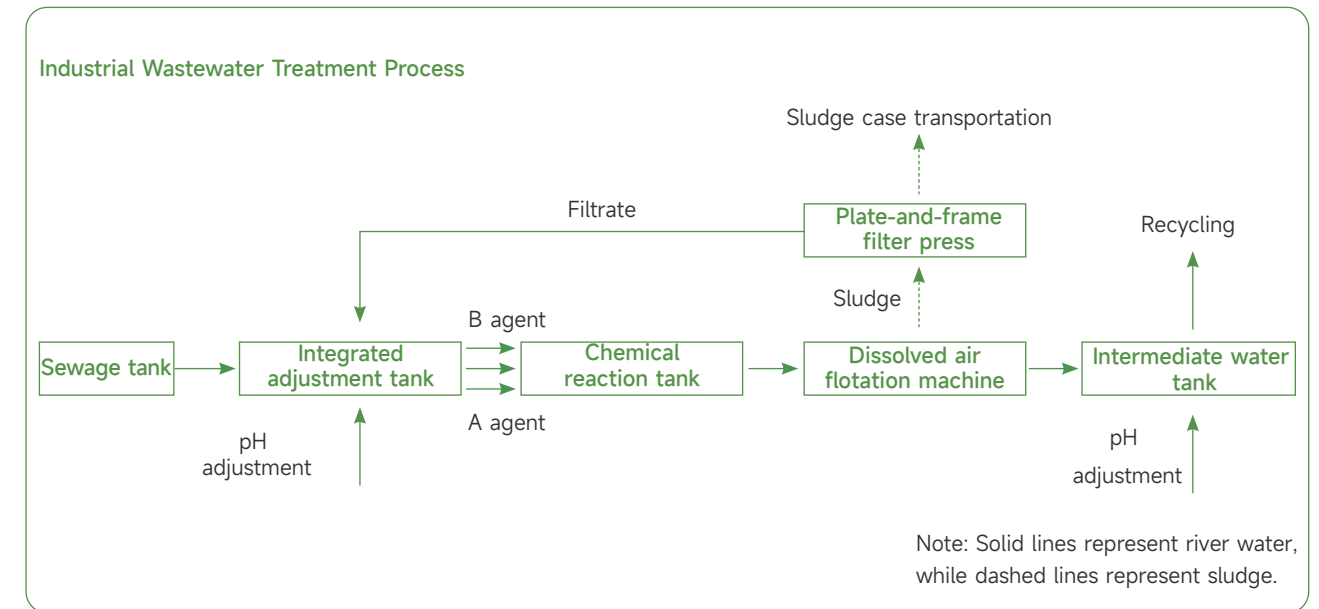
Emission Management



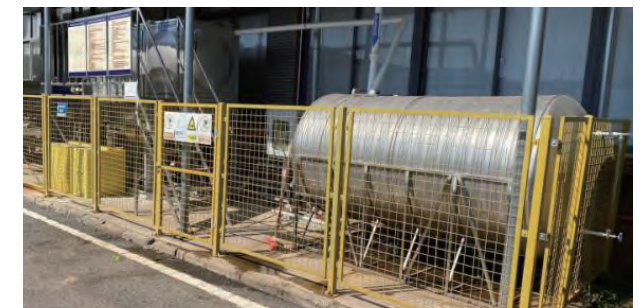
Wastewater Management

JingQuanHua generates primarily two types of wastewater in its production and operation processes: domestic wastewater and various types of industrial wastewater. The Company processes the wastewater in accordance with laws and regulations, actively working to reduce wastewater discharge and improve water resource utilization efficiency, fulfilling its environmental responsibility as a corporate entity.

The Company's factory implements a rainwater and sewage separation system. The rainwater pipes in the plant connect to the municipal drainage system, while the domestic wastewater pipes connect to the municipal sewage system, which flows to the Hengling Sewage Treatment Plant for processing.



For industrial wastewater, the Company has a set of wastewater treatment and reuse facilities. After a series of processes such as integrated adjustment, coagulation, and sludge concentration, the treated water meets the washing water standard of The reuse of urban recycling water—Water quality standard for industrial uses (GB/T 19923-2005) and is reused in the workshop for cleaning, ensuring zero discharge and recycling of industrial wastewater.



Self-built Sewage Treatment Facilities

Key Performance

During the Reporting Period, JingQuanHua achieved **0** industrial wastewater discharge.



Waste Gas Management

The Company adheres to the green and environmental protection concept in its waste gas management to reduce the impact of air pollutant emissions on the environment. The Company strictly follows relevant regulations and standardizes management through the *Regulations on Monitoring and Management of Significant Environmental Factors*, the *Monitoring and Measurement Procedure*, and the *Atmospheric Pollution Control Measures for Dipping and Tin Plating*, ensuring that waste gas emissions meet the required standards. At the same time, the Company has established a monitoring and supervision mechanism, regularly tests waste gas emissions and promotes continuous improvement in waste gas management to achieve a balance between business development and environmental protection.

During the Reporting Period, the Company's waste gas facilities operated normally overall, with appropriate handling of any unexpected situations. The emission indicators met the relevant national and industry standards, with a total of 201.8 tons of exhaust gas discharged.



Waste Management

Under the guidance of the concept of sustainable development, the Company attaches great importance to solid waste management, strictly follows relevant laws and regulations, and has established the *Waste Classification Management Regulations*. The Company implements detailed classification management, and categorizes solid waste into three major categories: household waste, general industrial solid waste, and hazardous waste, ensuring the legal and compliant treatment of solid waste.

During the Reporting Period, all the Company's waste was disposed of in accordance with national laws and regulations, without causing significant impact on the surrounding environment.

Specific Category		Disposal
Domestic Waste	/	The Company has set up designated areas for domestic waste storage, which are regularly cleaned and removed by sanitation departments.
General Industrial Solid Waste	Lead-free solder dross, diode lead trimmings and other scraps, waste packaging materials	These are collected centrally and sent to recycling units for reuse
Hazardous Waste	Chemicals and Chemical-containing Waste	Waste lubricants, waste engine oil, waste organic solvents, and waste containing chemical solvents generated during production; Waste fluorescent lamps, rust-proof oil cans, mold release agent cans, waste batteries, and other items containing harmful chemicals.
	Electronic Waste	Waste printed circuit boards and other electronic waste

Key Performance

During the Reporting Period, the Company has generated: >>>>>>

◆ General Industrial Solid Waste: 58.54 tons	Generation Intensity: 0.019 tons per million Revenue	Disposal Volume: 58.54 tons
◆ Hazardous Waste: 55.24 tons	Generation Intensity: 0.018 tons per million Revenue	Disposal Volume: 55.24 tons

Ecosystem and Biodiversity Protection

In the context of global stakeholders' heightened focus on biodiversity, the Company actively fulfills its social responsibility. The Company closely monitors daily operations and production activities, striving to minimize their potential negative impact on ecosystems and biodiversity, thereby contributing to biodiversity conservation. The Company strictly complies with the *Soil Pollution Prevention and Control Law of the People's Republic of China* and the *Groundwater Management Regulations*, and conducts regular assessments of soil and groundwater environmental risks to identify potential pollution sources and pathways. At the same time, it has established and implemented environmental risk control and emergency response measures to mitigate the impact of emergent environmental incidents on ecosystems and to maintain ecological balance.

The Company's existing operational sites and production bases are not located in any globally or nationally important or sensitive biodiversity conservation areas. All necessary environmental permits have been obtained in compliance with regulations during construction and operation. In the future, when planning new projects, the Company will carefully assess the site selection and firmly avoid locating them in critical or sensitive areas for biodiversity conservation, contributing to ecological protection.

Resource Utilization and Circular Economy

Governance

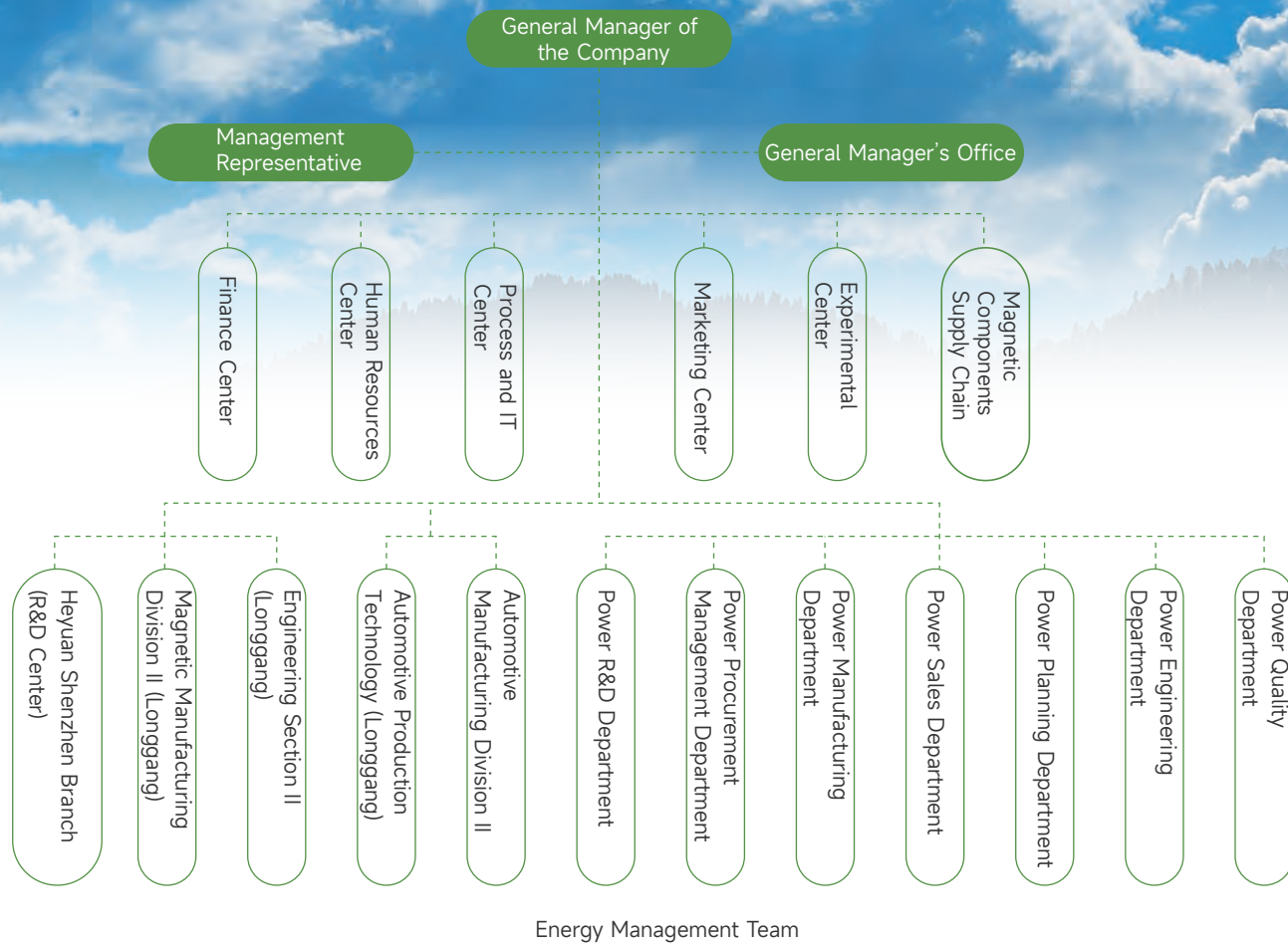
In resource utilization, the Company strives to reduce waste and protect the environment through conservation and efficient use, having secured reasonable utilization of resources in multiple dimensions.

Energy Management

JingQuanHua adheres to the energy policy of "Energy Conservation, Carbon Reduction, Innovative Development". Through optimizing the energy structure, improving efficiency, and other initiatives, the Company reduces energy consumption and pollution, contributing to the achievement of carbon neutrality. At the same time, leveraging technological and managerial innovations, the Company adopts new approaches to improve its energy management system, enhance resource utilization efficiency, and drive high-quality development.

In order to effectively manage energy, enhance energy utilization efficiency, reduce energy consumption and environmental impact, Shenzhen JingQuanHua Electronics Co.,Ltd. was certified to ISO 50001:2018 Energy Management System in 2024. The general manager of the group serves as the top energy management system authority, committing to establishing, implementing, and continuously improving the effectiveness of the energy management system. At the same time, an energy management team was formed to establish an effective energy management system, providing a solid organizational guarantee for the efficient conduct of energy management work.





Water Resource Management

To strengthen water resource management and fully utilize its comprehensive benefits, maximizing the value of limited resources, JingQuanHua has developed the *Water Resource Management Regulations*, and set up a dedicated water and electricity team to manage the Company's water resources for production and daily life, ensuring the scientific and rational use and comprehensive protection of water resources.

Strategy

In an era where resources are limited and sustainable development is advocated, efficient resource utilization and the circular economy are of significant importance for enterprise development. JingQuanHua keeps pace with resource markets, circular technologies, and policy trends, analyzes and integrates key topics, and accurately identifies and evaluates risks and opportunities in each stage of resource utilization. Based on this, the Company optimizes resource allocation, innovates its business, and achieves efficient resource utilization and high-quality development, steadily advancing along the path of the circular economy.

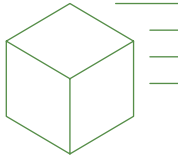
Risk Type	Description	Impacted Value Chain Links	Impacted Financial Indicators	Impact Magnitude	Impact Duration	Likelihood of Occurrence	Response Measures
Energy Price Volatility	Energy is an important driving force for JingQuanHua's production activities. Its price fluctuations directly affect the stability of the Company's production and operations, impacting the operating costs of production equipment and the energy costs for lighting, ventilation, and other auxiliary systems.	Inbound Logistics Operations	Net Profit	4	Mid-term	1	<ul style="list-style-type: none"> Regularly maintain various types of equipment, promote energy-efficient equipment upgrades, and replace and eliminate high-energy-consuming equipment to save production electricity; Establish measures to manage and control important energy-consuming equipment; Regulate air conditioning and lighting markets; implement digital transformation and introduce a central air conditioning energy consumption cloud management system to save office electricity; Invest in the construction of photovoltaic and energy storage projects, as well as photovoltaic power generation systems on factory rooftops, to increase the use of green energy.
Natural Resource Shortage Risk	Disruptions in raw material supply may lead to production stoppages, delays in order delivery, and damage to customer relationships.	Operations Outbound Logistics	Net Profit	4	Mid-term	2	<p>Promote resource conservation and recycling to improve utilization efficiency and increase investment in new technology development to expand the resource base:</p> <ul style="list-style-type: none"> 1. Develop and use low-water consumption cleaning technology; 2. Use self-built wastewater treatment facilities to recycle cleaning wastewater.

Opportunity Type	Impacted Value Chain Links	Impacted Financial Indicators	Impacted Financial Indicators	Impact Magnitude	Impact Duration	Likelihood of Occurrence	Response Measures
Opportunities for Circular Economy	Reduce raw material procurement costs, enhance the brand's environmental competitiveness, lower operational costs, and accelerate the green transformation.	Operations	Net Profit Company Reputation	3	Mid-term	5	The Company has developed the Regulations on Management of Customer Packaging Material Recycling, and each production base has established the Packaging Material Recycling Project, creating a complete process for the reuse of packaging materials.

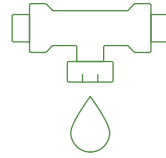
Impact, Risk, and Opportunity Management

The Company deeply understands the critical importance of efficient energy resource management and identifying potential energy-saving opportunities for enhancing corporate benefits and achieving sustainable development. Therefore, the Company integrates factors related to resource utilization and the circular economy into its risk control system, and has formulated the *Risk and Opportunity Control Procedures* to ensure alignment with the Company's energy resource policy when planning the energy resource management system. The Company takes measures to promote the continuous improvement of energy resource performance and build a core enterprise with high energy efficiency and sustainable development potential.

Metrics and Targets

		Energy Usage			
		Unit	2022	2023	2024
	Direct Energy Consumption				
	Gasoline	Tons	9.767	10.304	11.096
	Diesel	Tons	0.148	0.153	0.179
	Liquefied Petroleum Gas	Tons	/	0.003	0.013
Indirect Energy Consumption					
Purchased Electricity	MWh	16,708.30	24,289.62	29,615.08	

Note: The energy consumption figures above are provided on a consolidated basis.


		Water Resource Usage			
		Unit	2022	2023	2024
	Total Water Consumption	Tons	269,868.4	212,628.9	195,035.3

Note: The resource consumption figures above are provided on a consolidated basis.


Use of Resources

Energy Utilization


JingQuanHua has established a rigorous and scientific energy utilization management process, covering identification, evaluation, and control stages. The Company has developed a series of institutional documents such as the *Energy Management Manual*, the *Energy Control Procedures for New/Renovation/Expansion Project Designs*, and the *Energy Baseline and Energy Performance Parameter Control Procedures* to standardize the Company's energy utilization.

 Case - Shenzhen International Low Carbon City JingQuanHua Technology Industrial Park Rooftop Distributed Photovoltaic Project

The Company has signed a strategic cooperation framework agreement with CHN Energy Guangdong Branch to invest in the construction of a rooftop distributed photovoltaic project. This project fully utilizes idle land resources and solar energy resources within the factory for photovoltaic power generation, covering four factory buildings, office buildings, car sheds and other building clusters within the park, with a total installed capacity of 0.97 MWp. This increases the utilization rate of renewable energy, promotes energy conservation and emission reduction, and contributes to the sustainable development of the local government and the country.



Once completed, the project is expected to generate an average annual power output of 1,069.9 MWh, equivalent to saving 322.58 tons of standard coal, and reducing carbon dioxide

 Case - Dormitory Solar Energy

The Company installed solar equipment in the dormitory area to convert solar energy into electricity, meeting part of the dormitory's electricity needs and saving approximately 30,000 kWh of electricity per month.

²emissions by 471.077 tons CO₂e annually, with significant environmental benefits.

To ensure that personnel related to major energy use possess the necessary skills and energy-saving awareness to meet the needs of establishing and operating the energy management system, the Company has developed the *Competence, Training, and Awareness Control Procedures* to strengthen publicity and education and carry out energy-saving activities.



Training on Raising Energy Consumption Awareness

Water Resource Utilization

JingQuanHua fully recognizes the limited and important nature of water resources and has implemented various water-saving measures, continuously strengthening water resource management and striving to reduce the growth rate of water resource consumption.

Equipment Management

Conduct daily inspections on all water resource facilities of the Company (such as pipelines, switches, pumps, and water tanks) to promptly repair any issues such as leaks, drips, or spills, regularly clean water tanks to ensure the normal operation of water resource facilities and reduce waste of the water resource.

Water Usage Approval

If any department or subsidiary establishes new water usage points, a written report must be submitted. After approval by the General Manager's Office, the report will be handed over to the Human Resources Department's Water and Electricity Team, which will carry out the construction according to the approval. This process ensures control over the addition of water usage points from the source, preventing unnecessary increases in water consumption.

