

DESAY SV
Beyond Mobility



2025 SUSTAINABLE DEVELOPMENT REPORT

Stock Code: 002920.SZ

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ABOUT THIS REPORT

Huizhou Desay SV Automotive Co., Ltd. (hereinafter referred to as "Desay SV", "the Company", or "we") proactively discloses to stakeholders each year our sustainability management and performance, as well as the philosophy we uphold regarding sustainability topics in our operations, the management approaches we have established, the initiatives we have implemented, and the results we have achieved, thereby promoting understanding, communication, and cooperation with stakeholders.

Scope of this Report

this report covers Desay SV Automotive Co., Ltd. and entities under operational control globally. The time period covered spans from 1 January 2025 to 31 December 2025. For the data coverage scope, please refer to the notes in the ESG Data Performance Table and Notes.

Basis of preparation

This report was prepared with reference to *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, the *Sustainable Development Report Standards (2021)* (hereinafter referred to as "the GRI Standards") set by the Global Sustainability Standards Board (GSSB), and also with reference to the United Nations Sustainable Development Goals (SDGs).

Data Description

The narrative information and quantitative data disclosed in this report are derived from original records of the Company's actual operations or the annual report. In case of any discrepancy between the relevant financial data and the company's annual report, the annual report shall prevail. Financial information is sourced from the Company's annual financial report and is presented in CNY.

Report confirmation and approval

This report was ultimately reviewed and approved by the Board of Directors. Desay SV is responsible for the authenticity, accuracy, and completeness of the report content.

External assurance

This report was independently assured by SGS-CSTC Standards Technical Services Co., Ltd. (SGS) as a third-party assurer. The assurance statement is available in the appendix.

Report language and access

This report is published in both Simplified Chinese and English. In the event of any discrepancy between the Chinese and English versions, the Simplified Chinese version shall prevail. The electronic version is available for viewing and download on the Company's website at: <https://www.desaysv.com/>.

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CHAIRMAN'S MESSAGE



Since our establishment, Desay SV has progressed from international localisation to domestic internationalisation. Through 40 years of dedicated cultivation and accumulation, we have built practical expertise in cross-regional operations. Amid the wave of transformation in the automotive industry towards electrification, intelligence, connectivity, and shared mobility, we firmly believe that ESG is not an additional responsibility, but the essential path for enterprises to achieve long-term value growth.

Striving for low-carbon leadership and whole chain collaboration

Driven by our mission, we fulfill our environmental responsibilities by embedding carbon neutrality goals into the core of our strategic design. We remain committed to doing our part to support the global 1.5°C climate goal, and in 2021 we proposed the goals of "achieving operational carbon neutrality by 2030 and full value chain carbon neutrality by 2050". The Company established Carbon Neutrality Steering Committee to advance related work. Through measures such as intelligent transformation and upgrades of energy-saving equipment, during the 2022-2025 period, the energy expense rate (including purchased electricity and liquid nitrogen) at the Huinan and Zhongkai bases decreased by 17%. As of the end of the Reporting Period, our distributed photovoltaic installed capacity reached 4.9 MW, and the proportion of green energy in total energy consumption reached 41%.

We promoted low-carbon capability building among suppliers in key categories and gradually established a green supply chain resource pool. In 2025, we provided improvement training for key suppliers. A total of 19 suppliers participated in the briefing and training, covering more than 120 supplier personnel. By sharing methodologies such as carbon accounting with supply chain partners, we empowered China's supply chains to "going global", enhanced their worldwide green competitiveness, and achieved low-carbon coordination across the entire industrial chain.

Fulfilling responsibilities and sharing values

"Going global" is not only an expansion of business and an extension of markets, but also a transmission of corporate responsibility and a sharing of value principles. Safety is always our top priority. Through continuous year-round investment and systematic management, we ensured that every business and every process was built on a solid safety foundation. Our annual safety investment exceeded CNY 20 million. This not only reflected our solemn commitment to employees, customers, and partners, but also served as an important safeguard for achieving sustainable development and sharing value with society. In addition, we continued our original public welfare aspiration of "Empowerment through capacity building is more sustainable than mere provision of support", and fulfilled our social responsibilities through practical actions. Total public welfare investment for the year reached CNY 2.181 million. We continued to advance educational support programs and other public welfare initiatives. Approximately 1,100 volunteers participated, benefiting approximately 11,000 people.

We adhere to the principle of "deeply developing local markets and sharing benefits", not only selling our products worldwide, but also establishing localised companies in Germany, Mexico, Spain, Japan, and Singapore. Desay SV encouraged employees to participate in local community activities, promoting cultural integration through action and truly becoming a "company of the community." We incorporated cross-cultural sensitivity into our leadership model, implemented differentiated management tailored to the characteristics of different regions, and assigned senior management overseas to connect with headquarters resources, narrowing the cognitive gap. In overseas operations, we prioritised achieving win-win outcomes through models such as authorising outsourced production and establishing joint venture factories, reasonably allocating benefits, and establishing effective communication mechanisms with local communities and partners.

Compliance foundation and system upgrade

We have always viewed ESG as a long-term strategic initiative, fully integrating it into the annual strategic roadmap. Through systematic goal breakdown and end-to-end execution tracking, we ensure consistency with our historical strategic logic. Facing unknown risks, we have established an internal and external cycle risk identification system, leveraging the ESG perspective and external insights to continuously address blind spots in our understanding. Desay SV adheres to "mission-driven compliance" rather than "regulation-driven compliance", establishing multiple organisations such as the Environmental Health and Safety (EHS) Management Committee, the Carbon Neutrality Steering Management Committee, and the Cybersecurity Steering Committee to ensure ESG moves from top-level design to substantive implementation. In 2025, the company had zero instances of regulatory penalties, and received the Shenzhen Stock Exchange's A rating for information disclosure for seven consecutive years.

We fully recognise the importance of "respecting local regulations", and integrate compliance requirements throughout our entire business process. For data security, we employ a mutual recognition mechanism with countries on the whitelist to avoid risks associated with cross-border data flows. In the future, we will incorporate inputs from stakeholders and shareholders, considering the introduction of advanced evaluation methods as important inputs for daily management, operations, and strategy, thereby continually optimising governance levels.

Innovation-driven development and value creation

Innovation has become Desay SV's core competitiveness. By 2025, the proportion of R&D personnel accounted for 42.4% of the Company's workforce, with 483 new patent applications filed. Driven by AI, we created Smart Solution 3.0, integrating more than 150 cutting-edge technologies, including spatial computing and neural augmentation, to further accelerate the complex R&D process. On the production side, the Company has initiated a full-chain transformation spanning business penetration, efficiency, and production. This initiative aims to achieve digital and intelligent management across the entire product lifecycle, the entire manufacturing process, and every stage of supply chain. By leveraging digital technologies, the Company optimised resource allocation, improved production efficiency, reduced energy consumption, and promoted sustainable development.

At the IAA MOBILITY 2025, the Company showcased a series of groundbreaking innovative product solutions, including the fifth-generation intelligent cabin platform G10PH, the vehicle domain controller iBCM2.0, and a full-stack driver assistance solution. We demonstrated to the automotive industry how Desay SV is leveraging continuous innovation to build core competitiveness in the era of smart vehicles, and how our intelligent capabilities position us as a leader in defining the next-generation intelligent mobility solutions.

In the future, we will embrace the international stage with a more open mindset and explore more possibilities for green transformation from a broader perspective. We will make environmental friendliness a guiding principle of our business operations, actively fulfil our social responsibilities to address societal concerns, and lay a solid foundation for long-term sustainable development. We will remain committed to a long-term perspective, guided by a sense of responsibility and driven by innovation. Working hand in hand with global stakeholders, we will move forward steadily amid the wave of globalization to build a future characterized by openness and mutual benefit, green progress, and sustainable development.

CEO'S MESSAGE



Sustainability has become a core pillar for enterprises to navigate business cycles and achieve long-term growth. We break through barriers with systematic thinking and empower ourselves through innovative mechanisms. By refining our framework in addressing ESG implementation challenges, we uphold our commitment to stakeholders through compliant and steady development.

Strengthening the governance system, and meeting challenges in development with courage

In exploring three major topic challenges, namely balancing short-term investment with long-term value, aligning local needs with the overall strategic layout, and converting practical outcomes into value perception, we have established a flexible and efficient functional committee operating mechanism, covering professional organisations such as the Project Management Committee, to provide targeted support for cross-departmental collaboration and efficient decision-making on key matters. In 2025, we comprehensively reviewed and optimised the ESG management system, and we plan to formally establish a Risk Control Committee in 2026, continuously promoting the evolution of ESG management towards a more systematic and collaborative direction.

We attach great importance to compliance development and have established a well-planned and effectively operated compliance management system. In 2025, we successfully passed the first surveillance audit of the ISO 37301 compliance management system. We embedded data security impact assessments into the full lifecycle of product and system development, covering all stages including requirements, design, testing, and operations and maintenance. We controlled risks throughout the entire process and dynamically optimised management to build a security protection system, ensure data security compliance, establish a robust safeguard for user data rights and interests, and enhance our data security governance capabilities.

Strengthening project management to empower business growth

Project management is Desay SV's core capability. Under the leadership of our senior management, the Company established the Project Management Committee, set the vision "make project management the core competitiveness of the organisation", and, with the objective of standardising and fully implementing project management capabilities across the global organisation and making them an industry best practice, established a comprehensive project management governance structure. At present, we are operating more than 1,000 product-level projects, covering multiple business lines. We have completed the establishment of a project classification system for infrastructure and delivery projects, among others, and have incorporated major projects such as overseas base construction and breakthroughs with large enterprise customers into standardised management. In 2025, Desay SV won two internationally authoritative honours, namely the PMI (China) Project Management Award and the PRINCE2 Enterprise Best Practice Award, demonstrating our internationally leading strength in project management in the AI era.

Deepening supply chain resilience building, steadfastly advancing along the path of sustainable development

In 2025, when facing geopolitical and chip supply risks, Desay SV responded effectively and quickly developed alternative solutions for multiple affected materials, with overall risks remaining controllable. This achievement was underpinned by long-established stable supply chain partnerships, and more importantly by our supply chain contingency and rapid switching capabilities that have been continuously strengthened over many years. Looking ahead, in the short term we will safeguard production safety through supply chain back-up and substitution capabilities. In the long term, we will continue to enhance our risk anticipation capabilities, build a more resilient supply chain system, and strengthen the safety barrier for sustainable development.

Deepening commitment to talent development, supporting employees as they pursue their dreams

The Company officially launched the employer brand slogan "Mobility Beyond Borders, Growth Beyond Limits" in 2025, articulating the value proposition of which we are most proud and with which we most wish to resonate with talent. We uphold a safety culture of dual responsibility for each position, creating a safe and steady environment for our employees' growth. We emphasise the work-life balance of our employees and actively organise various activities covering topics such as festivals, sports, and mental health, to enhance employees' job satisfaction and well-being. In 2025, the employee engagement rate of the Company was 89.4%, increasing for four consecutive years and rising by 4.3% compared with last year.

