

HENGXIN TECHNOLOGY LTD

(Stock Code: 1085)

2025

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT



C O N N E C T   E V O L U T I O N



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# PREFACE AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) APPROACH

Hengxin Technology Ltd. (the “Company”, together with its subsidiaries, the “Group”) is principally engaged in the research, design, development and manufacture of telecommunications and technological products and production of radio frequency coaxial cables (“RF Coaxial Cables”) for mobile communications and mobile communications systems exchange equipment. The Group’s operations are mainly in the People’s Republic of China (“China” or the “PRC”). The main product and service lines of the Group include: (i) Integrated circuits and digital technology (“Integrated Circuit and Digital Technology”); (ii) New energy and services (“New Energy and Services”); and (iii) Telecommunications (“Telecommunications”).

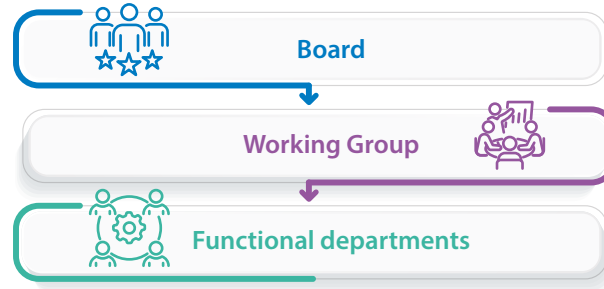
The Group upholds the sustainable ESG management approach and believes this is the key to its continued success in the future. The Group is committed to dealing effectively and responsibly with ESG-related matters as a core part of its business strategy.

This ESG Report (the “Report”) summarizes the Group’s ESG measures, plans and performance for the year ended 31 December 2025 (“2025” or the “Reporting Period”), and also demonstrates its commitment to sustainable development.

## ESG GOVERNANCE STRUCTURE

As a responsible corporate, the Group regards its ESG commitment as part of its responsibility and is committed to incorporating ESG considerations into its decision-making process. To achieve this goal, the Group has established an ESG governance system consisting of three parts, including the Board of Directors (the “Board”), the ESG Working Group (the “Working Group”) and the functional departments.

*The following is the Group’s ESG governance structure:*



Members of the Board have the appropriate skills, experience, knowledge and perspectives necessary to oversee the Group’s ESG matters. The Group conducts evaluations for directors in accordance with the Evaluation List for the Board at each financial year, reviews whether relevant policies have been followed in areas such as the board structure, meeting conduct,

data and information, corporate strategies and planning, risk management and internal control, and conducts checks and improvements.

The Board has overall responsibility for the Group’s ESG and climate change-related strategy and reporting, and oversees and manages related matters. The Board shall hold at least one meeting on an annual basis to develop an overall ESG and climate change-related approach, to monitor and evaluate the impacts and risks related to the Group’s operation, to review the performance of the Group on related targets and the materiality of ESG issues, to ensure the effectiveness of risk management and internal control systems of the Group, and to approve the disclosures in the ESG Report. The Group takes climate change-related risks and opportunities into account in its strategy formulation, business planning and day-to-day operations (including decisions on significant transactions).

As the Group’s primary internal coordination mechanism, the Working Group is authorized by the Board, comprises senior management, and is chaired by an executive director. The Working Group collaborates with an independent third party, and its main responsibilities include analyzing ESG data; monitoring and evaluating the Group’s performance in relevant areas; ensuring that the Group complies with relevant laws and regulations; identifying and prioritizing the Group’s ESG issues; and assisting in the preparation of ESG reports.

The Working Group regularly schedules meetings to discuss and review ESG-related issues, including but not limited to the effectiveness of current policies and procedures, performance, risks and opportunities, and the Group's strategies and targets in terms of sustainable development. The Working Group will also report to the Board at least annually to assist the Board in fulfilling its oversight responsibilities. As with other significant risks, the Group assesses and manages climate-related risks and opportunities through a consistent risk management and internal control system.

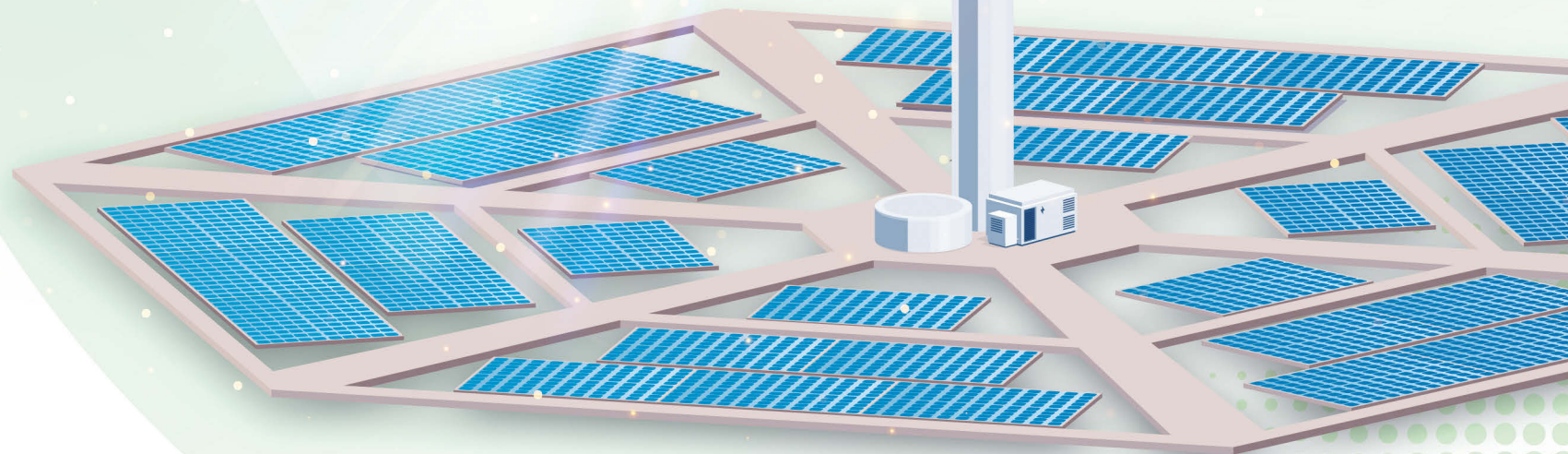
The functional departments are responsible for implementing policies related to sustainable development and assisting the Working Group with data collection.

### **International/domestic ESG initiatives**

This Report aligns with the Global Reporting Initiatives (GRI) standards and adheres to the ten principles of the United Nations Global Compact (UNGC) to integrate environmental responsibility with the development of clean energy. It also draws upon the Task Force on Climate-related Financial Disclosures (TCFD) framework to enhance the management and disclosure of climate-related opportunities and risks. With regard to relevant domestic initiatives, the Group comprehensively discloses the outcomes of environmental management measures and green energy practices, implements related domestic regulations on carbon information disclosure and promotes the transparency of information regarding Certified Voluntary Emission Reductions (CCER) in strict compliance with the requirements of the "Guidelines for the Preparation of Social Responsibility Reports in China (GB/T 36076)".

Zhejiang Zhongguang actively responds to the national voluntary emission reduction policy and is steadily advancing its application for CCER projects. It discloses key information such as the project type, estimated emission reductions, and verification progress as required, ensuring that the emission reduction results are authentic and verifiable. By replacing fossil fuel power generation with green power generation, it continuously provides verifiable carbon emission reductions to society, contributing to the achievement of the "dual carbon" goals.

# ABOUT THIS REPORT



# ABOUT THIS REPORT

## REPORTING SCOPE

The reporting scope is determined by the Group in accordance with the principle of materiality, taking into account the corresponding materiality of the entity to the Group's business and operations and its impact on sustainable development. This Report mainly covers principal operating subsidiaries of the Group: Nanjing Zhangyu Information Technology Co., Ltd. ("Nanjing Zhangyu"), Shanghai Zhangyu Information Technology Co., Ltd. ("Shanghai Zhangyu"), Zhejiang Zhongguang New Energy Technology Co., Ltd. (浙江中光新能源科技有限公司) and its subsidiaries ("Zhejiang Zhongguang"), Jiangsu Hengxin Technology Co., Ltd. ("Jiangsu Hengxin"), Jiangsu Hengxin Wireless Technology Co., Ltd. and Jiangsu Hengxin Zhonglian Communications Technology Co., Ltd. Unless otherwise specified, the Group obtains ESG key performance indicators ("KPIs") through its operational control mechanism. After the Group's data collection system becomes more mature and the sustainability work is deepened, the Group will continue to expand the scope of disclosure in the future.

## REPORTING PERIOD

This Report details the Group's activities, challenges faced, and measures taken in the areas of ESG and climate change response during the Reporting Period.

## REPORTING FRAMEWORK

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Code ("ESG Reporting Code") in Appendix C2 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Information on the Group's corporate governance structure and practices has been published in the Corporate Governance Report section of the 2025 Annual Report.

During the Reporting Period, the Group confirmed that it has established appropriate and effective management policies and monitoring systems for ESG matters, and confirmed that the disclosed content meets the requirements of the ESG Reporting Code. Information on the Group's ESG governance structure is set out in the section headed "ESG Governance Structure" of this Report.

The content of this Report follows the reporting principles of the ESG Reporting Code.

**Materiality:** The Group has identified material issues through materiality assessment during the Reporting Period, and made the identified material issues the focus of this Report. The materiality of the issues has been reviewed and confirmed by the Board and the Working Group. For further details, please refer to the sections headed "Stakeholder Engagement" and "Materiality Assessment".

**Quantitative:** This Report has been prepared in accordance with the ESG Reporting Code and discloses KPIs in a quantitative manner. Information on the criteria, methodologies, assumptions and/or calculation references used for the KPIs and sources of key conversion factors are appropriately set out.

**Consistency:** Unless otherwise stated, this Report has been prepared in the same way as the previous year, i.e., the year ended 31 December 2024 ("2024" or "previous Reporting Period") for comparison purposes. If there is any change in the scope of disclosure and calculation method, which may affect the comparison with previous reports, the Group will explain the corresponding data.

# ABOUT THIS REPORT

## CHAIRMAN'S MESSAGE

Dear Stakeholders:

Hello everyone, on behalf of the Board, I am pleased to present this Report to summarize the Group's measures, plans and performance in ESG and climate change response during the Reporting Period, and to demonstrate its commitment to sustainable development. This Report has passed the internal review procedures of the Group and has been approved by the Board.

The Group has been committed to providing high-quality mobile communication products to China and the international market in mainland Asia, including providing services to major telecommunications operators in China (such as China Unicom, China Mobile, China Telecom) and major telecommunications equipment manufacturers; and developing sales business to telecommunication operators around the world. The Group continued to improve the sales structure to enhance and increase the 5G antennas and leaky cable business in line with the development direction of industrial upgrading. Meanwhile, through Nanjing Zhangyu and Shanghai Zhangyu, the Group has proactively developed business areas of digital technology security and integrated circuit supply chain services. The Group also develops the new energy business area through Zhejiang Zhongguang and its subsidiaries.

At the same time, the Group believes that integrating the concept of sustainable development into corporate operations will help the Group enhance its long-term value and drive its future development. Therefore, the Group has prepared the ESG Policy, strives to develop a sound governance structure and has incorporated ESG considerations into its decision-making process. The Group adopts an effective ESG governance structure and the Board has ultimate responsibility for the Group's ESG strategy, management, performance and reporting. To strengthen sustainable development governance practices, the Group has also established a Working Group to assist the Board in overseeing the Group's ESG matters. For the ESG governance structure of the Group, please refer to the section headed "ESG Governance Structure" in this Report.

The Group also communicates with different stakeholders and conducts materiality assessments to gain an in-depth understanding of the stakeholders' expectations for the sustainable development of the Group. Information on the communication channels of stakeholders and the materiality assessments conducted by the Group are respectively set out in the "Stakeholder Engagement" and "Materiality Assessment" sections. In the future, the Group will continue to maintain close communication with stakeholders, and formulate relevant sustainable development policies and measures with reference to their opinions, so as to enhance the Group's ESG performance.

The Group actively responds to environmental policies such as carbon neutrality, energy conservation and waste reduction in order to promote its sustainable development and enhance its climate resilience. The Group believes that setting ESG-related targets can enhance the Group's commitment to corporate social responsibility and allow the Group's stakeholders to better understand the Group's ESG performance. Accordingly, the Group has set targets for issues that are material to the Group, including greenhouse gas ("GHG") emissions, waste management, energy management and water management. The Board will regularly review the progress of relevant targets through the Working Group and ensure that the Group has sufficient measures and resources to achieve the set targets.

Finally, on behalf of the Board and the management team, I would like to express my heartfelt thanks to our esteemed stakeholders for their unremitting support and valuable contributions to the development of the Group. In the future, the Group will continue to enhance its governance and transparency, provide quality services and will focus on the efficient use of resources to fulfill corporate social responsibility and achieve a sustainable future.

**Cui Wei**  
*Chairman*

24 April 2026

# ABOUT THIS REPORT

## CONTACT US

The Group welcomes comments and suggestions from stakeholders. You can provide valuable comments on this Report or its performance in sustainability by sending an email to [lfl@hengxin.com](mailto:lfl@hengxin.com).

## STAKEHOLDER ENGAGEMENT

The Group values the feedback and participation of different stakeholders on business and ESG aspects. In order to understand and actively respond to the key concerns of various stakeholders, the Group has been maintaining close communication with various stakeholders, including investors and shareholders, customers, suppliers and business partners, employees, governments and regulatory agencies, and society, non-governmental organization (“NGOs”) and the media. By understanding the expectations of its stakeholders and adopting a variety of engagement methods and communication channels, the Group is able to balance differing views and interests of all parties, so as to determine a long-term and sustainable development direction for the Group and the community.

The Group’s communication channels with stakeholders and the stakeholders’ expectations for the Group are as follows:

Stakeholders	Communication channels	Expectations
Investors and shareholders	<ul style="list-style-type: none"> <li>Annual general meeting and other shareholder meetings</li> <li>Financial reports and ESG reports</li> <li>Announcements and circulars</li> <li>Company website and email</li> </ul>	<ul style="list-style-type: none"> <li>Comply with relevant laws and regulations</li> <li>Corporate governance system</li> <li>Risk management</li> </ul>

Stakeholders	Communication channels	Expectations
Customers	<ul style="list-style-type: none"> <li>Customer satisfaction survey and opinion form</li> <li>Customer service hotline</li> <li>Company website</li> </ul>	<ul style="list-style-type: none"> <li>Customer information and privacy protection</li> <li>Comply with relevant laws and regulations</li> </ul>
Suppliers and business partners	<ul style="list-style-type: none"> <li>Supplier on-site audit management system</li> <li>Supplier management meetings and events</li> <li>Email</li> </ul>	<ul style="list-style-type: none"> <li>Corporate reputation</li> <li>Fair competition</li> <li>Maintain good relationship</li> <li>Stable demand</li> <li>Pay in time</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Employee opinion survey</li> <li>Channels for employees to express opinions (forms, suggestion box, etc.)</li> <li>Regular performance evaluation</li> <li>Staff events and seminars</li> <li>Intranet and email</li> </ul>	<ul style="list-style-type: none"> <li>Compensation and benefits</li> <li>Career development and training</li> <li>Employee health and safety</li> <li>Labor rights</li> <li>Corporate culture</li> </ul>
Governments and regulatory agencies	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>On-site inspection</li> <li>Written or electronic communications</li> </ul>	<ul style="list-style-type: none"> <li>Pay taxes in accordance with the law</li> <li>Business ethics</li> <li>Comply with relevant laws and regulations</li> <li>Promote economic development and employment</li> </ul>
Society, NGOs and the media	<ul style="list-style-type: none"> <li>Community activities</li> <li>ESG reports</li> </ul>	<ul style="list-style-type: none"> <li>Community involvement</li> <li>Environmental protection</li> <li>Comply with relevant laws and regulations</li> <li>Information transparency</li> <li>Economic development</li> </ul>

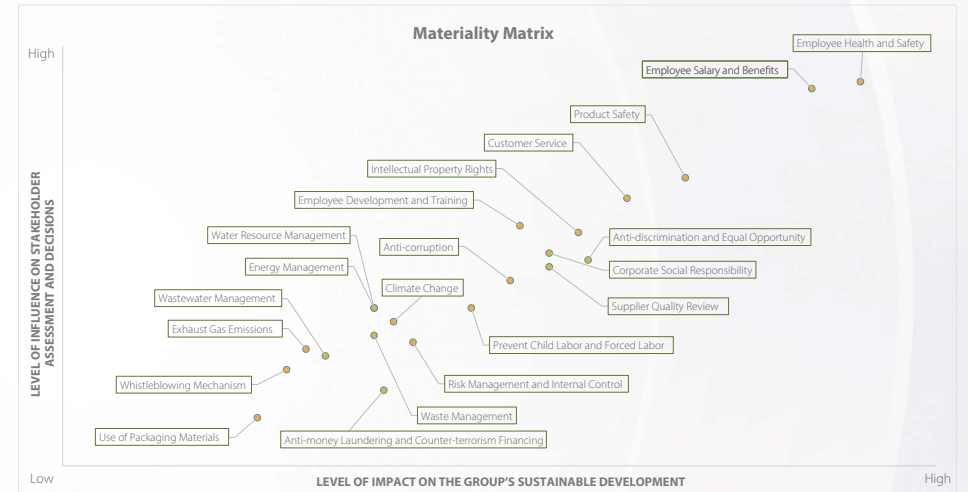
# ABOUT THIS REPORT

## MATERIALITY ASSESSMENT

The Group identifies and assesses ESG issues that may affect the Group's business and its various stakeholders through materiality assessment, in order to formulate its sustainable development strategy, set targets and determine the focus areas of this report. The materiality assessment also enables the Group to analyze business risks and opportunities to support the sustainable development of its business.

In order to understand the opinions and expectations of stakeholders on the Group's ESG performance better, the Group adopts a systematic approach to conduct annual materiality assessments. With reference to business development strategies and industry practices, the Group's management and the Working Group have identified and confirmed a list of material ESG issues. The Group compiled a questionnaire based on the list and invited stakeholders related to the Group to rank the materiality of various issues. The Group has analyzed and ranked material issues based on the survey results, and created a materiality matrix. The identified material issues and stakeholder concerns have been reviewed and confirmed by the Board and the management, and disclosed in this Report.