Monitoring & Constraints

The water usage at various locations is monitored monthly. Any abnormal water usage is promptly analyzed and managed. If the issue is caused by waste, the responsible person will be subject to criticism, education, or financial penalties to regulate water usage behavior.

Dormitory Water Management

Promote the reuse of water resources, such as using water from washing faces and clothes to flush the toilets, and eliminate water waste in the dormitories.

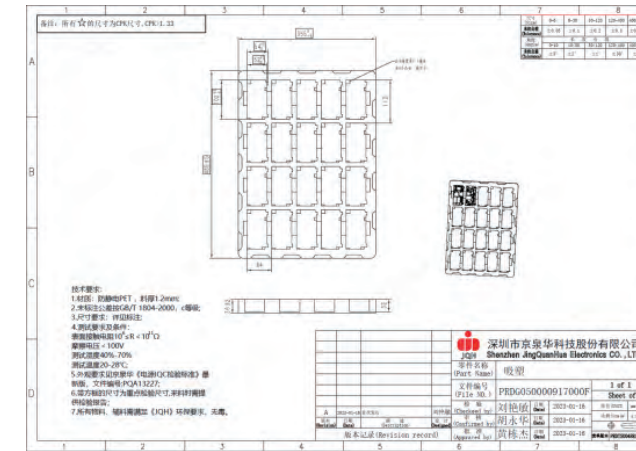
Suggestions Collection

Actively collect various water-saving suggestions, adopt and implement reasonable suggestions, and reward those who provide suggestions with significant results to encourage and motivate employees to actively participate in water-saving efforts.

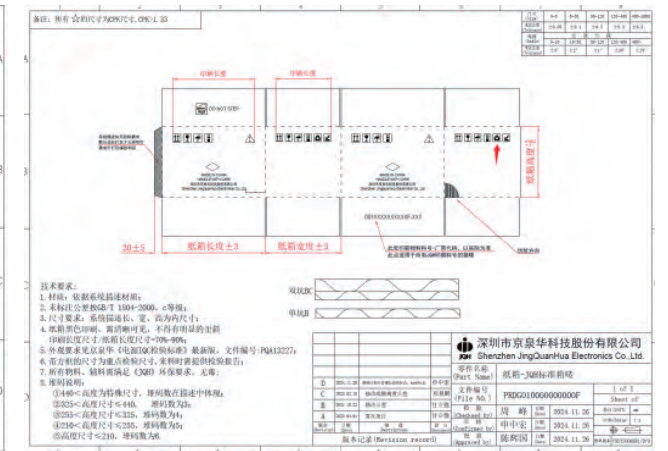
Circular Economy

Recyclable Packaging Materials

To actively practice the concept of a circular economy, effectively recycle packaging materials for reuse, reduce packaging material procurement costs, minimize resource waste, and enhance the Company's product competitiveness, the Company has formulated the *Regulations on Management of Customer Packaging Materials Recycling*. Meanwhile, each production base has developed the *Packaging Materials Recycling Project*. Focusing on recyclable materials such as iron boxes, wooden boxes, pallets, EPE foam, blister boxes, and carton boxes, a complete process from collection, classification, storage to reuse has been built, ensuring that these materials can be recycled in the Company's production operations, maximizing their value, reducing costs, and minimizing environmental impact.



Reusable Blister Boxes



Recyclable Cartons

Waste Material Recycling

Recyclable waste materials such as scrap threads, copper, scrap solder, and scrap silicon steel sheets returned to the warehouse by various manufacturing departments, R&D departments, etc., have also been integrated into the Company's circular economy management system, achieving effective control from waste generation to recycling and reuse. This enables effective control of the entire process from the generation to the recycling and reuse of scrap materials, further improving resource utilization and driving the Company to steadily advance on the path of a circular economy.

Green Operation

Green Office

The Company actively advocates a green office concept, strictly manages office energy consumption, fosters a strong green cultural atmosphere, and encourages employees to integrate green lifestyles into daily activities. These actions align with the national low-carbon development strategy and play a part in facilitating sustainable development.



Green Office Tagline

To actively practice the green office concept, the Company promotes paperless office practices in daily operations, reduces unnecessary paper documents and forms, and optimizes and upgrades the OA platform to ensure smooth office operations. Currently, employees can conveniently manage daily tasks such as scheduling through the OA system, as well as access the HRM system, SRM system, mold system, emails, and the Company's official website, gaining more technical support for paperless office practices.



JingQuanHua OA System

Greening of the Park

The Company's headquarters and production bases have scientifically planted a variety of local plants and trees in surrounding areas based on ecological principles, and reasonably planned and arranged the factory's production, office, and living spaces, with a green coverage rate of about 10%. This not only beautifies the environment and enriches biodiversity, but also absorbs carbon dioxide and releases oxygen through the plants' photosynthesis, reducing air pollution. The factory is lush with trees and beautiful, creating a comfortable and harmonious working environment for employees.



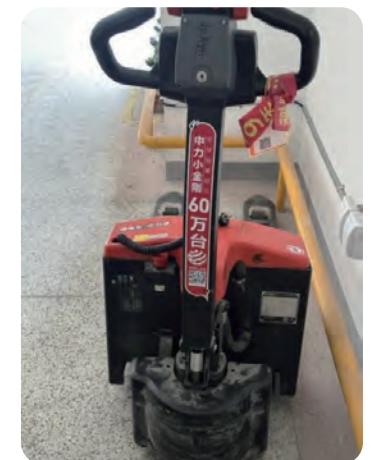
Greening of the Park

Green Transportation

The Company has gradually replaced fuel forklifts used for internal transportation with manual hydraulic electric forklifts and has rented new-energy medium-sized buses for employee commuting. This eliminates exhaust emissions from both internal and external transportation, effectively reduces energy consumption, and achieves green transportation.



Electric Bus



Manual Hydraulic Electric Forklift

04

Industry Value

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Innovation-Driven Development

Governance

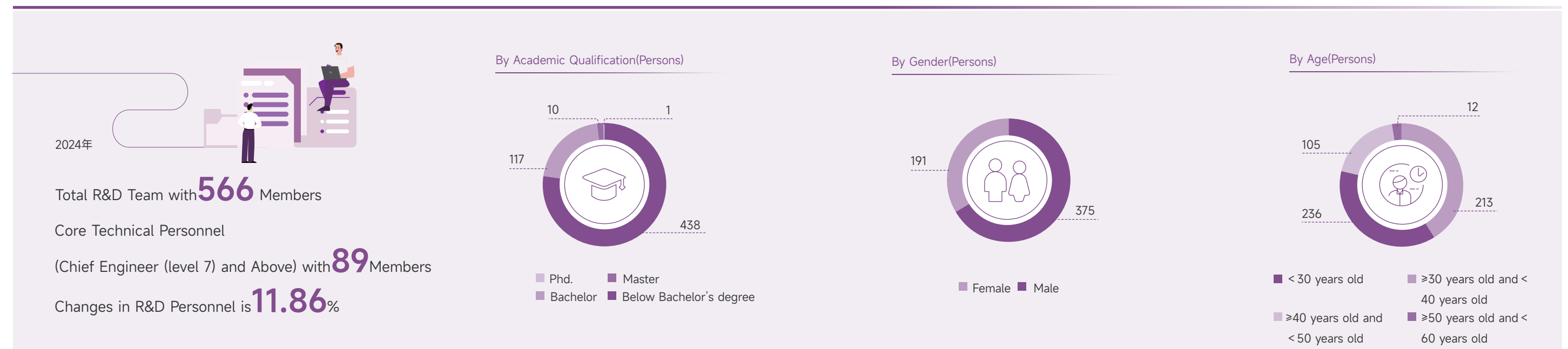
The Company has always adhered to the business philosophy of "Innovation and Progress, Practicality and Efficiency, Pursuit of Customer Satisfaction, and always Striving to Exceed Customer Expectations". It regards technological innovation as the core driving force for business upgrades, continuously increasing investment in innovation and R&D, and strengthening the construction of the R&D innovation system.

The Company integrates its R&D direction with business development. The R&D departments responsible for the Company's main products, including magnetic components, automotive magnetic components, and power supplies, carry out product design and development in an orderly manner according to systems such as the *Design and Development Control Procedures*. This ensures the efficient advancement of R&D projects and effectively improves the Company's innovation capabilities.

R&D and Innovation Team

Over the years of R&D, design, and production of magnetic components and power supply products, the Company has cultivated a large number of design and R&D talents. It has formed a research and design team with solid professional knowledge, strong R&D capabilities, and rich experience, laying a solid foundation for the Company's innovative development.

R&D Team



R&D Platform Construction and Social Recognition

Driven by technological innovation, the Company continues to deepen its business development and has been recognized with honors such as the "National High-Tech Enterprise" and the "Shenzhen Municipal R&D Center".



Incentives for R&D and Innovation Capabilities

The Company attaches great importance to motivating employees' innovation abilities. It has established a comprehensive innovation incentive system and holds an annual patent award ceremony, where employees who have obtained invention patents are awarded honorary certificates and bonuses, demonstrating the Company's strong recognition of their innovative achievements. This fosters a strong culture of innovation within the Company, ignites enthusiasm for innovation among all employees, and injects continuous vitality into corporate development.



Strategy

To deeply explore the unlimited potential and opportunities hidden within the field of R&D innovation, the Company has developed a comprehensive and long-term R&D innovation strategy. It focuses resources on overcoming key technological challenges such as efficient energy conversion and smart grid optimization control. The Company continuously adjusts its R&D direction and resource allocation to ensure it remains at the forefront of industry development in the rapidly changing wave of technology.

Risk Type	Description	Impacted Value Chain Links	Impacted Financial Indicators	Impact Magnitude	Impact Duration	Likelihood of Occurrence	Response Measures
Technology Risks	The technology in the electronic manufacturing industry is evolving rapidly. If the Company fails to keep up with the pace of technological innovation, the products developed may lag behind competitors in terms of performance, functionality, and other aspects, resulting in a lack of competitiveness in the market.	Operations	Revenue	3	Long-term	2	By continuously increasing R&D investments and building a highly skilled and experienced R&D team, the Company refines and optimizes product design details, ensuring the continuous delivery of high-quality products to the market.
Market Risk	If the Company cannot accurately grasp customer needs during the R&D and design phase, it may reduce customer trust, impact the Company's market competitiveness, and affect business revenue.	Operations	Revenue	3	Short-term	1	The R&D team and the customer team communicate directly and work closely together, forming an efficient interactive relationship. Together with the customers, they enhance and improve existing products and develop new ones, quickly providing new products that meet market demands, and establishing a long-term, stable, mutually beneficial relationship.

Opportunity Type	Description	Impacted Value Chain Links	Impacted Financial Indicators	Impact Magnitude	Impact Duration	Likelihood of Occurrence	Response Measures
Opportunities in the data center	Under the wave of digital transformation, the demand for data centers and computing power centers continues to rise. The Company's main magnetic components and some power products can effectively respond to market demand. In the context of continuous technological innovation, the Company upgrades its products, further enhancing its market influence and economic revenue, while simultaneously promoting the vigorous development of related downstream industries.	Operations Marketing & Sales Service	Revenue Intangible Assets	4	Mid-term	3	By closely monitoring market dynamics and adjusting strategies in a timely manner, the Company can ensure a presence in the highly competitive market environment. Through technological innovation, introducing advanced production processes and materials, the Company continuously drives product upgrades and iterations.
Opportunities in the New Energy Market	Global attention to clean energy is increasing. The Company currently has a strong technological foundation in fields such as automotive, charging piles, and photovoltaic energy storage, bringing enormous opportunities in the new energy market. This helps the Company expand its market share, enhance brand influence, and drive the collaborative development of magnetic materials, electronic components and other related downstream industries, forming an industrial cluster effect. It promotes regional economic growth and brings broader development space and substantial economic returns to the Company.	Marketing & Sales Service	Revenue Intangible Assets	5	Mid-term	4	The Company has launched the <i>Research on the Industrial Application of Key Technologies for Solar Energy Enhancement and Grid-Connected Inverters</i> project to develop small to medium-sized photovoltaic grid-connected inverters with standard power levels ranging from 1 kW to 10 kW, making the product applicable in various scenarios.

Impact, Risk, and Opportunity Management

The Company always adheres to the business philosophy of technological innovation and stable quality. According to systems such as the *Risk and Opportunity and Control Measures Management Procedure*, the Company identifies, analyzes, and evaluates risks and opportunities related to intellectual property. Meanwhile, the Company continuously optimizes every detail of product research and development and design, and fully considers aspects such as material costs, processes, and quality to ensure long-term innovation and development in the future.

Metrics and Targets

The Company, based on magnetic components, follows a product technology innovation strategy that simultaneously develops power supplies and special transformers. It continuously increases investment in R&D and innovation, formulates product planning routes, and efficiently promotes product innovation, constantly improving the Company's innovation capabilities.

Key Performance

During the Reporting Period

>>>>>

◆ the Company invested
RMB **138.4412**
million in R&D

◆ Accounting for **4.60%** of
Main Business Revenue

Innovations

Key Performance	Unit	2024
Cumulative number of Authorized Invention Patents	Items	45
Cumulative number of Authorized Utility Model Patents	Items	239
Cumulative number of Granted Design Patents	Items	56
Cumulative number of Software Copyright	Items	7

Highlight Measures

Industry Co-construction

The Company fully leverages its comprehensive advantages in technology and academia, and actively participates in the development of relevant industry technical standards and regulations. As a member of the National Standards Working Group on Mobile Power Sources, the Company has participated in the revision of industry standards such as the *Portable power bank for electrical and electronic products*, contributing to industry standardization.



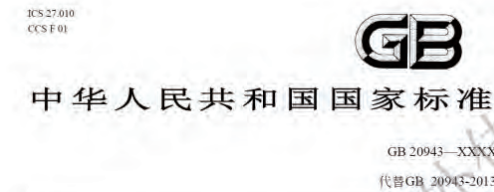
Member Certificate of National Standards Working Group on Mobile Power Sources



CQC Technical Specification Setting Unit Certificate

Case Study: Participation in the Revision of the GB 20943 Energy Efficiency National Standard

On August 19, 2024, the Company participated in the second revision seminar for the development of the new national standard GB 20943 *Minimum allowable values of energy efficiency and energy efficiency grades for AC-DC and AC-AC power supplies*. This standard will become a mandatory national standard.



交流—直流和交流—交流
电源能效限定值及能效等级



Exchange and Cooperation

The Company actively integrates external resources and continues to deepen its exchange and cooperation with universities, research institutions, and other external organizations and professionals, fully utilizing each other's advantages to achieve resource sharing and mutual benefits.

To further enhance technological innovation capabilities, the Company has collaborated with Hunan University to jointly establish the "Shenzhen JingQuanHua Research Base (Sub-center) of the National Electric Energy Conversion and Control Engineering Technology Research Center," dedicated to using a new generation of electromagnetic components and key parts technology research and development platform, with electromagnetic conversion technology at its core, to further enhance industry competitiveness, actively promote the transformation of research achievements, and strengthen the training of applied talents, contributing to the innovative development of the industry.



Research Base Unveiling Ceremony

In addition, the Company upholds an open-minded approach. Through active participation in relevant industry seminars and exhibitions and in-depth communication with industry experts and partners, it shares practical experiences and development achievements, promoting the continuous development of the industry.

Case Study: Participation in the 11th Annual Joint Academic Conference on Magnetic Components for Power Converters of China 2024

In October 2024, the Company participated in the 11th Annual Joint Academic Conference on Magnetic Components for Power Converters of China. As a high-level academic exchange platform in the magnetic components industry, the conference aimed to promote technological progress and industry development in the field of power converter magnetic components and invite domestic and international experts and companies to share the latest research findings and cutting-edge technologies.

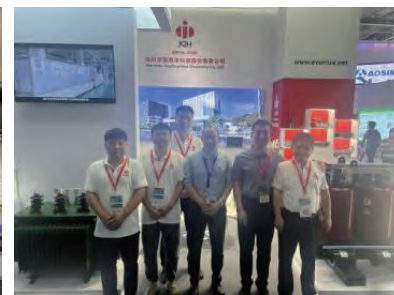
The conference attracted more than 210 companies and over 310 industry experts, who shared and discussed the latest academic research results on magnetic components and engaged in discussions on the analysis, design, application, testing, process, and magnetic materials of various power converters and magnetic components, providing advice and suggestions for the development of the industry.



2024 World Power Supply Expo



18th Philippine Semiconductor & Electronics Convention and Exhibition



SNECPV+ 17th (2024) International Photovoltaic Power Generation and Smart Energy Conference & Exhibition

Protection of Intellectual Property Rights

With the rise of the knowledge economy, intellectual property has become a core element of market competitiveness. The Company insists on innovation for development and uses intellectual property protection to safeguard innovative achievements and maintain the Company's legal interests, promoting the Company's development through intellectual property. The Company has established the Intellectual Property Department and formulated systems such as the *Intellectual Property Management Measures* and the *Intellectual Property Management Handbook* to build a comprehensive intellectual property management system. Based on short, medium, and long-term intellectual property management goals, the Company continuously improves management work and provides important guarantees for enhancing independent innovation capabilities and increasing the value of intellectual property.



Intellectual Property Policy	Strengthen intellectual property management, optimize intellectual property protection, control intellectual property risks, and enhance market competitiveness.
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Intellectual Property Management

Develop intellectual property work plans according to annual intellectual property goals, specify the types of intellectual property needed and the methods and approaches for creation and acquisition, and verify completion. Follow standardized procedures to execute the management tasks of intellectual property applications, acquisition, evaluation, and determination of ownership.



Patent Training

Intellectual Property Utilization

Strengthen the implementation and monitoring of intellectual property utilization, including conducting due diligence and evaluation of intellectual property when executing activities such as licensing, transfer, investment and financing, mergers, or acquisitions.

Protection of Intellectual Property Rights

- In the research and development process, collect intellectual property-related information, conduct novelty searches and retrievals, establish a classified management ledger for owned intellectual property, conduct evaluations and maintenance, and effectively manage intellectual property risks;
- Implement corresponding confidentiality management for confidential factors involved in intellectual property management, including confidential personnel, equipment, documents, and areas;
- Regularly monitor the intellectual property implementation market, conduct risk investigations and analysis on product infringement through patent searches, litigation, etc., protect intellectual property through administrative and judicial channels when necessary, and select appropriate dispute resolution methods to handle intellectual property disputes;
- Conduct intellectual property training and publicizing and implementation activities, and implement a reward and punishment management mechanism to strengthen the intellectual property protection awareness of all employees.

Product Safety and Quality

Governance

To ensure that the quality of the Company's products and services meets downstream customer requirements, the Company adheres to the quality policy of "Quality Primacy, Customer-Centricity, Scientific Governance, Industry Leadership", and has formulated a series of procedural documents such as the *Product Safety Control Procedure* and the *Advanced Product Quality Planning Procedure*, with the General Manager as the quality head leading the management system operation, effectively controlling the Company's quality management activities.