The Company attaches great importance to talent cultivation and development, and has established a Learning & Development Center, and continuously improved the development framework for leadership, professional and technical capabilities, and general competencies. This year, we added 278 high-quality online and offline courses, delivered 66,324 employee training attendances, and incurred annual training expenditure of CNY 13.30 million, to consolidate employees' professional foundations and enhance management effectiveness. Relying on the promotion management system, the Company has established dual pathways, management and professional, providing equal promotion opportunities and smooth career development pathways to all eligible employees.

In the new year, we will continue to deepen our efforts in building the ESG framework, committing to internalising the value of our ESG practice achievements and enabling brand halo effect, shaping a brand image with an international perspective and a solid compliance foundation, and creating synergy between innovation-driven growth and sound operations. We will further strengthen project management capabilities, and support the implementation of the ESG strategy through efficient execution. Meanwhile, we will continue to strengthen supply chain resilience, and join hands with partners to build a sustainable supply chain ecosystem!

01 Entering Desay SV

- Business Scope
- Global Footprint
- Major Events in 2025
- Recognition and Honours



DESAY SV

Business Scope



Desay SV is one of the world's leading mobility technology companies, committed to sharing a smarter mobility for all. We focus deeply on the full-stack integration of smart cabin, smart drive and smart services. We continuously develop highly integrated intelligent hardware and leading software algorithms to provide global customers with safe, delightful and sustainable mobility solutions and services, satisfying the diverse needs of customers for varied product portfolios and business models.

Leveraging 40 years of expertise in design, development and manufacturing, Desay SV has always been customer-centric. Through open and collaborative ecosystem partnerships and full-stack integrated technological capabilities, we rapidly commercialize cutting-edge technologies and products. We actively embrace the wave of intelligent transformation in the automotive industry and extend our automotive-grade technical expertise accumulated in the in-vehicle sector to emerging fields such as low-speed unmanned equipment and intelligent robotics.

Desay SV actively responds to the global carbon neutrality strategy and integrates sustainable development into all aspects of our business operations. While giving back to society, we respect and care for every employee, striving to build a diverse and inclusive workplace and a high-potential development platform. We encourage our global teams to pursue equality, openness and collaboration, and jointly advance the sustainable development goals of "safe and reliable, growth and win-win collaboration, and green and environmentally sustainable". The Company revised its mission and vision in 2025.



Vision

Smarter Mobility for All



Mission

Creating Safe, Delightful and Sustainable Mobility



Products and Services



Intelligent Cabin

Intelligent Care •

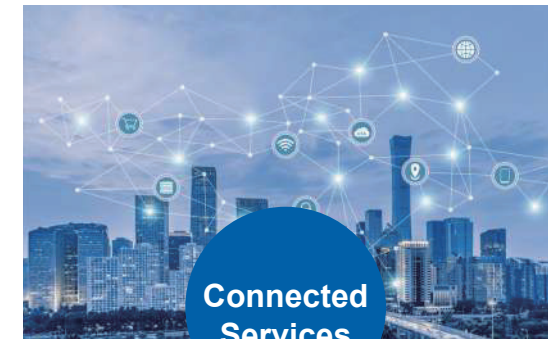
• Driving Pleasure



Intelligent Driving

Drive with Freedom •

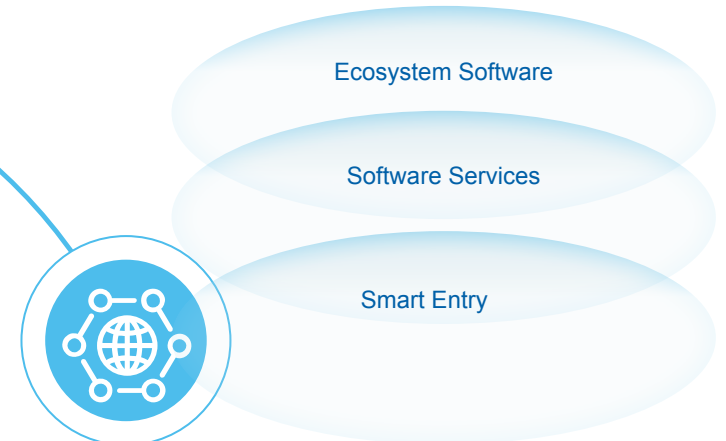
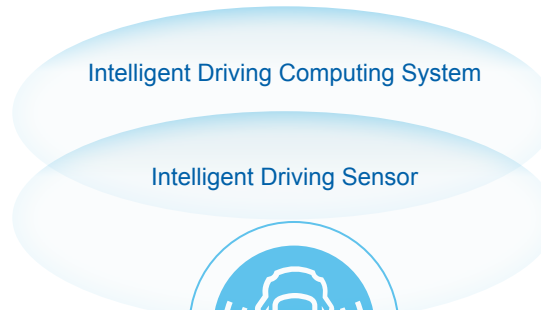
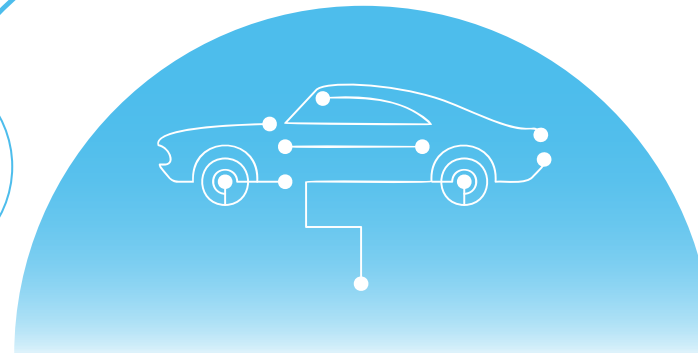
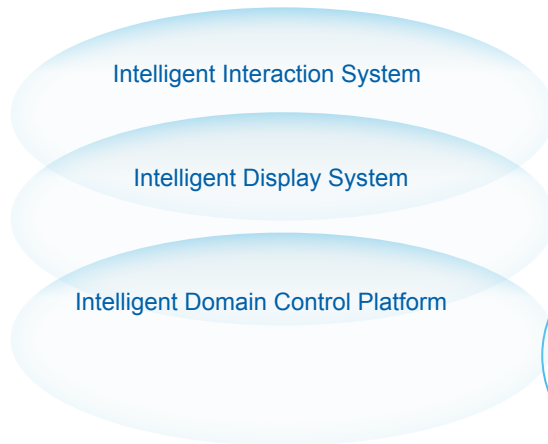
• Worry-free Intelligent Mobility



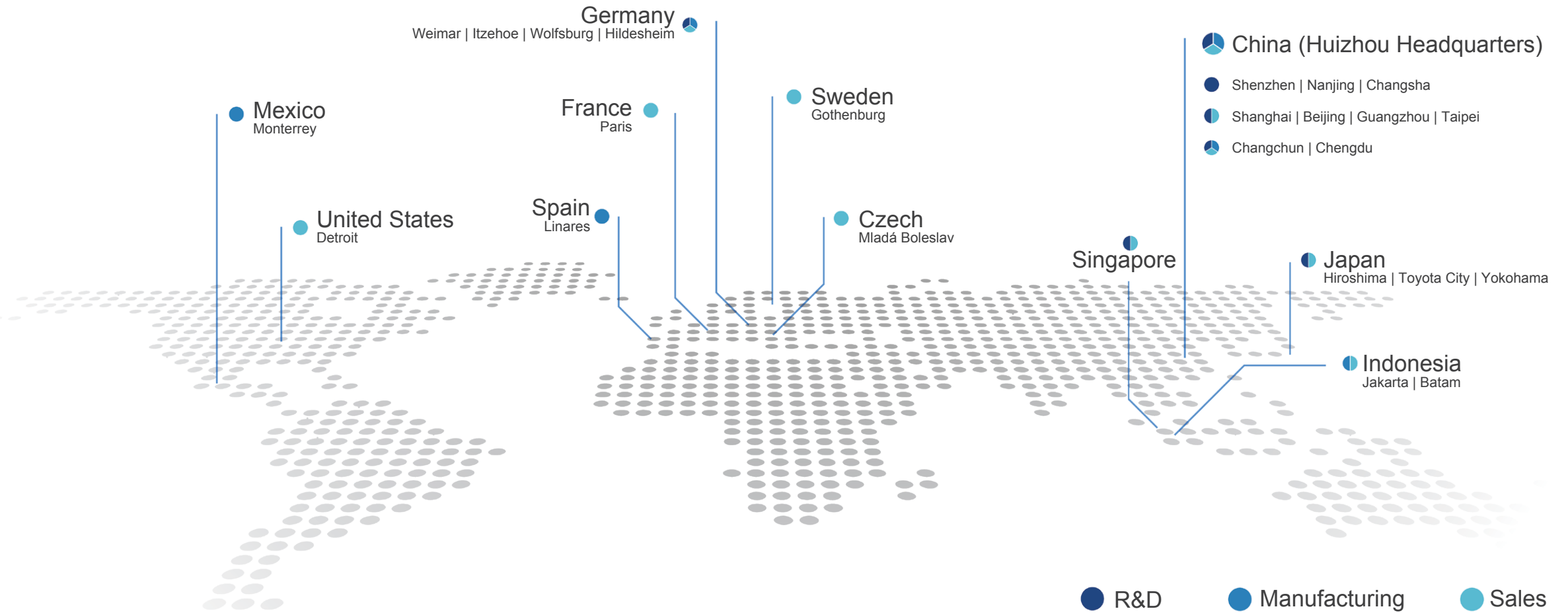
Connected Services

Internet of Everything •

• Meticulous Support



Global Footprint

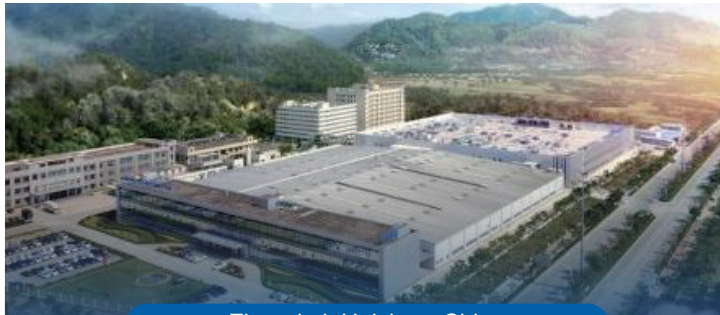


Manufacturing Input

We provide customers with efficient and professional global manufacturing services, ensuring supply and delivery.