As the impacts of climate change continue to intensify, the Group recognizes that climate-related risks and opportunities may affect its business operations and long-term development. Therefore, the materiality of climate change has been elevated and is reflected in the materiality matrix.





**RESPONDING  
TO CLIMATE CHANGE**

# RESPONDING TO CLIMATE CHANGE

Climate change has an impact on the Group's operations and long-term value creation. To address this challenge, we place a high priority on climate-related issues. With reference to the framework recommended by the TCFD and the International Financial Reporting Standard S2—climate-related disclosures issued by the International Sustainability Standards Board (ISSB), we systematically identify, assess and manage climate-related risks and opportunities across governance, strategies, risk management, and metrics and targets. We are committed to enhancing business resilience and driving the low-carbon transition.

## GOVERNANCE

The Board is responsible for overseeing the Group's climate-related risks and opportunities, and the Working Group is authorized by the Board to achieve the Group's ESG objectives. To ensure effective oversight of climate-related matters, the Board reviews the composition of the Working Group annually to maintain its expertise and experience in ESG and climate-related matters. At present, the Group has not incorporated climate-related metrics into its remuneration policy. For details on climate governance, please refer to the section headed "ESG Governance Structure".

## STRATEGY

The escalating risks and challenges posed by climate change to the global economy may also have an impact on the Group's business. The Group recognizes the impact of climate change on business models and value chains, and closely monitors the related risks that may affect its operations while striving to identify related opportunities. The Group has formulated a Climate Change Policy and a response mechanism to identify and manage risks and opportunities related to climate change, and has implemented corresponding measures to adapt to or mitigate the

impact of climate change on its business. At the same time, the Group has incorporated climate change risks into ESG risk management, conducted annual risk assessments to identify physical and transition risks, potential impacts and corresponding mitigation measures of these risks, and recorded relevant information in the risk database.

With reference to China's climate vision, the Group has defined the medium-to-short term as the period up to 2030 and the long term as the period up to 2060. The Group has identified the climate-related risks and implemented corresponding countermeasures, summarized as follows:

## PHYSICAL RISKS

Climate change has resulted in more frequent and severe extreme weather, including but not limited to typhoons, torrential rains, floods caused by heavy rainfall and heatwaves, threatening the personal safety of the Group's employees and causing damage to buildings and properties in the short-to-medium term, thereby reducing work efficiency and increasing operating costs. Extreme weather can also increase the time required for transportation or even disrupt it, thereby affecting operating revenue in the short-to-medium term.

In view of this, the Group conducts a qualitative analysis of relevant risks according to its Climate Change Policy and ESG Policy, and formulates countermeasures, such as: work is completely prohibited under very high risk conditions; effective monitoring and emergency response procedures must be provided under high-risk conditions; relevant management responsibilities and guidelines must be specified to control hazards and additional hazard assessment and enhanced control must be conducted under medium-risk conditions. The Group also pays close attention to the latest weather news and recommendations issued by the local governments, and proactively takes the following adaptive measures in response to corresponding weather events:

- Storms: the Group regularly checks the effectiveness of drainage facilities to avoid casualties

## RESPONDING TO CLIMATE CHANGE

or property damage caused by storms in workplaces, including but not limited to offices and warehouses.

- Flood disaster: the Group regularly organizes emergency evacuation of personnel and daily emergency rescue drills to strengthen employees' emergency response capabilities and strive to minimize damage to buildings and personal injuries caused by floods.
- Heatwaves: the Group arranges appropriate rest periods to reduce prolonged, labor-intensive work by individuals, and strengthens employee education to help them recognize the signs of heatstroke, preventive measures, and emergency response methods.

### TRANSITION RISKS

As the Chinese government is committed to achieving "carbon peaking" by 2030 and "carbon neutrality" by 2060, local governments and regulatory agencies have successively enacted or tightened environmental and climate-related regulations. For example, the Stock Exchange has required listed companies to strengthen climate-related disclosures in their ESG Report, resulting in an increase in associated compliance costs in medium-to-short term. If the legal and regulatory requirements of new environmental and climate change-related requirements are not met in a timely manner or cannot be met, the Group may face compliance risks in the long run and reduce its corporate reputation. Furthermore, the introduction of a carbon tax will increase operating costs and uncertainty.

Therefore, the Group will regularly monitor existing and emerging trends, policies and regulations related to climate change to avoid compliance risks and reputational risks caused by slow responses. In addition, in order to reduce the Group's impact on the environment and meet the requirements of the Stock Exchange to mitigate and adapt to climate change-related risks. The Group has set environmental-related targets, including reducing GHG emissions, saving electricity and water, and reducing waste at source. The Group will continue to evaluate the effectiveness of

the Group's actions on climate change and enhance its ability to address climate-related issues.

### OPPORTUNITIES

Through developing its new energy business, the Group not only positions itself as a leader in combating climate change, but also highlights its commitment to sustainable practices, thereby enhancing its reputation and brand image. With the increasing global demand for clean energy sources, the Group is expected to benefit from the significant growth potential of its new energy business, opening up new avenues for revenue growth and market expansion in the medium-to-short term. The Group's business model is aligned with global efforts to mitigate climate change, with the aim of moving towards a sustainable future. At present, the Group is proactively developing its new energy business with two tower-type molten salt energy storage solar thermal power stations (which are 10 megawatts ("MW") and 50 MW, respectively) in Delingha, Qinghai, applying high-temperature molten salt thermal energy storage technology to store energy in the form of heat and then convert it into steam, which can provide peak shifting services for the power grid and realize integrated regional energy supply. At the same time, the Group is actively expanding into the new energy power generation markets in Central Asia and the Americas, while vigorously developing its power station maintenance business in mainland China, thereby driving the diversification and long-term growth of its green energy business. To expand its new energy business, the Group is committed to allocating capitals to both operations and research and development.

The Group is aware of the potential impact of climate change on its financial position, financial performance, cash flows, and the carrying amounts of its assets and liabilities. As more information becomes available, the Group will promptly identify the anticipated financial impact of climate-related risks and opportunities and quantify the relevant amounts to enhance transparency. Furthermore, the Group is committed to enhancing its data collection capabilities in order to assess climate-related risks using scenario analysis. As the Group is still in the early stages of climate resilience assessment, there is uncertainty regarding the scale and timing of potential

## RESPONDING TO CLIMATE CHANGE

climate-related risks and opportunities. However, the Group's flexible operating model enables itself to effectively adjust its strategies and overall business model over time to respond to and adapt to climate change.

The Group continuously monitors its GHG emissions and has set short-term GHG emission targets. Consequently, the Group has not formulated a transition plan. The Group will assess the feasibility of establishing a transition plan, including long-term climate-related targets and corresponding actions, to drive carbon reduction outcomes.

### RISK MANAGEMENT

The Group is gradually treating climate-related risks as one of its primary risk types, placing them on an equal footing with strategic, financial, compliance, and operational risks, and integrating them into the Group's overall risk management framework. The Group's management plans to assess and prioritize potential climate-related risks and opportunities that may arise in its business operations based on the likelihood and financial impact of such risks, as well as the efforts required to adapt to and recover from them. This assessment is based on historical data and reasonable information available to the Group during the Reporting Period. The Group conducts ongoing internal communication to discuss current and emerging risks, as well as their potential impacts and mitigation measures. The Group has set carbon reduction targets and implemented corresponding carbon reduction measures to mitigate potential climate-related physical and transition risks. Please refer to the sections "Metrics and Targets" and "Strategy" for the relevant targets and measures respectively.

### METRICS AND TARGETS

The Group's GHG emissions mainly originate from direct GHG emissions (Scope 1) from refrigerants, fuel consumed by transportation and mirror cleaning vehicles, and natural gas used for cooking, energy indirect GHG emissions (Scope 2) from purchased electricity and other

indirect GHG emissions (Scope 3) due to paper consumption and air travel generated in the course of operations. During the Reporting Period, the Group's total GHG emissions (Scope 1, 2 and 3) intensity increased by about 9.99% from approximately 7.41 tCO<sub>2</sub>e per million revenue in 2024 to approximately 8.15 tCO<sub>2</sub>e per million revenue in 2025, due to an increase in petrol consumed by transportation resulting from business operations and a decline in revenue.

The Group continues to use the operational control approach to calculate its GHG emissions, focusing on emission sources over which it exercises direct control. During the Reporting Period, the Group's GHG emissions performance is as follows:

Indicator <sup>1</sup>	Unit	2025	2024 <sup>1</sup>
Scope 1 – Direct GHG emissions	tCO <sub>2</sub> e	324.89	261.17
<ul style="list-style-type: none"> <li>• Refrigerants</li> <li>• Petrol consumed by transportation</li> <li>• Diesel consumed by mirror cleaning vehicles</li> <li>• Natural gas for cooking</li> </ul>			
Scope 1 – Direct GHG reduction	tCO <sub>2</sub> e	(102.30)	(103.57)
<ul style="list-style-type: none"> <li>• Additional trees planted</li> </ul>			
Scope 2 – Energy indirect GHG emissions(Location-based method)	tCO <sub>2</sub> e	17,734.29	18,204.21
<ul style="list-style-type: none"> <li>• Purchased electricity</li> </ul>			
Scope 3 – Other indirect GHG emissions	tCO <sub>2</sub> e	334.23	302.09
<ul style="list-style-type: none"> <li>• Category 5 – Waste generated in operations (Waste paper disposed of in the landfill)</li> <li>• Category 6 – Business travel (Air travel)</li> </ul>			
<b>Total GHG emissions (Scopes 1 and 2)</b>	tCO <sub>2</sub> e	<b>17,956.88</b>	<b>18,361.81</b>

## RESPONDING TO CLIMATE CHANGE

Indicator <sup>1</sup>	Unit	2025	2024 <sup>1</sup>
Total GHG emissions (Scopes 1 and 2) intensity	tCO <sub>2</sub> e/million revenue <sup>2</sup>	8.00	7.29
Total GHG emissions (Scopes 1, 2 and 3)	tCO <sub>2</sub> e	18,291.11	18,664.71
Total GHG emissions (Scopes 1, 2 and 3) intensity	tCO <sub>2</sub> e/million revenue	8.15	7.41

Remark(s):

- GHG emissions data is presented in terms of carbon dioxide equivalent, mainly including carbon dioxide, carbon monoxide, and methane, with reference to including but not limited to "The GHG Protocol: A Corporate Accounting and Reporting Standard" published by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the "Notice on the Management of Enterprise GHG Emissions Reporting by Power Generation Industry for 2023-2025" and the "Notice on the Release of 2023 Electricity Carbon Dioxide Emission Factors" published by the Ministry of Ecology and Environment of the PRC, and the global warming potential values from the Intergovernmental Panel on Climate Change (IPCC)'s "Sixth Assessment Report".
- During the Reporting Period, the total revenue of the Group was approximately RMB2,245.35 million (2024: approximately RMB2,519.99 million). The relevant data is used to calculate other intensity data.

### Climate Targets

In order to reduce the Group's carbon footprint, the Group has set a new intensity target in 2025, using 2025 as the baseline year (8.00 tCO<sub>2</sub>e/million revenue), and is committed to progressively reducing the total GHG intensity (Scope 1 and 2) of the businesses outlined in the "Reporting Scope" over the next five years. The Group has achieved the target it previously set, with the total GHG emissions (Scope 1 and 2) intensity in 2025 reduced by approximately 1.11% compared

to the 2020 level of approximately 8.09 tCO<sub>2</sub>e/million revenue. The Group is committed to aligning with industry decarbonization methodologies and industry-based metrics, referencing the latest international climate change agreements and obtaining third-party certification, thereby reinforcing its new targets to continuously reduce GHG. Where necessary in the future, the Group will consider purchasing credible carbon credits to offset its emissions.

In order to achieve the emission reduction target, the Group continues to implement a series of measures to reduce its carbon emissions and control their growth, while implementing an efficiency plan in the production process to improve energy efficiency and reduce energy consumption. For further details, please refer to the "Energy Management" section under aspect A2. The Group has also planted trees to absorb GHG from the atmosphere, in order to offset and reduce its total GHG emissions.

### Climate-Related transition Risks, physical risks, opportunities and capital deployment

As more reasonable and supportable information becomes available, the Group will disclose the amounts and percentages of assets or business activities that are vulnerable to climate transition risks, physical risks and opportunities. The Group currently has no capital expenditure, financing or investments specifically allocated to climate-related risks and opportunities. Where necessary, capitals will be drawn from operational capital. Also, the Group has not applied industry-based metrics.

### Internal carbon prices

The Group did not apply internal carbon prices during the Reporting Period. The Group will continue to monitor carbon market conditions and regulations relating to carbon taxes in order to mitigate the associated risks.

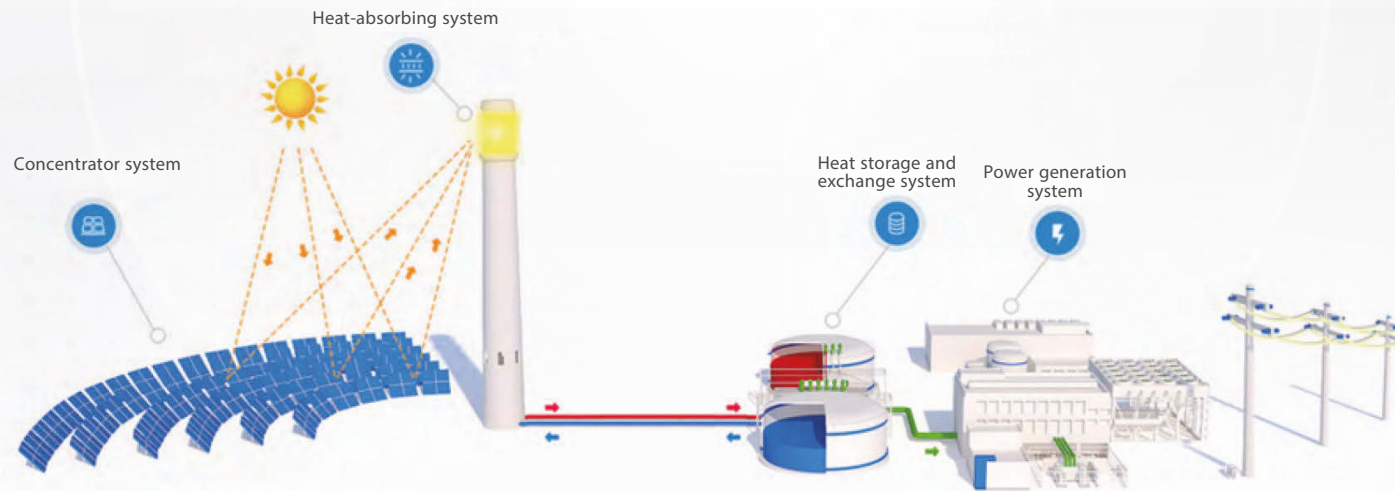
# RESPONDING TO CLIMATE CHANGE



## CASE STUDY

### QINGHAI ZHONGKONG'S 50 MW AND 10 MW SOLAR THERMAL POWER STATIONS IN DELINGHA

Solar thermal power station makes use of a large number of high-precision intelligent heliostats to gather dispersed direct sunlight in a focused manner and then heat its internal heat-absorbing working medium, with a view to achieving the efficient conversion of solar energy into thermal energy. Its heat storage system stores heated medium (molten salt), and the heat exchange system takes advantage of the high-temperature molten salt to exchange heat with water to produce high-temperature and high-pressure steam when power generation is needed, and then utilizes the steam produced to drive the turbine-generator unit for power generation. The entire system is operated and maintained through a fully intelligent management system, which ensures the safe and stable operation of the system and maximizes benefits at the lowest cost.



## RESPONDING TO CLIMATE CHANGE

The concentrator system of the solar thermal power station reflects the sunlight directly and focuses it to the heat absorber at the top of the central tower by exploiting a high-precision intelligent heliostat and large-scale mirror field cluster control system, so as to realize the concentration of solar energy. The tracking accuracy of the heliostat reaches 1.65 mrad, which ensures the efficient utilization of energy, and eliminates the need for angle sensors, with automatic calibration of the entire mirror field and no need for manual supervision. It is maintenance-free for 30 years, and no need to replace the lubricating oil for life. The heliostat has passed the quality inspection by the authoritative third-party organizations CSP Services (Germany) and the German Aerospace Center (DLR), and has obtained the highest rating of "Excellent". The large-scale mirror field cluster control system supports a large-scale heliostat field consisting of 100,000 heliostats, with a light collection area of 2,000,000 square meters and a mirror-to-tower distance of up to 2 km, while the control system's power supply and communication take redundant design to ensure safety and reliability. The heliostats are of strong weatherability, with a working temperature range of -40°C to 65°C, a working wind speed of 24 m/s, and a survival wind speed of 40 m/s.

After the reflection of sunlight, the heat-absorbing system makes use of solar energy to heat its internal heat-absorbing working medium, and converts the gathered solar energy into heat energy with high efficiency. Molten salt heat absorber adopts high-nickel alloy material to solve severe working conditions such as frequent and drastic changes in high and low temperatures, and corrosive environments. It also employs a flexible structural design to minimize the impact of temperature stress and thermal fatigue. By combining with the mirror field energy scheduling system, Zhejiang Zhongguang's real-time monitoring of surface temperature and anti-freezing design guarantee safe operation.

The molten salt, after absorbing heat, is transported to the molten salt heat storage system, where the heated molten salt is stored, while the heat exchange system takes advantage of high-temperature molten salt rainwater for heat exchange to generate high-temperature and high-pressure steam, so as to drive the turbine-generator unit to generate electricity. The molten salt heat storage and heat exchange system adopts highly reliable systems and equipment to prevent leakage, which is capable of intermittent operation and frequent starting and stopping, while energy changes are coordinated and controlled, able to withstand large temperature stress, and resistant to thermal fatigue and corrosion. The molten salt storage tanks have undergone rigorous material selection and wall thickness design, as well as expansion and stress analysis, and is equipped with foundation heat dissipation and thermal insulation optimization functions. The molten salt heat storage and exchange system is also provided with an optimized design for variable load heat exchange system, which is able to adapt to variable load operation.