Key Performance

During the Reporting Period >>>>>

◆ the Company invested RMB **11.4598** million in product quality assurance.

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 certifications for quality management systems such as ISO9001 and IATF16949. Under strict product quality supervision and management, the Company's products have also obtained safety certifications from various countries and regions, including UL (USA), CUL (Canada), CB (ICECC member countries), and CE (EU), and have obtained product certifications from dozens of clients, including GE Group, Valeo Group, and BYD.

ISO9001: 2015 Quality Management System Certification



IATF16949:2016 Automotive Quality Management System Certification



Quality Culture Development

The Company combines the quality policy and annual quality management objectives, according to the requirements of quality management standards and business development needs, to carry out diversified training and promotion activities such as quality tools, job skills, and knowledge sharing, improving employees' practical skills and enhancing overall awareness of quality and safety.

Key Performance

During the Reporting Period >>>>>

◆ the Company conducted **3,030** quality culture training sessions

◆ with **17,211** participants

Case Study: Training on Six Major Tools

In November 2024, to solidify the foundation of quality management, the Company organized special training activities on six major quality management tools, including APQP (Advanced Product Quality Planning), PPAP (Production Part Approval Process), MSA (Measurement System Analysis), FMEA (Failure Mode and Effects Analysis), CP (Control Plan), and SPC (Statistical Process Control), and tested the learning outcomes through exams, comprehensively strengthening the Company's quality planning, control, and improvement work to better meet customer quality needs.



Product Knowledge Sharing



Empowerment on the Frontline of Production



Quality Mobilization Conference

In addition, the Company actively organizes Quality-Month to motivate employees to participate in quality improvement efforts, effectively reducing the product defect rate and continuously improving product quality, thereby enhancing the Company's market competitiveness.

Quality-Month



Magnetic Division



Power Division



Heyuan JingQuanHua

Strategy

To fully ensure product safety and quality and maintain the brand image, the Company has established a comprehensive and rigorous product safety and quality control system. The Company focuses its efforts on critical areas such as quality testing and the refined management of production processes, continuously optimizing quality standards and testing methods to ensure that its products maintain excellent quality in a complex and ever-changing market environment, making them a benchmark for quality in the industry.

Risk Type	Description	Impacted Value Chain Links	Impacted Financial Indicators	Impact Magnitude	Impact Duration	Likelihood of Occurrence	Response Measures
Legal Risks	The Company belongs to the electronic manufacturing industry, and product production must comply with relevant domestic and international regulations, policies, and industry standards. Any violations may result in risks such as difficulties in market access and fines.	Operations	Net Profit Company Reputation	3	Short-term	2	The Company draws on international advanced quality management models and adopts internationally recognized quality management control methods to implement full-process monitoring of product quality, ensuring that products comply with relevant regulations and standards.
Operational Risks	Electronic devices require strict product reliability and stability. If the quality of the Company's products and services fails to meet the downstream customers' needs, it may affect the Company's orders and revenue.	Operations	Net Profit	4	Short-term	2	The Company has established a series of quality management systems at various stages including procurement, production, and sales, and strictly implements them to ensure that product quality meets the demands of domestic and international customers.

Opportunity Type	Description	Impacted Value Chain Links	Impacted Financial Indicators	Impact Magnitude	Impact Duration	Likelihood of Occurrence	Response Measures
Market Demand Opportunities	With the continuous development of the economy, market demands for product quality have become increasingly stringent. This trend creates a favorable opportunity for the Company to enhance brand reputation, expand market share, and increase economic benefits. At the same time, it provides the Company with a development opportunity to expand its product line, optimize product structure, and improve overall profitability.	Operations Marketing & Sales	Revenue	4	Long-term	4	Establish a comprehensive quality control system, strictly control product quality, promote through multiple channels, and enhance brand reputation and visibility.

Impact, Risk, and Opportunity Management

To ensure product quality, the Company identifies potential risks and opportunities related to quality, hazardous substances, and other aspects according to the *Risk and Opportunity and Control Measures Management Procedure*, and applies FMEA risk analysis throughout the product design, manufacturing, and repair processes, and takes and implements measures to reduce potential quality-related risks.

Comprehensive Product Quality and Safety Management

The Company bases its system on the *Quality, Environment, Safety, and Hazardous Substances Management System Manual* to comprehensively control the product and service delivery process, ensuring stable product and service quality that meets customer requirements. By conducting audits of the product production process, the Company evaluates the effectiveness of product quality control, ensuring that the Company's products comply with safety and quality standards as well as relevant laws and regulations.

Key Performance

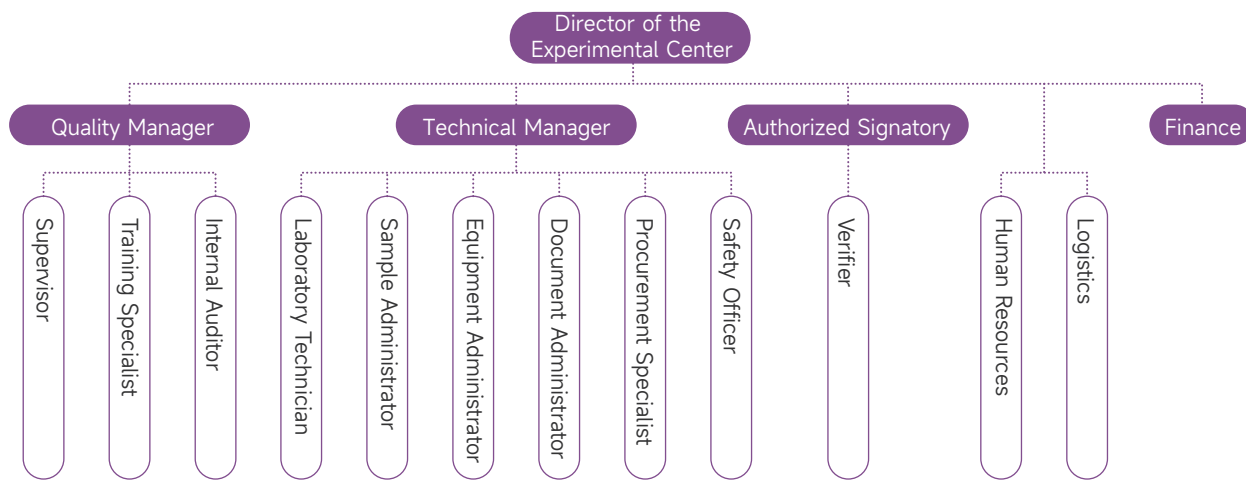
- During the Reporting Period
>>>>>>
- 0 Major Quality Risk Incidents,
 - 0 Products to be Withdrawn for Health and Safety Reasons

Key Measures for Product Quality Management

Develop Control Plans	In accordance with the <i>Advanced Product Quality Planning Procedures</i> and the <i>Control Plan Management Regulations</i> , the Company has developed control plans at all levels, including systems, subsystems, components, and materials, for the manufacturing site and all provided products. This helps better organize the quality control process and prevent quality risks.
Standardized Management	In accordance with the <i>Standard Operation Procedure Guidelines</i> and the <i>SOP Development and Management Standards</i> , standardized documents such as the product <i>Standard Operation Procedure</i> are formulated to standardize and regulate production processes, supervision, inspection, and other operational activities, ensuring that all quality requirements are effectively implemented.
Total Productive Maintenance	The Company has established systems such as the <i>TPM Implementation and Evaluation System</i> and the <i>Equipment and Facility Control Procedure</i> to implement total productive maintenance, identify the necessary equipment for producing conforming products according to required output, and carry out equipment management and preventive maintenance to improve the reliability and stability of equipment, thus ensuring product quality.
Process Quality Monitoring	The Company has established procedures such as the <i>Raw Material Monitoring and Measurement Procedure</i> , the <i>Semi-finished Product Monitoring and Measurement Procedure</i> , and the <i>Hazardous Substances Process Operation Control Procedure</i> to conduct comprehensive supervision and control of raw materials, semi-finished products, hazardous substances, and other factors throughout the entire product production process. This helps to detect and correct quality issues in a timely manner.
Traceability Management	In accordance with the <i>Identification and Traceability Control Procedures</i> , the <i>Environmental Substance Management Regulations</i> , and the <i>ERP Material System Coding Rules</i> , the output status of products is identified and labeled to accurately understand the product's production process and quality status. This enables quick identification and resolution of quality issues in the process. Additionally, different HSF (Hazardous Substance Free) requirements and HSF-containing processes are managed and labeled separately to prevent HSF products from contamination.
Non-conforming Product Management	Non-conforming materials, components, and products that do not meet HSF requirements are identified and controlled according to the <i>Nonconforming Product Control Procedure</i> to prevent unintended use and delivery. These products are properly handled through isolation, restriction, return, suspension, or recall.

Laboratory Capability Building

In the product quality management process, laboratory capability is a crucial force for the Company to control product quality and gain market competitiveness. JingQuanHua established the Experimental Center in June 1996, and set up industry-leading laboratories in various fields, including but not limited to independent EMI laboratories, reliability testing laboratories, safety regulation laboratories, conduction laboratories, environmental laboratories, etc., covering a wide range of testing needs. The laboratories comprehensively simulate various situations encountered during the installation and use of products such as high/low-frequency transformers, inductors, reactors, power adapters, switching power supplies, etc., to provide objective, impartial, and accurate evaluations.



JingQuanHua Experimental Center Structure



◀ CNAS Laboratory Accreditation Certificate

In June 2021, the Experimental Center adopted ISO/IEC 17025:2017 *General requirements for the competence of testing and calibration laboratories* and was accredited by the China National Accreditation Service for Conformity Assessment (CNAS) in June 2022.

Regarding equipment configuration, the Company has equipped advanced reliability testing devices, such as Chroma's electronic load testers, frequency converters, power analyzers, Agilent oscilloscopes, data loggers, EMI testing instruments, 3C Test's automatic grouped pulse generator, automatic voltage drop tester, and ESD test instruments, among others. With these devices, the Company conducts reliability tests, providing strong support for product quality control.



AEC-Q200 Automotive Laboratory

Product HSF Control

In terms of environmental control for products, the Company strictly follows customer-specific requirements and QC080000 system certification standards. The Company has developed a series of standard documents such as the *Environmental Management Substance Control Standards*, the *Environmental Management Substance Management Measures*, and the *Environmental Management Substance Process Operation Control Procedures*. The Company has also purchased advanced RoHS-2.0 environmental testing equipment and provided professional qualification training for testing personnel. From incoming inspection of raw materials, product manufacturing processes, to finished product delivery, each stage undergoes strict environmental testing according to established requirements. This has created a stringent HSF control system for products and effectively fulfills the Company's environmental responsibilities.



GC-MS Analyzer

The Company places high importance on HSF testing and has purchased a batch of industry-leading environmental testing equipment. The Company has built a professional and comprehensive environmental testing system, capable of accurately detecting HSF substances in products. This provides strong technical support for the green and environmental protection attributes of products and promotes the Company's steady progress in environmental compliance and sustainable development.

IECQ QC 080000:2017 Hazardous Substance Process Management Certificate



Shenzhen JingQuanHua Technology Co., Ltd.

Shenzhen JingQuanHua & Everrise Intelligent Electric Co., Ltd

Heyuan JingQuanHua Technology Co., Ltd.

Jiangsu JingQuanHua Electronics Industrial Co., Ltd.

Hubei Runsheng Electronic Industry Co., Ltd.

Sustainable Supply Chain

Governance

The Company's Supply Chain Management Department has established, implemented, and maintained systems and procedures such as the *Material Development Confirmation Procedure*, the *Energy Services, Products, and Procurement Control Procedures*, and the *Supplier Evaluation and Assessment Procedure*. These procedures are primarily responsible for supplier identification, evaluation, pricing, procurement, and management of raw material suppliers and the processes, products, and services they provide.

To ensure supply chain security, the Company has developed and refined standardized processes for supplier development and management, cooperating with suppliers who have stable quality, good reputation, and compliance.

Supplier Selection

Based on the Company's actual business and capacity needs, and in accordance with the *Material Development Confirmation Procedure*, the Company selects suitable raw material suppliers after considering factors such as financial stability, quality and delivery capability, and design and development capacity. At the same time, the Company strictly follows the *New Supplier Development Review Process and Material Supply Risk Evaluation Regulations* to evaluate the risks of developing new suppliers and material/service supply.

Supplier Survey

Through phone conversations, faxing relevant information, etc., suppliers are required to fill out the *Supplier Survey Form*. If necessary, on-site audits and evaluations are conducted to understand their basic situation, verify the accuracy of the provided data, and assess their quality, delivery time, product HSF, occupational health and safety capabilities. The Company also considers using certified organizations like ISO9001 and IECQ HSPM as external suppliers to strengthen compliance and risk management.

Supplier Audit



The Company has formulated the *Supplier Audit Management Regulations*, to conduct system, process, or product audits on relevant suppliers through self-assessments, on-site audits, and other methods, thereby providing the basis for determining qualified suppliers and evaluating supplier ratings. Based on the evaluation and rating classification, the Company provides correction, guidance, and supervision to unqualified suppliers to urge their improvement, continuously optimizing the management operations of both the suppliers and the Company. The investigation, audit, and related materials of new suppliers, once submitted and approved through review, can be included in the list of qualified suppliers.

Supplier Evaluation

According to the *Supplier Evaluation and Assessment Procedure*, the Company conducts a comprehensive evaluation of each supplier's performance based on various metrics such as product requirement compliance, quality, hazardous substance control, process assurance capability, supply capacity, pricing, delivery time, and service, to ensure that the products, processes, and services provided by external suppliers meet the Company's internal requirements and the external customer requirements.

Supplier Empowerment

In accordance with the *Supplier Audit Management Regulations* and the Supplier Management System and other documents, the Company actively promotes supplier coaching, helping suppliers better understand the Company's needs and solving problems encountered in cooperation. This mainly includes training for failed reviews, quality improvement training, etc., and providing management improvement suggestions to suppliers, enabling collaborative development with suppliers.

Supplier on-site Audits Supplier coaching

Key Performance

During the Reporting Period >>>>>

◆ the Company completed a total of **194** online and offline coaching sessions for Suppliers.

Strategy

In an increasingly competitive market, efficient supply chain operations have become a key component of the Company's core competitiveness. The Company has formulated a comprehensive and forward-looking supply chain management strategy, concentrating resources to address critical issues such as precise inventory control and efficient logistics collaboration. It continuously optimizes supply chain processes and resource allocation to ensure that the Company remains at the forefront of the industry in an ever-changing market environment.

Risk Type	Description	Impacted Value Chain Links	Impacted Financial Indicators	Impact Magnitude	Impact Duration	Likelihood of Occurrence	Response Measures
Raw Material Price Fluctuations	Changes in market supply and demand may lead to fluctuations in the prices of raw materials, increasing the difficulty of the Company's production operations. This could also result in fluctuations in product sales costs, gross profit margins, and other related factors.	Inbound Logistics Operations	Production Costs	3	Short-term	3	In accordance with the relevant procurement management standards and regulations, the Company implements supplier inquiries, price comparisons, and other related tasks to drive the reduction of procurement and operating costs.
Supply Chain Stability Risks	Suppliers may face issues such as delays in delivery, quality problems, as well as social responsibility gaps related to labor, health and safety, environmental protection, integrity, etc., which can affect the safety and stability of the Company's supply chain.	Operations	Revenue Operating Expenses Production Costs	2	Mid-term	1	<ul style="list-style-type: none"> Strictly implement supplier investigation, admission, evaluation, and audit processes to promote continuous improvement of suppliers; Practice sustainable procurement concepts, implement the RBA (Responsible Business Alliance) management system, and promote the establishment of a sustainable supply chain through agreements such as the <i>Social Responsibility Commitment of Supplier</i> signed with suppliers.

Opportunity Type	Description	Impacted Value Chain Links	Impacted Financial Indicators	Impact Magnitude	Impact Duration	Likelihood of Occurrence	Response Measures
Opportunities for Digital Supply Chain Transformation	With the continuous innovation of digital technologies, their penetration into the supply chain field has become deeper. By introducing a digital supply chain management system, the Company can monitor in real-time and precisely schedule the procurement, production, logistics, and other processes, effectively reduce inventory backlog and stock-out risks, improve supply chain response speed, significantly enhance the flexibility and reliability of the supply chain, and improve overall operational efficiency, helping the Company stand out in market competition.	Inbound Logistics Operations Outbound Logistics	Operating Expenses Production Costs	3	Long-term	5	Construct an SRM (Supplier Relationship Management) system to empower supplier management through digital information management.

Impact, Risk, and Opportunity Management

The Company continuously strengthens supply chain risk management, identifying risks and opportunities related to HSF from the perspective of the entire lifecycle, particularly considering external supply processes, products, services, and materials, as well as internal processes that affect product and service compliance. In the supply chain management process, the Company organizes supplier risk assessments, strictly confirming and reviewing supplier system certifications, HSF data, etc., in accordance with standard requirements, and tries to select organizations certified under the IECQ HSPM as external suppliers to reduce supply chain risks.

Additionally, the Company closely monitors the supplier status through the Material Department. Once a risk is identified, immediate assistance and support are provided to help suppliers eliminate the risk. If suppliers fail to implement effective strategies to reduce risk, the Company will terminate the cooperation with them.