Huinan, Huizhou, China



Zhongkai, Huizhou, China



Chengdu, China



Changchun, China



First Factory, Weimar, Germany



Second Factory, Weimar, Germany



Monterrey, Mexico



Linares, Spain



Batam, Indonesia (Cooperative Partner)

Major events in 2025

January

Desay SV and Qualcomm collaborated to develop a new AI intelligent cabin platform



March

Desay SV published 2024 Sustainable Development Report



April

Desay SV AI Mobility Trend Research Report was released



April

Desay SV officially released to the public its new development strategy, as well as its mission and vision



April

Desay SV participated in the 2025 Shanghai Auto Show



April

Desay SV made its debut with a full-stack assisted driving solution



June

Desay SV won the Excellence Award of the 25th China Patent Award



June

Desay SV was ranked 58th on 2025 List of Top 100 Global Automotive Parts Suppliers released by Automotive News



July

Desay SV was listed in the 2025 Fortune China 500



July

Desay SV won the "Volkswagen Group Award"



August

Desay SV held the Ninth Quality Month 2025 and the First Brand Month



September

Desay SV launched a brand of automotive-grade low-speed unmanned vehicles



September

Desay SV made its debut at IAA MOBILITY 2025 in Germany



September

Desay SV and NTT DATA signed strategic agreement at the Munich Motor Show



September

The LINARES plant in Spain was successfully reached its structural completion milestone



September

Desay SV was awarded the 8th Guangdong Provincial Government Quality Award



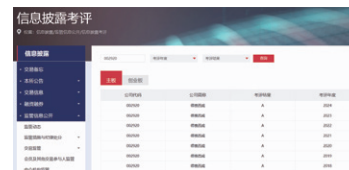
September

Desay SV successfully completed a private placement offering of CNY 4,398.8 million, further deepening its strategic positioning in automotive intelligence



November

Desay SV was awarded the Shenzhen Stock Exchange's A rating for information disclosure for seven consecutive years



November

Desay SV officially released the AI Cube robotic intelligent base platform



November

Desay SV's Automotive Acoustic Solution was released



December

Desay SV was awarded the 2025 Outstanding Public Welfare Brand Award



December

Desay SV made its appearance as a premium sponsor at the 2025 Huizhou Marathon, supporting the successful delivery of the event



Recognition and Honours



Sincere Partner Award

Customer:
Great Wall Motor



2024 Original Price Excellence Award

Customer:
GAC Toyota



Technology Innovation Award

Customer:
Great Wall Motor



2024 R&D Contribution Award

Customer:
GAC Toyota



Top Ten Supplier Award

Customer:
GAC Group



Volkswagen DISPLAY INNO.DAY 2025 China Regional Contribution Award

Customer:
Volkswagen



Outstanding Supplier Award

Customer:
Chery Automobile



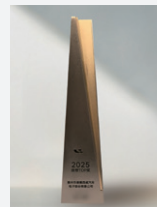
Quality Contribution Award

Customer:
Dongfeng Passenger Vehicle



Volkswagen Group Award for 2025

Customer:
Volkswagen



2025 Li Auto TOP Award

Customer:
Li Auto



Li Auto "Strategic Partner"

Customer:
Li Auto



Ford Q1 Award for 2025

Customer:
Ford



Dongfeng Nissan - 2025 Best Transformation Co-creation Award

Customer:
Dongfeng Nissan



Sustainability Long-term Partnership Award

Customer:
Volvo Car APAC

ESG Rating



CDP Rating B (Climate)

WIND ESG A

CNI ESG A

Media Awards



2025 Human Resources Management - Best Training Practices Award

51Job



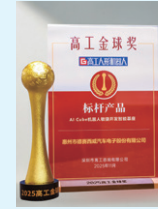
Gasgoo Awards - Top 100 Players of China's New Automotive Supply Chain

Gasgoo



China Talent Development Lighthouse Award-Model Enterprise

Chinese Society for Talent Development



2025 Gaogong Golden Globe Awards

Gaogong Intelligent Vehicles



Technology Innovation Ecosystem Partner

China Automotive News



ESG Pioneer Enterprise

The Sixth Corporate ESG Forum of Cailian Press



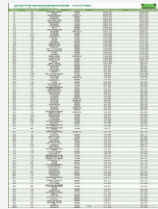
Qianxing Award - 2024 Leading Case of Digital Transformation

The Economic Observer



2025 Gaogong Golden Globe Award: Benchmark Product Award for Integrated Cabin and Driving

Gaogong Intelligent Vehicles



2025 List of Top 100 Global Automotive Parts Suppliers - 58th Place

Automotive News



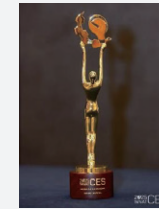
2025 Gaogong Golden Globe Award - Pioneer Award for Commercialisation and Implementation of Autonomous Driving

Gaogong Intelligent Vehicles



Fortune China 500

Fortune China 500



2025 Lingxuan Award: Combined Assisted Driving Category - Gold Award

Auto Business Review



China's Top 500 Brands

Topbrand Union



2025 (4th) Zhilu Award - Intelligent Cabin Category - Excellence Award

Automotive Observer, Zhilu Space

Awards from Government Departments or Other Awards



Excellence Award of the 25th China Patent Award

China National Intellectual Property Administration



The 8th Guangdong Provincial Government Quality Award

The People's Government of Guangdong Province



Huizhou City AAAAA-rated Enterprise of Harmonious Labour Relations

Huizhou Municipal Human Resources and Social Security Bureau

Huizhou Municipal Federation of Trade Unions

Huizhou Municipal Enterprise Confederation

Huizhou Municipal Federation of Industry and Commerce



Charitable Contribution Entity

Huizhou Zhongkai High-tech Industrial Development Zone Charity Federation



2025 China Best ESG Employer

Aon plc



Excellence in Overseas Development Award

Aon plc



Industry associations and organisations



Automotive Basic Software Ecosystem Committee, China Society of Automotive Engineers

Member status: Committee member

Association awards



PMI (CHINA) PROJECT MANAGEMENT AWARD

Project Management Institute



PRINCE2 Enterprise Best Practice Award

PeopleCert



Annual Outstanding ESG Governance Case

China Automobile Research Institute



2025 Forward-Thinking Innovation Ecological Product of China Intelligent Cabin Award

J.D. Power and Tongji University Human-Vehicle Relationship (HVR) Lab, and the eXtraordinary AI (XAI) Lab



"Green Development" title

China Association of Automobile Manufacturers & GoldenBee Think Tank



2025 Outstanding Practice Case in Sustainable Development among Listed Companies

China Association for Public Companies



2025 Outstanding Public Welfare Brand

The 8th Conference on CSR

















02 SUSTAINABLE DEVELOPMENT GOVERNANCE

- Sustainable Development Goals
- Sustainable Development Governance Framework
- Stakeholder Communication
- Materiality Topic Assessment and Management

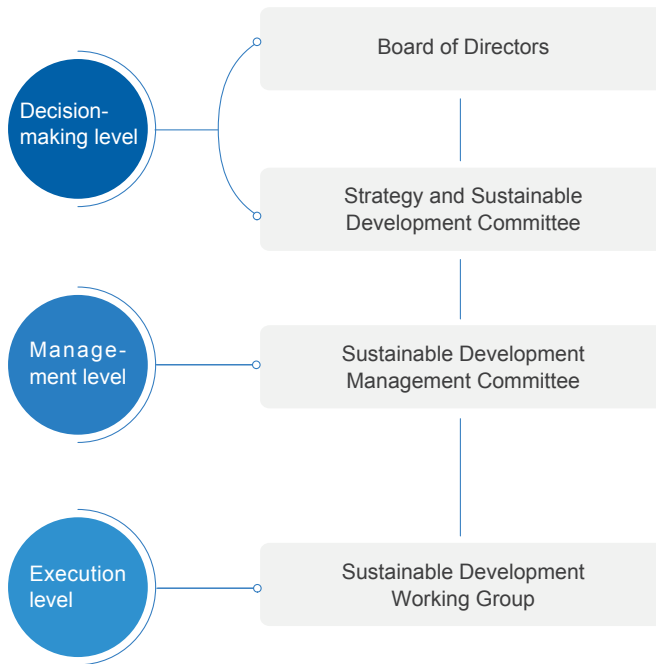
Sustainable development goals

Desay SV focuses on the sustainable development goals of "safe and reliable, growth and win-win collaboration, and green and environmentally sustainable", actively responds to the global carbon neutrality strategy, and integrates sustainable development into all aspects of corporate operations. While giving back to society, we respect every employee of the Company and have created for employees a diverse and inclusive working environment and a development platform for high-potential growth. We encourage equality, openness, and collaborative development among our global divisions. Desay SV employees uphold the same mission and work towards a common goal: Creating Safe, Delightful and Sustainable Mobility.






| Topic | Strategic Objectives | Response to SDGs |
|--|--|---|
|  <p>Safe and Reliable</p> | <p>We adhered to compliance in operations and continued to strengthen risk management. Persistent efforts were made to systematically improve product-stability and quality. On this basis, we ensured stable operations and business continuity.</p> |   |
|  <p>Growth and Win-win Collaboration</p> | <p>We advocated a healthy lifestyle, improved employees' wellbeing, and paid close attention to their personal development and value realization. We also performed due diligence management on sustainability in the supply chain, actively contributed to local communities, and worked with other members of the industry chain to foster a healthy business ecosystem.</p> |      |
|  <p>Green and Environmentally Sustainable</p> | <p>We made every effort to reduce the impacts of our production and operations on the environment. We promoted energy conservation and emissions reduction with innovative, efficient products and solutions, and joined hands with members of the industry chain to achieve carbon neutrality.</p> |    |

Sustainable Development Governance Framework



Desay SV understands deeply that sustainable development is the core of our long-term development, and a key fulcrum for fulfilling social responsibilities and driving value growth. In order to better implement sustainable development-related work, we formally renamed the Strategic Committee under the Board of Directors as the Strategy and Sustainable Development Committee, and established a three-tier governance structure of Board of Directors-Sustainable Development Management Committee-Sustainable Development Working Group. This adjustment fully integrates sustainable development topics into our top-level strategic decision-making system.