Qinghai Zhongkong's 50 MW solar thermal power station in Delingha is one of the first batch of solar thermal demonstration projects approved by the National Energy Administration and the first demonstration project in China to reach its design value. It is located in West Export Photovoltaic (Thermal) Industrial Park in Delingha City, Qinghai Province and covers a planned area of 3.3 square kilometers, with a total investment of more than RMB1 billion. Equipped with a 7-hour molten salt energy storage system, enabling it to generate electricity continuously for 24 hours. The solar thermal power station is designed to generate 146 million kWh of electricity annually, which is equivalent to the annual electricity consumption of more than 80,000 households. The station can save approximately 48,000 tonnes of standard coal and reduce carbon dioxide emissions by approximately 124,000 tonnes per year after being fully put into operation, which has sound economic and social benefits. The current tariff policy for the 50 MW power station is based on the Notice on Standard On-grid Tariff Policy for Solar Thermal Power Generation published by NDRC (NDRC Price [2016] No. 1881), which sets the standard on-grid tariff policy for solar thermal power generation (including thermal storage capacity of four hours or more) at RMB1.15 per kWh (tax inclusive). The solar thermal power station has also passed a complete technical assessment by Fichtner, an independent German engineering consulting firm, which found that the design technology of the power station has reached the most advanced level of similar power stations in the world.

Qinghai Zhongkong's 10 MW solar thermal power plant in Delingha has been in stable operation for more than 10 years and has achieved 97% of the power generation target, ranking first in the world. In August 2016, it completed the 2-hour retrofit of the molten salt energy storage and adopted the tower-type water/molten salt binary working medium technology pathway to generate electricity, which is the first tower-type solar thermal power plant, the first tower-type molten salt energy storage solar thermal power plant, and the first solar thermal power plant obtaining on-grid tariff approval in China.



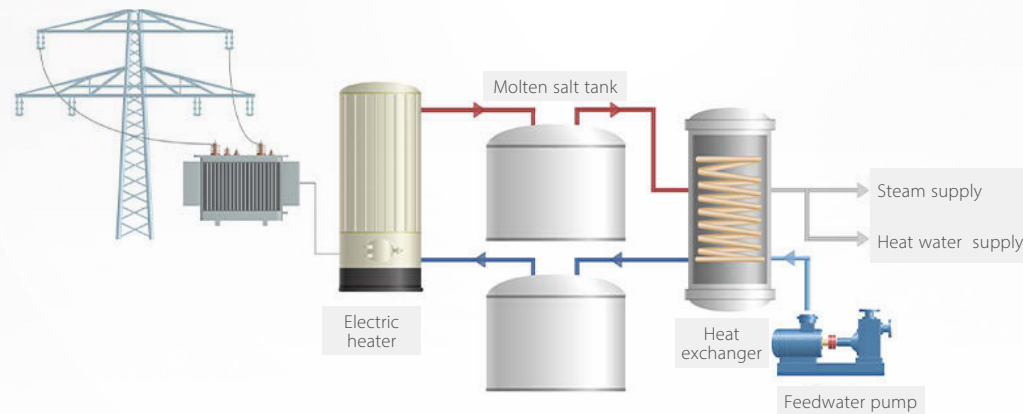
## RESPONDING TO CLIMATE CHANGE



Zhejiang Zhongguang's molten salt energy storage system can not only be applied to solar thermal power generation, but also serve as a new type of energy storage facility in a new power system with new energy as its main body. At the same time, the molten salt energy storage system can be applied to the flexibility retrofits of fire (heat) generator units, realizing the optimal solution of multi-generation of cooling, heating, electricity and steam, and the provision of integrated energy services. The construction period of a molten salt energy storage system is about 8 to 18 months with rapid commissioning capability. Its broad operational applicability covers adjustable temperature ranges from 80 to 600°C. Moreover, molten salt energy storage is a purely physical change, and the whole process is free of explosion, combustion and other risks, with high safety. There has been a long-term experience of stable and safe operation in the chemical industry and other fields, and the risk of leakage of high-temperature molten salt can be completely ruled out through the cofferdam and other precautionary measures. Zhejiang Zhongguang's molten salt energy storage system adopts steam turbine generator sets, which can provide reactive power and rotational inertia for the power grid, and is conducive to voltage stability and frequency stability of the power grid. In addition, it can provide peak shifting, frequency regulation, voltage regulation, system reserve and start-up services for the power grid. Meanwhile, it has a large energy storage capacity, which can realize a wide range and large capacity of energy storage from 10 MWh to 10 GWh.

## RESPONDING TO CLIMATE CHANGE

Zhejiang Zhongguang makes full use of its various years of practical experience in the construction, operation and maintenance of solar thermal power stations to vigorously develop its operation and maintenance business, and provide the owners of solar thermal power stations with standardized and systematic operation and maintenance solutions covering the whole life cycle, with a view to escorting the healthy operation of the power stations. Heli (Qinghai) Operation and Maintenance Technology Co., Ltd ("Heli O&M"), a subsidiary of Zhejiang Zhongguang, synchronously activates the whole process management upon receiving the project, entered the site in advance to understand, familiarize with, and master the sub-system debugging and the whole set of start-up debugging and equipment acceptance, and provides the whole process of operation and maintenance and overhaul services. Heli O&M formulates predictive maintenance plans based on equipment condition, development trends and possible failure modes, removes hidden dangers in advance, extends equipment life, minimizes unscheduled downtime and frequency, conducts targeted analysis for unit problems, and analyzes the common problems on similar types of units. Heli O&M avoids problems and optimizes technical reforms through customized solutions and rational proposals. Heli O&M also dispatches different positions such as operation and maintenance manager, shift chief, specialists, and master operators, as well as talents with different professional skills such as concentrated heat collection, heat storage and exchange, steam engine, electrical, thermal control, and chemical water, etc., and all the professionals hold the corresponding qualification certificates. Heli O&M provides a wide selection of spare parts, with warehouses covering equipment, spare parts, materials, work tools and test instruments commonly used in energy power generation and environmental protection operations. Heli O&M also provides fast and convenient supply chain services, and a localized spare parts warehouse, with the fastest response time of half an hour, to help customers realize light assets and zero inventory.



# RESPONDING TO CLIMATE CHANGE

Heli O&M improves the matching of parameters between various systems, reduces the plant power consumption rate, and enhances operational efficiency through its own process optimization package; reduces equipment failures, avoids unplanned shutdowns, and saves maintenance costs by replacing repairs with maintenance through operation and maintenance services such as operation and maintenance hosting, dispatch of professionals, predictive maintenance, joint storage and joint preparation; and relies on the resources of the database of benchmarking projects to assist the owner in solving the pain points including long learning period and the slow production capacity climbing of the solar thermal power station, and shares the benefits of cost reduction and efficiency improvement with the owner. In July 2021, Zhejiang Zhongguang significantly reduced the steam discharge pressure from 10.46 kPa to 6.81 kPa through the transformation of steam turbine discharge technology, resulting in an increase in power generation capacity by 2,000 kWh per hour.

Zhejiang Zhongguang has obtained ISO "three systems" certifications, which is an important proof of practicing the integrated development strategy of quality, environment, and occupational health and safety, marking it towards a new stage of high-quality development. In the future, Zhejiang Zhongguang will also take this opportunity to strengthen its quality internally, shape its image externally, improve the corporate management level and service quality, and strive to seize climate-related opportunities.



# ENVIRONMENTAL RESPONSIBILITY



# ENVIRONMENTAL RESPONSIBILITY

## A1. Emissions

The Group firmly believes that a sustainable industrial ecology is inseparable from environmental conservation. Therefore, the Group is committed to environmental protection by minimizing the environmental impact of its current business activities, as well as supports natural and environmental protection programs, and has been in strict compliance with environmental policies, relevant laws and regulations of the government. Meanwhile, Jiangsu Hengxin, a major operating subsidiary of the Group, has consistently passed the certification of ISO14001 environmental management system since 2007. The Group regularly tracks the latest national and regional environmental protection laws and regulations, and uses this as a basis to focus on measures to strengthen environmental protection, so as to comply with relevant laws and regulations of the local government and implement environmental policies.

During the Reporting Period, the Group was not aware of any material non-compliance with environmentally-related laws and regulations that would have a significant impact on the Group. Relevant laws and regulations include but are not limited to the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Promotion of Clean Production, the Water Pollution Prevention and Control Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, and other relevant laws and regulations. The Group will continue to strictly comply with relevant laws and regulations, and continue to implement effective measures to prevent and treat wastewater and waste.

## Exhaust Gas Emissions

In the course of the Group's business operations, exhaust gas emissions are mainly derived from fuel consumed by transportation and mirror cleaning vehicles, which mainly includes nitrogen oxides, sulfur oxides and particulate matter. During the Reporting Period, the addition of one vehicle by Heli O&M, as well as increased usage of the mirror cleaning vehicles, led to higher fuel consumption, resulting in an increase in exhaust gas emissions. In response to the above-mentioned exhaust gas emissions, the Group has signed a "Transportation Agreement" with the transportation companies to control and manage the operation and equipment of the Group's vehicles and transportation companies' vehicles for logistics, so as to reduce the exhaust gas emissions of vehicles. The Group has also actively adopted the following emission reduction measures, focusing on reducing exhaust gas emissions from the use of its own vehicles:

- All vehicles of the Group must use unleaded petrol;
- Carry out monthly maintenance on the vehicles of the Group to effectively reduce fuel consumption, thereby reducing carbon emissions and exhaust gas emissions;
- Procure regular fuel for vehicles, and conduct annual inspections to ensure that vehicles meet relevant emission standards;
- Reduce the number of business trips through electronic communication methods such as video conferences and WeChat conferences; and
- Actively take energy-saving measures mentioned in the section headed "Energy Management" under aspect A2.

# ENVIRONMENTAL RESPONSIBILITY

During the Reporting Period, the Group's exhaust gas emissions performance is as follows:

Type of Exhaust Gas <sup>1</sup>	Unit	2025	2024
Nitrogen oxides (NOx)	kg	789.90	674.51
Sulphur oxides (SOx)	kg	1.02	0.92
Particulate matter (PM)	kg	57.81	49.11

Remark(s):

1. The calculation method of exhaust gas emissions data is based on "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

## Wastewater Management

The Group's wastewater discharge is mainly domestic sewage, including water for cleaning. During the operation period, the Group has formulated relevant operating procedures for third-party units' operations in the Group and other sewage treatment, such as the Control Procedures on Pollutant Discharge, to manage and control sewage treatment. Specific measures include:

- Use non-phosphorus detergents for the canteens;
- Filters are installed in wastewater discharge ports to reduce sewage discharge;
- Grease trap, fume purification and other equipment have been installed in the canteens, while a qualified supplier is commissioned to clean up and maintain the equipment regularly; and
- Refrigerators, freezers and central air-conditioners all employ fluorine-free equipment.

All these control measures are implemented throughout the manufacturing plant, and the Group has also installed special purification equipment to treat domestic sewage. The Group entrusts an independent third-party organization to monitor the internal and surrounding environment of the factory area every year, and has also formulated relevant water-saving measures. During the Reporting Period, the Group's wastewater discharge amounts to water consumption quantity, and the specific measures to reduce water consumption and the water consumption quantity have been explained in the "Water Resources Management" section under aspect A2.

## Waste Management

The Group adheres to the principles of waste management and is committed to the rational management and disposal of waste generated from business activities in order to reduce the impact of waste on the environment. The Group strictly abides by relevant environmental protection laws and regulations, identifies the source of waste in daily production and business processes, and reduces and eliminates waste through project control. In addition to reducing waste through production methods such as improving the utilization rate of raw materials, the Group also understands the importance of instilling sustainable development and environmental awareness among its employees. Therefore, the Group has set a target in 2023 to carry out at least one environmental protection promotion activity every year to raise employees' awareness of waste reduction in order to achieve waste reduction at the source. The Group achieved the above goals in 2025, and organized the following environmental promotion activities:

- With the theme of "Green Action, Building the Future Together", a series of activities will be carried out on World Environment Day, including low-carbon travel to save energy, I Know Environmental Protection Knowledge, and garbage classification and participation to guide employees to practice a low-carbon life

## ENVIRONMENTAL RESPONSIBILITY

- Hold the 8th Forest Plan event to interpret environmental protection concepts with actions and convey green hope with love through knowledge competitions, evaluation of environmentally friendly handicrafts and afforestation
- Continue to carry out environmental testing to provide a solid guarantee for sustainable development

In addition, the Group has implemented relevant control procedures, such as the Control Procedures on Solid Waste and the Control Procedures on Pollutant Discharge, for the waste disposal of its own operations and outsourced units. The policies above have specified the sorting method of waste: waste listed in the "National Hazardous Waste Inventory" is hazardous waste; and waste other than hazardous waste is general waste. The Group specifies a storage location by waste category, sorts them out centrally, and then transfers them to a qualified institution for disposal. The Group also commissions an independent third-party organization to monitor the internal and surrounding environment of the factory site every year to optimize its waste treatment and control. The following table summarized the storage and disposal of solid waste:

Waste classification	Types	Storage location	Treatment method
Hazardous waste	Waste batteries, waste fluorescent lamps, waste bulbs, waste oil rags, and waste oil	Hazardous waste depository in miscellaneous storage	Sort them out centrally, and then transfer them to a qualified institution for disposal
	Bottles for pesticides		
	Waste electronic devices		
	Cartridges, toner cartridge and ribbon		
	Waste paint barrels and waste spray paint bottles		
	Waste chemical solvent boxes (Includes alcohol, printing ink, cleaning fluid, writing ink, diluent, refill fluid, etc.)		
General waste	Waste copper, waste aluminum and waste plastic	Scrap storage	Hand over to waste recycling personnel for recycling and handling
	Waste plastic film, waste cartons and waste paper		
	Waste wooden frames	Miscellaneous storage	Recycle by suppliers, manufacturers or other companies
	Household waste		Handle by the Environment and Sanitation Office of Dingshu
	Waste sawdust	Carpentry room	Make sawdust trays

# ENVIRONMENTAL RESPONSIBILITY

## Hazardous Waste

The Group's hazardous waste mainly includes waste oil, waste oil rags, waste activated carbon, waste ink and empty barrels, which are generated during the manufacturing process of RF Coaxial Cables, accessories and antennas. Hazardous wastes are collected by the staff on duty, placed in the hazardous waste collection location according to the Group's Management and Control Procedures on Hazardous Chemicals, and then collectively handed over to qualified outsourcing organizations for unified treatment. The following are the relevant measures taken by the Group to reduce hazardous waste:

- Change the original cooling oil used for machine tools to dry paint to reduce the generation of waste oil, and the used dry paint is recycled;
- Reduce liquid leakage to avoid waste oil rags; and
- Choose high-quality activated carbon products to increase the use time and reduce the amount of waste.

During the Reporting Period, the Group's hazardous waste intensity remained comparable to approximately 0.001 tonne per million revenue for 2024. The amount of hazardous waste recycled reached approximately 1.97 tonnes, accounting for the total hazardous waste generated in 2025.

During the Reporting Period, the performance of the Group's major hazardous waste generation volume is summarized as follows:

Types of hazardous waste	Unit	2025	2024
Waste oil	tonnes	0.74	1.47
Waste oil rags	tonnes	–	0.19
Waste activated carbon	tonnes	1.17	1.66
Waste ink	tonnes	0.06	0.03
<b>Total amount of hazardous waste</b>	<b>tonnes</b>	<b>1.97</b>	<b>3.35</b>
<b>Intensity of hazardous waste</b>	<b>tonnes/ million revenue</b>	<b>0.001</b>	<b>0.001</b>

## Non-hazardous Waste

As the Group is a manufacturer of RF Coaxial Cables, accessories and antennas, the non-hazardous wastes generated during operation are mainly waste copper, waste aluminum, waste plastic and packaging waste, followed by household waste and food waste. Non-hazardous wastes are collected by the staff on duty, and placed in the corresponding storage locations pursuant to the Group's Control Procedures on Solid Waste according to the type of waste, including scrap storage, miscellaneous storage and carpentry room, and then collectively handed over to qualified outsourcing organizations for unified treatment. In order to reduce the waste generated during the operation of the Group's business, the Group has strictly formulated various management measures and recycling procedures.

## ENVIRONMENTAL RESPONSIBILITY

The following are the methods used by the Group to dispose of non-hazardous waste, as well as relevant measures to reduce production: :

Emissions	Treatment method	Reduction measures
Waste copper (bronze, brass), waste aluminum and waste plastic	Hand over to waste recycling personnel for recycling and handling	<ul style="list-style-type: none"> <li>Improve the utilization rate of materials and use hot extrusion pieces for production</li> </ul>
Waste plastic film, waste cartons and waste paper	Hand over to waste recycling personnel for recycling and handling	<ul style="list-style-type: none"> <li>Except for official documents, double-sided printing is used for documents circulated within the Group to the extent possible</li> <li>Use paper that has been printed on one side to draft documents and make notes and internal memos</li> <li>Use the Group's internal email system to deliver and share electronic reports to reduce paper printing</li> </ul>
Waste wooden material	Hand over to local farmers for recycling	<ul style="list-style-type: none"> <li>Improve product packaging design and reduce the amount of packaging</li> </ul>
Household waste and food waste	Hand over to local third-party sanitation service companies for disposal	<ul style="list-style-type: none"> <li>Organize the "Empty Plate Operation" to encourage employees to reduce food waste</li> </ul>

During the Reporting Period, the Group's non-hazardous waste intensity increased by approximately 10.96% from approximately 0.73 tonnes per million revenue in 2024 to approximately 0.81 tonnes per million revenue in 2025. This was mainly attributable to the Group's inventory review, optimization of waste wood data collection procedures, and a decline in revenue during the Reporting Period. The amount of non-hazardous waste recycled in 2025 reached approximately 1,735.46 tonnes, accounting for approximately 95.05% of the total non-hazardous waste generated in 2025.

During the Reporting Period, the performance of the Group's major non-hazardous waste disposal volume is summarized as follows:

Types of non-hazardous waste	Unit	2025	2024
Waste copper (bronze, brass), waste aluminum, waste plastic	tonnes	866.75	1,306.33
Waste plastic film, waste cartons, and waste paper	tonnes	81.93	81.38
Waste wooden material	tonnes	757.82	302.63
Household waste	tonnes	107.25	132.28
Food waste	tonnes	12.10	16.33
<b>Total amount of non-hazardous waste</b>	<b>tonnes</b>	<b>1,825.85</b>	<b>1,838.95</b>
<b>Intensity of non-hazardous waste</b>	<b>tonnes/million revenue</b>	<b>0.81</b>	<b>0.73</b>

# ENVIRONMENTAL RESPONSIBILITY

## A2. Use of Resources

The Group integrates the concepts of resource conservation and environmental protection into its business operations, and is committed to optimizing the use of resources in all its business and production operations. The Group prescribes specific provisions on the conservation of electricity, raw materials, water resources and paper, educates employees to save resources, and monitors the consumption of energy and resources. Jiangsu Hengxin, the main operating subsidiary of the Group, has passed the audit of ISO14001 environmental management system certification and ISO50001 energy management system certification. The Group effectively monitors the utilization of and has formulated the assessment systems for the utilization rate of water, electricity and raw materials.