Metrics and Targets

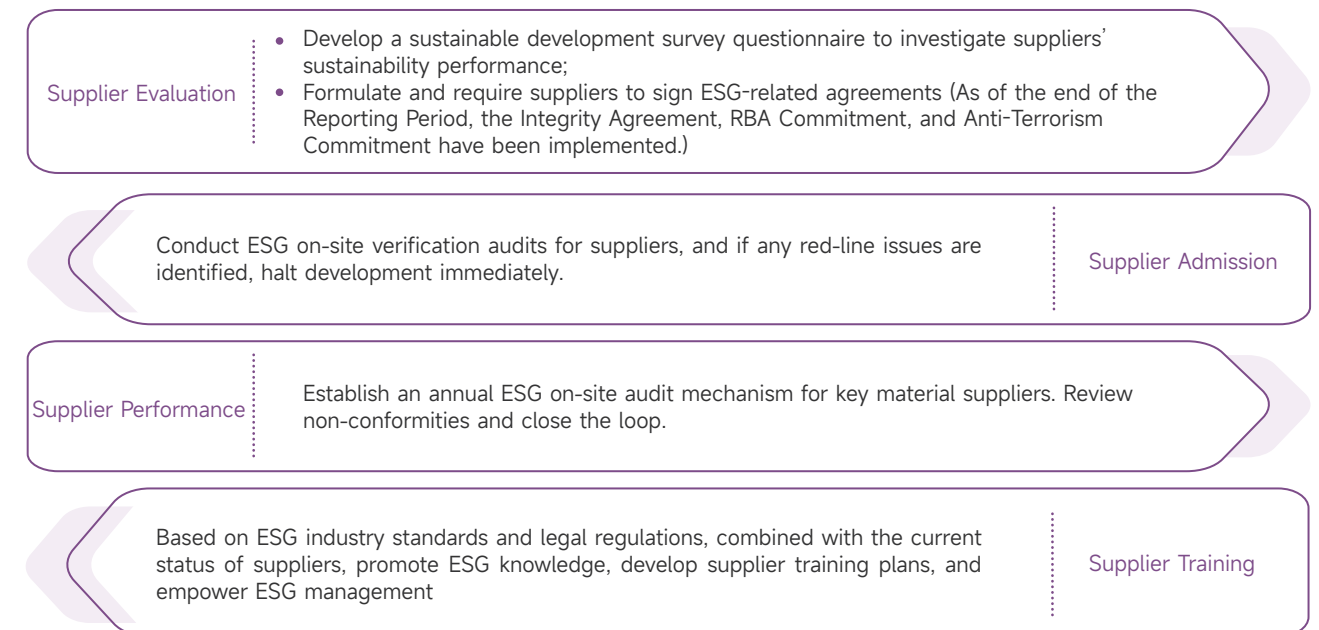
>> Key Indicators	Unit	2022	2023	2024
Number of suppliers	/	677	756	763
Suppliers with a certified quality management system	/	254	299	838
Suppliers with a certified environmental management system	/	153	176	390
Suppliers with a certified occupational health management system	/	56	64	160

Note: Among the 838 suppliers that have obtained quality management system certifications in 2024, 208 of them have passed the Automotive Quality Management System Certification, thus resulting in duplicate counting.

Sustainable Purchasing

The Company actively practices sustainable procurement concepts, implements the RBA (Responsible Business Alliance) management system, and has formulated regulations such as the *Green Procurement Management Regulations* and the *Supply Chain Sustainable Development Policy*, requiring suppliers to sign documents like the *Social Responsibility Commitment of Supplier*, the *Environmental Protection Agreement*, the *Integrity Agreement*, and the *Conflict Minerals Commitment*, to comply with social responsibility requirements in areas including labor, health and safety, environment, ethics, and management systems, fostering the creation of a sustainable supply chain system by both parties.

Company's Sustainable Development Supply Chain Construction Promotion Process



The Company always upholds the principles of fairness and justice, treating all small and medium-sized enterprise (SME) partners equally and building long-term and stable cooperative relationships with them. During the Reporting Period, the Company did not have any overdue payments to SMEs.

Clean Purchasing

The Company is committed to building a long-term, honest, and transparent relationship with suppliers and other partners. It has a zero-tolerance policy toward any form of commercial bribery or unfair competition. To ensure the integrity and compliance of procurement and other business activities, the Company requires relevant suppliers to sign the Integrity Agreement, clearly defining ethical behavior requirements to protect the legitimate rights and interests of both parties.

Key Performance:

During the Reporting Period >>>>>

◆ **100%** of our suppliers signed the *Integrity and Honesty Agreement*.

Green Procurement

The Company continuously improves its green procurement processes, standards, and management measures to reduce the negative environmental impact during procurement, select more environmentally friendly and sustainable products and services, and contribute to driving the Company's green development and building a green supply chain.

Green Procurement Principles

Environmental Protection First	Prioritize products and services that meet environmental protection requirements during procurement.
Resource Conservation	Use resources efficiently, minimizing waste and unnecessary consumption.
Scientific Evaluation	Conduct a comprehensive environmental assessment of the purchased products and services, and select suppliers with minimal environmental impact.
Information Transparency	Timely disclose the environmental information of products and services during the procurement process and establish a trust-based relationship with suppliers.
Continual Improvement	Regularly evaluate and improve green procurement practices to continuously enhance the management level of green procurement.
Compliance and Legality	Adhere to relevant laws and regulations, follow industry standards, and meet environmental protection requirements.

Green Supplier Management Measures

Formulate Green Procurement Policies	Define the Company's green procurement goals and principles, incorporate environmental requirements into the procurement process and control environmental impact from the source.
Establish a Supplier Evaluation System	Evaluate suppliers' environmental capabilities, implement a supplier blacklist system, and establish long-term cooperative relationships with environmentally conscious suppliers.
Procure Environmentally Friendly Products or Services	Based on specific needs, select products or services with better environmental performance, such as energy-saving products or pollution-free products.
Improve Procurement Management	Enhance procurement contract management systems, clarify environmental requirements, monitor supplier compliance, and ensure the implementation of green procurement.
Promote Green Concepts	Organize supplier training to communicate the concepts related to green supply chains and green procurement.

Management of Conflict Minerals

The Company has formulated conflict minerals management systems in strict accordance with industry standards and relevant legal and policy requirements. For all suppliers involved with conflict minerals, the Company requires them to undergo conflict minerals investigations and mandates the signing of the *Conflict Minerals Commitment* and the *Green Procurement Commitment* to ensure compliance and sustainability of the supply chain.

Customer Service

Protection of Customers' Rights and Interests

The Company has developed relevant systems such as the *Customer-Related Process Control Procedure*, the *Customer Specific Requirements Management Regulations*, and the *Agreement Contract Review Process* to systematically standardize customer management processes and strive to improve customer satisfaction. Through the OA platform, the Company has established end-to-end order review and contract review processes, clarifying the responsibilities of reviewers at each stage and the standards for project review. This ensures efficient process operation and complete review elements, while simultaneously maintaining a dynamically updated list of customer specific requirements to identify differentiated needs and develop measures. In terms of order management, the Company relies on the SAP system to achieve full lifecycle management of orders, covering all stages from demand confirmation and production scheduling to delivery tracking.

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, to conduct responsible marketing management, and has formulated the *Marketing Center Responsible Marketing Policy* to ensure the accuracy of brand and product promotion information, prohibiting any false or misleading behavior towards consumers.

At the same time, the Company has established a responsible marketing audit and supervision mechanism, conducting systematic audits of all marketing and sales activities on a regular basis to ensure that sales and marketing practices related to products and services are lawful and compliant.

>> Key Indicators	UNIT	2024
Responsible Marketing		
Total sessions of responsible marketing training	Times	19
Total hours of responsible marketing training	Hours	611
Participant count in responsible marketing training	Person-times	452

Customer Privacy Protection

The Company attaches great importance to customer privacy protection, thoroughly studying the privacy protection provisions in laws and regulations such as the *Criminal Law of the People's Republic of China* and the *Civil Code of the People's Republic of China*, ensuring that the Company's operations strictly comply with legal and regulatory requirements. By building a rigorous and efficient protection system, the Company strengthens the security of customer privacy, enhances corporate credibility, and maintains customer trust.

During the Reporting Period, the Company experienced no customer information leakage incidents.

After-Sales Management

The Company has formulated the *Customer Complaint Handling Procedure* and the Proactive Quality Warning and Recall System to standardize complaint acceptance, analysis, and closed-loop mechanisms. It has also established a proactive warning and recall mechanism for quality anomalies, along with standardized handling procedures covering multiple scenarios. The Company organizes cross-departmental QCC (Quality Control Circle) activities, focusing on typical customer complaint cases to conduct root cause analysis, and has established a case knowledge base to facilitate experience sharing and enhance employees' problem-solving capabilities.

>> Key Indicators	Unit	2024
Customer Complaint Handling		
Number of sessions of special training on customer complaint response	Times	10
Total hours of special training on customer complaint response	Hours	380.5
Participant count in special training on customer complaint response	Person-times	221
Pass rate of customer complaint response assessments	%	100

In 2024, the Company refined special handling regulations for the automotive and power sectors, including the *Automotive Customer Complaint Handling Regulations* and the *Power Division Complaint, Return, and Rework Handling Regulations*, to improve the compliance management requirements for environmental substances, ensuring that the entire process follows established procedures.

Customer Satisfaction Management

The Company has developed the *Customer Satisfaction Survey Procedure* and the Customer Experience Monitoring System to standardize the survey methods, processes, and data collection standards. Annual quantitative targets for customer satisfaction are set, and customer satisfaction surveys are conducted every year. Based on the survey results, targeted improvement plans are formulated, and responsible departments are assigned to implement improvement measures, ensuring continuous enhancement of customer experience and satisfaction.

Information Security

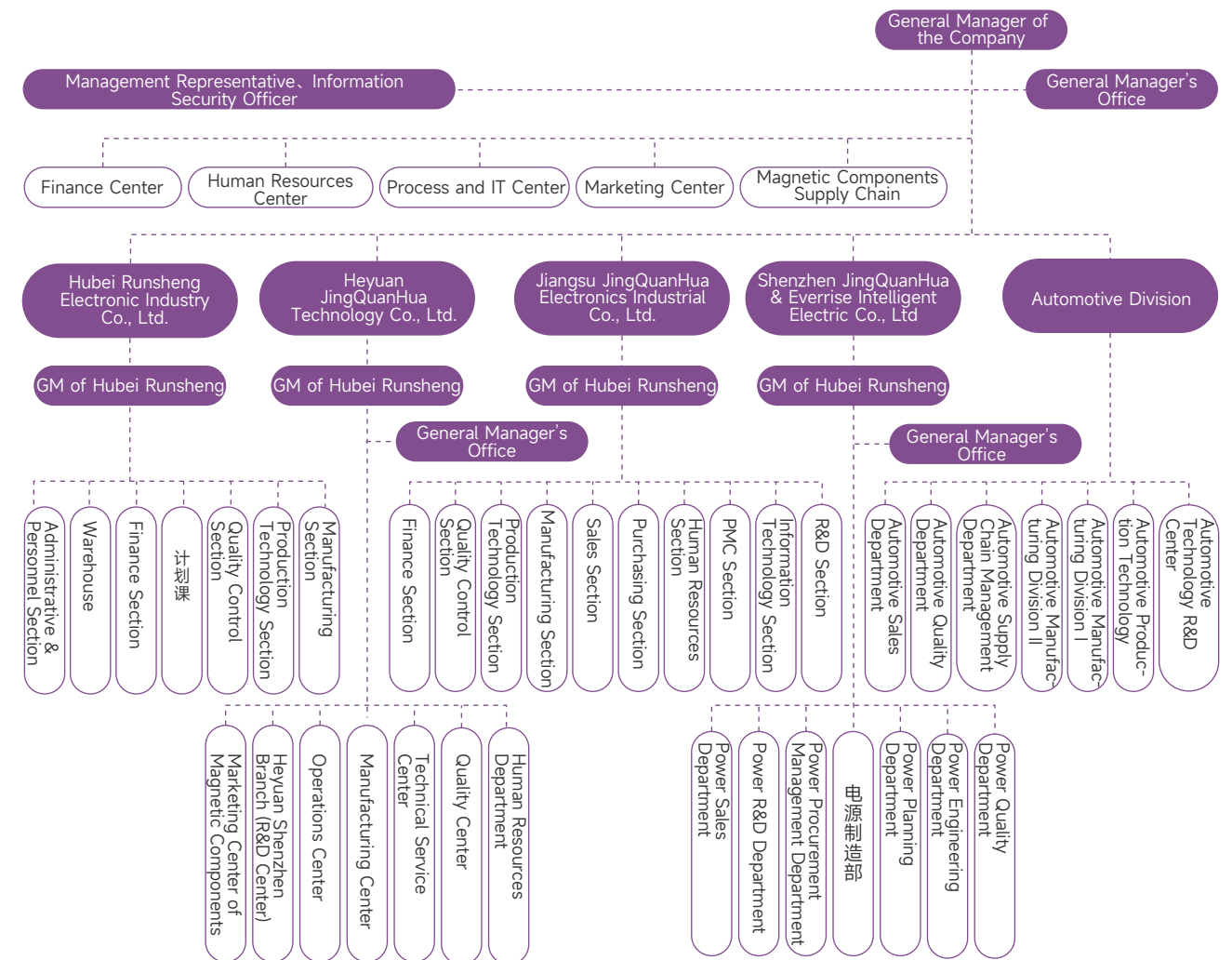
Information Security Management

The Company has formulated management systems such as the Information Security Control System, the *Data Security Management Regulations*, and the *Network Access Strategy and Permission Management Regulations* to systematically standardize data security standards and operational procedures. These measures ensure the data security and accuracy, continuously improve the information security management system, focus on enhancing the security of the Company's network systems, and lay a solid security foundation for digital operations. The Company follows the PDCA cycle to establish an information security management process that covers demand initiation, work preparation, management document formulation, document trial operation, summary and improvement, official implementation, and continuous enhancement, ensuring the effective operation of information management.

The Company continuously improves its three-tier information security management structure, with the General Manager's Office serving as the approval department for IT-related matters, the IT Department responsible for IT execution and information resource management, and all employees required to strictly comply with relevant regulations to collaboratively safeguard information security.

As of the end of the Reporting Period, JingQuanHua did not experience any major information security incidents.

Information Security Management Organization



Information Security Risk Management

Risk Identification and Assessment

The Company has developed the *Information Security Factor Identification and Risk Evaluation Control Procedure*, establishing the basic steps for identifying information security factors, evaluating risks, and implementing control measures. It regularly organizes work related to identifying, evaluating, and determining control measures for information security risk factors, reasonably evaluating information security risks, identifying critical risk factors, and formulating control measures. Based on asset identification, threat identification, and vulnerability identification, the Company conducts information factor identification work. It employs scientific risk assessment methods and determines reasonable control measures based on the risk assessment results, improving information security risk management.

Emergency Management

The Company has developed the Computer Network and Server Fault Emergency Plan, which stipulates that the IT Department is responsible for handling faults and recording the fault handling status. Business departments assist the IT Department in addressing relevant issues and developing and implementing emergency plans. The Company gradually improves the formulation of information security emergency plans to ensure the integrity of Company data and reduce and control information security risks.

The Company has established a graded management mechanism for computer network and server faults and specified emergency management measures to strengthen incident prevention and control.

Level	Description	Processing Plan
Level 3	Affects the work of individual departments in the Company, with no direct loss	Immediately repair (2H to 4H).
Level 2	Affects the work of individual/local departments in the Company, potentially causing direct loss	Retain the latest backup data, and be able to restore within a short time (one day); business departments cooperate to perform a small amount of data supplement work.
Level 1	Company-wide network failure, causing business stagnation and direct losses	Establish a contact list for external professional technical companies, sign relevant operation and maintenance agreements, and set response standards; execute according to the Product Delivery Emergency Plan when customer delivery is affected.

In 2024, the Company conducted network equipment failure testing, focusing on special emergency drills for single-node design of the outbound network. These drills simulated sudden failure scenarios of core nodes such as AF (gateway), and a report was generated to continuously enhance the ability to handle emergency incidents.

Strengthen Assurance Measures

The Company's information security assurance work is built through the collaborative effect of technical protection, process standards, and regulatory constraints, creating an information security assurance system that covers data, systems, accounts, and physical media. The Company continuously strengthens the management of key areas such as data backup, operating system security, and account management, ensuring the security of core assets and business continuity.

Information Access and Permission Control	<ul style="list-style-type: none"> Information security control: Paper document control, electronic document leakage prevention, hierarchical control of OA systems, email control, data encryption transmission, etc. Information Authorization Control: Hierarchical control of permissions, strict control of sensitive data, network and communication control, etc. Paper-based Information Control: Establish document registration and confidentiality systems, confidential document borrowing registration, etc. System Management Account and User Account Control: Improve full lifecycle account management, password management, permission standards and isolation, operational security control, etc. Computer Operating System Access Control
Full Lifecycle Data Security Measures	<ul style="list-style-type: none"> Regular Data Backup: Establish an automatic backup combined with a manual backup mechanism, with multi-layer protection for key data Data storage standardized paths, destruction management, error data closed-loop processing Encrypted Data Transmission
Network Security and Operations Maintenance	<ul style="list-style-type: none"> Standardize and strengthen Internet application, email server management, FTP application management, etc. Conduct regular security maintenance (e.g., antivirus), and firewall and virus prevention Regularly review application system database log files Regular security maintenance and vulnerability fixes

The Company emphasizes employee information security training. The Training Management System stipulates that all internal departmental training plans must include information security training courses, enhancing information security awareness and capability through regular and layered information security training.

>> Key Indicators	Unit	2024
Number of information security and privacy protection training sessions conducted	Times	2,880
Employee Coverage of information security and privacy protection training	%	100

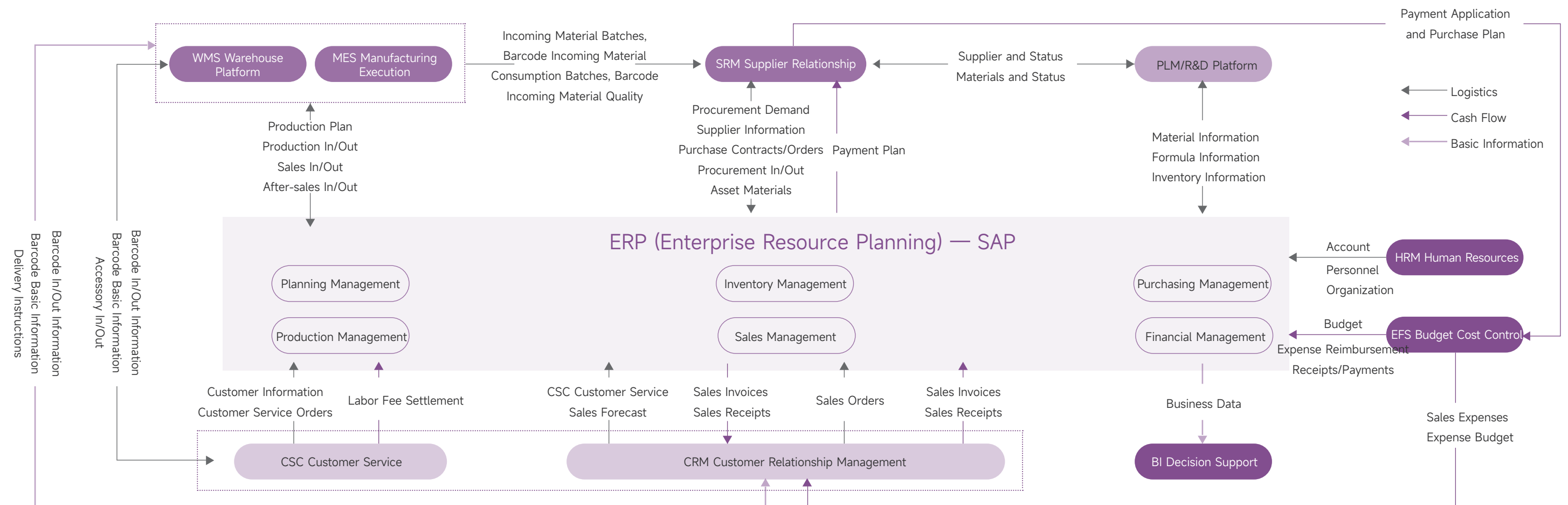
Empowering with Digital Intelligence

With the continuous expansion of the Company's business, the increasing diversity of product categories, and the rising complexity, numerous uncertainties and uncontrollable factors have emerged. To actively respond to this challenge, JingQuanHua closely follows the national digital transformation strategy, vigorously develops new productive forces, and fully promotes the deep integration of digital intelligence and informatization concepts in every aspect of production and operation, striving to build a high-quality intelligent manufacturing platform to achieve the goals of process standardization, decision-making dataization, and operational collaboration.