| | | |
|--|---|---|
|  Strategy and Sustainable Development Committee under the Board of Directors |  Decision-making level |  Responsibilities: <ol style="list-style-type: none"> 1. Understand, analyse, and keep abreast of the status quo of the industry both internationally and domestically, as well as policies related to sustainable development; 2. Understand and have a full grasp of our overall operating and management situation; 3. Oversee the assessment of sustainable development-related impacts, risks, and opportunities; 4. Provide guidance on and review our sustainable development policies, strategies, and targets; 5. Regularly oversee the progress and completion status of sustainable development-related targets; 6. Approve the Company's <i>Sustainable Development Report</i>; 7. Conduct oversight inspections of the implementation of sustainable development-related work, and provide guidance and recommendations in a timely manner, etc. |
| Sustainable Development Management Committee | Management level | Responsibilities: <ol style="list-style-type: none"> 1. Integrate and co-ordinate Committee resources and provide support to the Sustainable Development Working Group; 2. Oversee and agree on the sustainable development strategy, policies, targets, rules/regulations/systems, annual plans, performance indicators, audit management measures, and the Committee's operating management measures; 3. Identify stakeholders' topics of concern and conduct a materiality assessment; 4. Report to the Board of Directors on the effectiveness of sustainable development implementation and operations; 5. Review the Sustainable Development Report and other ESG disclosures. |
| Sustainable Development Working Group | Execution level | <ol style="list-style-type: none"> 1. Establish and set up management organisations and dedicated personnel for specialist units for each sustainability topic group; 2. Comply with the sustainable development strategy, policies, objectives, rules/regulations, annual plans, and performance indicators; 3. Identify and fulfil ESG topics and improvement actions; 4. Regularly report on ESG implementation to the Sustainable Development Management Committee; 5. Carry out ESG activities/training/coaching; 6. Integrate and prepare the sustainable development report. |

Stakeholder communication




The Company fully respects and safeguards the legitimate rights and interests of stakeholders such as shareholders, employees, customers, and suppliers, focusing on the creation of social value, adhering to lawful and integrity-based operations, and actively collaborating with stakeholders. Meanwhile, the Company actively practises the ESG (environmental, social and governance) philosophy by integrating ESG throughout the entire process of business operations and development, establishing and improving an ESG management system, and steadily advancing relevant work in areas including environmental protection (e.g., green operations, energy conservation and carbon reduction), the fulfilment of social responsibilities (e.g., safeguarding employee rights and interests, public welfare initiatives, supply chain responsibility) and ESG information disclosure. In accordance with regulatory requirements such as the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, we disclosed ESG-related information, and continuously enhanced our sustainable development capabilities and comprehensive competitiveness. During the Reporting Period, for key topics, we proactively communicated progress with key stakeholders, obtained their feedback, and, based on this, improved our management standards.




Topics of Stakeholders' Concern and Communication Methods

| Stakeholder | Topics of Concern | Communication Channels | Communication Frequency |
|---|---------------------------------------|---|------------------------------|
|  Employees | Employee Rights and Interests | Employee Representative Congress | 1-2 times per year |
| | Employee Training and Development | Employee questionnaire survey | One time per year |
| | Occupational Health and Safety | Employee communication meeting | At least four times per year |
| | Human Rights Protection | Complaint and reporting hotline and email address | Irregularly |
| | Employee Diversity and Inclusion | The Company's internal "Employee Voice" | |
|  Customers | Sustainable Supply Chain | Survey questionnaire | One time per year |
| | Customer Relationship Management | 400 service hotline | Irregularly |
| | Data Security and Privacy Protection | E-commerce platforms | |
| | Product Safety and Quality Management | New media platforms | |
| | Technological Innovation | Company website and email | |
|  Shareholders and investors | Corporate Governance | Shareholders' Meeting | Irregularly |
| | Investor Relations | Results briefing session | |
| | | Information disclosure | |
| | | Investor communication platform | |
| | | Company website and email | |

Topics of Stakeholders' Concern and Communication Methods

| Stakeholder | Topics of Concern | Communication Channels | Communication Frequency |
|---|---------------------------------------|--|-------------------------|
|  Suppliers and other partners | Business Ethics | Annual supplier assessment | One time per year |
| | Sustainable Supply Chain | Partner conference | One time per year |
| | Product Safety and Quality Management | Knowledge and skills training Company website and email | Irregularly |
|  Government and regulatory authorities | Corporate Governance | Securities regulatory authority meetings | Irregularly |
| | Compliant Operations | Government meetings | |
| | Business Ethics | Information disclosure | |
| | Human Rights Protection | Survey questionnaire | |
|  Industry associations and peer companies | Sustainable Supply Chain | Industry seminar | Irregularly |
| | Intellectual Property Protection | Exhibitions | |
| | Technological Innovation | Academic exchange activities | |

| Stakeholder | Topics of Concern | Communication Channels | Communication Frequency |
|---|---------------------------------------|---|-------------------------|
|  Media and NGOs | Compliant Operations | Survey questionnaire | One time per year |
| | Human Rights Protection | Company website and email | Irregularly |
| | Charity and Public Welfare | Information disclosure New media platforms | |
|  Surrounding communities | Community Relations | Survey questionnaire | One time per year |
| | Charity and Public Welfare | Information disclosure | Irregularly |
| | Biodiversity and Ecosystem Protection | Company website and email | |
| | | Charity and public welfare activities | |
|  Environmental regulatory authorities | Product Safety and Quality Management | Monitoring and compliant disposal | Irregularly |
| | Response to Climate Change | Information disclosure | |
| | Energy Management | Environmental protection activities | |
| | Waste Management | | |
| | Water Resources Management | | |



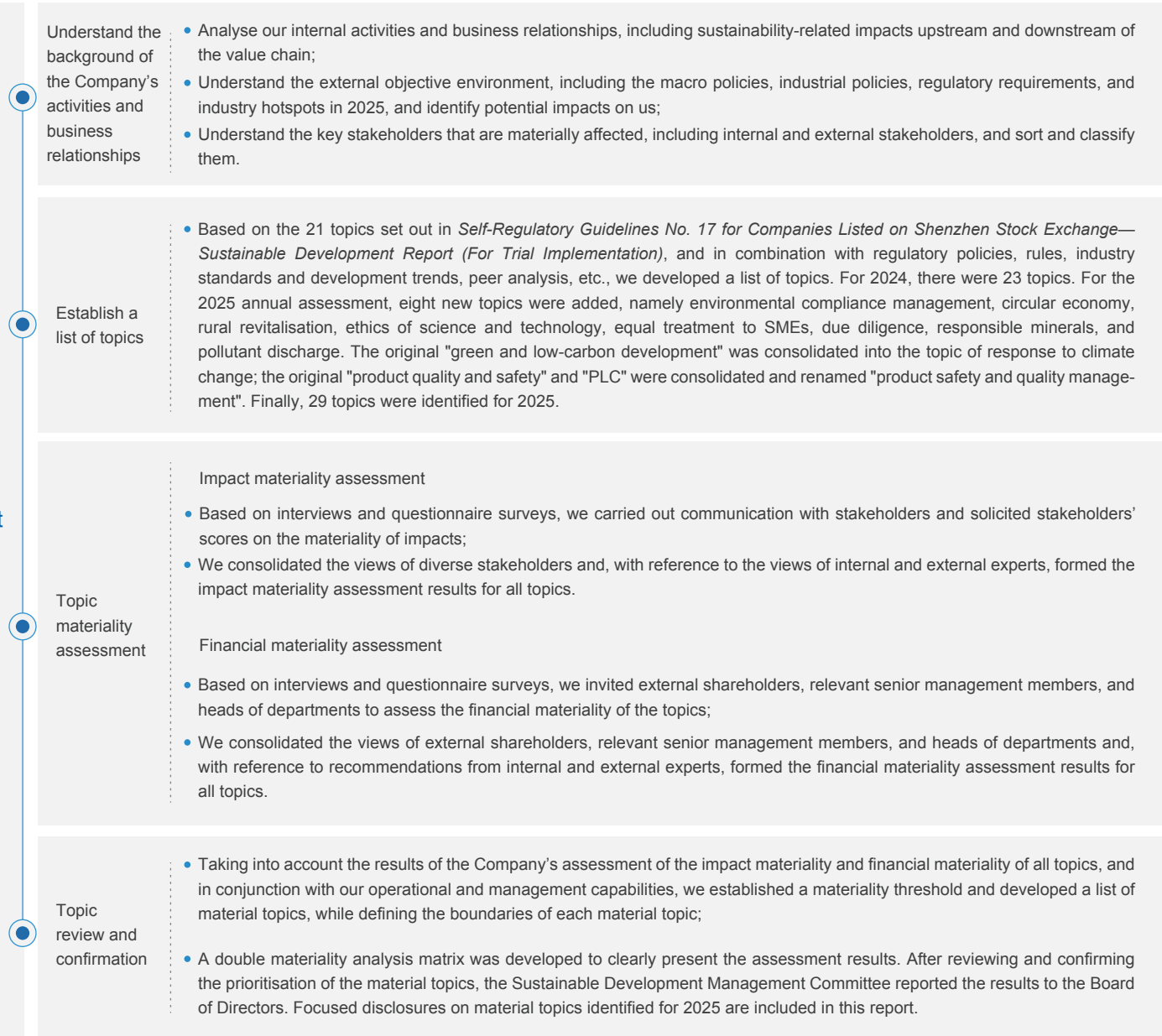
Materiality topic assessment and management

The identification of material topics is an important part of the Company's ESG management. It helps us focus on key areas and clarify our ESG strategic planning and priorities. In 2025, the Company referred to relevant domestic and international sustainability standards to conduct double materiality identification and analysis for sustainable development topics.

Double Materiality Assessment Process

Based on the characteristics of the industry in which we operate and our business operations, we identified the topics with short-, medium-, and long-term financial impacts on the Company, and with actual and potential impacts on our performance across each topic on the economy, society, and the environment. The specific analysis process is as follows.