### Energy Management

The energy consumed by the Group in the course of its operations includes electricity, petrol used by the Group's administrative vehicles, diesel consumed by mirror cleaning vehicles and natural gas used for cooking. In order to reduce energy consumption and exhaust gas emissions, and improve the sustainability of operation, the Group has formulated the Management and Control Procedures on Energy Resource, which is in compliance with the national standard GB/T23331-2020 Energy Management System Requirements and Guidelines for Use, ISO50001 Energy Management System Requirements and Guidelines for Use and RB/T119-2015 Energy Management System Machinery Manufacturing Enterprises Certification Requirements. The personnel in each district take charge of workshop lighting,

office building lighting, street lights, air-conditioning and other production equipment to reduce idle equipment and unnecessary electricity consumption. The power factor should be no less than 0.9 after capacitor compensation for electricity consumption. Through the control and assessment of the use of energy and resources, the Group saves energy and resource consumption and implements various energy saving and emission-reduction management regulations.

In order to effectively reduce energy consumption in the long run, the Group has set a target in 2023 to carry out at least one environmental protection promotion activity every year to raise employees' awareness of energy conservation. The Group achieved the above goals in 2025, and organized the following environmental promotion activities:

- With the theme of "Green Action, Building the Future Together", a series of activities will be carried out on World Environment Day, including low-carbon travel to save energy, I Know Environmental Protection Knowledge, and garbage classification and participation to guide employees to practice a low-carbon life
- Hold the 8th Forest Plan event to interpret environmental protection concepts with actions and convey green hope with love through knowledge competitions, evaluation of environmentally friendly handicrafts and afforestation
- Continue to carry out environmental testing to provide a solid guarantee for sustainable development

## ENVIRONMENTAL RESPONSIBILITY

Regarding electricity consumption for operation, the production equipment of the Group adopts frequency conversion control technology, and the central air conditioner of the office building also adopts frequency conversion split control to closely monitor and evaluate electricity consumption by collecting monthly consumption data. In addition, the Group uses advanced energy-saving lamps for lighting and also puts forward energy-saving and emission-reduction management requirements for production processes and employees' daily activities, such as not turning on lights when there is no one in the workplace, and stipulating the reasonable use of air conditioners according to weather conditions. As for the petrol used in vehicles, in addition to the measures for vehicles described in the section "Exhaust Gas Emissions" under aspect A1, the Group also rationally arranges employee travel methods, such as encouraging employees to adopt public transport, and share corporate vehicles. Regarding the natural gas used for cooking in the canteen, the Group reasonably allocates side dishes for employees' working meals to reduce the use of natural gas. Through the implementation of the above measures, employees' awareness of energy conservation has been enhanced. In support of the concept of "green and low-carbon, energy-saving first" and in response to the strategy of energy conservation and carbon reduction, the Group has adopted the green and low-carbon production mode and implemented the following energy-saving measures:

- Leased or purchased rechargeable forklifts to replace conventional diesel-engined forklifts, and adopted automatic peak avoidance strategies to take advantage of the low tariff for charging during the valley periods;
- Equipped with an electrical visual inspection system at the plants to monitor the electrical energy usage of each plant online in real time;
- Used air conditioning as needed and advocated to use air conditioning for 1 hour less every day;
- Set the temperature level of the air-conditioning strictly in accordance with the standard of "the indoor air conditioning temperature should not be lower than 26°C in summer and not higher than 20°C in winter";
- Cut off the power to the air-conditioning when no one is around and closed doors and windows when the air conditioning is on;
- Encouraged to use stairs to/from the third floor or below and promoted the closure of some lifts during break times;
- Placed electric appliance and equipment in a reasonable manner and place photocopiers, printers and other equipment in locations conducive to heat dissipation to improve operational efficiency and reduce electricity consumption;
- Changed the lighting in public areas such as corridors to LED sensor lights, and switched off lights when no one is around;

## ENVIRONMENTAL RESPONSIBILITY

- Switched on lights as needed during office hours;
- Promoted the use of high-efficiency lighting appliances (low-power LED energy-saving lights or sensor lights) in plants, made full use of natural light in the daytime and minimize the use of lighting lamps;
- Used the monorail crane for the copper strip in the workshop, and transported the copper strip used for production by the rail crane, which can reduce the use of forklift; and
- Phased out obsolete and high energy consumption air compressors and procured new energy efficient air compressors to improve energy efficiency.

During the Reporting Period, the Group's total energy consumption intensity increased by approximately 21.65% from approximately 14.87 MWh per million revenue in 2024 to approximately 18.09 MWh per million revenue in 2025. This increase was mainly attributable to increased petrol consumed by transportation and higher electricity consumption due to business operations, as well as a decline in revenue. The amount of renewable energy generated by the Group during the Reporting Period increased, reaching approximately 155,906.30 MWh, of which approximately 6,269.90 MWh was utilized, with the remainder sold to the local electricity suppliers.

During the Reporting Period, the Group's energy consumption performance is summarized as follows:

Energy types	Unit	2025	2024
<b>Direct energy consumption<sup>1</sup></b>			
Petrol consumed by vehicles	MWh	313.88	298.69
Diesel consumed by vehicles	MWh	361.03	312.91
Natural gas for cooking	MWh	254.30	289.71
Self-generated renewable energy	MWh	6,269.90	5,004.63
<b>Total direct energy consumption</b>	<b>MWh</b>	<b>7,199.11</b>	<b>5,905.94</b>
<b>Indirect energy consumption</b>			
Purchased electricity	MWh	33,423.09	31,569.08
<b>Total indirect energy consumption</b>	<b>MWh</b>	<b>33,423.09</b>	<b>31,569.08</b>
<b>Total energy consumption</b>	<b>MWh</b>	<b>40,622.20</b>	<b>37,475.02</b>
<b>Total energy consumption intensity</b>	<b>MWh/million revenue</b>	<b>18.09</b>	<b>14.87</b>

Remark(s):

1. The unit conversion calculation is based on the conversion factors in "Energy Statistics Manual" issued by the International Energy Agency.

# ENVIRONMENTAL RESPONSIBILITY

## Water Resources Management

In order to conserve water resources, the Group has prepared the Management and Control Procedures on Energy Resource and ESG Policy, and the relevant department conducted statistics and analysis of water consumption on a monthly basis, and promptly found out the reasons for abnormal consumption and made improvements. The Group recycles industrial water, and regularly checks and repairs water leaks in a timely manner during the operation period; cleaning staff strictly control the frequency of cleaning and water consumption to avoid excessive water consumption; and employees also save water in their daily work. Furthermore, the Group promotes water conservation in the plant area and posts water-saving signs at all water points to encourage all employees to develop the habit of consciously saving water in order to reduce water consumption. In addition, the Group has set a target in 2023 to maintain stable or reduce water consumption in its main business each year while operating at a similar level. Through the implementation of the above measures, employees' awareness of water conservation has been improved. Based on the geographic location and business nature of operations, the Group has no problems in obtaining suitable water sources.

During the Reporting Period, the Group's total water consumption intensity increased by approximately 46.92% from approximately 64.73 m<sup>3</sup> per million revenue in 2024 to approximately 95.10 m<sup>3</sup> per million revenue in 2025. This increase was mainly attributable to increased operational activities and a decline in revenue. The Group is still striving to achieve the above water consumption targets. In the future, the Group will continue to stabilize or reduce the total water consumption intensity each year, under a similar level of operations.

During the Reporting Period, the Group's water consumption performance is summarized as follows:

Water consumption	Unit	2025	2024
Total water consumption	m <sup>3</sup>	213,529.00	163,107.00
Total water consumption intensity	m <sup>3</sup> /million revenue	95.10	64.73

## Use of Packaging Materials

In the production process, the Group uses cartons, wood and other packaging materials (such as plastic packaging films) for packaging purposes. In order to reduce the use of packaging materials, the Group enhanced packaging methods through technological improvements, such as using plywood and replacing solid wood pallets with wood chip pallets, thereby reducing wood waste.

During the Reporting Period, the Group's major packaging materials consumption performance is summarized as follows:

Packaging materials	Unit	2025	2024
Carton	pieces	782,559.00	630,095.00
Wood	m <sup>3</sup>	6,809.00	9,300.00
Other packaging materials	tonnes	105.00	83.00

# ENVIRONMENTAL RESPONSIBILITY

The Group produces a wide range of product types and models, and product packaging will also vary according to different customers' demands. Therefore, the Group calculated the packaging materials consumed by each independent production unit based on the major packaging materials used for the main product types. During the Reporting Period, cartons were the packaging materials for modules, and each set of modules used approximately 0.08 cartons (2024: approximately 0.14 cartons); wood was the packaging materials for coaxial cables, and approximately 0.06 m<sup>3</sup> (2024: approximately 0.08 m<sup>3</sup>) of wood was used per kilometer of coaxial cables; other packaging materials were the packaging materials for antennas, and approximately 0.0014 tonnes (2024: approximately 0.008 tonnes) of other packaging materials was used per antenna.

## A3. The Environment and Natural Resources

The production, operation and services of the Group significantly impact the environment and natural resources. Therefore, the Group has formulated the Control Procedures on Environmental Factor Identification and Review to identify the environmental factors that can be controlled and may have a significant impact on the Group's activities, products or services, including but not limited to air pollution and water pollution, solid waste, energy and resource consumption, noise pollution, and other environmental problems. The Group has also obtained the China Environmental Labeling (Type II) product certification.

The Group sorts out, collects, stores, moves and handles potential hazardous substances of raw materials for antennas, cables and other products in accordance with the national and industrial standards, and monitors them in an all-round manner, which effectively

prevents the products from causing any harm to the environment. The Group has in place engineering departments and teams to continuously track the sold products, learn about the engineering application of the products, assist in solving various problems that occur during the construction process, and deal with a variety of events that may result in environmental damage or pollution in a timely manner. The Group has also formulated the Management Rules of Hengxin Technology on Environmental Greening to achieve the goals of "zoning responsibilities, standardization and orderliness, joint management, and environmental beautification", and to inspect, supervise, guide and assess the Group's responsible parties for the management of environmental sanitation and greening.

The Group advocates corporate social responsibility and takes environmental protection, health and safety as the starting point, and strictly abides by relevant national laws and regulations when conducting various business activities. The Group also identifies relevant risks, takes control measures, and announces the performance of the Group in environmental protection, occupational health and safety, and corporate social responsibility. Meanwhile, the Group strengthens the awareness of corporate social responsibility internally, actively practices energy saving and emission reduction, vigorously implements lean management and continuously improves the efficiency of resource utilization and value creation.

The Group regularly convenes a cost analysis meeting every month to review and analyze the costs and material consumption of each department and determine if there are any irregularities. The Group encourages all of its employees to spot any potential wastefulness or non-compliance, so that it can constantly make improvements to reduce the waste generated by its business operations.

# SOCIAL RESPONSIBILITY



# SOCIAL RESPONSIBILITY

## B1. Employment

The Group believes that human resources are the cornerstone of the Group's long-term operation and development, and the sustainable growth of its business depends on good recruitment and retention practices. In view of this, the Group has standardized labor and employment management to ensure the occupational health and safety of employees, respect and safeguard the legitimate rights and interests of employees, and ensure that every employee can receive fair treatment. The Group also actively promotes a diversified working environment, and strives to create a friendly and harmonious working environment as well as labor relations.

The Group has formulated relevant human resources management policies to ensure the welfare of employees and enable employees to actively integrate their personal pursuits into the long-term development of the Group. The Group has formulated several internal management rules, including the Management Rules of Hengxin Technology on Recruitment, the Management Rules of Hengxin Technology on Remuneration, the Management Rules of Hengxin Technology on the Post Grades, the Management Rules of Hengxin Technology on Employee Attendance, the Management Rules of Hengxin Technology on International Talent Cultivation, the Management Rules of Hengxin Technology on Professional Talent Cultivation, the Management Rules of Hengxin Technology on Employee Resignation, the System of Hengxin Technology on Employee Welfare and the Management Rules of Hengxin Technology on Labor Contracts etc., to clarify management procedures in relation to terms of recruitment, remuneration, working hours and holidays, other benefits, welfare, and resignation, and offer equal opportunities for talent development. The Group's Guidance Manual for New Employees regulates remuneration management, and formulates or adjusts remuneration distribution methods in a reasonable manner in accordance with the law, taking into account the Group's operating conditions and economic benefits, as well as employees' work performance, competence and performance appraisal. The Group

pays remuneration for labor once a month after the employee has provided normal labor. The remuneration paid shall not be lower than the minimum wage standard stipulated by the local government. The Group generally pays wages on the 15th day of the following month for the period from the 1st to the last day of each month, or one to two days earlier or later if the payday falls on a public holiday or a statutory holiday. The Group's System of Hengxin Technology on Employee Welfare further standardizes employee benefit management, builds a harmonious enterprise, enhances the cohesion of the Group, and improves employee satisfaction. Employee benefits include social security, housing provident fund, high temperature subsidies, paid leave, holiday fees, summer supplies, health checkups, birthday congratulations, work-related injuries, illnesses and assistance, working meals, working clothes, accommodation, round-trip transportation expenses for Spring Festival, retirement souvenirs, commercial accident insurance, mobile phone bill subsidies, employee training, etc. Relevant expenses are charged to salary costs or the labor union budget; if there is any change, it will be adjusted by the human resources department or the labor union according to actual conditions.

The Group actively accepts the supervision by the city-wide labor union and labor law supervision program organized by Yixing Labor Union, including: inspection of the conclusion and performance of labor contracts and collective contracts; salary payment, implementation of working hours and the rest and leave system; contribution of various social securities; formulation, revision and enforcement of labor rules and regulations; implementation of labor safety and health management regulations; special protection regulations for female employees; as well as potential labor relation contradictions, resolution of labor disputes, and implementation of the workers' congress system, etc.

## SOCIAL RESPONSIBILITY

During the Reporting Period, the Group was not aware of any serious violations of employment-related laws and regulations that had a significant impact on the Group. Relevant laws and regulations include but are not limited to the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China. As of 31 December 2025, the number of employees of the Group covered by this Report was 1,276. The number of employees by different categories is as follows:

Category	As of 31 December 2025			As of 31 December 2024		
	Male	Female	Total	Male	Female	Total
<b>By gender</b>						
	1,011 (79.23%)	265 (20.77%)	1,276 (100.00%)	947 (78.33%)	262 (21.67%)	1,209 (100.00%)
<b>By age group</b>						
<30	279 (21.87%)	60 (4.70%)	339 (26.57%)	270 (22.33%)	83 (6.86%)	353 (29.19%)
30-39	404 (31.66%)	123 (9.64%)	527 (41.30%)	386 (31.93%)	137 (11.33%)	523 (43.26%)
40-49	226 (17.71%)	76 (5.96%)	302 (23.67%)	219 (18.11%)	36 (2.98%)	255 (21.09%)
≥50	102 (7.99%)	6 (0.47%)	108 (8.46%)	72 (5.96%)	6 (0.50%)	78 (6.46%)
<b>By employment type</b>						
Full-time	1,011 (79.23%)	258 (20.22%)	1,269 (99.45%)	947 (78.33%)	262 (21.67%)	1,209 (100.00%)
Part-time	- (-%)	7 (0.55%)	7 (0.55%)	-	-	-
<b>By employee category</b>						
Senior management	20 (1.57%)	2 (0.16%)	22 (1.72%)	19 (1.57%)	2 (0.17%)	21 (1.74%)
Mid-level management	46 (3.61%)	11 (0.86%)	57 (4.47%)	36 (2.98%)	9 (0.74%)	45 (3.72%)
Junior level	43 (3.37%)	14 (1.10%)	57 (4.47%)	62 (5.13%)	52 (4.30%)	114 (9.43%)
Professional and technical	344 (26.96%)	65 (5.09%)	409 (32.05%)	246 (20.35%)	51 (4.22%)	297 (24.57%)
Marketing	49 (3.84%)	12 (0.94%)	61 (4.78%)	83 (6.87%)	15 (1.24%)	98 (8.11%)

Category	As of 31 December 2025			As of 31 December 2024		
	Production	416 (32.60%)	88 (6.90%)	504 (39.50%)	470 (38.87%)	112 (9.26%)
Others	93 (7.29%)	73 (5.72%)	166 (13.01%)	31 (2.56%)	21 (1.74%)	52 (4.30%)
<b>By geographical region</b>						
China	1,011 (79.23%)	264 (20.69%)	1,275 (99.92%)	947 (78.33%)	262 (21.67%)	1,209 (100.00%)
Others	- (-%)	1 (0.08%)	1 (0.08%)	-	-	-

## SOCIAL RESPONSIBILITY

During the Reporting Period, the number and rate<sup>1</sup> of departed employees by different categories are as follows:

Category	2025	2024
<b>Overall</b>	395 (30.96%)	130 (10.75%)
<b>By gender</b>		
Male	248 (24.53%)	97 (10.24%)
Female	147 (55.47%)	33 (12.60%)
<b>By age group</b>		
<30	183 (53.98%)	42 (11.90%)
30-39	117 (22.20%)	50 (9.56%)
40-49	55 (18.21%)	31 (12.16%)
≥50	40 (37.04%)	7 (8.97%)
<b>By geographical region</b>		
China	395 (30.98%)	130 (10.75%)
Others	– (–%)	– (–%)

Remark(s):

- The rate of departed employees = number of departed employees during the Reporting Period ÷ number of employees at the end of the Reporting Period × 100%.

During the Reporting Period, the number and rate<sup>1</sup> of new employee hires by different categories are as follows:

Category	2025	2024
<b>Overall</b>	461 (36.13%)	259 (21.42%)
<b>By gender</b>		
Male	311 (30.76%)	233 (24.60%)
Female	150 (56.60%)	26 (9.92%)
<b>By age group</b>		
<30	169 (49.85%)	141 (39.94%)
30-39	124 (23.53%)	83 (15.87%)
40-49	101 (33.44%)	29 (11.37%)
≥50	67 (62.04%)	6 (7.69%)
<b>By geographical region</b>		
China	460 (36.08%)	259 (21.42%)
Others	1 (100.00%)	– (–%)

Remark(s):

- The new hire rate = number of new employee hires during the Reporting Period ÷ number of employees at the end of the Reporting Period × 100%.