The Company takes "Short, Plat, Fast" response to customer needs as the core mission, focusing on the intelligent upgrade of the entire process of research and development, supply chain, production, and delivery. The company actively promotes digitalization and intelligence construction, introducing information systems such as SAP, OA, PLM, HRM, SRM, MES, CRM and the Tooling & Molding Management System, continuously optimizing and upgrading them to achieve customer service quality control and office IT management, striving for a dual leap in efficiency and quality at all stages to achieve the goals of "Electronic Business, Automatic Process, and Rapid Operation."



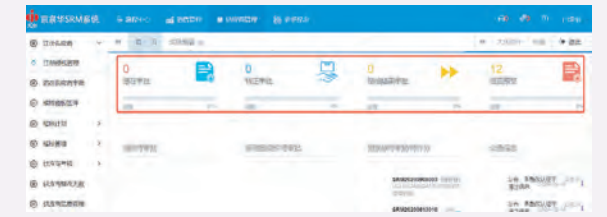
IT System Interconnection



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

Supply Chain Process

Build an SRM (Supplier Relationship Management) System to enable real-time information sharing with suppliers, improve management efficiency in sales, procurement, bidding, and other processes, empower supplier management through digital information management, and apply it to the identification, localization, early warning, and efficient disposal of supply chain risks, enhancing supply chain resilience and accelerating the digital transformation of the entire supply chain lifecycle.

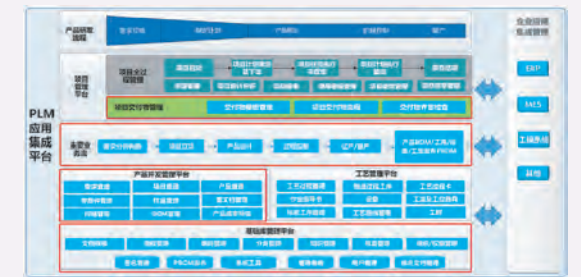


SRM System

R&D Process

Introducing R&D PLM (Product Lifecycle Management) System and the Tooling & Molding Management System to promote digital transformation through a dual approach. Deep integration of the two systems, enabling seamless integration of mold data and product R&D data, greatly enhancing the coordination between product development and manufacturing, providing strong momentum for the Company's innovation and continuous development.

- R&D PLM System: Build a core platform for product data management, unify the storage and management of R&D data, ensure data accuracy and consistency, manage the project from initiation to release, promote collaborative R&D, and accelerate the innovation process.
- Tooling & Molding Management System: Enable an end-to-end lifecycle management of production assets (equipment, instruments, fixtures) covering inspection, issuance, maintenance, and retirement, with data analytics for optimized mold allocation and resource efficiency.

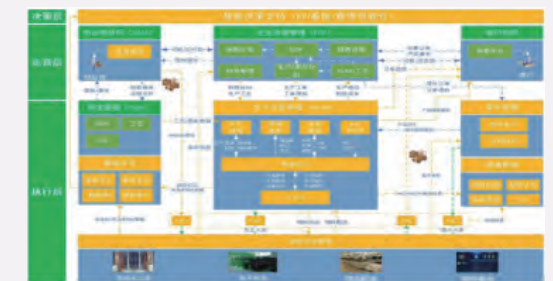


PLM System

Production and Quality Assurance Process

Introduce the "Triple Modernization and Stability" (IT-driven Management Modernization, Production Automation, Professional Workforce Specialization, Key Position Stability) management approach and the integration of IT and Industrialization systems, apply MES (Manufacturing Execution System), and other informatization management systems to continuously improve product operation efficiency and product life cycle traceability, driving the stable improvement of product quality through refined control.

- Vigorously promote automated production, establish an automation center, currently owning more than 70 modern automated production lines, and introduce automation equipment in processes like winding, welding, assembly, and glue injection, significantly reducing manual labor intensity and improving production efficiency.



MES System

Sales and Service Process

Carry out CRM (Customer Relationship Management) System project construction, build full-process management of customer information, enhance customer demand response speed and contract fulfillment quality, and achieve an organic unity of standardized and personalized customer service management.



CRM System

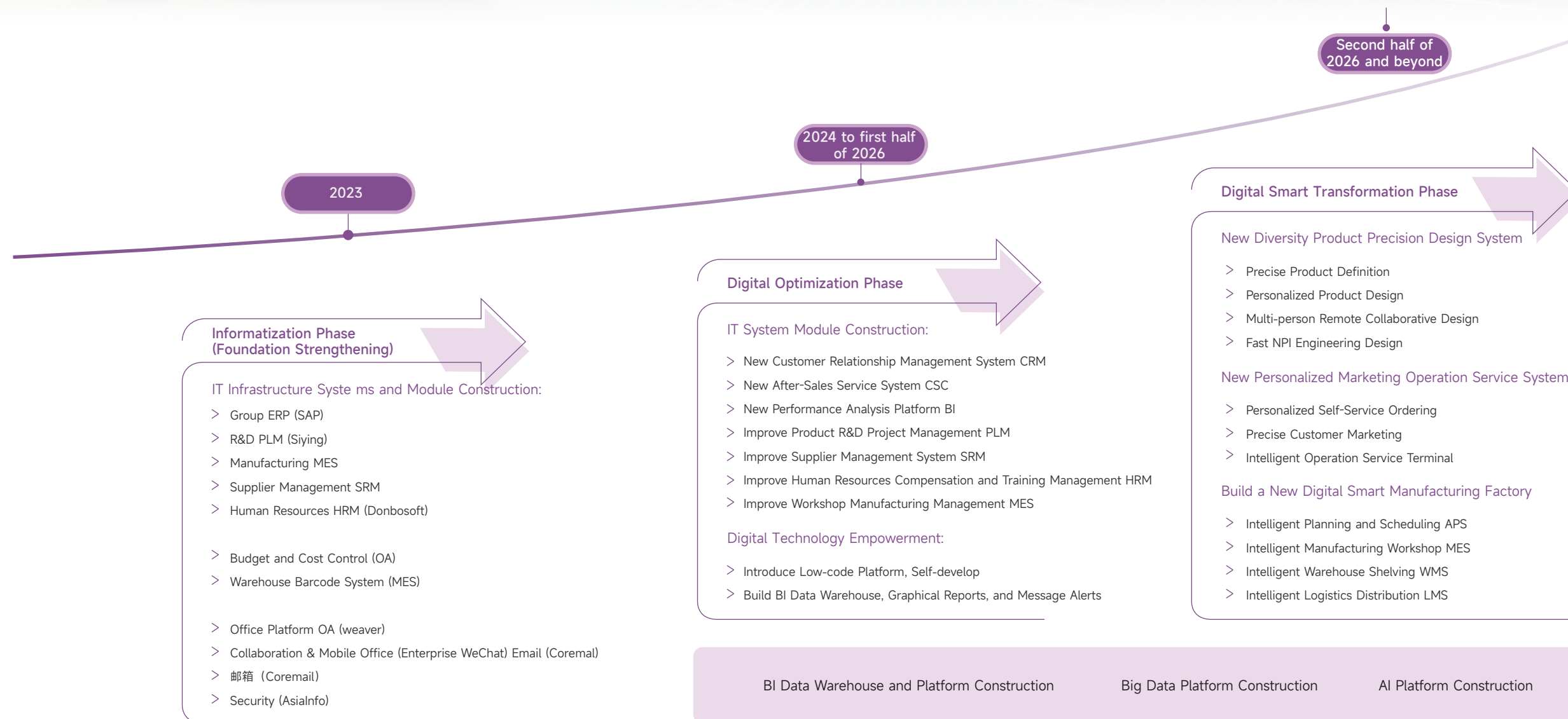
Management Support Process

Utilize HRM (Human Resource Management) System for refined talent management, covering organizational structure optimization, improvement in work hour utilization, and human process optimization, reducing labor costs and improving labor efficiency.

- Adopt OA (Office Automation) System, with embedded BI report tables, to facilitate daily office work and data statistical analysis for employees;
- Build a mobile office portal (Enterprise WeChat - Employee Home), breaking the limitations of office space, enhancing office flexibility and convenience; use Cormail email and Yealink meetings to meet the communication and meeting needs both internally and externally, improving communication efficiency.
- Encrypt documents to protect internal business information and data security, reduce the risk of information leaks, and safeguard the Company's legal rights and normal operations.



The Company plans to establish a “Digital Smart Factory” by 2026, achieving personalized design, intelligent planning and scheduling, full-process automated logistics, and leveraging data platforms and AI technologies to shift management from “Experience-driven” to “Algorithm-driven.” Through “Electronic Business, Automatic Process, and Rapid Decision-making,” the Company aims to become a benchmark for efficient smart manufacturing in the field of magnetic components and power supplies, strengthening its core competitiveness through digital transformation.



Company Digital Transformation Planning

05

Labor Relations

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Labor Rights

Employee Recruitment

The Company strictly complies with the *Labor Contract Law of the People's Republic of China*, the *Regulations on the Implementation of the Labor Contract Law of the People's Republic of China*, and other relevant laws and regulations. It has developed systems such as the Employee Handbook and the Social Responsibility Management Control Procedures to standardize and improve the employee recruitment management process, employing campus recruitment, social recruitment, internal recommendations, and other methods to extensively introduce talent. The Company actively provides employment opportunities for special groups in society, prioritizing the recruitment of veterans, and participates in "Employment Assistance for Disabled People" job fairs organized by the government and the Disabled Persons' Federation to support the employment of people with disabilities.

Key Performance:

As of the end of the Reporting Period, the Company has owned >>>>>

- Total Employees: **4,318**
- The Labor Contract Signing Rate: **100%**
- Employee Turnover Rate: **66.93%**



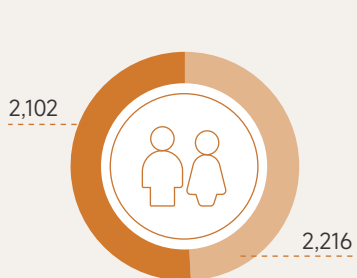
Protection of Rights and Interests

Diverse Workplace and Anti-Discrimination

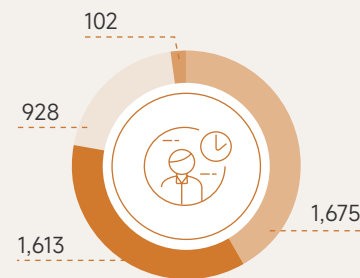
The Company has established systems such as the Anti-Discrimination and *Anti-Harassment Management Regulations* to create a diverse workplace environment. It strongly opposes any form of discrimination and ensures that every employee, regardless of race, color, nationality, gender, age, religious belief, or cultural background, is treated fairly and equally.

>> Key Performance	Unit	2024
Number of labor discrimination incidents	Cases	0
Number of employees with disabilities	Persons	99
Number of employees of minority nationalities	Persons	720
Number of employees of minority nationalities in the management	Persons	5
Percentage of employees who have received training on diversity, discrimination, and harassment	%	100
Percentage of operational locations that have undergone human rights impact or risk assessments	%	100
Number of individuals who have reported discrimination or harassment incidents	Persons	0
Percentage of employees who have received training on discrimination or harassment issues	%	100

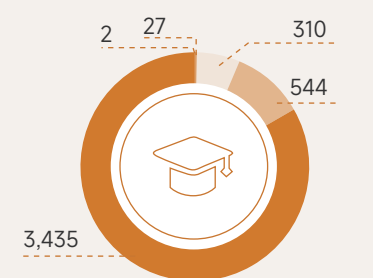
Employee Gender Structure (Persons)



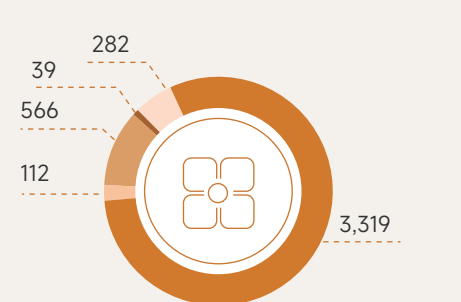
Employee Age Structure (Persons)



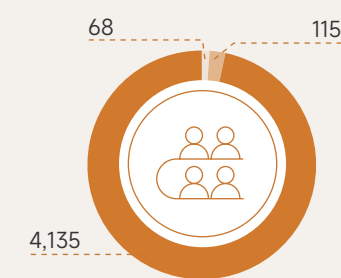
Employee Educational Structure (Persons)



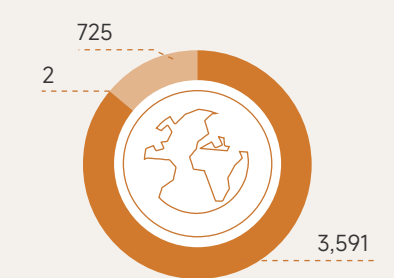
Employee Professional Structure (Persons)



Employee Job Level Structure (Persons)



Employee Regional Distribution (Persons)



Anti-Child Labor and Anti-Forced Labor

The Company has developed systems such as the Minor Worker Protection Regulations, the Child Labor Rescue Management Regulations, and the Regulations on Prohibition of Forced Labor and Ensuring Freedom to prohibit the recruitment and use of child labor and oppose forced labor and other human rights violations. If child labor is mistakenly employed, the Company shall initiate the child labor rescue procedure according to the law and take appropriate remedial measures.

Key Performance

During the Reporting Period, >>>>>>

0 incident of child labor misuse or forced labor were reported at the Company.

Caring for Female Employees

The Company attaches great importance to the protection of women's rights, providing strong support for the career development and rights protection of female employees from multiple aspects. In terms of employment and development, the Company adheres to the principle of equality, offering female employees broad platforms and ensuring they have equal employment and development opportunities. In terms of health protection, the Company has established systems such as the *Three-Phase Protection Procedure for Female Employees* and the *Risk Assessment Regulations for Pregnant Female Workers and New Mothers*, prohibiting the assignment of female employees to high-risk or prohibited work, and fully safeguarding their legal rights during pregnancy, childbirth, and breastfeeding periods.

>> Key Performance	Unit	2024
Proportion of female managers	%	31.25
Number of employees on maternity leave	Persons	52
Return rate from maternity leave	%	98

In order to fully care for the rights and interests of female employees and reflect the company's core values of "people-oriented", JingQuanHua has systematically promoted the construction of maternal and child care facilities, and has successively completed the construction of Nursing Room in Shenzhen Longgang, Longhua, Heyuan, Jiangsu, Hubei and other subsidiaries and production bases, achieving 100% coverage of domestic factories in China. The space layout of the Nursing Room is reasonable, the interior decoration is warm, and the soft lighting design is adopted to create a quiet and relaxed atmosphere. Equipped with air conditioning, breast milk preservation refrigerator and other facilities, effectively provide more humane warm care for female employees during pregnancy and lactation. In addition, in order to protect the privacy of female employees, the Nursing Room is equipped with sound-proof doors and Windows, and the entrance is equipped with "In Use" notification sign, aiming to provide a private, clean and comfortable rest place for female employees in need, fully marking the company's substantial progress in building a women-friendly working environment.



Jiangsu JingQuanHua - Nursing Room

Guanlan Factory - Nursing Room

Heyuan JingQuanHua - Nursing Room

Compensation and Benefits

Compensation and Performance Management

The Company has developed the *Compensation and Benefits Management System* to build a scientific and reasonable compensation and benefits system. It insists on balancing incentives and constraints, clearly defining compensation structure and standards to attract and retain excellent employees, and improve employee work efficiency and creativity.

The Company has developed the *Performance Management System* to establish a complete performance management system, standardize the setting of performance indicators, performance assessments, performance evaluations, performance interviews, and performance appeal processes, ensuring fairness and objectivity in the evaluation process.

Key Performance

During the Reporting Period, >>>>>>

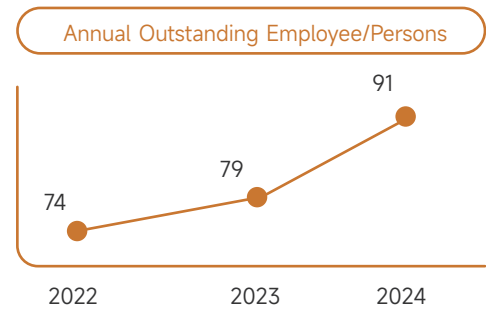
32.07% of employees have underwent regular performance and career development evaluations.

Employee Stock Ownership Plan

The Company continues to promote the development of a profit-sharing mechanism, gradually improving and optimizing the Company's compensation and incentive system. It has established an employee stock ownership plan, creating a close mechanism for profit-sharing and risk-sharing between employees and all shareholders, to motivate employees' enthusiasm and initiative, enhancing employee team cohesion and market competitiveness.

Outstanding Employee Recognition

To set a behavioral example, create a positive corporate culture atmosphere, motivate employee growth and progress, and deeply explore potential talent within the Company, the Company holds an annual outstanding employee selection event each year. For the awarded employees, the Company not only publicly honors them on posters and grants generous annual bonuses but also rewards them with an annual travel opportunity.





Outstanding Employee Recognition Poster

Welfare Package

The Company actively implements various welfare policies, fully safeguarding employees' legal rights. It legally contributes to social insurance and housing provident funds for all employees, provides diverse housing arrangements, and strictly grants employees statutory paid leave such as annual leave, marriage leave, bereavement leave, maternity leave, and paternity leave according to national regulations. In addition, the Company provides employees with free daily medical supplies and offers special allowances and high-temperature subsidies for specific positions to further enhance employees' job satisfaction and welfare benefits.

Case: "Stride Forward, Live Up to Our Prime" Heyuan JingQuanHua All-Staff Walking Event

In October 2024, Heyuan JingQuanHua organized all employees to participate in the "Stride Forward, Live Up to Our Prime", designating October as Sports Month and checking employees exercise data anytime through the platform. This initiative aimed to encourage employees to focus on their health, improve physical fitness, and create a positive, energetic, and upward cultural atmosphere.



Case : Employee Birthday Party

The Company regularly organizes birthday parties for employees, holding celebrations for those with birthdays within the same time frame, sending sincere wishes to the birthday persons, and thanking them for their hard work and dedication to the Company.