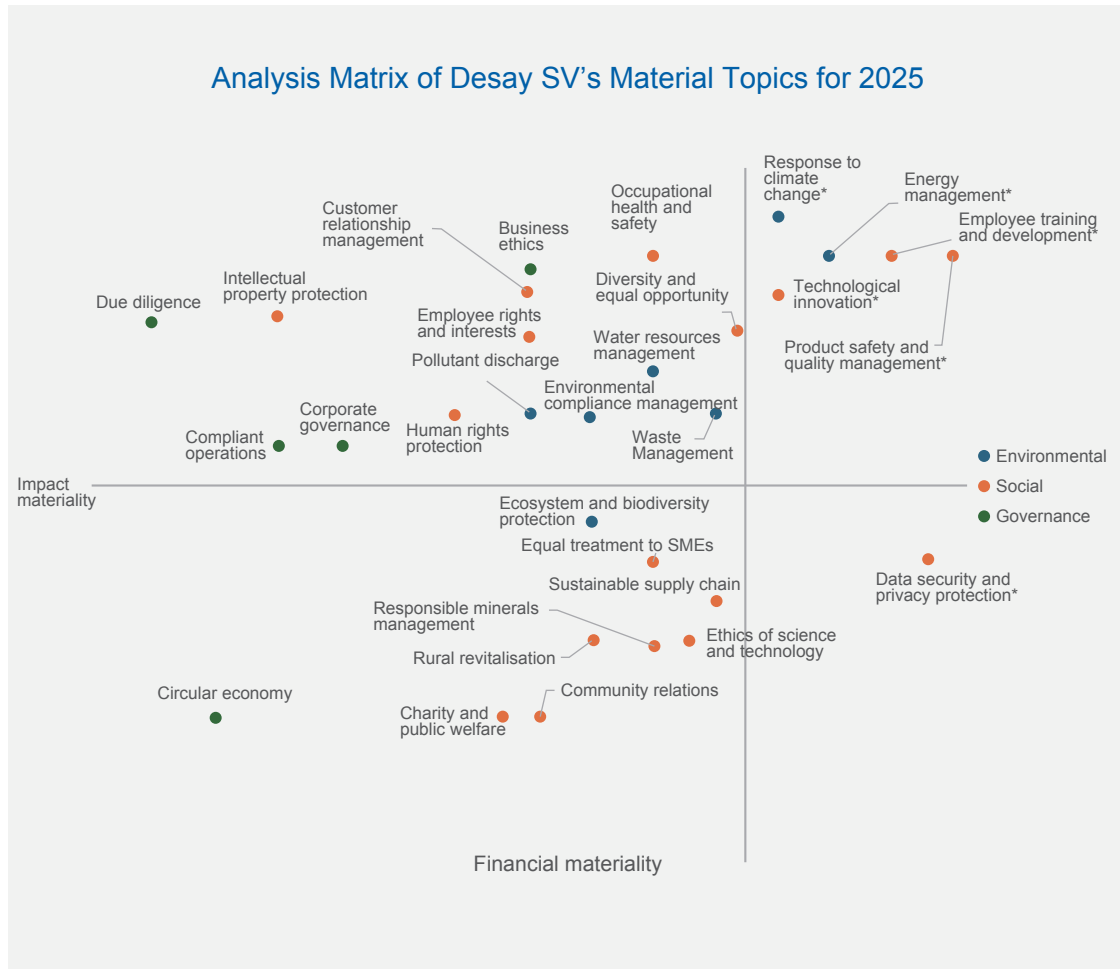
Double Materiality Assessment Process



Materiality topic assessment results

The results of the 2025 material topic identification are shown in the matrix below. Following identification, six topics were financially material (topics marked with * are financially material topics), 19 topics were impact material, and five topics were both financially material and impact material to the Company.

Analysis Matrix of Desay SV's Material Topics for 2025



Environmental

- 01 **Response to Climate Change***
- 02 Pollutant Discharge
- 03 Waste Management
- 04 Ecosystem and Biodiversity Protection
- 05 Environmental Compliance Management
- 06 **Energy Management***
- 07 Water Resources Management
- 08 Circular Economy

Social




- 09 Rural Revitalisation
- 10 Charity and Public Welfare
- 11 Community Relations
- 12 **Technological Innovation***
- 13 Ethics of Science and Technology
- 14 Intellectual Property Protection
- 15 Sustainable Supply Chain
- 16 Responsible Minerals Management
- 17 Equal Treatment to SMEs
- 18 **Product Safety and Quality Management***
- 19 **Data Security and Privacy Protection***
- 20 Customer Relationship Management
- 21 Diversity and Equal Opportunity
- 22 Occupational Health and Safety
- 23 Human Rights Protection
- 24 **Employee Training and Development***
- 25 Employee Rights and Interests

Governance

- 26 Corporate Governance
- 27 Compliant Operations
- 28 Due Diligence
- 29 Business Ethics




Impacts, Risks and Opportunities Analysis of Financial Materiality Topics



| | Scope of Impacted Value Chain | Affected Stakeholders | Risks Analysis | Opportunities Analysis | Financial Impact and Impact Time Horizon |
|---|--|---|---|--|---|
|  Technological innovation | Upstream Own operations Downstream | Shareholders and investors Employees Customers Suppliers Partners | Substantial R&D investments are not translated into commercial outcomes (e.g., implementation of new technologies lagging behind the needs of automotive OEMs); core technologies face patent infringement, or losses exceed tens of millions of yuan | Establish a presence in cutting-edge areas such as vehicle-road collaboration and low-power intelligent driving chips, and secure customised orders from leading automotive OEMs | Medium term, increased R&D expenses; Long term, improved revenue and profit margins. |
|  Product safety and quality management | Upstream Own operations Downstream | Employees Customers Suppliers | Functional failures in in-vehicle products trigger OEMs' batch recalls; quality complaints lead to a reduction in the share of customers' order volume | Optimise production and quality control processes, improve product quality and safety, and reduce production costs Strengthen market reputation and increase | Short-term, increased control costs; Long-term, reduced losses and stabilised revenue. |
|  Data security and privacy protection | Upstream Own operations Downstream | Employees Customers Suppliers | Cross-border data transfers are subject to regulatory penalties for non-compliance; user data breaches trigger class action lawsuits | Enhance capabilities in "compliant data management", undertake demand for data compliance supporting services from multinational vehicle manufacturers, and meet market access requirements in markets with high compliance requirements | Short term, increased compliance investment; Long term, avoid penalties and expand the market. |

Impacts, Risks and Opportunities Analysis of Financial Materiality Topics



| | Scope of Impacted Value Chain | Affected Stakeholders | Risks Analysis | Opportunities Analysis | Financial Impact and Impact Time Horizon | |
|--|-------------------------------|---|---|--|---|-----------|
|  Response to climate change | Upstream | Shareholders and investors | Physical risks (such as extreme weather) may cause damage to our fixed assets and disruptions to the supply chain, increasing operating costs. Transition risks (such as tightening policies and regulations) may require us to invest more funds in low-carbon technology R&D and equipment upgrades. If we fail to respond in a timely manner, we may face risks of reduced market competitiveness and declining revenue. | We accelerated the research and development of low-carbon products and services to meet market demand and expand business growth. By expanding the use of renewable energy and improving energy efficiency, and proactively developing green finance and carbon market trading, we can help optimise our capital structure and reduce financing costs. | Short term, increased transition investment; Long term, access to policy incentives and reduced decarbonisation costs. | |
| | Own operations | Employees | | | | |
| | Downstream | Customers Suppliers Communities and the public Government and regulatory authorities | | | | |
|  Energy management | Upstream | Customers | Fluctuations in energy prices lead to rising production costs; environmental regulations require us to increase investment in energy conservation and emissions reduction, as well as energy management. If we fail to increase the proportion of renewable energy used, we will face higher carbon compliance costs. | Optimise the energy consumption mix, enhance equipment energy efficiency, and explore renewable energy solutions such as distributed photovoltaic power generation; obtain local energy-saving subsidies to enhance the competitiveness of factories in terms of energy efficiency. | Short term, increased capital expenditures for energy-saving retrofits; Long term, reduced energy costs. | |
| | Own operations | | | | | Suppliers |
| | Downstream | | | | | |
|  Employee training and development | Own operations | Employees | The turnover of employees in core technical roles lead to losses from project delays and increases recruitment and training costs. Inadequate training results in skills not meeting requirements, affecting project progress and quality and undermining our competitiveness; a lack of career development opportunities may reduce employee motivation, increasing management difficulty and operating costs. | Improve the employee training and development system, enhance employees' skills and loyalty, optimise human resource allocation, and reduce recruitment and training costs. Attract high-quality talent to drive innovation and improve productivity. | Long term, enhance efficiency and innovation capabilities, thereby improving economic benefits and generating profits. | |

Note: For projects or management measures related to the identification of impacts and risks and opportunities, the priority principle adopted is to prioritise implementation of those with low costs, mature technologies, and short cycles.

03 EXCELLENCE IN OPERATIONS



- Technological Innovation*
- Intellectual Property Protection
- Product Safety and Quality Management*
- Customer Relationship Management
- Data Security and Privacy Protection*
- Special Section: Digital Transformation and AI Empowerment
- Special Section: Project Management

Technological innovation*



Governance



As a dedicated practitioner in the field of intelligent services for the automotive industry, we have consistently adhered to the philosophy of innovation-driven development. We continued to invest resources to support technological innovation, planned and deployed forward-looking technologies and product development, protected and ensured compliant use of intellectual property, advanced industry-academia-research integration, accelerated the transformation of technological achievements, and created value for the industry and our customers through technological innovation.

The Company has established the Integrated Technology Management Team (ITMT) as the highest responsible organisation for the Company's technology planning and decision-making. The ITMT coordinated the evaluation of talent within the technology function, the management of technological achievements and value assessment, and was responsible for building a unified technology management platform.

The technology planning platform, as the Company's unified portal for technical proposals, connects the full lifecycle management process, from technology planning review, technology definition and research task review, to project initiation, research and development, delivery review, and project closure, ensuring that innovation activities operate in a standardised and efficient manner.

To fully stimulate the innovation vitality of all employees, we have established a comprehensive, multi-channel incentive system. This includes regular innovation initiatives such as 3i (ideas/initiatives/innovations), QCC (Quality/Control/Circle), and GPG (Go for Profit & Growth), as well as dedicated honorary awards selections such as the Product Technology Innovation Award and the Best Product Quality Award, thereby forming a complete incentive closed loop covering innovation proposals, quality improvement, and the transformation of achievements.

Strategy



The Company has established a comprehensive four-in-one innovation system integrating management, technology, products, and culture, and remained committed to achieving global leadership in core technology areas.

Management innovation: We built an efficient organisational structure adaptable to digital transformation through profound changes in management, operations, and business models.

Technological innovation: We established clear technology roadmaps and evaluation criteria, maintained the forward-looking nature of our technologies through cutting-edge planning and academic exchanges such as scholars' forums.

Product innovation: We introduced the PLC Product Lifecycle Management System, and aligned it with the V-model for product R&D design and the matching of R&D resources, thereby establishing a distinctive forward design-driven product innovation system, enhancing the efficiency and quality of R&D collaboration.

Cultural innovation: We promoted the "Desay SV Working Method " and the "Five Cultures", and deeply embedded a quality culture into our organisational DNA, providing a spiritual source of driving force for innovation.