# SOCIAL RESPONSIBILITY

## Employee Compensation and Benefits

In order to establish a fair and reasonable remuneration and welfare system, as well as to standardize the Group's remuneration management, the Group has formulated the Management Rules of Hengxin Technology on Remuneration and the Management Rules of Hengxin Technology on the Post Grades applicable to all of its employees. According to the nature of the post (divided into six categories including management, marketing, professional, technical, operations, and general affairs), posts of the same nature shall adopt the same payroll model while posts of different natures adopt different payroll models. Posts that have similar value requirements are grouped into the same grade, and employees at the same grade are divided into different levels based on their skills, work experience, educational background, etc. New recruits have a basic post grade when joining Jiangsu Hengxin and will then be promoted according to its grade and technical level assessment system. The Management Rules of Hengxin Technology on Paid Annual Leave and relevant supplementary terms have also been formulated by the Group to standardize the administration of employees' annual leave. The labor union convenes conferences annually, and the Group signs the Corporate Collective Contract with employees thereon, explaining the proposed wage system to be implemented. The Group's Corporate Collective Contract is signed by the corporate representatives and the employee representatives through collective negotiation in accordance with the relevant provisions of the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and Regulations on Collective Contracts of Jiangsu Province. At the beginning of each year, both parties determine the wage level for the current year through equal consultation, taking into account the relevant national guidance on wage growth and the enterprise's wage level for the previous year, the enterprise's production and operation status, the price index of residents' living expenses and other relevant factors. Employee representatives shall participate in the discussion of corporate representatives on labor remuneration or changing the wage distribution system and distribution method.

In the event of any dispute arising from the performance of the contract, the two parties shall resolve it through consultation. If such negotiation fails, the two parties may apply to the Municipal Labor Dispute Arbitration Committee for arbitration. At the beginning of each year, employee representatives may propose requirements and revisions to the Group's Management Systems of Hengxin Technology on Performance Points and the Management Rules of Hengxin Technology on Employee Reward and Punishment in place. The labor union organizes employee representatives and managers to promote and publicize the proposed relevant systems to be implemented, which will be officially released and enacted upon completion of the publicity period if no objection is raised.

## Employee Recruitment, Promotion and Dismissal

The Group actively implements the strategy of strengthening its enterprise with talents, and continuously establishes and improves its talent recruitment and selection system. During the recruitment process, the Group strictly adheres to the Labor Law of the People's Republic of China, the Employment Promotion Law of the People's Republic of China, and the Group's Special Collective Contract on the Protection of Female Employees, and is guided by the principles of "fairness, impartiality, and openness" in matters of employment environment and recruitment conditions. For those who meet the employment conditions for the position, the interview team (generally consisting of the head of the human resources department, the direct supervisor, and the head of the department to which the post belongs) holistically evaluates the candidates, and then, after a strict recruitment process, the hiring situation will be summarized to the department leadership and management team for review and approval of the hiring results. For female candidates, the Group strictly complies with the Regulations on the Scope of Prohibited Labor for Female Employees promulgated by the Ministry of Labor and reasonably arranges their posts. Currently, the majority of female employees work in office, product assembly and auxiliary production departments.

# SOCIAL RESPONSIBILITY

As one of the important development strategies of the Group, based on the principle of “attract, retain, cultivate and utilize talents”, the Group is committed to creating a sound environment for all kinds of talents to shine and tap into their greatest potential. The Group applies the concept of “merit-based appointment” to the employment mechanism and implements a series of employment systems such as the job competition system and the duty performance reporting and assessment system, thus effectively selecting the best employees under the mechanism of “promoting the able, demoting the mediocre, and dismissing the incompetent” and creating a platform for talents to showcase their capabilities. A platform for development has been created with reference to the strategic plan for international development of the Group to offer high-quality human resources and a good training environment. All employees of the Group can, in accordance with the Management Rules of Hengxin Technology on Promotion to and Competition for Managerial Positions and the Management Rules of Hengxin Technology on International Talent Cultivation and giving due regard to the conditions of job competition and talent cultivation, lodge their applications for the Group’s talent cultivation programme in writing, then the Human Resources Department will process the applications for the talent cultivation program and suitable candidates will be admitted to the talent cultivation system. Meanwhile, a ranking mechanism for technical personnel was initiated in 2019, which explicitly sets forth the competency and remuneration standards, and sets up targets with respect to learning and talent nurturing for the development of technical personnel.

According to the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China and the Regulations on Collective Contracts of Jiangsu Province, the Group will provide economic compensation in accordance with laws and regulations for situations involving the Group’s unilateral proposal to terminate labor contracts.

## Working Hours and Holidays

Pursuant to the Labor Law of the People’s Republic of China and the Regulations of Jiangsu Province on Salary Payment, the corporate representatives and the employee representatives concluded the Corporate Collective Contract, the Special Collective Contract on Labor Safety and Health, the Special Collective Contract on the Protection of Female Employees, the Special Collective Contract on Wages, and the Special Collective Contract on Working Hours through negotiations, which clearly states remuneration, working hours, holidays and leaves, social security, welfare and other relevant matters.

## Anti-discrimination and Equal Opportunity

The Group provides equal employment opportunities and fair job treatment, does not make discriminatory demands, and opposes any form of discrimination in the workplace, regardless of gender, race, marriage, biological, surname, geography, and religious belief, to protect workers’ right of equal opportunities to employment; has clearly established a recruitment system, and prohibits any discriminatory terms in the recruitment descriptions or any express or implied discriminatory provisions in the conditions of employment, eliminates any form of identity discrimination and regards anti-discrimination as part of its social responsibility; upholds the principle of equal pay for equal work and ensures that women enjoy the same rights as men in terms of labor remuneration, benefits and welfare. During the Reporting Period, the Group had no confirmed incidents of discrimination.

## SOCIAL RESPONSIBILITY

The Group also values women's rights. The labor union regularly leads and organizes the signing of the Special Collective Contract on the Protection of Female Employees with female employees, to ensure labor protection during pregnancy, maternity leave, breastfeeding leave, and other benefits for female employees, while also ensuring that positions are assigned reasonably based on their physical conditions. The Management Rules of Hengxin Technology on Employee Attendance and the System of Hengxin Technology on Employee Welfare also clearly stipulate benefits related to maternity leave, miscarriage leave, and special examinations for women. For female employees who are in need of recuperation during their pregnancy or cannot return to their normal work after their pregnancy leave due to personal reasons, an application for the termination of labor contract can be sought.

### Employee Communication

The Group has established effective employee communication methods, covering both formal and informal channels, to ensure two-way transparency of information flow and effectively promote team integration and efficiency enhancement. In terms of formal communication channels, the Group regularly conducts performance reviews and feedback sessions, while each subsidiary holds weekly and regular meetings as well as staff meetings to achieve information alignment and democratic participation across all levels. Meanwhile, the Group implements standardized new employee orientation sessions and exit interviews, and disseminates important information through tools such as email, Tencent Meeting, and the office system. Informal communication channels are more flexible and diverse, including instant messaging tools such as WeChat, departmental sharing sessions, regular team-building activities, and exchange meetings, all aimed at fostering an open and interactive atmosphere. The formal and informal channels complement each other, providing employees with effective ways to express their needs and participate in corporate management.

The Group has always prioritized employee satisfaction as a key element of its development, continuously striving to enhance employee experience and optimize the work environment, thereby strengthening organizational cohesion and sustainable development capabilities. The Group conducts an annual employee satisfaction survey using an online anonymous questionnaire. The survey covers a wide range of topics, including compensation and benefits, work environment, and management systems, with the number of participants exceeding 70% of the total workforce. The survey results and corresponding improvement plans are announced to all staff, and a quarterly tracking mechanism is established to regularly report on the progress of corrective actions, ensuring that employee feedback is taken seriously.

The Group has established multiple performance feedback and appeal channels, committed to fostering an open and fair communication environment to protect employee rights and interests and promote continuous management improvement. The Group conducts performance appraisals at least once a year. Since the Group has set up a clear appeal process. If an employee disagrees with the appraisal result, it may provide feedback to its direct supervisor after being informed of the result. If the matter is not resolved, it may submit a formal appeal via email or other means to the supervisor at the next level. The General Manager is responsible for the final decision, while the Human Resources Department is responsible for managing records related to the appraisal and appeal.

# SOCIAL RESPONSIBILITY

## B2. Health and Safety

The Group attaches great importance to the health and safety of employees and is committed to providing employees with a healthy, safe and comfortable working environment. The Group strives to eliminate potential hazards in the workplace, and strengthen management in all aspects to ensure the safety and health of employees during work.

During the Reporting Period, the Group was not aware of any serious violations of laws and regulations related to health and safety that had a significant impact on the Group. Relevant laws and regulations include but are not limited to the Labor Law of the People's Republic of China, the Work Safety Law of the People's Republic of China, the Prevention and Control of Occupational Diseases Law of the People's Republic of China and the Fire Protection Law of the People's Republic of China.

During the past three years including the Reporting Period, the Group has not recorded any accidental incidents of work-related fatalities. The Group has 3 (2024: 1) recordable work-related injury incident, the number of lost working days due to work-related injuries was approximately 118 days (2024: approximately 43 days), and the number of lost working days due to work-related injuries per million revenue was 0.05 days. The Group has established the Management Rules of Hengxin Technology on Work-related Injuries to regulate and manage the procedures for handling work-related injuries. After the occurrence of work-related injury accidents, the Group should take immediate measures to send the injured employee to the hospital for medical treatment. No medical insurance card is allowed to be used, and such accidents shall be reported in a timely manner. If an employee is injured in an accident or is diagnosed or recognized as having an occupational disease in accordance with the regulations, he/she shall, within 30 days from the date of occurrence of the accident or the date of diagnosis or recognition of occupational disease, submit an application for recognition of the work-related injury to the local social

insurance administrative department. In the event of special circumstances, the time limit for application may be appropriately extended with the consent of the social insurance administrative department. After the recognition of work-related injury accidents, the injured employee shall be notified in a timely manner to receive the work-related injury certificate, and after the relative stability of the injury after treatment, he/she shall be asked whether to apply for labor capacity disability level appraisal. If he/she needs to apply for the labor capacity appraisal, he/she shall fill out the application form for the labor capacity disability level appraisal in accordance with the appraisal procedure, and then go to the designated hospitals for disability appraisal according to the time agreed in the appointment letter for labor injury appraisal; Otherwise, such employee applies for reimbursement of medical expenses after signing an undertaking to waive the labor capacity disability level appraisal and other related matters. Employees who suffer from injuries or occupational diseases due to work-related accidents are entitled to medical treatment for work-related injuries.

Employees who are injured at work shall seek medical treatment at a medical institution with which a service agreement has been signed, and in case of emergency, they may first go to the nearest medical institution for first aid. If an employee with a work injury undergoes rehabilitation at a medical institution specified in the service agreement, and the costs incurred align with the work injury insurance treatment project catalog, work injury insurance drug catalog, and work injury insurance hospitalization service standards, then these costs will be covered by the work injury insurance fund.

# SOCIAL RESPONSIBILITY

## Employee Health and Safety

The Group is committed to providing a healthy and safe working environment for all employees, strictly observes the Work Safety Law of the People's Republic of China and other related regulations, and formulates safety production measures, aiming to prevent any accidents from occurring. Jiangsu Hengxin, a major operating subsidiary of the Group, has obtained the ISO45001 occupational health and safety management system certificate, and a qualified third-party occupational health verification center inspects the workshops annually to ensure the health and safety of employees. The subsidiaries of the Group face different production safety factors depending on their respective business natures. However, overall, the major risks can be categorized into seven main types: electrical hazards, falls from height, mechanical injuries, fire and explosion, natural environment and traffic safety, impact from falling objects and collapse, and confined space asphyxiation. The causes of these risks involve four aspects: human factors, physical factors, environmental factors, and managerial factors. Human factors include violation of operating procedures, fatigue work, and insufficient safety skills; physical factors encompass equipment defects and hazardous materials; environmental factors involve adverse conditions such as inadequate lighting, obstructed passages, and working at heights; and managerial factors are reflected in issues such as inadequate systems and a lack of training and supervision.

In order to further standardize the safety production work in the factory area, strengthen the implementation of safety responsibilities, enhance safety production management, regulate employee behavior, prevent personal injury, fatal accidents and serious accidents, ensure the safety of the Group's property and employee lives, and achieve procedural control of safety management, the Group has formulated the Management System of Hengxin Technology on the Red Line of Safety Production. The safety unit is responsible for the supervision and management of safety production in the factory area. Each center unit and related parties and units are responsible for the on-site red line management

of safety production under their jurisdiction. It is strictly prohibited to operate without a license or direct unlicensed personnel to operate special equipment or engage in special operations; it is strictly prohibited to smoke in non-smoking areas or work after drinking; it is strictly prohibited to dump hazardous chemicals in the workshop at will, and to mix hazardous wastes with other items; when entering the required workshop for operation, it is strictly prohibited to wear loose clothing (loose collars, loose cuffs, and loose hems), scarves or long decorative clothing, and female workers must have their hair tied up; it is strictly prohibited to start safety facilities for operation without confirming their normal operation (protective covers, protective plates, light curtains); it is strictly prohibited to touch operating and running equipment, facilities, and objects without taking safety measures; fire evacuation passages must be unobstructed, and it is strictly prohibited to move fire-fighting equipment without an emergency; in flammable and explosive areas, it is strictly prohibited to carry out hot work in violation of regulations without hot work approval, and it is strictly prohibited to work at heights without wearing a safety belt as required and enter confined space areas for work without work permits; it is strictly prohibited to carry or privately store controlled knives, hazardous chemicals and other prohibited items in the factory area and dormitory area; it is strictly prohibited to late reporting, underreporting, false reporting, or conceal production safety accidents. For violations of the red line, fines will be imposed by the Group depending on the severity of the circumstances. Those who violate the red line of safety and cause personal and property accidents in safety production will be dealt with in accordance with the Management Rules of Hengxin Technology on Employee Reward and Punishment and the Management Rules of Hengxin Technology on Work-related Injuries.

## SOCIAL RESPONSIBILITY

The Group conducts production safety risk assessments through a systematic process. Each major subsidiary has established a risk assessment group to clearly define the scope of the assessment and collect relevant risk information. In practice, the Group identifies potential sources of hazards that may cause injuries during operations through various methods, including on-site inspections, employee feedback, and checklist reviews. Based on this, a comprehensive analysis is conducted from the perspectives of likelihood of occurrence and severity of consequences, based on which the risk level is determined. Corresponding control measures are then formulated and implemented in accordance with the hierarchy of elimination, substitution, engineering controls, management/training, and personal protection. All identified risks and corresponding control measures are recorded in the "Risk Control List" and communicated to all relevant personnel to ensure information consistency. Meanwhile, the Group reassesses risks regularly or whenever operational circumstances change, updating control measures in a timely manner to achieve dynamic risk management.

The Group arranges pre-employment physical checkups for new employees, and arranges occupational health checkups and welfare-based physical checkups for incumbent employees each year. In addition, managers of workshops are also trained to handle medical emergencies and each workshop is equipped with a medical kit. Employees engaged in special operations are required to receive training at the designated training institutions and can only engage in the operations after obtaining the qualification certificate. The Group has also established the Control Procedures on Emergency Preparedness and Response, which stipulates the preventive and handling measures for various potential accidents or emergencies of the Group, in order to prevent or reduce the possible accompanying environmental impacts or occupational hazards, including fire, chemical leakage, pressure vessel explosion, mechanical work-related injuries, heat stroke, electric shock, etc. The Emergency Response Plan formulated by the Group stipulates the handling methods, duties and requirements in the event of various emergencies in order to minimize the

environmental and safety impacts caused by emergencies, and organizes relevant personnel to conduct training on the content. The emergency facilities and materials required in the emergency response plan must be well-equipped, and employees who encounter work-related accidents will be investigated and handled in accordance with the Management Rules of Hengxin Technology on Work-related Injuries. The Group regularly monitors the effectiveness of the above policies and procedures.

The Group has promoted a factory-wide safety culture, convened monthly safety meetings and conducted hazard inspections and corrective actions every month. Each year in June, its designated safety production month, Jiangsu Hengxin organizes activities covering issues such as safety production education, emergency drills for hazardous chemical leaks, fire hose usage, forklift operation, safety hazard investigation, and healthy living. In addition, Jiangsu Hengxin has launched a competition named "Health and Safety Cup" to promote workplace safety at all levels within the Company, and conducted activities such as the safety pledge and signature campaign, collection and appreciation of adages on safety, promotion of and education on road traffic safety as well as fire drills and practices. During the Reporting Period, the Group's employees participated in a series of safety training and drills, including safety training on resumption of work and production, forklift safety training, special emergency response plan drills for oil leakage accidents in the warehouse, and environmental protection emergency drills, etc. In addition, the Group cares for employees and attaches great importance to their mental health, encourages employees to achieve a balance between work and life, and organizes social activities to enhance team cohesion, relieve work pressure and create a good working atmosphere. The Group also provides life health and safety information to employees to enhance their health awareness.

# SOCIAL RESPONSIBILITY

## B3. Development and Training

The Group aims to introduce a healthy atmosphere of cultivating, selecting and utilizing talents, and tailors a career development path to the personal growth and abilities of each employee. To promote sustainable human resources development, the Group has created a mentoring program and implemented dynamic management for reserve talents. In recent years, the Group's employees have been awarded the titles of "Social Mothers" and "Outstanding Communist Party Members" by the government every year, and the employee of Jiangsu Hengxin was awarded the honor of "National Outstanding Worker of the Labor Union" during the Reporting Period.

### Employee Development and Training

In order to ensure that employees keep abreast of the times and continue to make progress, the Group has also implemented an "Internal Trainer" system and formulated the Management Rules of Hengxin Technology on Training to standardize the learning system and lay a solid foundation for the realization of knowledge sharing, encouraging employee development and achieving knowledge transparency. Meanwhile, the Group actively organizes a variety of activities including operational skills training, thematic training, and outreach training to help employees learn skills through activities and promote the improvement of their overall quality, while enhancing the Group's overall competitiveness.