Employee Badminton Game



Employee Parent-Child Activity

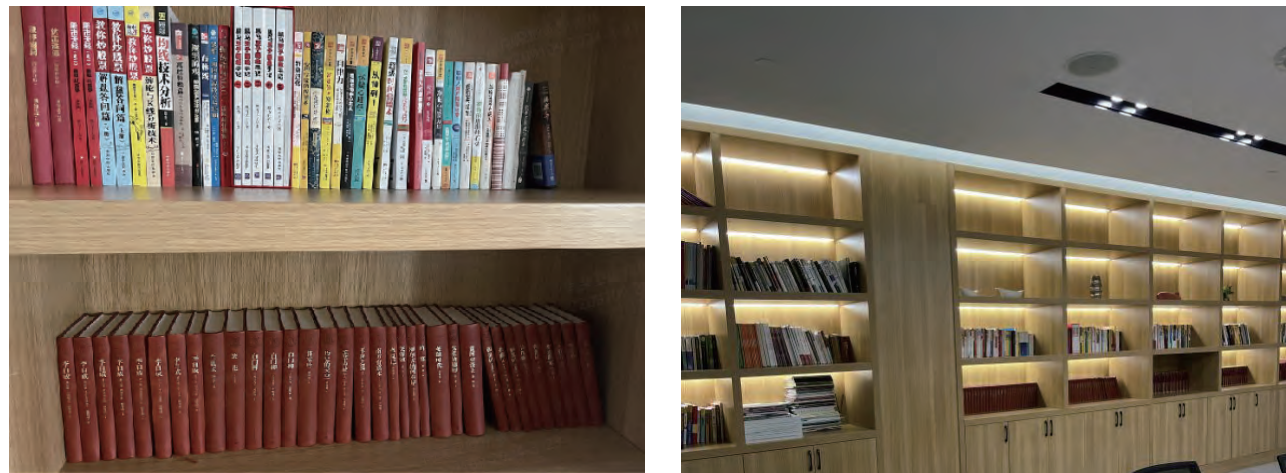


Team-building Outing



Employee Basketball Activity

The Company is committed to building a learning organization, actively promoting a strong learning culture, continuously expanding employees' knowledge boundaries, improving their cultural literacy, and comprehensively enhancing their overall capabilities. To this end, the Company has carefully created a reading room and an employee activity room, and has thoughtfully purchased a wide range of learning materials and related reading books to match employees' interests, greatly enriching employees' leisure time. In addition, the Company's labor union actively promotes the construction of the Employee Home, carefully planning multiple functional areas such as a multi-function hall, reading room, and sports area, providing spaces for reading, learning, communication, and fitness for employees.



Company Library

>> Key Performance	Unit	2024
Social Insurance Coverage Rate	%	100
Welfare Expenditure	RMB 10,000	49.63
Per Capita Paid Annual Vacation Days	Days	3.33

Democratic Governance

Democratic Management System

The Company attaches great importance to democratic management, continuously optimizing and improving the democratic management system. It strictly complies with the *Trade Union Law of the People's Republic of China* and other relevant laws and regulations, and has developed the Trade Union Constitution and the Employee Congress System. The Company supports the union in carrying out work in accordance with the law, widely listening to employees' voices through channels like the Employee Congress and union meetings, and vigorously advancing the standardization, systematization, and rule of law of democratic management, creating a harmonious and democratic atmosphere.

Key Performance

During the Reporting Period, >>>>>

- ◆ 12 proposals has been approved by the Company's Employee Congress
- ◆ 7 proposals has been approved by the Company's labor union approved
- ◆ All union members are active employees.



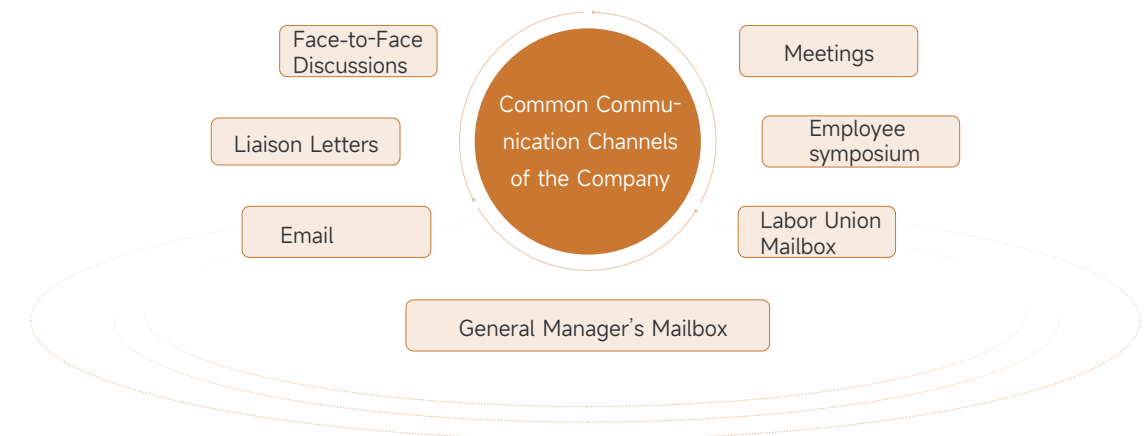
Fourth Quarter Employee Congress of Heyuan JingQuanHua Technology Co., Ltd.

Employee Appeal Channels

The Company has established the *Employee Appeal Management System* to create a reasonable and effective mechanism for handling employee appeals. Employees may choose to submit their appeals either verbally or in writing. Throughout the entire appeal process, all parties involved are required to maintain confidentiality, and anyone who leaks information will be punished in accordance with relevant regulations. Those who retaliate against the appellant will be subject to more severe penalties as stipulated by the relevant rules.

Employee Communication

The Company attaches great importance to communication with employees, actively establishing open, transparent, and smooth communication channels, encouraging employees to voice their demands and offer reasonable suggestions for the Company's development.



Employee Satisfaction

The Company regularly conducts employee satisfaction surveys to gain an in-depth understanding of employees' needs and expectations, evaluate the effectiveness of management practices, and promote communication and exchange between employees and the Company, thereby enhancing employees' sense of belonging and satisfaction. In 2024, the Company used a structured questionnaire. Centered around seven dimensions such as corporate culture, compensation and benefits, communication and collaboration, career development, the survey consisted of 27 questions based on individual employee development and the Company's development direction. The Company conducted a broad employee satisfaction survey and, based on the survey results, promptly adjusted and optimized management strategies, addressing employees' concerns to create a more harmonious and efficient work environment and promote the Company's sustainable and healthy development.

Key Performance

During the Reporting Period >>>>>

◆ the Company experienced

4 Labor Dispute Incidents

2 Employee Complaints, all of which were properly handled;

◆ As of the end of the Reporting Period,

the overall employee satisfaction rate of the Company was **93.60%**

Employee Development

Employee Training

The Company adheres to the talent philosophy of "People-Oriented, Selecting the Capable, and Delivering that 'Future' comes with Talent", highly values employees' personal development, and is committed to continuously improving and optimizing the training management system. The goal is to comprehensively enhance employees' overall qualities, professional knowledge, job skills, as well as management and leadership abilities, thus providing a solid talent foundation for the Company's sustained development and strengthening its competitive edge.

Training Management

The Company has developed related regulations such as the *Training Management System* and the *Courseware Development Management Rules* to clarify the training management process, division of responsibilities, and allocation of authority, thereby achieving standardized training management. The Human Resources Department conducts an annual training needs survey through various methods such as questionnaires and interviews with all levels of supervisors and employees, and based on the results, has formulated the *Annual Training Plan*.

◆ the Company conducted

20,245 employee training sessions

◆ Employee Coverage :

100%,

◆ Average Training Duration :

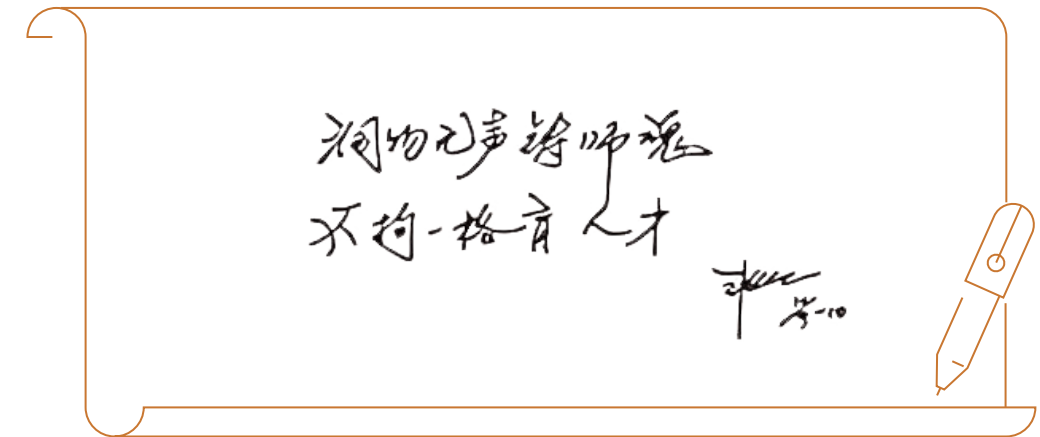
19.11 hours per employee

◆ Training Investment : RMB

258,000

Internal Knowledge Sharing Platform Construction	The Company has created a preliminary internal knowledge-sharing platform for both desktop and mobile devices, and established a corporate knowledge and information network to strengthen the culture of knowledge sharing and accumulate team knowledge.
Job Training Information Platform Construction	Based on the information platform, the Company has integrated the MES system and HRM system training modules, breaking the traditional practice of filling in employee induction training information on paper. This allows for a one-click QR code scan on mobile devices to easily access employee onboarding training information, reducing the workload for workshop management and improving both management and work efficiency.
Special Job Training Automatic Reminders	The Company has developed the HRM system certificate expiration management function, which pushes and shares information regarding the expiration of employee work certificates and special job certificates to the relevant personnel in the HR department and the employing departments, ensuring timely and efficient internal certificate control.

The Company has established the Education and Training Center. Mr. Zhang Lipin, the chairman of the Company, has shown great attention and strong support for the Company's education and training efforts. He personally inscribed the mission statement for the center: "Nurture with Subtlety, Forge the Soul of Teaching; Cultivate Talent Beyond Conventions." Guided by this mission, the Education and Training Center actively carries out corporate training work.



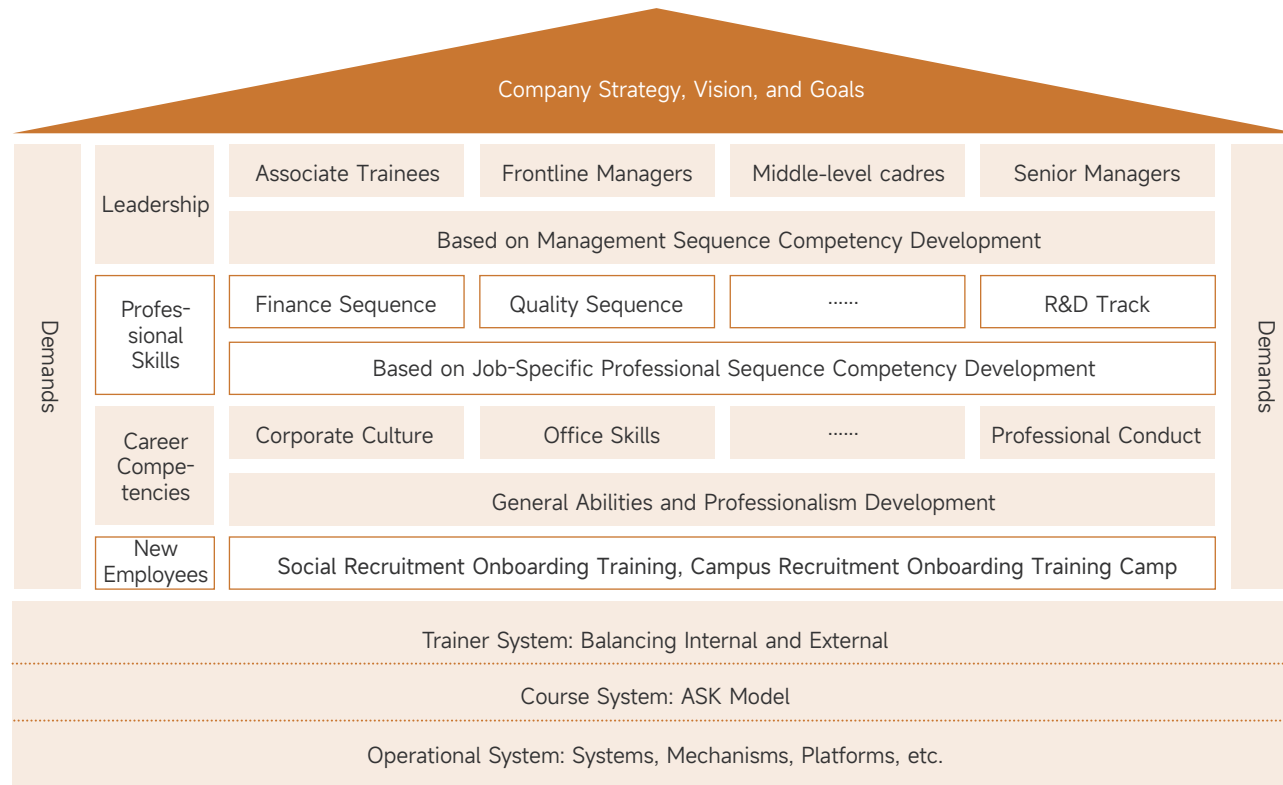
Chairman's Inscription

Training System

Based on the different stages of employee development within the Company and the corresponding competency requirements, the Company has focused on constructing two main training systems: new employee onboarding training and qualification training. The qualification training is further subdivided into career capabilities, professional capabilities, and leadership training. According to the difference in training organizers, the training forms are divided into Company-level training, department-level training, and external training. After the training, the organizing unit must evaluate the training effectiveness based on the nature of the training content.

Special Training Forms and Continuous Evaluation Mechanisms

Training Modes	Based on training objectives, course content, and the basic conditions of the trainees, personalized training and learning formats are conducted, such as external training, internal training, visits, and other various forms.
Teaching Forms	The training methods include practice-based learning, method instruction, experiential learning, and group study, with specific forms including: Course explanations, case analysis, group discussions, on-site guidance, role-playing, management games, etc.
Continuous Tracking and Evaluation	After the training, feedback surveys can be conducted with employees to gather their opinions and suggestions, and adjust the training plan in a timely manner to improve training quality.



Training System Planning Diagram

Professional Training

The Company has developed the *Job Skills Training Operations Manual*, aiming to standardize the skills training and assessment processes for frontline employees. The training method combines theory and practice. Employees who have not undergone training and passed the assessment are strictly prohibited from working independently. Trainees must pass both theoretical and practical assessments; otherwise, they are not allowed to operate in the position.

Internal Trainers

The Company is committed to creating a learning organization, actively forming an internal trainer team, and has formulated the *Internal Trainer Management Regulations* to systematically and efficiently manage internal trainers, promote the formalization of internal trainer management and ensure that trainer resources are fully and effectively utilized.



Organizational Performance Improvement & Talent Pipeline Development Training

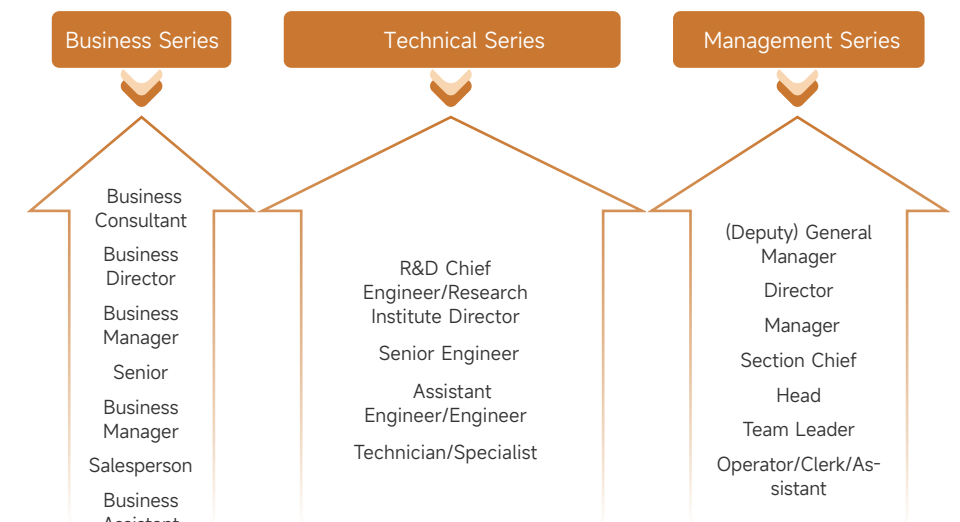
Induction Training

External Training

The Company actively encourages and supports internal employees to participate in academic enhancement programs, regularly releasing notifications for academic advancement each year, and offering a 50% tuition fee discount incentive for enrolled trainees. At the same time, the Company attaches great importance to employees' personal career development and skill building. It encourages and supports employees to participate in training, visits, and learning programs organized by external institutions aimed at improving job qualifications and personal capabilities, with all related costs fully covered by the Company.

Employee Career Path

The Company is committed to providing employees with a broad career development space, continuously optimizing career advancement paths, and offering a wide variety of training and learning resources to help employees maximize their personal career vision and value.



JingQuanHua Career Development and Advancement Path

Promotion Channel

The Company is committed to providing employees with equal and diverse career advancement channels, constructing a dual-channel development system combining both horizontal and vertical paths, ensuring that outstanding talents have smooth promotion opportunities within the Company.

Internal Job Transfer

The Company has established an internal job transfer mechanism and formulated regulations such as the Regulations on Onboarding, Confirmation of Employment, Transfers, and Resignation, to standardize the internal job transfer process for employees. Under the premise of meeting relevant conditions, employees can apply for cross-departmental positions. The Company follows the principle of matching people with positions, reasonably allocating human resources, aiming to fully leverage employees' initiative and maximize the use of their individual strengths.

Key Performance

During the Reporting Period, **518** employees have completed internal job transfers.

Occupational Health and Safety Production

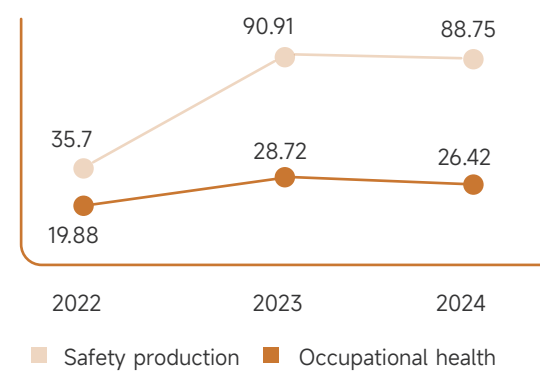
The Company adheres to the safety production policy of "Safety First, Prevention Foremost, Comprehensive Governance," complies with the Law of the People's Republic of China on Work Safety, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, and other laws and regulations, to improve safety production management and occupational disease protection levels, effectively implement employee occupational health management, and strengthen the safety production defense line.