Impacts, risks and opportunities management



Research and innovation platform



National-level innovation platform

Provincial-level innovation platform

Joint R&D platform in partnership with university

The Company has established an innovative platform featuring two national-level innovation platforms—a national-level laboratory centre certified by the China National Accreditation Service for Conformity Assessment (CNAS) and a national-level industrial design centre recognised by the Ministry of Industry and Information Technology of China; one provincial-level innovation platform—Guangdong Provincial Enterprise Technology Centre recognised by the Economic and Information Technology Commission of Guangdong Province; four joint R&D platforms with universities and two company-level innovation platforms. Leveraging the advantages of our R&D platforms in full, we focused on areas such as automotive electronics and intelligent driving, using innovation to drive cutting-edge industry development. At present, we have more than 5,000 R&D technical personnel and nearly 100 internal and external expert-level professionals, forming robust innovation capabilities.

| | |
|--|---|
| <p>National-level Laboratory Centre</p> <hr/> <p>National-level Industrial Design Centre</p> | <ol style="list-style-type: none"> 1. The laboratory covers testing needs across multiple fields, including environmental, mechanical, EMC, and electrical parameters, providing a platform and conditions for the verification of new technology R&D. 2. The laboratory has world-leading equipment, including EMC electromagnetic radiation immunity laboratories that comply with European and US standards. <hr/> <ol style="list-style-type: none"> 1. The centre comprehensively covers professional capabilities including interaction design, visual design, audio perception, 3D and interactive technologies, user experience simulation experiments, and more. 2. Focusing on innovative experience design, it aims to create an even more ultimate smarter mobility experience. |
| <p>Guangdong Provincial Enterprise Technology Centre</p> | <ol style="list-style-type: none"> 1. Committed to innovation and development of cutting-edge automotive electronics technologies, it is responsible for formulating strategic development plans for technologies and platforms and ensuring their effective implementation. 2. It accelerates the transformation of scientific and technological innovation into productive forces, achieving innovation-driven development. |
| <p>Cybersecurity Laboratory</p> | <p>The laboratory was established jointly with Nanyang Technological University, dedicated to cybersecurity for automotive electronics, and deeply engaged in automotive electronics fields such as in-vehicle infotainment systems and intelligent driving assistance systems.</p> |



Research and innovation platform



Joint R&D platform in partnership with university

Company-level innovation platform

Industry-Academia-Research Collaborative Innovation Platform

It was established jointly with major universities both in China and overseas, including Nanyang Technological University

1. The platform actively established cooperative relationships with renowned universities and research institutions in China and overseas, accelerated the transformation of scientific and technological innovation into productivity, and achieved innovation-driven development.
2. It carried out cooperation in areas such as research projects, design and R&D, joint laboratory development, and doctoral student training.

Joint Postgraduate Training Base

It was jointly established with South China University of Technology

1. Closely aligned with the needs of China's economic, social, and scientific and technological development, taking the resolution of major and key engineering projects and practical application issues in the automotive electronics engineering field as the driving force, it established a dedicated carrier and stable mechanism-based training platform for engineering doctorate candidates.
2. To better serve the national innovation-driven development strategy and the rapid economic development of the Guangdong-Hong Kong-Macao region, it strengthened cooperation in talent cultivation for doctoral-level professional degree postgraduate students in engineering, and met the needs of building an innovative country for high-calibre, application-oriented engineering technology innovation talent.

Desay SV Intelligent Driving Joint Laboratory

It was jointly established with University of Electronic Science and Technology of China

1. The laboratory engaged in the research and development of core technologies, key technologies, system integration and control technologies in the intelligent driving field, verification and testing of industrialised technologies, and product incubation and market cultivation.
2. It promoted scientific research in the automotive electronics field, and drove innovation R&D and industrialisation of intelligent driving technologies.

3I (Ideation, Initiative, Innovation) Platform

1. It aims for company-wide innovation. Innovative suggestions and ideas were proactively proposed by employees.
2. Proposals conducive to improving all aspects of our work and business development were put forward, thereby reducing costs, improving quality, enhancing our operational capability, and boosting employee morale.

Product Technology Innovation Platform

It strengthened cutting-edge design and technology reserves for product technologies. Exchanges and sharing on technological innovation were carried out, and the Company's culture of technological innovation was implemented.



Innovation achievements



ICPS01E Based on the Qualcomm Snapdragon Ride™ Flex Architecture

Deeply integrating Desay SV's accumulated technical expertise in the R&D, and manufacturing of intelligent cockpits, combined driver assistance, and vehicle architecture systems, and bringing together 13 invention patents, we achieved major breakthroughs across multiple dimensions. In terms of technological innovation, for the first time we achieved simultaneous support for digital cabin, ADAS (Advanced Driver Assistance Systems), and autonomous driving functions on a single SoC (System on Chip). In terms of design innovation, we adopted a highly integrated approach. The SOA (Service-Oriented Architecture) open platform design facilitates the development, deployment, and switching of upper-layer applications and the ecosystem, and supports the full integration of cabin infotainment and integrated assisted driving functions. This can streamline ECUs (Electronic Control Units) and wiring harnesses, effectively reducing overall vehicle weight as well as R&D and installation man-hours, thereby meeting OEMs' needs for cost reduction, efficiency enhancement, and rapid iteration. In terms of scenario applications, it supports multi-modal interactions and multi-scenario services, delivering a rich smart cockpit experience for drivers and passengers. It also features redundant hardware pre-installation capabilities, providing room for future scenario expansion.

Next-generation Assisted Driving Domain Controller IPU13E

IPU13E is positioned as a highly cost-effective lightweight driver-assistance solution, capable of delivering functions such as highway navigation-assisted driving, lightweight urban memory driving, memory parking, and remote-control parking. Leveraging outstanding computing power utilisation and an energy-efficiency balanced design, it provides users with a stable and reliable navigation-assisted driving and parking experience. The successful mass production of IPU13E was an important milestone in advancing driver assistance towards technology accessibility and parity between petrol and electric vehicles.

IPU04S: The First Assisted Driving Domain Controller to be Equipped with the NVIDIA Orin Y Chip

Focusing on building a highly market-competitive urban-area NOA (Navigate on Autopilot) solution, IPU04S, designed for China's complex urban road scenarios, leverages robust perception capabilities and decision-making logic to significantly improve vehicle travel efficiency under complex urban road conditions and optimise the comfort of urban assisted driving.

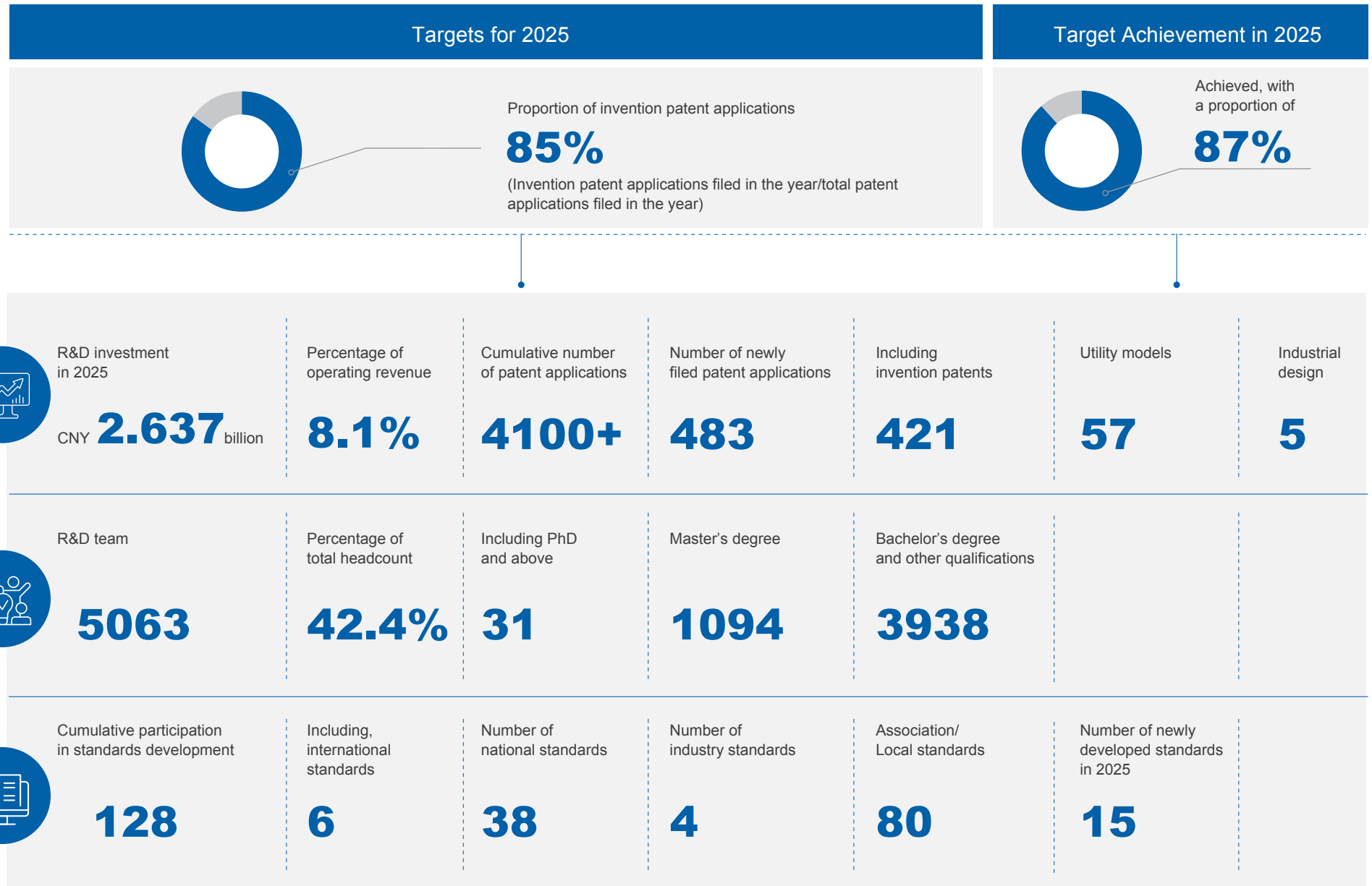


Hosting Industry Conferences

- Project Team Meeting on *Technical Requirements and Test Methods for Vision Assistance Systems for Light Vehicles*
- Meeting of the Core Drafting Group for *Performance Requirements and Test Methods for in-Vehicle Display Terminals*
- Meeting of the Information Resources Working Group of the Intelligent Connected Vehicles Subcommittee of the National Technical Committee of Auto Standardisation
- Meeting of the Drafting Group for the National Standard *Performance Requirements and Test Methods for on-Board Millimetre-Wave Radar*
- 2025 Desay SV 4th "Face-to-Face Meeting with Standards Experts"