The Group's employees are divided into six categories, which are management, marketing, professional, technical, operations, and general affairs. The management category consists of managers at the deputy director level and above; the marketing category includes employees engaged in sales locally and overseas; the professional category is composed of employees from human resources, administrative management, planning management, business management, supply management, production support, job information, and financial management, etc.; the technical category covers technical engineers engaging in technical processes, production technology, technology research and development, quality engineering, mechanical engineering, and electrical engineering, etc.; the operations category consists of frontline production workers; and the general affairs category includes logistics staff and drivers.

## SOCIAL RESPONSIBILITY

The Group pays attention to talent cultivation through cross-specialization and focuses on the development of “Four Teams” (i.e. technical, backup, reserve, and overseas talent teams) that are aligned with the future development of the Group. In accordance with the cultivation programs for the “Four Teams”, and the implementation of a job rotation training system with a focus on job practice supplemented by deputation, the Group has established a diversified talent training model. In order to adapt and meet the needs of rapid development, the Group has formulated the Management Rules of Hengxin Technology on Lecturer to ensure that the lecturers are consistent with the Group’s business philosophy, and a series of complete selection criteria and scoring systems have been established to specify the types of courses and job duties. This promotes and supports employees in receiving comprehensive and effective training in response to the needs of the Group from all aspects. At the same time, the Group also formulated the “Internal Lecturer Rating and Assessment Criteria” and “Lecturer Incentive” mechanisms for lecturers to ensure the continuous improvement of the level and positive performance of lecturers, in line with the Group’s goals and philosophy. The Group has also formulated the System of Hengxin Technology on the Talent Cultivation and Development Framework. After completing the standard course training for the position and passing the assessment, the employees may take the initiative to apply to the Human Resources Department or the Human Resources Department may arrange for the training of relevant courses for the higher level positions or other parallel positions. The full score of the standard course for employees is 100 points, and the standard course consists of three major categories: public course, professional course and management course. The weighted score of each type of standard course is determined according to factors such as position series, position type and position name, as shown in the table below:

No.	Categories	Positions	Weight score of management courses	Weight score of public courses	Weight score of professional courses	Total
1		Deputy director	30	20	50	100
2		Director	30	20	50	100
3		Deputy manager	30	20	50	100
4	Management	Manager	30	20	50	100
5		Assistant of deputy general manager	50	20	30	100
6		Deputy general manager	50	20	30	100
7		General manager	50	20	30	100
8		Profession	10	20	70	100
9		Marketing	10	20	70	100
10		Technology	10	20	70	100
11		Operation	10	20	70	100
12		General affairs	10	20	70	100

## SOCIAL RESPONSIBILITY

The Construction and Management Rules of Hengxin Technology on the Talent Cultivation Framework of the Group further implements the talent strategy by assessing lecturers according to the three dimensions of "position rank, cumulative lectures given in previous stage and training skill level", and lecturers who satisfy two of these dimensions will be eligible to pass the assessment and become lecturers of the corresponding level. Lecturers in each unit of the Group are uniformly managed by the Human Resources Department with reference to the rank of lecturer. For the recognition of the cumulative lectures given in previous period, each unit shall provide training certificates and the validity period of the lectures shall be traced back to 12 months upwards. The specific lecturer levels and the corresponding standards for lecturers at each level are as follows:

Lecturer rank	Position rank	Cumulative lectures given in previous period	Training skill level
Experienced lecturer	Assistant of deputy general manager and above	12	Competency assessment ≥ 95 points
Senior lecturer	Deputy manager and above		Competency assessment ≥ 90 points
Intermediate lecturer	Deputy director and above		Competency assessment ≥ 85 points
Lecturer			Competency assessment ≥ 80 points
Assistant lecturer	Regular staff	0	Competency assessment ≥ 75 points

Regarding training courses, the Group arranges professional training and development plans for employees including financial services expertise, IT expertise, customer service or product information training, lectures and guidelines on relevant regulations, anti-corruption professional training, and other related training courses. The Group also strongly encourages directors and senior management to participate in training related to the Listing Rules and corporate governance of the Stock Exchange, to improve the level of internal control and corporate governance continuously. In addition, the Group also encourages accountants and the Group's secretarial staff to regularly update relevant professional knowledge. During the Reporting Period, the training and development data by different categories are as follows:

# SOCIAL RESPONSIBILITY

Category	Percentage of trained employees <sup>1</sup>	Breakdown of trained employees <sup>2</sup>	Average training hours <sup>3</sup>	Percentage of employees receiving regular performance and career development reviews <sup>4</sup>	Percentage of trained employees <sup>1</sup>	Breakdown of trained employees <sup>2</sup>	Average training hours <sup>3</sup>	Percentage of employees receiving regular performance and career development reviews <sup>4</sup>
	2025	2025	2025	2025	2024	2024	2024	2024
Overall	96.55%	/	149.03	97.88%	96.11%	/	33.42	66.34%
By gender								
Male	97.23%	79.79%	166.83	98.81%	97.04%	79.09%	32.87	64.94%
Female	93.96%	20.21%	122.82	94.34%	92.75%	20.91%	35.40	71.37%
By employee category								
Senior management	81.82%	1.46%	37.05	100.00%	66.67%	1.20%	33.38	95.24%
Mid-level management	85.96%	3.98%	83.72	85.96%	82.22%	3.18%	35.04	93.33%
Junior level	80.70%	3.73%	37.91	100.00%	86.84%	8.52%	8.27	100.00%
Professional and technical	94.87%	31.50%	95.31	98.78%	97.64%	24.96%	61.20	99.33%
Marketing	100.00%	4.95%	30.54	93.44%	95.92%	8.09%	19.79	91.84%
Production	100.00%	40.91%	268.52	100.00%	100.00%	50.09%	20.66	32.99%
Others	100.00%	13.47%	37.58	93.98%	88.46%	3.96%	97.00	94.23%

Remark(s):

1. The percentage of trained employees = number of trained employees during the Reporting Period (excluding departed employees) ÷ number of employees at the end of the Reporting Period × 100%.
2. The breakdown of trained employees = number of trained employees during the Reporting Period (excluding departed employees) ÷ total number of trained employees during the Reporting Period × 100%.
3. The average training hours = number of training hours during the Reporting Period (excluding departed employees) ÷ number of employees at the end of the Reporting Period.
4. The percentage of employees receiving regular performance and career development reviews = number of employees receiving regular performance and career development reviews during the Reporting Period (excluding departed employees) ÷ number of employees at the end of the Reporting Period × 100%.

# SOCIAL RESPONSIBILITY

## B4. Labor Standards

### Prevent Child Labor and Forced Labor

The Group strictly prohibits any child labor and forced labor. According to provisions of the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Regulations of Jiangsu Province on Collective Contracts and the Group's Special Collective Contract on the Protection of Female Employees, the Group only hires employees aged 18 full years and above. The Management Rules of Hengxin Technology on Recruitment also expressly prohibits the employment of those under 18; those who are unable to provide complete information before reporting for duty; those who hold fake ID cards, academic certificates, or other fake certificates; those who are involved with local black or evil forces or gangs or those who have a record of violating the law, or those who have been sued and wanted by judicial authorities; and foreign workers who have not gone through the domestic employment procedures and so on. The Group opposes forced labor and child labor and related matters, to protect the rights and interests of the employees. This minimum age requirement is specified in the recruitment information published on all recruitment channels of the Group. The Group also informs the candidates of this requirement during interviews and employment procedures, and double checks the identity information of the candidates within the scope as permitted by national laws and regulations.

The Group has established a comprehensive management mechanism covering prevention, correction, and culture building. In the recruitment process, the Group requires all hired personnel to provide identification documents, academic credentials, and other supporting materials for item-by-item verification, effectively eliminating the risk of child labor at the source. At the same time, the Group actively advocates for equal and voluntary labor relations. Through clearly defined job responsibilities and explicit stipulations in

labor contracts regarding working hours, compensation standards, and the prohibition of withholding identification documents or delaying salary payments, the Group ensures that employees work within a clear and fair institutional framework, fundamentally preventing the occurrence of forced labor. The Management Rules of Hengxin Technology on Employee Attendance prescribes that all departments of the Group shall exercise strict control and review overtime hours. To improve work efficiency and fully utilize normal working hours, in the event that overtime is unavoidable due to task demands, an overtime application must be submitted and approved in advance. Meanwhile, the Group has set up a labor union where employees can negotiate and monitor their rights and interests on equal footing, so as to prevent any circumstances of forced labor from happening.

In addition, the Group has established an internal whistleblowing and investigation mechanism. Should any suspected breach be identified, the Group undertakes to immediately suspend the relevant employment practices and launch investigations. If child labour is confirmed, the Group will promptly contact the child's guardian and assist in their return to school; if forced labour is involved, the Group will immediately terminate the non-compliant employment arrangement, provide compensation in accordance with the law, and proactively report the matter to the local labour regulatory authorities. Once rectification is complete, the compliance department will conduct a review and verification. In day-to-day management, the Group continuously communicates and reinforces core values such as lawful employment and respect for the individuals to all staff through various means, including induction training for new employees and regular performance reviews and one-to-one meetings..

## SOCIAL RESPONSIBILITY

During the Reporting Period, the Group was not aware of any serious violations of laws and regulations related to child labor and forced labor that had a significant impact on the Group. Relevant laws and regulations include but are not limited to the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China. If any employee is suspected being involved in a violation of the law, the employee shall report to the department head or the Human Resources Department. Once the Group finds any non-compliance with relevant labor laws, regulations or standards, the relevant employment contract will be terminated immediately.

### B5. Supply Chain Management

The Group attaches great importance to the management of potential environmental and social risks in the supply chain. Therefore, the Group has established a strict and standardized procurement policy system and supplier selection process, such as the Management Regulations of Hengxin Technology on Materials Suppliers and the Regulations of Hengxin Technology on Supplier Admission to more effectively strengthen the supervision of the supply chain and procurement process. The Group also encourages suppliers to use low-carbon and energy-efficient products and materials to promote their sustainable development. During the Reporting Period, the Group had a total of 690 major suppliers (2024: 131 suppliers). The distribution of suppliers by geographical region is as follows:

By geographical region	2025	2024
China	690	131

### Supplier Quality Review

The Group selects suppliers through a bidding process based on a number of factors, such as the ability to maintain a stable quality of products, pricing, on-time delivery, financial conditions, and service levels, etc. The Group also conducts supplier certification and assessment, including their credit background, the relevant certificates or permits that they possess, production capacity, equipment and product quality, etc. The Group conducts on-site inspections for the suppliers that meet the relevant requirements, and only suppliers that pass sample testing are enlisted as qualified suppliers of the Group. In addition, suppliers need to ensure that the products and parts (including semi-finished products, finished products, raw materials, ancillary products and packaging, etc.) they provide are all in compliance with the limit requirements of the "European Union Restriction of Hazardous Substances Directive ("RoHS") 2011/65/EU Annex II Amends Directive (EU) 2015/863". All of the suppliers were engaged and evaluated under the aforementioned practices.

## SOCIAL RESPONSIBILITY

For the procurement of major bulk materials, the Group invites bidding from time to time, with the proportion of the procurement through bidding accounting for approximately 99% of total procurement. The Group sets up a bid invitation team consisting of heads of the related departments and the General Manager, which will comprehensively evaluate the proposals of qualified suppliers and determine the successful bidders by considering a variety of factors, including bidding price and product quality, etc. For suppliers that have worked with the Group in the past, the timeliness of their delivery, the level of services and other relevant factors are also taken into consideration. The Group assesses its suppliers fairly and justly by material categories quarterly, half-yearly or yearly, and the performance assessment results serve as an important basis for subsequent bid invitation and bid evaluation. In addition, the Group selects certain major suppliers by inspecting and auditing their factories based on actual conditions each year, for the purposes of checking and verifying the supply of raw materials and their on-site management and control.

In order to uphold anti-monopoly principles and maintain a fair competitive environment in the market, the Group has established a procurement control management system. Under this system, the Group separates the authority for supplier selection, price determination, and payment of goods, ensuring that key processes such as quotation requests, pricing, contract signing and payment are not handled by a single position. On this basis, the Group establishes and regularly updates a list of qualified suppliers, ensuring that, in principle, there are no fewer than three qualified suppliers for each category of goods or services, thereby promoting healthy competition. For procurement items not yet included in the list, the Group may select and introduce candidate suppliers on a merit basis following a rigorous review of their creditworthiness, performance capability and service quality. Furthermore, the Group clearly defines the conduct of employees in procurement activities. Any breaches of national laws or internal regulations will result in the relevant parties being held accountable in accordance with the law and regulations, thereby fully implementing the principles of fair and transparent procurement at both the institutional and operational levels.

The Group attaches great importance to anti-monopoly and fair competition matters, incorporates anti-monopoly compliance as one of its strategic objectives and allocates sufficient human resources to this work. At the same time, the Group has established a dynamic updating mechanism to closely monitor amendments to national anti-monopoly legislation, changes in regulatory policies and shifts in industry competition, thereby ensuring that internal risk assessment lists and compliance systems are updated in a timely manner. Furthermore, the Group actively collaborates with specialized anti-monopoly law firms and consultancy firms to continuously obtain the latest policy information and risk assessment tools.

### Supplier Environmental and Social Risk Review

The Group has been committed to ensuring that suppliers meet the environmental and social risk control requirements and strictly abide by national laws and regulations. All major suppliers are required to carry out standardized operations in accordance with the requirements of their customers, such as environmental, occupational health and safety and other aspects. Therefore, the Group also requires its suppliers to undertake their corporate social responsibility and comply with labor laws and other relevant laws and regulations. During bid invitations, the Group requires suppliers to sign the Supplier Social Responsibility Proposal, Supplier Environmental Protection Treaty and Non-use Conflict Minerals Agreement, Anti-terrorism Commitment, Business Partner Trade Safety Supplementary Agreement, Business Partners Comply with C-TPAT Trade Safety Policy Statement/Agreement and Compliance Commitment, to ensure that the relevant corporate policies of the suppliers align with the policies of the Group.

## SOCIAL RESPONSIBILITY

The Group also has formulated the Management and Control System of Hengxin Technology on Business Risk to regulate the sales and procurement business activities, thereby preventing and controlling business risks. Measures include but are not limited to requesting information from suppliers, conducting business exchanges with them, and on-site inspection of the supplier's operations, etc. The Group integrates the information obtained to form a written "Customer Personnel Business Communication Report" and "Customer Operation Site Inspection Report", and draw up a list of Class A customers for procurement based on the situation to submit to the credit evaluation agency for certification, thereby greatly reducing social and environmental risks in the supply chain.

The Group attaches importance to the environmental impacts of the purchased goods and services. More environmentally friendly products or services should be procured by the Group when it is feasible, to minimize negative impacts to the environment and human health, and conserve natural resources. To encourage suppliers to pursue sustainable development in their operations, the Group maintains close communication with suppliers and shares the latest knowledge about quality and safety, good employment and environmental practices. The Group also provides necessary guidance on how to implement environmental measures throughout the supply chain. During the Reporting Period, the Group had 339 new suppliers, all of which were selected against the Group's environmental criteria.

The Group maintains a stable relationship with its suppliers, and has never encountered any significant problems with regard to the supply of raw materials to meet its production needs, and does not rely on any specific supplier to provide raw materials. The Group will regularly monitor the effectiveness of the above policies and procedures.

### Anti-monopoly and Fair Competition

The Group regards anti-monopoly compliance as one of its core strategic objectives and attaches great importance to it at the decision-making level. At the same time, the Group allocates sufficient human and financial resources to our anti-monopoly compliance efforts to ensure that the compliance system to ensure the effective implementation and continuous operation of the compliance system. We establish a dynamic updating mechanism to closely monitor amendments to national anti-monopoly laws and regulations, the latest changes in regulatory policies, and adjustments to the competitive landscape within the industry. We promptly update our internal risk assessment lists and various compliance management systems to ensure that our systems remain aligned with the external environment. We also actively collaborate with experienced specialized anti-monopoly law firms and management consultancies, leveraging external expertise to access the latest policy information, risk assessment tools and risk response strategies, thereby enhancing the overall corporate anti-monopoly compliance capabilities.

Zhejiang Zhongguang has established a procurement control management system. Zhejiang Zhongguang separates the authority for supplier selection, price determination, and payment of goods, and forbids that key processes such as quotation requests and comparison, pricing, contract signing and payment of goods are handled by a single position. Should any employee engage in conduct that violates laws and regulations, they will be held accountable in accordance with relevant national provisions. Should any employee engage in conduct that violates company policies, they will also be held accountable in accordance with relevant company policies. Furthermore, Zhejiang Zhongguang has established a comprehensive list of qualified suppliers (generally comprising no fewer than three suppliers of the same type) and conducts regular reviews to ensure fairness.

# SOCIAL RESPONSIBILITY

## B6. Product Responsibility

Emphasizing product quality and service quality has always been the operating principle of the Group. Therefore, the Group has always adhered to product quality excellence, actively implementing internal control and maintaining communication with customers to ensure to produce and provide high-quality and safe products for all customers. The Group places great emphasis on investment in research and development, viewing technological innovation as the driving force behind high-quality development. It has successfully obtained multiple national and provincial high-level technological innovation qualifications and R&D platform recognition. Among these, Jiangsu Hengxin has been awarded the certifications of National High-tech Enterprise (having passed multiple re-evaluations, most recently confirmed for the 2023-2024 period), National Model Enterprise of Intellectual Property (assessed and re-evaluated by the National Intellectual Property Administration), Specialized, Refined, Differential and Innovative "Little Giants" Enterprises (national level), and Specialized, Refined, Differential and Innovative Small or Medium-Sized Enterprise of Jiangsu Province. Qinghai Zhongkong Solar Power Co., Ltd. ("Qinghai Zhongkong") has successfully obtained National High-Tech Enterprise certification and established national and provincial-level engineering research centers, fully demonstrating its capabilities in technological R&D and industrialization. Zhejiang Zhongguang has been selected as a Zhejiang Science and Technology Small and Medium-sized Enterprise and a Zhejiang Innovative Small and Medium-sized Enterprise, reflecting its innovative dynamism and development potential within the region. Meanwhile, both Shanghai Zhangyu and Nanjing Zhangyu have been awarded the certifications of National High-Tech Enterprise and Specialized, Refined, Differential and Innovative "Little Giants" Enterprises.