Governance

The Company has formulated regulations such as the *Labor Protection Management Regulations* and the *Safety Management Rules for Park Lessees*, implemented safety standardization management, and developed a comprehensive occupational health management system. The Company continuously strengthens employees' safety awareness, enhances safety prevention capabilities, and ensures a safe and orderly working environment for production operations.



Company Investment in Occupational Health and Safety Production / RMB 10,000



The Company has established the Safety Committee as the safety production management organization, responsible for the comprehensive management, supervision, and improvement of safety production. It strictly implements the safety production responsibility system, which includes enforcing safety regulations, reviewing safety objectives, assessing rewards and penalties, addressing hidden risks, emergency rescue, and standardization management, among other aspects.

As of the end of the reporting period, the Company and Heyuan JingQuanHua have obtained ISO45001:2018 certification for the Occupational Health and Safety Management System.

ISO 45001:2018 Occupational Health and Safety Management System Certificate

Shenzhen JingQuanHua Electronics Co., Ltd.

Heyuan JingQuanHua Technology Co., Ltd.

Occupational Health and Safety Production Capability Building

The Company has developed the *Training Management System*, explicitly listing occupational health training as a mandatory control item. Through systematic course instruction and hands-on practice, it significantly improves employees' awareness of occupational health, clearly explaining and reinforcing preventive mechanisms, and providing comprehensive, multi-level protection for workers' physical health.



Occupational Health and Prevention Training

Strategy

To fully protect employees' life safety and physical and mental health, and to fulfill corporate social responsibility, the Company focuses on core areas such as hazard identification and rectification, standardized operational norms, and the prevention and control of occupational hazards at source. The Company dynamically improves preventive mechanisms and emergency rescue plans to ensure that all production activities under various working conditions always comply with national mandatory standards, thus establishing intrinsic safety.

Risk Type	Description	Impacted Value Chain Links	Impacted Financial Indicators	Impact Magnitude	Impact Duration	Likelihood of Occurrence	Response Measures
Legal Risks	Strict compliance with relevant safety production and occupational health regulations is required. Failure to do so may lead to high fines, lawsuits, orders to suspend production for rectification, and other penalties.	Operations	Net Profit	3	Mid-term	4	Actively accept the guidance and supervision of regulatory authorities and make timely rectifications.
Operational Risks	Failure to promptly identify and rectify safety hazards may result in safety production accidents, leading to personal injury, property loss, and potential legal liability.	Operations	Net Profit Company Reputation	4	Short-term	1	Actively accept the guidance and supervision of regulatory authorities and make timely rectifications.
Reputational Risk	Occupational health and safety accidents may reduce market trust in the Company, leading to a decline in market share and damage to the brand image.	Operations	Net Profit Company Reputation	5	Mid-term	1	Establish and improve the safety production responsibility system, clarify the safety responsibilities of management personnel at all levels, and organize emergency drills to improve the emergency response ability to safety production accidents.

Opportunity Type	Description	Impacted Value Chain Links	Impacted Financial Indicators	Impact Magnitude	Impact Duration	Likelihood of Occurrence	Response Measures
Market Opportunities	Large enterprises have strict social responsibility and compliance standards for the supply chain, avoiding safety or labor risks to protect their reputation. The Company's excellent safety production and occupational health management capabilities have become a key open sesame, creating strategic opportunities to overcome entry barriers.	Operations	Net Profit	3	Mid-term	3	<ul style="list-style-type: none"> Obtain ISO 45001 occupational health and safety certification to meet the international supply chain entry requirements; Develop safety management standards, introduce digital systems, and regularly conduct emergency risk drills to reduce the likelihood of safety accidents.

Impact, Risk, and Opportunity Management

Management System

The Company has formulated the *Hazard Identification, Risk Assessment, and Control Measure Determination Procedure*, which defines the methods for identifying both routine and potential hazards in the workplace, reasonably assesses risk levels, and standardizes the process for formulating control measures, while continuously improving the occupational health and safety management system. The Company conducts annual occupational disease hazard factor testing in the workplace and entrusts qualified third-party organizations to provide detailed testing and evaluation reports.

Risk Prevention and Control

The Company conducts daily equipment point inspections to promptly identify safety hazards in equipment operation. At the same time, the Company regularly organizes various safety inspection activities, including monthly major safety inspections, daily patrols, and supervisor duty shifts, to ensure the timely identification and handling of safety risks. In addition, we make full use of the Company's integrated safety management information system, using digital and information technology methods to enhance the Company's safety management level and effectively prevent and control various safety risks, ensuring stable safety production operations.



Enterprise Safety Management Integrated Information System

Hazard Identification

The Company has formulated the Safety Production Accident Hazard Identification and Rectification System, implementing a responsibility system where the hazard department and the main person in charge are accountable. Department heads regularly organize safety officers to conduct self-inspections of safety production in their respective areas. Safety officers are also required to conduct on-site safety self-inspections at any time and promptly implement corrective measures. The members of the Safety Production Management Committee conduct irregular daily patrols in all areas of the Company. If a safety hazard is found, they will promptly notify the relevant department heads in oral or written form based on the severity of the hazard, instructing them to rectify it within a specified time to ensure the timely and effective elimination of safety hazards.

Key Performance

During the Reporting Period >>>>>

- the Company achieved a 100% rate of identification and rectification of potential safety hazards. **100%**

Emergency Management

The Company complies with relevant laws and regulations such as the Emergency Response Law of the People's Republic of China and the Regulations on the Management of Production Safety Accident Emergency Plans and has developed the Emergency Plan for Production Safety Accidents of Shenzhen JingQuanHua & Everrise Intelligent Electric Co., Ltd. The plan includes a comprehensive emergency plan, special emergency plans, and on-site response procedures, aiming to comprehensively improve the Company's ability and level of response to production safety accidents. It ensures that in the event of an emergency, the Company can quickly and effectively carry out emergency response actions, minimize accident losses, and safeguard the safety of employees' lives and property, as well as the stable development of the Company.

The Company actively organizes emergency drills to verify the scientific, practical, and operable nature of emergency plans, enhance employees' ability to respond to emergencies, and improve their practical skills, ensuring that in emergency situations, emergency response can be carried out quickly, orderly, and efficiently, providing strong support for the Company's safety production and sustained stable development. During the Reporting Period, the Company conducted several emergency activities such as water and power outage on-site disposal drills, food safety emergency drills, and kitchen electrical safety drills, effectively testing the practicality of emergency plans and the response capability of the emergency team.

Key Performance

During the reporting period
>>>>>

◆ The company has conducted a total of **44** emergency drills for occupational health and safety.

Case : Comprehensive Emergency Plan Drill

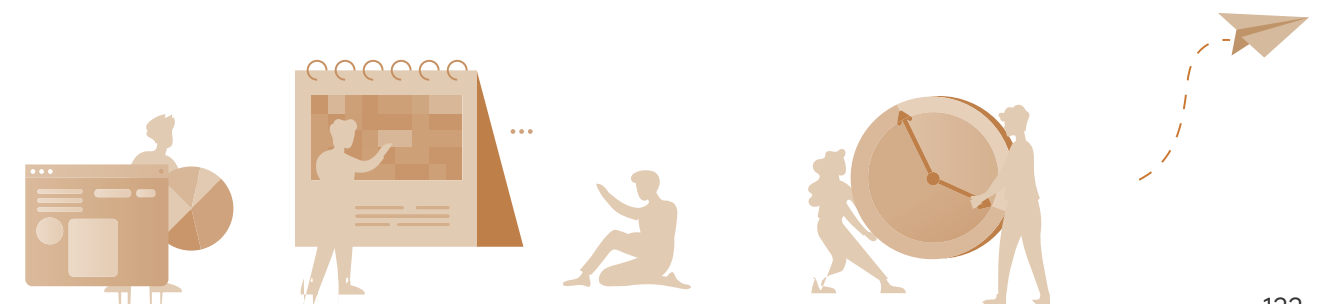
In June 2024, the Company organized a comprehensive emergency plan drill to test the effectiveness of the Company's emergency plan and assess employees' emergency response abilities. The drill simulated a real fire and other emergency situations to ensure that employees could quickly and orderly evacuate and rescue in the event of similar incidents. After the drill, the Company summarized and evaluated the drill process, identified issues and shortcomings, and proposed improvement measures accordingly.



Metrics and Targets

During the reporting period, the Company announced its safety production policy and targets for 2024, focusing on target-oriented safety work, and continuously improving safety production management.

>> Key Indicators	Unit	2024
Safety Production		
Number of safety production accidents	Cases	8
Number of work-related injuries	Persons	8
Workdays lost due to work injuries	Working Days	110
Lost Time Injury Frequency Rate (LTIFR)	%	0.7
Safety education and training sessions	Sessions	12,473
Participant count in safety education and training sessions	Person-times	27,883
Total hours of safety education and training	Hours	193,161
Coverage rate of safety education and training	%	100
Coverage rate of safety risk protection training	%	100
Occupational Health		
Occupational health and injury insurance for employees	RMB 10,000	4.62
Coverage rate of occupational injury insurance for employees	%	17.81
Coverage rate of physical examinations for employees	%	100
The detection rate of occupational disease hazards	%	100
Pass rate of occupational disease hazard detection	%	100
Number of new cases of new occupational diseases	Cases	0



>> Safety Production Targets	Goal Setting	Achievements in 2024
Proportion of business premises that have undergone employee health and safety risk assessments	100%	Achieved
Proportion of employees covered by collective agreements	100%	Achieved
Major equipment accidents	0 time	Achieved
Acute poisoning accidents	0 time	Achieved
Employee safety production education and training rate	100%	Achieved
Hazard rectification rate	100%	Achieved
Safety production investment rate	100%	Achieved
Inspections and penalties by the safety supervision department	0 time	Achieved

>> Occupational Health Targets	Goal Setting	Achievements in 2024
Proportion of special operators licensed	100%	Achieved
Labor protection appliance distribution rate	100%	Achieved
Post-labor protection compliance rate for occupational hazard factors	100%	Achieved

Safety Management Practices

● Labor Protection Management

The Company has established the *Labor Protection Management System*, which strictly requires workers to wear appropriate personal protective equipment (PPE) according to the working environment and job requirements, such as safety helmets, protective glasses, gloves, etc., to fully protect them from accident injuries and reduce occupational hazards during work.

● First Aid Safety Assurance

The Company has established the *First Aid Kit Management Regulations* to ensure that each office area or independent production workshop is equipped with a first aid kit. The kits are checked daily to ensure that the medicines are sufficient and effective, enabling basic first aid treatment for employees in case of accidental injury during work before the arrival of an ambulance, preventing the injury from worsening, and fully safeguarding employees' health and safety.

Occupational Health Protection

● Employee Health Check-up

The Company has developed the *'Triple Synchronization' Management System for Construction Project Safety* and the *Occupational Disease Protection*, and *Environmental Protection Facilities* and the *Employee Health Check-up Management Regulations*, and arranges regular annual health check-ups and occupational health assessments for employees to effectively prevent the occurrence of occupational diseases and proactively control potential disease transmission risks within the Company, ensuring the normal production and operational order of the Company.

Regular employee health check-ups are conducted. For production employees exposed to occupational hazards, health check-ups are performed at three stages—Pre-job, During-job, and Post-job—in accordance with local regulations. Employees found to have abnormalities in the check-ups are immediately reassigned to non-hazardous positions, and active measures are taken to reduce the risk of occupational diseases. For employees found to have occupational contraindications or suspected occupational diseases during health check-ups, the Company will arrange for job reassignment in accordance with relevant regulations and take necessary health management measures.

● Occupational Hazard Notification

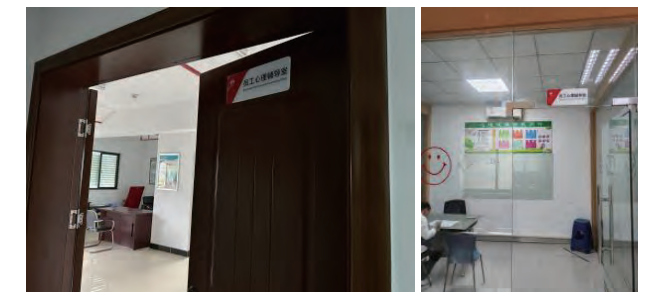
The Company posts occupational hazard notification cards at prominent locations at workplace entrances, near hazardous work positions, or equipment, ensuring employees' right to be informed about occupational health risks.



Occupational Hazard Notification Cards

● Employee Mental Health Care

The Company has set up a counseling room and regularly holds psychological consultation days to provide employees with psychological counseling and stress relief services. At the same time, the Company has developed the *Psychological Consultation Management System* to ensure confidentiality and protect employees' privacy. This initiative aims to prevent excessive fatigue, help employees adapt to their environment, improve psychological resilience, promote mental health, and reflect the Company's humanized management and care.



Employee Counseling Room

06

Social Welfare

The Company deeply understands that corporate development is closely linked to and complements the progress of the economy and society. The Company has always actively engaged in social welfare activities with a strong sense of mission, continuously giving back to society and spreading positive energy. In the future, the Company is willing to join hands with the public to gather strength through small actions and jointly build a more harmonious and beautiful social environment.

Community Construction Mechanism



Practicing Social Responsibility

- Help vulnerable social groups
- Focus on community economic prosperity
- Create a harmonious society
- Actively and properly handle the Company's emergencies



Supporting Regional Development

- Increase support and contribution to the regional economy, ensure enterprise taxation is properly handled
- Carry out community assistance work and promote community civilization construction
- Strengthen cooperation with social charity organizations to care for vulnerable groups



Joint Community Building Management

- Social donation management procedures
- Participate in joint community building management procedures
- Emergency response management procedures

Case: Joint Community Building · Fellowship Activities

JingQuanHua has always adhered to the concept of actively giving back to society and is deeply committed to joint community building and fellowship activities in a comprehensive and in-depth manner. By organizing a variety of diverse and meaningful events, the Company integrates deeply into community life, building a bridge for communication between the Company and the community. This effectively promotes interaction and exchange between both parties and significantly strengthens the cohesion between the Company and the community through close cooperation.



Community Activity - Menu Cuisine



Community Activity - Dragon Boat Festival



Community Activity - Tug-of-War Competition



Community Activity - Free Haircut

Case : Rural Revitalization · Collaboration with Donglan County

JingQuanHua actively practices social responsibility and takes multiple approaches in the collaborative assistance with the paired village. Through labor cooperation, it opens employment channels for the workforce in the paired village and provides suitable job positions; it invests in assistance funds to inject power into rural development. At the same time, it vigorously carries out consumer assistance, guiding employees and surrounding communities to actively purchase agricultural and sideline products from the paired village, assisting in the sales of agricultural products.

In addition, JingQuanHua fully leverages the talent advantages of private enterprises to carry out intellectual assistance actions. It sends professionals to teach practical skills to the people in the paired village, helps them update their production and life concepts, and effectively enhances their production skills and quality of life. It also provides targeted guidance to the talents and leaders in the paired village, helping cultivate local talent and achieve sustainable development.

Case : Red Action · Voluntary Blood Donation

On the morning of April 25, 2024, JingQuanHua (Longgang District) solemnly organized a voluntary blood donation activity. During the event, all employees of JingQuanHua actively responded to the call and enthusiastically participated with a strong sense of social responsibility. Mr. Zhang Lipin, Chairman of the Company, set an example, personally mobilizing and donating blood first, demonstrating the selfless dedication spirit of entrepreneurs with practical actions, profoundly reflecting the noble concept of the Company actively giving back to society and its strong awareness of fulfilling social responsibility.



Case Study: Reemployment Care for Veterans

During the Reporting Period, the Company's Labor Union Committee, representing company leadership and party branch leadership, visited veteran employees at the Heyuan, Longgang, and Guanlan factories during the July 1st Army Day holiday, encouraging them to maintain their military spirit at work, continue to be pioneers, and stay committed to their roles even after leaving the army.



Future Outlook

JingQuanHua will continue to deepen the ESG concept, comprehensively enhance sustainable development capabilities, and create greater value in the economic, environmental, and social fields.

In terms of corporate governance, JingQuanHua will continuously improve its governance system, further optimize the corporate governance structure, enhance the scientific and efficient decision-making process, strengthen the supervision and execution of the ESG strategy, and continuously improve compliance management to ensure that business activities strictly follow laws, regulations, and industry standards. It will actively respond to the changing regulatory environment and protect the legitimate rights and interests of the Company and its shareholders.

In terms of environmental protection, JingQuanHua will firmly promote the "Zero Carbon Plan", increase investments in energy-saving technological improvements, green construction, green electricity purchasing, and increase the proportion of clean energy use to reduce greenhouse gas emissions, aiming to achieve operational carbon neutrality and supply chain carbon neutrality. The Company will continuously optimize production processes to reduce resource consumption and pollutant emissions, strengthen management and recycling of key resources such as water and energy, and promote the Company's transformation towards a green and low-carbon development model. At the same time, the Company will closely monitor climate change-related risks, develop response strategies in advance, and enhance its environmental adaptability and resilience.

In the field of industrial value, JingQuanHua will adhere to the business philosophy of "innovation and progress, practicality and efficiency, pursuit of customer satisfaction, and always striving to meet and exceed customer expectations", continuously increase investment in innovative research and development, closely observe industry development trends, accurately grasp customer needs, and conduct in-depth research on magnetic components, power products, automotive magnetic components, and energy products. It will continuously launch more innovative and higher-quality products and solutions, and provide society with more high-quality products and services, and promoting technological progress and industrial upgrading in the industry.

In terms of social responsibility, JingQuanHua will continue to strengthen employee care and development, optimize the employee training system, increase the diversity of training content, and adopt flexible training methods to enhance employee skills and knowledge reserves. At the same time, it will improve the career advancement channels, build fair standards, expand promotion channels, and provide employees with a clear career development path, thus fully stimulating employees' work enthusiasm and creativity. Additionally, the Company will actively engage in social welfare activities, and expand public welfare activities in fields such as rural revitalization and educational support, contributing more power to social harmonious development.

JingQuanHua will always adhere to the ESG concept, continuously explore and move forward on the path of sustainable development, and work together with stakeholders to create a better future.