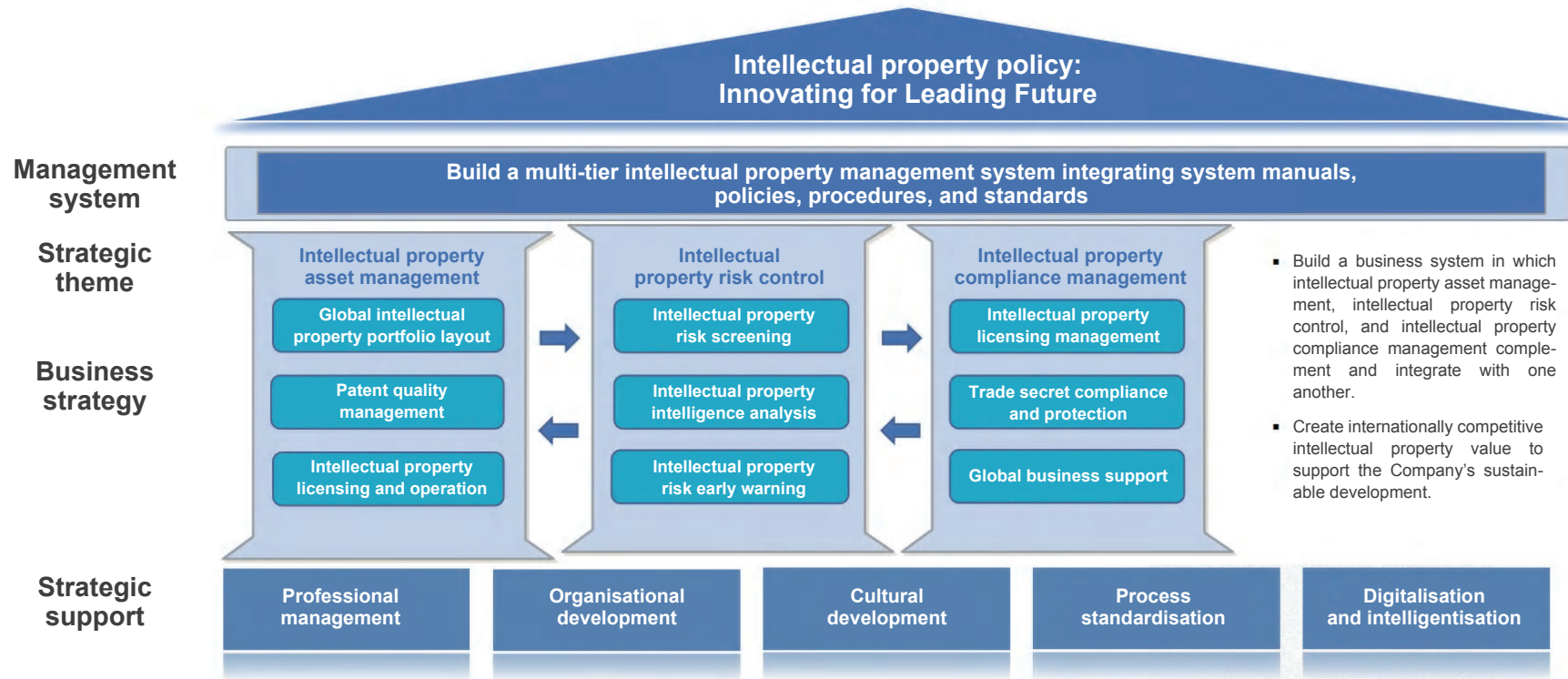
Targets and Metrics



Intellectual property protection

The Company strictly complies with relevant intellectual property laws and regulations, including *Patent Law of the People's Republic of China*, *Copyright Law of People's Republic of China*, *Trademark Law of the People's Republic of China*, *Law of the People's Republic of China Against Unfair Competition*, etc., and has established a multi-tier internal intellectual property management system, including policies, processes, or internal corporate standards such as *Patent Management Standard*, *Copyright Management Standard*, *Trademark Management System*, *Trade Secret Protection Standard*, *Incentive System for Patents and Awarded Copyrights*, *Management Process for R&D Intellectual Property*, and *Patent and Copyright Proposal Management Standard*. We obtained system certification for *Requirements for Enterprise Intellectual Property Compliance Management System (GB/T 29490-2023)* and continued to ensure the sustained effective operation of the intellectual property compliance management system.

The Company is a national model enterprise for intellectual property and has upheld the intellectual property policy that "Innovating for Leading Future". We successively won the Gold Award of the 13th China Patent Award, the Excellence Award of the 20th China Patent Award, and the Excellence Award of the 25th China Patent Award. As of the end of 2025, we had cumulatively filed more than 4,100 patent applications. The Company has established a full-cycle, standardised intellectual property protection system, embedding intellectual property compliance management and risk control into all processes including R&D, procurement, marketing, and business collaboration. This enabled the Company to confidently showcase innovative achievements in various business activities, such as customer projects, technology promotion, and exhibition publicity, injecting strong momentum into enhancing brand value and sustainable global growth.



Product Safety and Quality Management*

| Governance

The Company has established a Quality Management center as a dedicated management body for product quality management, implemented accountability for product quality and safety, and prevented product quality and safety risks. We established a quality management mode guided by policies and underpinned by capabilities, with "Pursuit of Excellence" as our quality policy. We adhered to the "Zero Defects Principle, customer satisfaction, continuous improvement, and people-oriented", and established a closed-loop management system covering the full product life cycle. Through end-to-end process control comprising systematic design, professional procurement, zero-defect manufacturing, and comprehensive services, supported by the ISO 9001 and IATF 16949 management systems, and leveraging underlying governance support such as our organisational system, management systems, and technical standards, we drove the achievement of our excellence in quality objectives.

| Strategy

Guided by the four core strategies of "Global Quality, Value-Driven Transformation, Digital and Intelligent Quality, and Ecosystem-Based Innovation", we systematically consolidated a new foundation for digital intelligent quality and built a new predictive quality engine. Through a high-quality management system, we fully empowered our business to take off and accelerated our progress towards becoming a world-class enterprise.

Grounded in the globalisation of quality, we built globally unified quality standards and competitive advantages through end-to-end, full value chain planning, thereby strengthening solid quality assurance for the Company's global business expansion.

Using value realisation through transformation as a lever, we promoted the extension of quality transformation towards the value-creation end. Upholding the core philosophy of being customer-centric, we achieved end-to-end closed-loop optimisation across the entire value chain, and through systematic improvement enhanced quality and efficiency, thereby consolidating the foundation for corporate development.

With quality digital and intelligent transformation as the breakthrough, we leveraged technologies such as AI digital twins and predictive insights to achieve data-driven quality management and control, pursued the goal of zero defects, and used digital and intelligent means to drive a leapfrog improvement in quality capabilities, setting a new industry benchmark for quality digital and intelligent transformation.

Driven by an innovation ecosystem approach, we build an open and collaborative quality innovation ecosystem through empowerment enabled by platform-based tools and the cultivation of professional talent. This promotes the spontaneous emergence of innovation and the joint research and resolution of problems, leveraging ecosystem synergies to lead the direction of quality innovation in the industry.



Impacts, risks and opportunities management

◆ Quality management system development

The Company regards quality management system certification as the foundation of its management. As at the end of the Reporting Period, the Company's three production bases (Huinan and Zhongkai, Huizhou and Weimar, Germany) had obtained certification to the IATF 16949:2016 automotive quality management system standard or the ISO 9001:2015 quality management system, and continued to maintain the effective operation of the quality management system.

◆ Construction of the "Zhihuitang" Knowledge Base

In advancing practices of international localisation and local internationalisation, we continued to accumulate experience in high-quality development. To systematically capture and consolidate knowledge assets in the quality domain, break down information silos, integrate dispersed experience, prevent the loss of critical information and reduce the recurrence of similar issues, while laying the foundation for the implementation of Company-level AI applications, our Quality Management center, together with various business modules, established the quality knowledge base, Zhihuitang. This platform covers multiple areas, including operations, R&D, suppliers, manufacturing, customers, laboratories, and quality tools, continuously empowering the enhancement of employees' capabilities and the development of quality talent, and serving as "a mentor that is accessible for enquiries at any time". By the end of the Reporting Period, the knowledge base had cumulatively generated more than 400 pieces of quality-related content.

Vision and Objective



Vision: To become a dynamic quality knowledge repository that inspires new ideas and new solutions;

Objective: To promote the inheritance and innovation of excellent quality experience, and accelerate the growth and development of quality professionals.

◆ Quality Improvement

The Company established a QCC (Quality Control Circle) Promotion Committee. In line with the five major principles of full participation, continual improvement, PDCA, an objective fact-based approach, and the application of statistical methods, we carried out the PDCA cycle with a focus on issues and needs. First, we conducted planning and developed solutions; Then we put them into action and implemented the solutions; We then inspected the results of the implementation; Finally, we addressed the results. Successful experience was promoted and standardised, lessons from failures were summarised, and unresolved issues were carried over to the next cycle. Throughout the entire process, the concept of full staff participation and continuous improvement was consistently upheld. Based on objective facts and statistical methods, we ultimately promoted the outcomes to enhance the standard of quality management.

The Company holds an annual QCC presentation competition. In 2025, a total of 738 QCC topics were registered across the Company, with 584 closed. Among them, three projects received awards issued by the China Association for Quality:

| Topic | Award |
|--|---|
| Reduce the 0 km defect rate of customer G's 15.4-inch displays | Professional Level of China Association for Quality |
| Reduce the 0KM defect rate of displays for Customer C | Professional Level of China Association for Quality |
| Develop a parking accuracy testing tool | Professional Level of China Association for Quality |

◆ **Product inspection and non-conforming product management**

The Company formed a professional product measurement and testing management team, strengthened product inspection management, and leveraged smart manufacturing technologies to establish a quality control network. Leveraging visual recognition and inspection technologies, we carried out real-time monitoring and early warning for product quality to ensure product quality. For potential quality issues, we prioritised preventive inspection solutions such as error-proofing and fool-proofing, as well as equipment automation. For quality issues that had already occurred, based on the quality control checklist, we implemented item-by-item measures and conducted tiered verification across project management, production and manufacturing, and supplier processes.