During the Reporting Period, the Group was not aware of any violations of laws and regulations related to products and services related to health and safety, advertising, labeling and privacy matters, and remedies that had a significant impact on the Group. Relevant laws and regulations include but are not limited to the Product Quality Law of the People's Republic of China, the Advertising Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Anti-unfair Competition Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and the Law of the People's Republic of China on Technology Contracts.

### Product Safety

In order to improve production efficiency and minimize product quality problems, the Group actively invests in the procurement of new advanced manufacturing equipment to provide reliable equipment support for the inspection of production materials and products. All materials used by the Group meet the requirements under the RoHS, which limit the use of certain hazardous substances in electronic and electrical devices. The Group also requires its raw material suppliers to provide appropriate supporting documents and conduct regular reviews.

# SOCIAL RESPONSIBILITY

The Group adopts a standardized quality control system in each production process, including production process, finished product inspection and service. The Group also has a professional quality control team responsible for quality control work to ensure that the quality of the products meets various standards. In addition, the Group also requires the inventory warehouse to do the necessary dust-proof, moisture-proof, fire-proof and explosion-proof protection to ensure the quality and safety of materials and products. Jiangsu Hengxin, the principal operating subsidiary of the Group, has obtained ISO9001 quality management system certification. The Group has also formulated the Control Procedures on Substandard Products and Control Procedures on Product Recall to control the product recall process. During the Reporting Period, the Group did not receive any cases of sold or shipped products requiring recall due to safety and health reasons (2023: nil). The Group's Control Procedures on Product Recall categorize recalls into three types based on health problems or deaths of users; recalls where the hazard or defect in the recalled product is predictably capable of causing serious health problems or deaths of users are classified as Class I recalls, recalls where the hazard or defect in the recalled product is likely to cause temporary health problems to users are classified as Class II recalls, and recalls where the recalled product itself is not likely to cause adverse health reactions in users, but only violates the relevant policies and regulations of the home country or importing country are classified as Class III recalls.

For Class I recalls, the Group shall ensure that all hazardous or defective products are recalled and scrapped; for Class II recalls, the Group shall ensure that all hazardous or defective products are recalled and repaired or disposed of; and for Class III recalls, the Group shall ensure that the product does not continue to be sold or used in the market. After a product is recalled, the Group must analyze the cause, formulate feasible preventive and corrective measures, and, after obtaining approval, notify all internal staff and customers.

## R&D and Innovation

Jiangsu Hengxin's R&D and innovation policies include the "Long-Term Incentive Measures for New Product R&D of Hengxin Technology", the "Management Measures for Agile Development Projects of Hengxin Technology", the "Management Regulations for R&D Projects of Hengxin Technology " and the "Wireless R&D Management Regulations for Guangdong R&D Center". Jiangsu Hengxin's management will clearly define the core directions for R&D and innovation, formulate medium- to long-term R&D plans spanning three to five years, break down the strategy into actionable phased objectives, and establish detailed technical roadmaps to ensure that all R&D activities remain closely aligned with the strategy and avoid any deviation. In terms of resource allocation, when approving the annual R&D budget, Jiangsu Hengxin ensures that the investment ratio aligns with the strategy and the requirements of high-tech enterprises. Simultaneously, it allocates resources such as funds, personnel and equipment according to project priorities, with a focus on supporting core projects. Furthermore, Jiangsu Hengxin actively builds talent teams and vigorously recruits technical specialists to enhance R&D efficiency and overall collaborative capabilities.

## SOCIAL RESPONSIBILITY

Zhejiang Zhongguang has established a dedicated R&D center aimed at systematically developing new technologies, such as molten salt energy storage and new products. The center has established the “R&D Project Management System” and the “R&D Investment Accounting Management System”. The R&D center office is responsible for the overall management of projects and cross-departmental coordination, whilst the final approval and decision-making authority for projects rests jointly with the General Manager and the Chairman, thereby ensuring the standardization and sustainability of R&D activities. The R&D center formulates long-term plans spanning three to five years and annual R&D plans in accordance with the company’s strategy, with the center director bearing overall responsibility for operations and strategic coordination. The R&D experiment center is responsible for the implementation of specific R&D tasks and the setting of objectives, whilst the Technical Department, Equipment R&D Project Department, Testing Department and Information Department undertake functions relating to specialized technical R&D, the development and improvement of specialized equipment, research into testing methods and standardization, and information system support, respectively. Under the R&D center office, there are the General Administration Department, the Intellectual Property Office, and the Archives Office, which are responsible for daily administration, intellectual property management, and documentation coordination. Specifically, Qinghai Zhongkong organizes the formulation of the “Annual Vertical Project Application Plan” by 31 January each year, preliminarily determines the application projects and reports them to the company’s leadership for review and approval. Before July 15 each year, it conducts a mid-year tracking and summary of the implementation of the first half of the year’s application plans, and before December 31 each year, it completes the annual summary of the application situation for the current year, providing guidance and basis for the application of projects in the next year. The main R&D directions of Zhejiang Zhongguang include: off-peak electricity/extraction steam molten salt energy storage, multi-energy complementary solar thermal power generation, and heat storage equipment R&D. Qinghai Zhongkong sets clear annual patent application targets and is committed to completing at least two patent applications each year.

Zhangyu has established a comprehensive R&D and innovation management system. A dedicated R&D and innovation board meeting, convened quarterly by the senior management team, reviews and approves the company’s medium- to long-term R&D plan, taking into account technology trends, market demand, and the policy environment. All R&D and innovation-related work at Zhangyu is centrally managed by the R&D Department, which has a clear and well-defined organizational structure. Key roles within the department include Manager of the R&D Department, Technical R&D Engineers, Test Specialists, Intellectual Property Specialists and Project Coordinators. The Company has formulated a number of regulations and policies, including the “R&D Project Management Measures”, the “Incentive Rule for Innovation” and the “Detailed Rules for Intellectual Property Protection”, which clearly define the complete process standards for R&D projects—from project approval and initiation, through process execution and achievement acceptance, to final commercialization. Furthermore, the Company has established a special fund guarantee mechanism for R&D to effectively ensure that all innovation activities can be carried out in a standardized, orderly and efficient manner on an ongoing basis.

### Customer Service

The pursuit of maximum customer satisfaction is the basic criterion of the Group’s customer service. The Group provides consumers and customers with a high-quality and warm service experience through standardized service quality, humanized service process and standardized service management. The Group has established a Management System on Product Return and Exchange, and a project service department to deal with all kinds of issues reported by customers and responds to customer demands round the clock. A report will be submitted while the Group will continuously resolve the customer’s problem.

## SOCIAL RESPONSIBILITY

The sales managers of the market development department keep detailed records of all the returned and exchanged products, including the reasons for the returns, the detailed names, specifications, models and selling prices of the returned products, whether a contract is signed, the order date, etc., and conduct onsite check and confirmation. Certificates of customers' return request must be shown if there is any customers' reason for the return. After approval from the regional manager, the returns and exchanges are handled by the finance team of the business department, and the acceptance form of the returned products will be filled out for record. Then, the returned products will be sent to the quality department and technical department for re-inspection and repair. Only the products that have been repaired and qualified can be sold in the market again. The Group will immediately address cases of customers requesting returns or exchanges, reship products, and ensure that they are qualified for the customers' receipt and use.

During the Reporting Period, the Group received a total of 3 (2024: 3) complaints about products and services, including the 0.74 km RF Coaxial Cables, 60 antennas and 60 jumpers. In order to protect the rights and interests of customers and after-sale satisfaction, the Group took immediate follow-up actions, retrieved the products immediately upon being informed, and processed exchanges for the customers. Therefore, the Group has reached a consensus with customers in all complaint cases. The return and exchange percentages for the Group's RF Coaxial Cables products, antenna products and module products were 0.00065%, 0.078% and 0.00062%, respectively.

### Information Security and Customer Privacy Protection

The Group implements a high level of security and confidentiality standards to protect the privacy of personal data, strictly abides by the regulations on data privacy, and is committed to safeguarding and protecting personal data. The Group has an internal policy on the collection of personal data from data subjects and the processing of such data, and will regularly monitor the effectiveness of relevant policies. In accordance with the Management Implementation Details of Hengxin Technology on Confidentiality, the Group is required to comply with the privacy policy statement to inform customers of the general policies and practices regarding the collection, storage and use of personal data. In addition, the Group must comply with the personal data collection statement when collecting personally identifiable information from individuals, so that customers can be aware of certain matters related to the collection of their specific personal data. Unless with the written consent of the customer, the Group will not use personal data for promotional purposes or provide personal data to third parties for such purposes. At the same time, the Group maintains security measures to prevent unauthorized use of personal data. During the Reporting Period, the Group did not receive any substantiated complaints of invasion of customer privacy or loss of customer data. The Group conducts at least one compliance audit on information security each year, benchmarking against ISO 27001 and the Data Security Law. During the Reporting Period, Jiangsu Hengxin passed the ISO 27001 information security management system audit and obtained certification.

## SOCIAL RESPONSIBILITY

The Group places great emphasis on the implementation of information system and hardware backup, as well as their reliability under extreme conditions. All business units have established comprehensive management systems and data backup and recovery mechanisms. Jiangsu Hengxin's backup strategy centers on ensuring business continuity and information security, with tailored measures implemented for different types of assets. For the databases of core business application systems, Jiangsu Hengxin implements a strategy of daily incremental backups combined with weekly full backups, utilizing a combination of online and offline backup methods to balance data timeliness and integrity. At the same time, Jiangsu Hengxin regularly performs off-site backups on a monthly basis to ensure distributed data storage, thereby reducing the risk of a single point of failure. For server operating systems and application software systems, a full backup is performed both before and after any significant configuration changes to facilitate rapid rollback and recovery. Furthermore, the company has procured dedicated disaster recovery servers for backing up critical business systems. In the event of a major failure or disaster, these disaster recovery servers can quickly take over the relevant operations, achieving uninterrupted business or minimized downtime. Zhejiang Zhongguang requires suppliers to perform regular hard disk backups and routine maintenance of systems. Building upon local automatic backups, off-site backups are also implemented to enable rapid data restoration and system recovery when necessary, thereby effectively safeguarding business continuity and data integrity. Nanjing Zhangyu and Shanghai Zhangyu implement a "local + cloud" dual-backup mechanism for core information systems, and configure dual-system hot backup for critical hardware equipment (such as servers). In extreme scenarios (such as a sudden local power cut), the system can automatically switch to the cloud backup and resume operation within five minutes.

The Group's information security measures extend to suppliers and other business partners. Jiangsu Hengxin and Zhejiang Zhongguang have entered into Non-Disclosure Agreements with their partners, which clearly stipulates the purposes data usage, the deadline for data return or destruction, and the standards for compensation in the event of a data breach. At the same time, Zhejiang Zhongguang applies data masking to sensitive information provided (for example, displaying only the last four digits of identification numbers) and retains only the minimum necessary data. Zhangyu's information security management scope similarly extends to the supply chain and all business partners, requiring all suppliers and business partners to sign an "Information Security Cooperation Agreement" to clearly stipulate their data protection obligations. To mitigate related risks, Zhangyu desensitizes all data provided to partners, strictly prohibits its transfer to any third party, and conducts an annual information security audit for core suppliers, with a focus on examining their security measures for data storage and transmission.

### Intellectual Property Rights

The Group attaches great importance to intellectual property rights, so the Group actively applies for patents and protects its intellectual property rights. To drive innovation, the Group has established a reward system for various types of innovations and patents based on their degree of novelty and their contribution to the Group, and rewarded their creators accordingly. As of 31 December 2025, our research and development team accounts for approximately 19.44% of the total workforce. By actively encouraging employee to participate in research and development, the Group aims to further enhance product quality and technical standards, bringing more innovative solutions to the market. During the Reporting Period, a total of 12 authorized inventions and 5 newly developed radio frequency products were secured in terms of radio frequency products. A total of 6 invention patents were filed and 16 new antenna products were developed in terms of wireless products.

## SOCIAL RESPONSIBILITY

The Group has been certified as an intellectual property management demonstration unit, and complies with the GB/T29490-2013 Enterprise Intellectual Property Management Standards to actively promote the corporate intellectual property management works. The Group has set up an intellectual property management unit consisting of specific employees with relevant knowledge, skills and experience to deal with matters in relation to product advertising, labeling and privacy of the Group. In addition, the Group has also established a sound working mechanism and a systematic, standardized, and normalized system for intellectual property management, and regularly organizes and develops intellectual property education and training in accordance with the regulatory requirements of the Regulations of Jiangsu Province on Enterprise Intellectual Property Management to ensure further standardization of intellectual property management, promote its broader application, accelerate the conversion of intellectual property rights into productivity and improve the core competitiveness of the Group.

The Group adheres to the requirements of scientific ethics, identifies and evaluates the environmental and social impact of its research and development projects, and strictly prohibits research and development projects that infringe upon the fundamental rights of individuals or jeopardize the public interest of society.

### Advertising and Labeling

The Group promulgated the Management Rules of Hengxin Technology on Branding, Market Planning and External Publicity Targets as its corporate promotion policies. By cooperating with professional advertising media and new media, the Group has expanded its promotional scope and strengthened its promotional efforts to constantly enhance its overall brand image and boost its presence and reach in the industry, domestic and overseas markets as well as in the social sphere.

The Group strictly abides by the Advertising Law of the People's Republic of China, the Trademark Law of the People's Republic of China and other relevant laws and regulations. All product and business information related to the Group must be strictly reviewed before being released to the public to prevent any use of false information to mislead customers in the process of publicity, promotion and exhibition.

### B7. Anti-corruption

The Group understands that sound corporate governance is essential to its sustainable development. Therefore, the Group attaches great importance to anti-corruption and honesty and system construction, and strives to create a fair, open, just, standardized and efficient internal management atmosphere, and requires employees, especially the management, to regard honesty, trustworthiness, and integrity as the most basic code of conduct.

During the Reporting Period, the Group was not aware of any serious violations of laws and regulations related to bribery, extortion, fraud and money laundering that had a significant impact on the Group, including but not limited to the Criminal Law of the People's Republic of China and the Anti-Money Laundering Law of the People's Republic of China, the Company Law of the People's Republic of China and the Anti-unfair Competition Law of the People's Republic of China. During the Reporting Period, there were no confirmed incidents of corruption or public legal cases regarding corruption brought against the Group or its employees (2024: nil).

# SOCIAL RESPONSIBILITY

## Anti-money Laundering and Counter-terrorism Financing

The Group has formulated the Management System of Hengxin Technology on Integrity Credit Risk, the Management System of Hengxin Technology on Anti-corruption and Integrity and the Management Rules of Hengxin Technology on Invoices to strengthen management and control over the integrity credit risks of employees, suppliers and customers, eliminate and mitigate risks of losses incurred by the Group due to the dishonest behavior of employees, suppliers or customers, while auditing, verifying, using and managing the integrity credit risk information in an orderly manner, so as to prevent damages from external integrity credit risks. The Group strictly prohibits any form of bribery or other improper payment of money in the course of business operations. The Management System of Hengxin Technology on Anti-corruption and Integrity of the Group strictly opposes anyone taking advantage of the work convenience and the power in his hand to embezzle or misappropriate corporate property through improper means, opposes the use of corporate public resources to engage in malpractices such as favoritism or fraudulent practices, using public office for private gain and benefiting private interests at the expense of the Company to seek improper benefits for oneself or others; resolutely opposes acts that violate the principles of fairness and justice and seek illegal benefits through all improper means. Employees are not allowed to accept personal cash, shopping cards and coupons, securities and payment vouchers from any business company. In cases where acceptance cannot be refused for various reasons, it must be promptly reported to the Company's administrative module for unified processing. This includes samples and product gifts that the business company does not retrieve; holiday gifts, gift baskets, etc. given by business company; other valuable physical items, activities, etc. with practical value donated by the business company; the collective inspection, studies, travel and other outdoor activities organized by the business company; various types of cash, shopping cards and coupons, securities and payment vouchers that cannot be refused as gifts from business companies. These provisions are applicable to all business activities, regardless of

whether the person involved is a government official or from the business community, and such payments should not be confused with reasonable and limited expenditures for gifts, rewards and other legitimate activities directly related to the businesses and operation of the Group.

To ensure that employees understand and prevent any forms of illegal activities from occurring in daily operations, thereby safeguarding the Group's compliance operations and reputation, the Group strives to provide compliance training for directors and employees, and encourages them to actively understand the latest developments and future trends in global anti-money laundering and compliance work. During the Reporting Period, 70 employees of the Group received an average of approximately 0.76 hour of training (2024: 8 directors received an average of approximately 1.5 hours). The training covered relevant laws on anti-corruption, anti-money laundering and counter-terrorism financing, corporate integrity governance and ethics.

# SOCIAL RESPONSIBILITY

## Whistleblowing Mechanism

The Group has formulated the Fraud and Whistleblowing Policy, which aims to establish and promote control measures to assist in the detection and prevention of fraud and other violations. The Group is committed to the highest standards of ethical and legal business practices, and will not tolerate any retaliatory actions against complainants, including termination of employment, demotion, written condemnation, failure to grant rewards or welfare, or any form of discrimination, refusal, or threat. All data will be kept confidential. Employees should report the wrongdoing in writing, in person, by mail or via email to the company secretary of the Group. If reporting to the administrative staff is inappropriate, the whistleblower can report directly to the chairman of the Audit Committee (the "AC"). After receiving the report, the administrator should investigate and submit the matter to the management or the AC. The AC will maintain records of all reports, actions taken and results under this policy with the assistance of administrative personnel, and report the records to the Board. The address is 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624. The Group explained in detail the clearly accessible channels to report fraud, corruption, fraud or other similar incidents, as well as the investigation procedures after receiving a complaint.

The Group intends to protect whistleblowers from general concerns such as potential retaliation. Therefore, for employees who file good faith accusations under the reporting mechanism, even if the report is later proven to be unfounded, the Group will not take disciplinary actions. The Board, acting on the recommendations of the AC, has the responsibility to ensure the maintenance, regular review, and updating of the policy. Revisions, amendments, and alterations to the policy can only be implemented upon approval by the Board with the recommendations of the AC, and employees must be notified in writing when these changes occur.