>> Key Indicators	Unit	2024
Participant count in volunteer activities	Person-times	60
Number of volunteer activities	Times	6
Cumulative volunteer engagement duration	Hours	300
Village revitalization projects completed	Items	2
Number of jobs contributed to the local community	/	320
Percentage of jobs contributed to the local community relative to Company's total positions	%	11
Investment in assistance fund	RMB 10,000	2
Number of persons assisted	Persons	240
Number of primary-level cadres trained	Persons	70
Number of professional and technical talents trained	Persons	40

Annex Key Performance Form

Key Indicators	Unit	2022	2023	2024
Operation Performance				
Operating Revenue	10,000 RMB	258,429.06	259,350.65	301,154.03
Net Profit	10,000 RMB	14,103.48	3,284.83	4,013.02
Total Tax Paid	10,000 RMB	3,503.53	5,163.14	3,175.12
Party Building				
Party Branches	/	2	2	2
Party Committee Meetings Held	Times	2	2	4
Party Members	Persons	30	32	34
Corporate Governance				
General Meetings of Shareholders	Times	5	4	2
Proposals Approved by the the Shareholders' General Meeting	Cases	25	25	16
Members of the Board of Directors	Persons	9	9	9
Independent Directors	Persons	3	3	3
Female Directors	Persons	2	2	1
Meetings of the Board of Directors	Times	11	9	8
Proposals Approved by the Board of Directors	Cases	57	52	37
Meetings of the Board of Supervisors	Times	9	9	6
Proposals Approved by the Board of Supervisors	Cases	31	23	20
Legal Compliance Training	Times	394	1,537	2,851
Periodic Reports	Cases	4	4	4
Interim Announcements (including attachments)	Cases	164	149	114
Punishment for Violating Regulations in Information Disclosure	Times	0	0	0
Answered Investors' Questions on Hudongyi Platform	/	47	124	77

Key Indicators	Unit	2022	2023	2024
Cash Dividend per Share	RMB	0.10	0.014	0.22
Total cash dividends (including tax)	10,000 RMB	1,944.97	374.87	592.60
Proportion to Net Profit Attributable to Shareholders of the Listed Company in Consolidated Financial Statements	%	13.61	10.97	15.51
Violation of Business Ethic	Items	0	0	0
Corruption and Bribery	Items	0	0	0
Signing Rate of the Commitment to Integrity for Key Personnel in Critical Areas and Positions	%	100	100	100
Proportion of Employees who have Received Business Ethics Training	%	100	100	100
Percentage of Places with Internal Assessments of Business Ethics	%	100	100	100
Environmental Protection				
Response to Climate Change				
GHG Emissions	tCO ₂ e	/	12,219.31	14,164.03
Scope 1	tCO ₂ e	/	498.78	606.64
Scope 2	tCO ₂ e	/	11,720.53	13,557.39
GHG Emission Intensity	tCO ₂ e/10,000 Yuan of Output Value	/	0.047	0.047
Scope 1	tCO ₂ e/10,000 Yuan of Output Value	/	0.0019	0.002
Scope 2	tCO ₂ e/10,000 Yuan of Output Value	/	0.045	0.045
Total Energy Consumption	kgce	/	3,013,922.58	3,666,347.44
Direct Energy	kgce	/	28,728.82	26,654.11
Indirect Energy	kgce	/	2,985,193.76	3,639,693.33
Energy Consumption Intensity	kgce/10,000 Yuan of Output Value	/	11.63	12.1
Direct Energy	kgce/10,000 Yuan of Output Value	/	0.11	0.088
Indirect Energy	kgce/10,000 Yuan of Output Value	/	11.52	12.01

Key Indicators	Unit	2022	2023	2024
Environmental Compliance Management				
Environmental Protection Accident	Items	0	0	0
Violations of Laws and Regulations in the Environmental Field	Items	0	0	0
Qualified Rate of Pollutant Monitoring	%	100	100	100
Synchronous Operation Rate of Environmental Protection Facilities	%	100	100	100
Implementation Rate of "3- Simultaneous" Environmental Protection for Construction Projects	%	100	100	100
Percentage of Operating Sites that have Undergone Environmental Risk Assessment	%	100	100	100
Environmental Complaints Outside the Product	Items	0	0	0
Fire, Explosion and Chemical Leakage Accidents	Items	0	0	0
Environmental Compliance Management-Pollution Control and Ecosystem Protection				
General Industrial Solid Waste	Tons	55	63	58.54
Hazardous Waste	Tons	9.71	22.90	55.24
Disposal Volume of General Industrial Solid Waste	%	100	100	100
Disposal Volume of Hazardous Waste	%	100	100	100
Pollution Control and Ecosystem Protection				
Direct Energy Consumption				
Gasoline	Tons	9.767	10.304	11.096
Diesel	Tons	0.148	0.153	0.179
Liquefied Petroleum Gas	Tons	/	0.003	0.013
Indirect Energy Consumption				
Purchased Electricity	MWh	16,708.3	24,289.62	29,615.08
Water Consumption	Tons	269,868.4	212,628.9	195,035.3
Water Consumption Intensity	Tons/Million Yuan Revenue	104.43	81.98	64.76

Key Indicators	Unit	2022	2023	2024
Industry Value				
Innovation-Driven Development				
R&D Investment	10,000 RMB	10,138.97	13,430.67	13,844.12
Cumulative number of Authorized Invention Patents	Items	35	37	45
Cumulative number of Authorized Utility Model	Items	195	207	239
Cumulative number of Granted Design Patents	Items	44	53	56
Cumulative number of Software Copyright	Items	7	7	7
Innovation-Driven Development-R&D and Innovation Team				
R&D Team Member	Persons	422	506	573
Core Technical Personnel	Persons	65	76	91
Changes in R&D Personnel	%	2.93	19.91	13.24
Product Safety and Quality				
Quality Assurance Investment	10,000 RMB	1,837.89	2,371.98	1,145.98
Complaints about HSF in Products	Times	0	0	0
Products Withdrawn or Recalled for Health and Safety Reasons	Cases	0	0	0
Sustainable Supply Chain				
Suppliers	/	677	756	763
Ratio of Procurement Expenditure to Local Suppliers	%	72.98	69.70	70.38
Signing Rate of the Integrity and <i>Honesty Agreement for Suppliers</i>	%	100	100	100

Key Indicators	Unit	2022	2023	2024
Customer Service				
Responsible Marketing Training	%	6	22	19
Special Training on Customer Complaint Response	Times	4	6	10
Pass rate of the Customer Complaint Response Assessments	%	100	100	100
Customer Privacy Violations	Times	0	0	0
Information Security				
Information Security and Privacy Protection Violations	Times	0	0	0
Labor Relations				
Labor Rights-Employee Recruitment				
Total Employees	Persons	3,979	3,909	4,318
Employee Turnover Rate	%	14.65	11.06	17.30
The Labor Contract Signing Rate	%	100	100	100
Labor Discrimination Incidents	Cases	0	0	0
Employees with Disabilities	Persons	65	51	99
Number of employees of minority nationalities	Persons	649	630	720
Employees of Minority Nationalities in the Management	Persons	32	23	5
Percentage of employees who have received training on diversity, discrimination, and harassment	%	100	100	100
Percentage of operational locations that have undergone human rights impact or risk assessments	%	100	100	100
Individuals who have reported discrimination or harassment incidents	Persons	0	0	0
Percentage of employees who have received training on discrimination or harassment issues	%	100	100	100
Incident of Child Labor Misuse or Forced Labor	Cases	0	0	0

Key Indicators	Unit	2022	2023	2024
Proportion of Female Managers	%	38.22	39.94	31.25
Employees on Maternity Leave	Persons	50	21	52
Return Rate from Maternity Leave	%	100	100	98
Labor Rights-Compensation and Benefits				
Social Insurance Coverage Rate	Times	100	100	100
Proportion of the Employees that have Underwent Regular Performance and Career Development Evaluations.	%	32.58	36.09	32.07
Welfare Expenditure	10,000 RMB	34.53	35.49	49.63
Per Capita Paid Annual Vacation Days	Days	4.36	3.59	3.33
Labor Rights-Democratic Governance				
Proposals has been Approved by the Employee Congress	Cases	10	8	12
Proposals has been Approved by the Labor Union	Cases	5	5	7
Labor Dispute Incidents	Cases	5	9	4
Labor Dispute Incidents Properly Handled Rate	%	100	100	100
Employee Satisfaction Rate	%	90.63	91.09	93.60
Democratic Governance				
Employee Training Sessions	Times	6,029	12,290	20,245
Employee Training Coverage	%	100	100	100
Average Training Duration	Hours	13.03	16.45	19.11
Training Investment	10,000 RMB	18.06	19.58	25.80
Employees have Completed Internal Job Transfers.	Persons	430	664	518

Key Indicators	Unit	2022	2023	2024
Occupational Health and Safety Production				
Safety Production Investment	10,000 RMB	35.70	90.91	88.75
Occupational Health Investment	10,000 RMB	19.88	28.72	26.42
Rate of Identification and Rectification of Potential Safety Hazards	%	100	100	100
Emergency Drills for Occupational Health and Safety	Times	7	35	44
Safety Production Accidents	Cases	7	9	8
Work-related Injuries	Persons	7	9	8
Workdays Lost due to Work Injuries	Working Days	105	500	110
Lost Time Injury Frequency Rate (LTIFR)	%	0.85	1.11	0.7
Safety Education and Training Sessions	Times	2,875	6,969	12,473
Coverage Rate of Safety Education and Training	%	100	100	100
Coverage Rate of Safety Risk Protection Training	%	100	100	100
Percentage of Special Operators Licensed	%	100	100	100
Occupational Health and Injury Insurance for Employees	10,000 RMB	6.07	5.60	4.62
Coverage Rate of Occupational Injury Insurance for Employees	%	21.34	19.54	17.81
Coverage Rate of Physical Examinations for Employees	%	100	100	100
Detection Rate of Occupational Disease Hazards	%	100	100	100
Pass Rate of Occupational Disease Hazard Detection	%	100	100	100

Key Indicators	Unit	2022	2023	2024
New Occupational Diseases	Cases	0	0	0
Employee Psychological Incidents	Cases	0	0	0
Proportion of Business Premises that have Undergone Employee Health and Safety Risk Assessments	%	100	100	100
Proportion of Employees covered by Collective Agreements	%	100	100	100
Post-labor Protection Compliance Rate for Occupational Hazard Factors	%	100	100	100
Safety Production Investment Rate	%	100	100	100
Inspections and Penalties by the Safety Supervision Department	Times	0	0	0
Social Welfare				
Participant count in Volunteer Activities	Person-times	50	54	60
Volunteer Activities	Times	4	5	6
Cumulative Volunteer Engagement Duration	Hours	200	270	300
Village Revitalization Projects	Items	2	2	2
Jobs Contributed to the Local Community	/	300	350	320
Percentage of Jobs Contributed to the Local Community Relative to Company's Total Positions	%	10	12	11
Investment in Assistance Fund	10,000 RMB	2	1.5	2
Persons Assisted	Persons	140	200	240
Primary-level Cadres Trained	Persons	50	65	70
Professional and Technical Talents Trained	Persons	30	35	40

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Independent Assurance Statement

Independent Assurance Statement

To Shenzhen JingQuanhua Technology Co., Ltd.

Shenzhen Value Online Information Technology Co., Ltd. (hereinafter referred to as "Value Online" or "we") was commissioned by Shenzhen JingQuanhua Technology Co., Ltd. (hereinafter referred to as the "Company" or the "Reporting Organization") to conduct an independent and limited assurance engagement (hereinafter referred to as the "Assurance Engagement") on the information and data disclosed in the Company's 2024 Sustainability and Environmental, Social, and Governance (ESG) Report (hereinafter referred to as the "Report") regarding the Company's performance in environmental, social, and governance aspects. We hereby present the assurance results and conclusions in the form of an independent assurance statement to users of the Report.

In case of any inconsistency or discrepancy between the Chinese and English versions of this Assurance Statement, the Chinese version shall prevail.

I. Independence and Competence

Value Online and the Reporting Organization are completely independent entities. None of the members of Value Online's assurance team have any business relationships with the Reporting Organization, its board members, executives, or department managers that could lead to a conflict of interest. Value Online's assurance team has independently and neutrally conducted this Assurance.

Value Online is accredited by AccountAbility. Our assurance team consists of industry professionals with extensive experience, who have received specialized training in relevant sustainability standards and guidelines, including AccountAbility's AA1000 Assurance Standard v3 ("AA1000AS v3"), the GRI Standards of the Global Sustainability Standards Board (GSSB), the International Financial Reporting Sustainability Disclosure Standards (ISSB), the Sustainable Development Reporting Guidelines of the Shanghai, Shenzhen, and Beijing Stock Exchanges, and the ESG Reporting Code of the Hong Kong Stock Exchange. They possess in-depth study and practical experience in sustainability standards, evaluation systems, and verification standards.

Value Online's assurance team has a thorough understanding and practical capability regarding AA1000AS v3 and conducts sustainability assurance in accordance with Value Online's internal assurance protocols.

II. Responsibilities of the Reporting Organization and the Assurance Provider

The Reporting Organization is responsible for preparing its Report in accordance with applicable laws and guidelines and to be fully accountable for the content of the Report. The Reporting Organization is also responsible for implementing relevant internal controls to ensure that the Report does not contain any material misstatements or omissions. Any questions regarding the content of this Independent Assurance Statement or related matters will be answered by the Reporting Organization.

Value Online is responsible for performing an assurance engagement on the Report of the Reporting Organization within the scope of the engagement based on AA1000AS v3 and issuing an Independent Assurance Statement to the Reporting Organization. This Independent Assurance Statement is solely for the purpose of providing assurance conclusions on the matters within the scope of the engagement for the Reporting Organization and is not intended for any other use. All verification and certification review results are internally reviewed by professionals to ensure that the methodology used is rigorous and transparent.



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III. Assurance Standards

Value Online applies the Type 1 moderate assurance in AA1000AS v3, assessing the Reporting Organization's adherence to the four principles (hereinafter referred to as "Four Principles") outlined in the AA1000 Assurance Principles (2018) ("AA1000AP (2018)"): Inclusivity, Materiality, Responsiveness, and Impact.

IV. Scope of the Engagement

- Time Scope:** Limited to the environmental, social, and governance information and data disclosed by the Reporting Organization for the period from January 1, 2024, to December 31, 2024, as well as the assessment of topic materiality, management, and actions taken. Any information outside this time frame or not included in the Report is not within the scope of this assurance engagement.
- Information Scope:** Limited to the information and data covered by the Report regarding the Reporting Organization and does not include data from suppliers, contractors, or other third parties. This assurance engagement is based on and limited to the information provided by the Reporting Organization (related to the Report, evaluating the nature and extent of its adherence to the four principles (Inclusivity, Materiality, Responsiveness, and Impact) of AA1000AS v3. The Reporting Organization is responsible for the truthfulness and completeness of the information and data provided.
- Physical Scope:** The physical site sampled for on-site assurance was the JingQuanhua Technology Industrial Park located at No. 10 Fuguang Road, Pingdi Street, Longgang District, Shenzhen City, Guangdong Province.

V. Methodology


Value Online conducted the assurance engagement solely for the Reporting Organization, including:

- Understanding the Reporting Organization's process for adhering to the AA1000 Assurance Principles, and conducting interviews and sampling tests to assess the extent of the Reporting Organization's adherence to the four principles of AA1000AS v3.
- Collecting and assessing documentary evidence and management declarations that support the Reporting Organization's adherence to the four principles of AA1000AS v3.
- Observing and inspecting management practices, process testing, and evidence gathering across the Reporting Organization on a reviewing and sampling basis. We conducted management interviews to assess the effectiveness of impact-related processes, engaging with the Company's senior management, department managers, and personnel responsible for sustainable management.
- Other procedures deemed necessary by Value Online.

VI. Limitations

The limitations and approach used to mitigate limitations adopted by Value Online during the assurance engagement are as follows:

- Value Online did not reperform assurance procedures on financial data audited by other



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independent third-party institutions or greenhouse gas emission data verified by third parties as disclosed in the Report, but only reviewed the relevant conclusive data from those audits and verifications.

- Value Online did not perform an assurance engagement of the sustainability performance metrics disclosed in the Report. It only confirmed the existence of clear data sources for these metrics through interviews and verification of factual evidence.
- Value Online is unable to provide opinions on any descriptive statements, beliefs, inferences, desires, expectations, future plans, or forward-looking information disclosed in the Report. It only verified the factual evidence that supports such views.
- Value Online will, based on the principle of continual improvement, continue to focus on improving the sustainability information disclosure and management practices of the Reporting Organization in future assurance engagement.

VII. Conclusion

The assurance conclusions regarding the four principles of AA1000AS v3 (Inclusivity, Materiality, Responsiveness, and Impact) are as follows:

Inclusivity

The Reporting Organization has identified significant stakeholders and established communication mechanisms with them. It continuously communicates with significant stakeholders in various ways to understand their expectations and concerns. The Reporting Organization has considered expectations and impacts on significant stakeholders in formulating relevant policies. The Reporting Organization has also formulated an ESG Work Management Manual, which clarifies a stakeholder communication mechanism. In our professional opinion, the Reporting Organization adheres to the principle of Inclusivity.


Materiality

Based on its industry and business operations, and with reference to the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation) and relevant international standards, the Reporting Organization assessed and analyzed ESG topics through stakeholder surveys and the construction of topic matrix. The evaluation results of material topics are presented in the Report. The Reporting Organization has also formulated an ESG Work Management Manual, which specifies the management of topics, indicator systems, and material topics. In our professional opinion, the Reporting Organization adheres to the principle of Materiality.

Responsiveness

The Reporting Organization has established relevant communication channels with its key stakeholders to collect their concerns and has responded to major sustainability-related topics (e.g., response to climate change, product quality and safety, environmental management, health and safety) raised by key stakeholders. The ESG Work Management Manual developed by the Reporting Organization also stipulates requirements for such responses. In our professional opinion, the Reporting Organization adheres to the principle of Responsiveness.

Impact



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The Reporting Organization has established an ESG governance structure and working mechanisms to identify significant impacts in its business, and, through engagement and communication with stakeholders, has formulated relevant policies to improve the impact of its business on society and the environment. The Reporting Organization has also formulated an ESG Work Management Manual, which clarifies the responsibilities at all levels and the management of performance indicators. In our professional opinion, the Reporting Organization adheres to the principle of Impact.



AA1000 Licensed Report 000-542/V3-PNLYB | Shenzhen Value Online Information Technology Co., Ltd. April 25, 2024 | Shenzhen, China



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Feedback Form

Dear reader,

Thank you for reading this report. We highly value and look forward to hearing your feedback on this report. Your comments and suggestions are crucial for us to continuously improve our information disclosure, management and practices in connection with ESG. We welcome and sincerely appreciate your valuable comments!

1. Your overall assessment of our performance in ESG:

Very Good Good Average Below Average Poor

2. Your overall assessment of the report:

Very Good Good Average Below Average Poor

3. How do you think we have communicated with stakeholders?

Very Good Good Average Below Average Poor

4. How do you think we have fulfilled our product responsibilities?

Very Good Good Average Below Average Poor

5. How do you think we have performed in terms of environmental, safety, and occupational health?

Very Good Good Average Below Average Poor

6. How do you think we have fulfilled our employee responsibilities?

Very Good Good Average Below Average Poor


7. How do you think we have performed in terms of ESG?


Very Good Good Average Below Average Poor

8. Any comments or suggestions on our ESG performance and this report?



You can contact us through the following modes:

 Address: JingQuanHua Technology Industrial Park, No. 10, Pingqiao Road, Pingdi Subdistrict Office, Longgang District, Shenzhen

 Email: everrise@jqh.cc