## Anti-corruption for Business Partners

Jiangsu Hengxin has fully integrated the supervision of anti-corruption and anti-commercial bribery over business partners (including suppliers and collaborators) into its corporate compliance governance, forming a systematic integrity risk prevention and control mechanism. Jiangsu Hengxin includes anti-corruption and anti-commercial bribery clauses as mandatory content in all cooperation agreements. When vetting business partners, it conducts comprehensive compliance due diligence to evaluate their historical integrity records and potential risks, and disqualifies those with significant integrity concerns. In terms of oversight, Jiangsu Hengxin, in accordance with requirements of ISO management system, performs regular compliance reviews and risk assessments on key business partners. Through measures such as requiring the submission of integrity commitment letter, completion of self-assessment questionnaires, the implementation of sample audits, and the verification of reporting channels, it ensures continuous oversight and management. In terms of education and awareness-raising, Jiangsu Hengxin will organize integrity training for business partners to clearly communicate its anti-corruption and anti-bribery policies, compliance requirements and red lines. At the same time, it will disseminate integrity and compliance information to business partners through company announcements and case studies, thereby continuously reinforcing their awareness of integrity and sense of compliance responsibility.

## SOCIAL RESPONSIBILITY

To strengthen compliance management over business partners and eliminate the risk of commercial bribery, Zhejiang Zhongguang explicitly prohibits any conduct that may affect the fairness of tendering and bidding, including influencing normal tendering and bidding procedures through personal connections, written directives, or mandatory orders. Zhejiang Zhongguang also prohibits interfering with evaluation or winning results of bids through means such as manipulation, suggestion, instruction, or designation. Zhangyu has established an anti-corruption supervision and management system for business partners. Prior to cooperation, Zhangyu conducts integrity background checks on business partners to ensure they have no adverse records such as commercial bribery. During the cooperation period, Zhangyu randomly inspects payment vouchers and business documents, etc. on a quarterly basis to prevent potential illicit transfer of benefits. In addition, Zhangyu requires core partners to submit an "Integrity Self-Inspection Report" annually and conducts integrity assessments based on their compliance performance throughout the year.

### **B8. Community Investment**

The Group believes that giving back to society by participating in social activities and contributing to society is a form of demonstrating corporate citizenship. Therefore, the Group always pays attention to the difficulties and needs of the society and disadvantaged groups, actively repays and contributes to the society, and promotes social harmony. The Group actively cooperates with public welfare and charitable organizations, organizes social activities for the purpose of public welfare and charity, and establishes a good public image while fulfilling its social responsibilities. Over the years, the Group has established various types of awards and funding programs, such as scholarships, bursaries, etc., to encourage students from poor families and with excellent academics to become professionals in various industries. The Group has also developed relevant policies, such as the Notice on the Launch of "All-staff Charity" Activity Program and the Management Rules on Labor Union Activities, which stipulate that party members and activists must participate in the "All-staff Charity" activities at least twice a year, while other employees should participate in such activities at least once a year.

# SOCIAL RESPONSIBILITY

## Corporate Social Responsibility

The Group has always incorporated social responsibility into its overall development by actively participating in charitable donations and partnerships, and mobilizing employees to be involved in community activities, so as to bring tangible changes to the community. The Group has participated in various public welfare activities such as poverty alleviation, education donations and community construction.

During the Reporting Period, the Group continued to undertake the mission of returning to society through the following activities:

Type	Month	Activities
Poverty Alleviation	September	Key public welfare projects of the Huanan County Government: Following discussions with one of its customers, China Mobile of Zhejiang province, Hengxin Technology donated RMB50,000 to support the "Beautiful and Liveable Project Construction", a key public welfare initiative of the Huanan County Government in Heilongjiang Province, thereby assisting in the completion of rural revitalization and poverty alleviation tasks.
Caring for the Elderly	October	Donation of rice and cooking oil to Taodu Jiuheng Elderly Care Service Center in Yixing City: During the Double Ninth Festival, 20 volunteers from Hengxin Technology, including Cui Guoqiang, deputy secretary of the Party Committee, and Hua Yanping, chairman of the Labor Union, visited the Taodu Jiuheng Elderly Care Service Center in Yixing City. They donated rice and soybean oil, purchased with raised funds, to the elderly residents of the nursing home.
Community Construction	August	Standardization of grassroots Party schools, training for grassroots cadres, training for technical personnel, and training for leaders in rural revitalization: China Mobile of Shanxi province has initiated a call for suppliers to participate in 2025 targeted poverty alleviation donation initiative. This time, it has invited suppliers with close cooperation and high visibility (with a focus on grassroots training and the cultivation of leaders for rural revitalization).
	May	2025 "Social Mothers" Love Pairing Assistance Program: Hengxin Technology participated in the "Social Mothers" Pairing and Education Assistance Program organized by Dingshu Town, applying to pair with four impoverished students. It donated RMB4,000 and provided two hours of voluntary service, inspiring others to show care and support for children in need.
Education Donation	October	"Yici Education Assistance" donation project of the Dingshu Town Branch of Yixing Charity Federation: The Company donated the remaining balance of its employee charitable contributions to the Dingshu Town Branch of Yixing Charity Federation, with a donation amount of RMB12,700. This donation will be used for the "Yici Education Assistance" project to help students in need overcome educational challenges and alleviate their financial burdens.
	December	2025 targeted charitable donation to Dingzhong: To address the local schooling needs of the children of its key senior talents, Hengxin Technology entered into a 10-year (2023-2032) targeted donation agreement with Dingshu Senior High School in September 2023, with a total donation amount of RMB1,000,000.

# STOCK EXCHANGE'S ESG REPORTING CODE INDEX

Mandatory Disclosure Requirements	Chapter/Statement
Governance Structure Reporting Principles Reporting Scope	Preface and Environmental, Social, and Governance Approach – ESG Governance Structure Reporting Framework Reporting Scope

Subject Areas, Aspects, General Disclosures and KPIs	Description	Chapter/Statement
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emission, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Responsibility – A1. Emissions
KPIA1.1	The types of emissions and respective emissions data.	Environmental Responsibility – A1. Emissions – Exhaust Gas Emissions
KPIA1.2	Repealed 1 January 2025	
KPIA1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Environmental Responsibility – A1. Emissions – Waste Management
KPIA1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Environmental Responsibility – A1. Emissions – Waste Management
KPIA1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Responsibility – A1. Emissions – Waste Management
KPIA1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Responsibility – A1. Emissions – Waste Management

# STOCK EXCHANGE'S ESG REPORTING CODE INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Chapter/Statement
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Responsibility – A2. Use of Resources
KPIA2.1	Direct and/or indirect energy consumption (e.g., electricity, gas or oil) by type in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	Environmental Responsibility – A2. Use of Resources – Energy Management
KPIA2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Environmental Responsibility – A2. Use of Resources – Water Resources Management
KPIA2.3	Description of energy use efficiency targets set and steps taken to achieve them.	Environmental Responsibility – A2. Use of Resources – Energy Management
KPIA2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency targets set and steps taken to achieve them.	Environmental Responsibility – A2. Use of Resources – Water Resources Management
KPIA2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental Responsibility – A2. Use of Resources – Use of Packaging Materials

# STOCK EXCHANGE'S ESG REPORTING CODE INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Chapter/Statement
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Environmental Responsibility
KPIA3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them.	– A3. The Environment and Natural Resources
<b>Aspect A4: Climate Change</b>		
General Disclosure	Repealed 1 January 2025	
KPIA4.1		
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Social Responsibility – B1. Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	

# STOCK EXCHANGE'S ESG REPORTING CODE INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Chapter/Statement
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Social Responsibility – B2. Health and Safety
KPI B2.1	The number and rate of work-related fatalities in each of the past three years including the reporting year.	
KPI B2.2	Lost days due to work injury.	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Social Responsibility – B3. Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	
KPI B3.2	The average training hours completed per employee by gender and employee category.	
<b>Aspect B4: Labor Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Social Responsibility – B4. Labor Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	

# STOCK EXCHANGE'S ESG REPORTING CODE INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Chapter/Statement
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Social Responsibility – B5. Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are enforced and monitored.	Social Responsibility – B5. Supply Chain Management – Supplier Quality Review
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Social Responsibility – B5. Supply Chain Management – Supplier Environmental and Social Risk Review
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Social Responsibility – B5. Supply Chain Management – Supplier Environmental and Social Risk Review

# STOCK EXCHANGE'S ESG REPORTING CODE INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Chapter/Statement
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Social Responsibility – B6. Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Social Responsibility – B6. Product Responsibility – Product Safety
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Social Responsibility – B6. Product Responsibility – Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Social Responsibility – B6. Product Responsibility – Intellectual Property Rights
KPI B6.4	Description of quality assurance process and product recall procedures.	Social Responsibility – B6. Product Responsibility – Product Safety, Customer Service
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Social Responsibility – B6. Product Responsibility – Customer Privacy Protection

# STOCK EXCHANGE'S ESG REPORTING CODE INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Chapter/Statement
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Social Responsibility – B7. Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Social Responsibility – B7. Anti-corruption – Whistleblowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Social Responsibility – B7. Anti-corruption – Anti-Money Laundering and Counter-terrorism Financing
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its business activities take into consideration the communities' interests.	Social Responsibility – B8. Community Investment
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sport).	
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	

# STOCK EXCHANGE'S ESG REPORTING CODE INDEX

Part D: Climate-related Disclosures		
Aspects, General Disclosures and KPIs	Description	Chapter/Statement
Governance		
19.	An issuer shall disclose information about:	Governance Approach – ESG Governance Structure
(a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities; and	
(b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	
STRATEGY		
Climate-related Risks and Opportunities		
20.	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	Responding to Climate Change – Strategy
(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	
(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur.	
(d)	explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	
Business model and value chain		
21.	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	Responding to Climate Change – Strategy
(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	
(b)	a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	

# STOCK EXCHANGE'S ESG REPORTING CODE INDEX

## Part D: Climate-related Disclosures

### Aspects, General Disclosures and KPIs

### Description

### Chapter/Statement

#### Strategy and decision-making

22.	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	Environmental Responsibility – A2. Use of Resources – Energy Management Responding to Climate Change – Strategy
(a)	information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation;	
(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a); and	
23.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Environmental Responsibility – A2. Use of Resources – Energy Management

#### Current financial effect

24.	An issuer shall disclose qualitative and quantitative information about:	Responding to Climate Change – Strategy
(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	
(b)	the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	

# STOCK EXCHANGE'S ESG REPORTING CODE INDEX

## Part D: Climate-related Disclosures

### Aspects, General Disclosures and KPIs

### Description

### Chapter/Statement

#### Anticipated financial effect

25.	The issuer shall provide qualitative and quantitative disclosures about:	Responding to Climate Change – Strategy
(a)	how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities; and	
(b)	how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	

#### Climate resilience

26.	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	Responding to Climate Change – Strategy
(a)	the issuer's assessment of its climate resilience as at the reporting date; and	
(b)	how and when the climate-related scenario analysis was carried out.	

#### Risk Management

27.	An issuer shall disclose information about:	Responding to Climate Change –
(a)	the processes and related policies it uses to identify, assess, prioritize and monitor climate-related risks;	
(b)	the processes the issuer uses to identify, assess, prioritize and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
(c)	the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	

# STOCK EXCHANGE'S ESG REPORTING CODE INDEX

## Part D: Climate-related Disclosures

### Aspects, General Disclosures and KPIs

### Description

### Chapter/Statement

#### Metrics and Targets

#### GHG Emissions

28.	An issuer shall disclose its absolute gross GHG emissions generated during the reporting period, expressed as metric tons of CO <sub>2</sub> equivalent, classified as:	Responding to Climate Change – Metrics and Targets
(a)	Scope 1 GHG emissions;	
(b)	Scope 2 GHG emissions; and	
(c)	Scope 3 GHG emissions.	
29.	An issuer shall:	Responding to Climate Change – Metrics and Targets
(a)	measure its GHG emissions in accordance with the GHG Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring GHG emissions;	
(b)	disclose the approach it uses to measure its GHG emissions;	
(c)	for Scope 2 GHG emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 GHG emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 GHG emissions; and	
(d)	for Scope 3 GHG emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 GHG emissions, in accordance with the Scope 3 categories described in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	

# STOCK EXCHANGE'S ESG REPORTING CODE INDEX

Part D: Climate-related Disclosures		
Aspects, General Disclosures and KPIs	Description	Chapter/Statement
Climate-related Transition Risks		
30.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Responding to Climate Change – Metrics and Targets
Climate-related Physical Risks		
31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Responding to Climate Change – Metrics and Targets
Climate-related Opportunities		
32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Responding to Climate Change – Metrics and Targets
Capital Deployment		
33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Responding to Climate Change – Metrics and Targets
Internal Carbon Prices		
34.	An issuer shall disclose:	Responding to Climate Change – Metrics and Targets
(a)	an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	
(b)	the price of each metric tonne of GHG emissions the issuer uses to assess the costs of its GHG emissions;	
Remuneration		
35.	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Responding to Climate Change – Governance

# STOCK EXCHANGE'S ESG REPORTING CODE INDEX

## Part D: Climate-related Disclosures

### Aspects, General Disclosures and KPIs

### Description

### Chapter/Statement

#### Industry-based Metrics

36.	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Responding to Climate Change – Metrics and Targets
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#### Climate-related Targets

37.	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any GHG emissions targets. For each target, the issuer shall disclose:	Responding to Climate Change – Metrics and Targets
(a)	the metric used to set the target;	
(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
(c)	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
(d)	the period over which the target applies;	
(e)	the base period from which progress is measured;	
(f)	milestones or interim targets (if any);	
(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and	
(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	

# STOCK EXCHANGE'S ESG REPORTING CODE INDEX

## Part D: Climate-related Disclosures

### Aspects, General Disclosures and KPIs

### Description

### Chapter/Statement

38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	Responding to Climate Change – Governance
(a)	whether the target and the methodology for setting the target has been validated by a third party;	Responding to Climate Change – Metrics and Targets
(b)	the issuer's processes for reviewing the target;	
(c)	the metrics used to monitor progress towards reaching the target; and	
(d)	any revisions to the target and an explanation for those revisions.	
39.	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Responding to Climate Change – Metrics and Targets
40.	For each GHG emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	Responding to Climate Change – Metrics and Targets
(a)	which GHGs are covered by the target;	
(b)	whether Scope 1, Scope 2 or Scope 3 GHG emissions are covered by the target;	
(c)	whether the target is a gross GHG emissions target or a net GHG emissions target. If the issuer discloses a net GHG emissions target, the issuer is also required to separately disclose its associated gross GHG emissions target;	
(d)	whether the target was derived using a sectoral decarbonization approach; and	
(e)	the issuer's planned use of carbon credits to offset GHG emissions to achieve any net GHG emissions target.	
Applicability of Cross-industry Metrics and Industry-based Metrics		
41.	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36)	Responding to Climate Change – Metrics and Targets

# GRI STANDARDS INDEX

Statement of use	Hengxin Technology Ltd. has reported the information cited in the GRI Content Index for the period from 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Chapter/Statement
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	For details, please refer to the annual report of the Group.
	2-2 Entities included in the organization's sustainability reporting	Reporting Scope
	2-3 Reporting period, frequency and contact point	Reporting Period Contact Us This Report is issued on 29 April 2026.
	2-4 Restatements of information	–
	2-5 External assurance	This Report has not undergone external assurance.
	2-6 Activities, value chain and other business relationships	For details, please refer to the annual report of the Group.
	2-7 Employees	Social Responsibility – B1. Employment
	2-8 Workers who are not employees	The Group had no workers who are not employees.

# GRI STANDARDS INDEX

GRI Standard	Disclosure	Chapter/Statement
	2-9 Governance structure and composition	Preface and Environmental, Social, and Governance Approach – ESG Governance Structure For other details, please refer to the annual report of the Group.
	2-22 Statement on sustainable development strategy	Preface and Environmental, Social, and Governance Approach – ESG Governance Structure
	2-26 Mechanisms for seeking advice and raising concerns	Social Responsibility – B7. Anti-corruption
	2-27 Compliance with laws and regulations	During the Reporting Period, the Group had no significant instances of non-compliance with laws and regulations, nor were there any fines.
	2-29 Approach to stakeholder engagement	Stakeholder Engagement
<b>Material Topics</b>		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment
	3-2 List of material topics	

## GRI STANDARDS INDEX

GRI Standard	Disclosure	Chapter/Statement
Climate Change, Risk Management and Internal Control		
GRI 3: Material Topics 2021	3-3 Management of material topics	Responding to Climate Change
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-3 Other indirect (Scope 3) GHG emissions	
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	
Exhaust Gas Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Responsibility – A1. Emissions – Exhaust Gas Emissions
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Responsibility – A1. Emissions – Waste Management
GRI 306: Waste 2020	306-3 Waste generated	
	306-4 Waste diverted from disposal	
Energy Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Responsibility – A2. Use of Resources – Energy Management
GRI 302: Energy 2016	302-1 Energy consumption within the organization	
	302-3 Energy intensity	

## GRI STANDARDS INDEX

GRI Standard	Disclosure	Chapter/Statement
Water Resource Management, Wastewater Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Responsibility – A1. Emissions – Wastewater Management
		Environmental Responsibility – A2. Use of Resources – Water Resources Management
GRI 303: Water Resources and Effluents 2018	303-5 Water consumption	Environmental Responsibility – A2. Use of Resources – Water Resources Management
Use of Packaging Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Responsibility – A2. Use of Resources – Use of Packaging Materials
GRI 301: Materials 2016	301-1 Materials used by weight or volume	
Employee Salary and Benefits, Anti-discrimination and Equal Opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Responsibility – B1. Employment
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	

# GRI STANDARDS INDEX

GRI Standard	Disclosure	Chapter/Statement
<b>Employee Health and Safety</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Responsibility – B2. Health and Safety
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-9 Work-related injuries	
<b>Employee Development and Training</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Responsibility – B3. Development and Training
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	
	404-2 Programs for upgrading employee skills and transition assistance programs	
	404-3 Percentage of employees receiving regular performance and career development reviews	
<b>Prevent Child Labor and Forced Labor</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Responsibility – B4. Labor Standards
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	

## GRI STANDARDS INDEX

GRI Standard	Disclosure	Chapter/Statement
Supplier Quality Review		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Responsibility – B5. Supply Chain Management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	
Product Safety, Customer Service, Intellectual Property Rights		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Responsibility – B6. Product Responsibility
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	
Anti-corruption, Anti-money Laundering and Counter-terrorism Financing, Whistleblowing Mechanism		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Responsibility – B7. Anti-corruption
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	
Corporate Social Responsibility		
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Responsibility – B8. Community Investment
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	

<http://www.hengxin.com.sg/>



460 Alexandra Road  
#28-01 mTower  
Singapore 119963