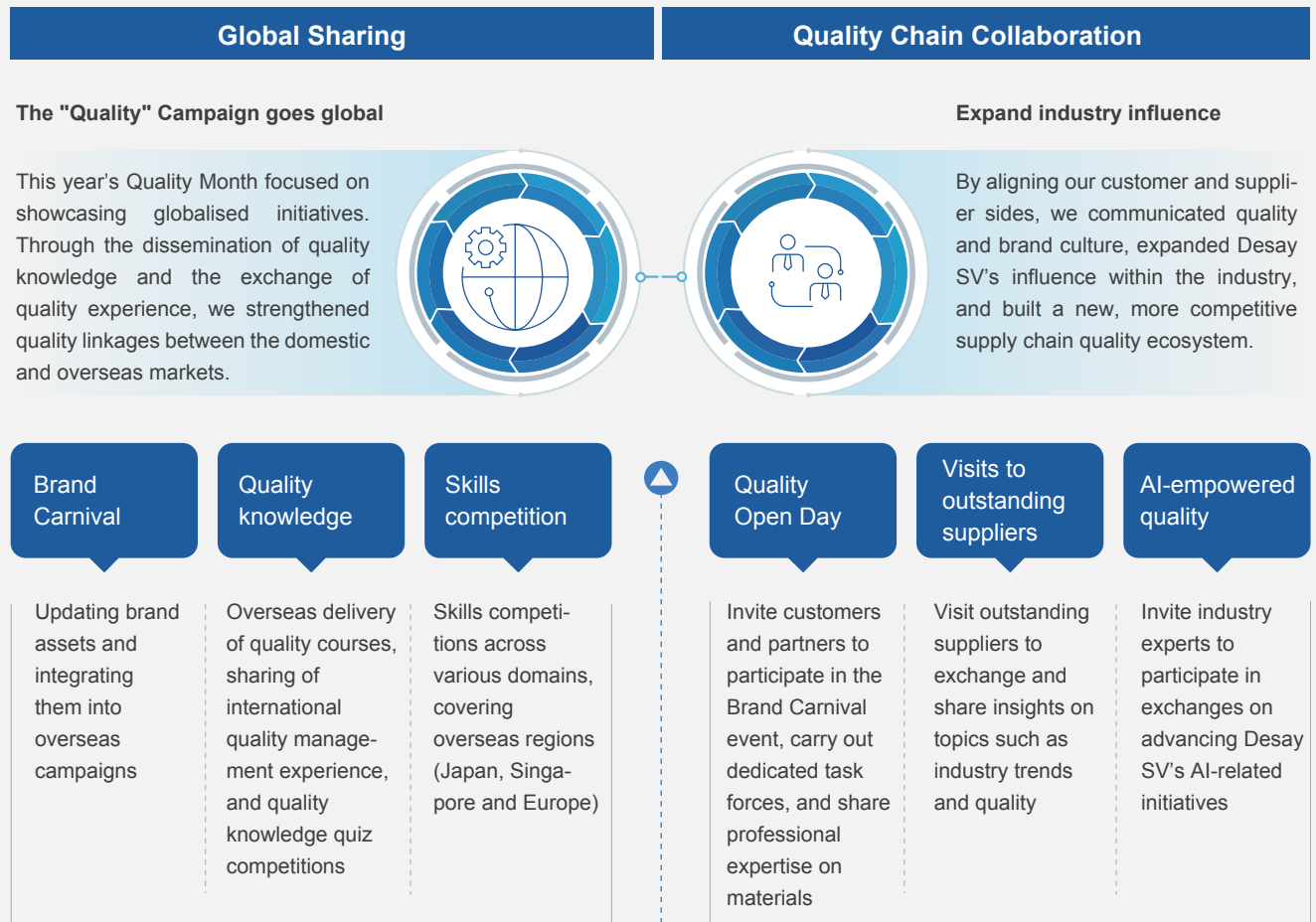
The Company formulated a *Control of nonconforming products* process document to standardise the management of nonconforming products, establishing a closed-loop operation covering identification, labelling, segregation, review, disposal, and improvement, and clarifying the responsible departments for each process. Through systematic error-proofing and digital intelligence measures, we achieved end-to-end monitoring of the nonconforming product management process.

The Company established a rigorous product recall management mechanism, formulated the Product Recall process document, and built a full-chain safety protection system. This document aims to proactively recall products that have been delivered to customers and present clear or potential safety risks, in order to implement precise controls to prevent the occurrence of unsafe hazards and effectively safeguard the core rights and interests of customers and consumers. It applies to unsafe products and products with potential risks that are manufactured by us and have been delivered.



◆ **Quality Culture Development**

The 2025 quality culture activities closely focused on two main themes, "Global Sharing and Quality Chain Collaboration", and were implemented in depth both vertically and horizontally: vertically, by delving into the industrial chain to build consensus on quality and amplify the brand's voice; horizontally, by covering the entire region to strengthen the foundation for collaboration between headquarters and regional offices through knowledge sharing and the dissemination of best practices.



Through the quality knowledge quiz competition, we disseminated quality knowledge by using real cases combined with engaging quiz questions, helping quality knowledge to take root in people's minds. Leveraging overseas training courses and exchanges on sharing quality experience, we promoted global interconnection of brand knowledge, quality knowledge and tools, and experience, and strengthened the integration of brand and quality culture across regions.



- Coverage scope: For the first time, we pushed the online Q&A to overseas.
- Knowledge transfer: The number of participants reached 6,000+, and the question types covered all fields.
- Participation method: Quick-fire buzzer format; the fun competition was widely praised, with more than 30 participating teams.
- Event results: It broke down departmental barriers and promoted synergy and efficiency; the answer accuracy rate reached 99%.
- Capability building: Two reserve instructors were trained for overseas SITE, and a feasible mechanism was established for taking domestic courses overseas.
- Knowledge transfer: The Company's core quality course system was successfully replicated in Europe.
- Europe: Marelli's key content on supplier audits, key supplier strategies, and other core topics were shared.
- Japan: We gained an understanding of the approach to building a Japanese QMS framework, and learned experience in business delivery and mass production delivery.



In 2025, we won the "8th Guangdong Provincial Government Quality Award": Desay SV grew alongside China's reform and opening-up and the transformation of the automotive industry, and embedded quality management across all levels, including strategy, products, and services, successfully joining the ranks of the world's leading brands.



Product cybersecurity

Desay SV has always attached great importance to the development of product cybersecurity and functional safety. Our core products have successfully obtained certification under the ISO/SAE 21434 automotive cybersecurity management system and the ISO 26262 functional safety standard. Based on the two system standards, the Company established a security management and process control mechanism covering the full product lifecycle, including product design and development, production and manufacturing, delivery, and operation and maintenance, providing end-to-end and systematic security assurance for our products.



Targets and Metrics

Target for 2025

Response rate to complaints about services or products:

100%

Target Achievement in 2025

100% achieved

Customer relationship management

We have always upheld the core philosophy of being customer-centric. Internally, we have established dedicated organisations responsible for co-ordinating customer development strategies, business objectives, and service responses, among other matters. By integrating internal resources across products and regions, we provide customers with products, services, and solutions that exceed expectations, driving leapfrog growth in our business.

We continued to deepen the development of a full-chain customer service system, covering customised pre-sales technical solution design, coordinated project delivery during sales, and post-sales operations and maintenance assurance. Leveraging our global business footprint, we established a customer service network covering key markets. Through a digital customer service platform and an intelligent operations and maintenance system, we enhanced service response timeliness and the speed of spare parts allocation. We actively explored new service business models and new technological application scenarios in the after-sales market for new energy intelligent connected vehicles, further strengthened our integrated competitiveness of product + technology + service, and supported global customers in co-creating value in the field of smarter mobility.

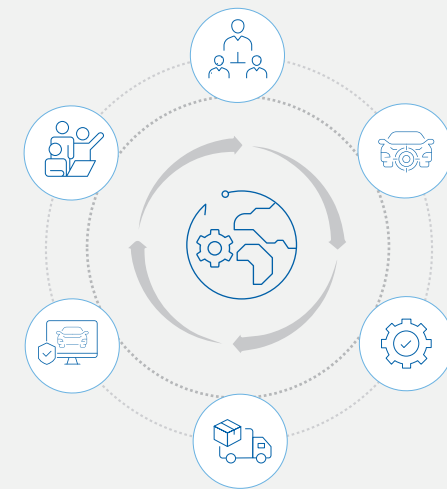
The Company formulated policy documents such as *Policy for Customer Satisfaction Management*, and established a customer satisfaction evaluation system covering the full service lifecycle. With the "Service Experience Journey" as the core, it is divided into four main stages: overall evaluation, before project nomination, product development, and mass production. Each

stage corresponds to differentiated evaluation dimensions. The overall evaluation focuses on the integrated experience of the brand, products, and services. Before project nomination, we carried out evaluations around such aspects as early-stage services, early-stage technical exchanges, and solutions. The product development stage covered full-process activities including project management, quality management, and development management. In the mass production phase, evaluations were conducted for segments such as production launch, mass production delivery, post-mass production changes, and after-sales service. Through precise, segment-by-segment assessments across the full life cycle, we systematically managed customer experience at each key node, supporting the continuous improvement of satisfaction.

The Company formulated a policy document titled *Policy for Managing Customer Complaints*, establishing a customer feedback and complaint management mechanism featuring full-channel coverage and full-process linkage. On the one hand, we enabled full-channel access through email, the customer quality system, and other means, ensuring that customer requests could be communicated to the Company internally in a timely and effective manner. On the other hand, we established a tiered response chain of front end-mid end-back end: the front end interfaces with requests through key account management and the product segment, the mid end coordinates with the project and R&D stages to follow up on handling, and the back end relies on logistics and quality to ensure implementation and assurance. In this way, we promptly respond to and provide feedback on customer needs, improving the efficiency and accuracy of complaint handling.

In 2025, we conducted a customer satisfaction survey, advancing differentiated initiatives in the domestic and overseas markets. Domestically, we covered 10 brand customers this year and carried out face-to-face interviews. Through in-person communication, we gained a thorough understanding of their in-depth evaluations and perceptions. Overseas, we conducted a quantitative questionnaire survey.

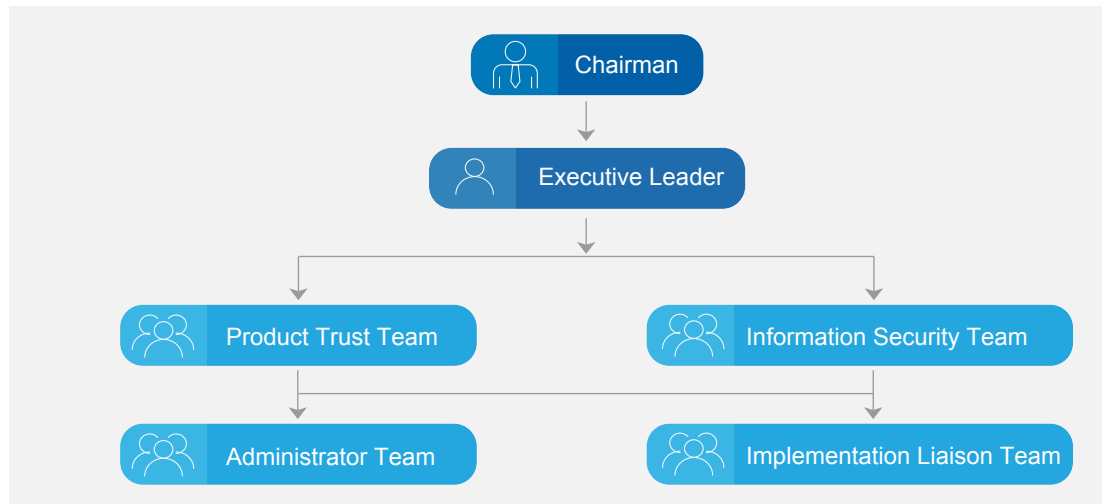
In 2025, the domestic customer satisfaction survey score was 8.64 points. After calculating the weighted performance score, the final customer satisfaction score was 8.27 points.



Data security and privacy protection*

| Governance

The Company established a cybersecurity governance system with clear tiers and well-defined powers and responsibilities. The Cybersecurity Steering Committee, as the Company's highest decision-making and executive body for cybersecurity, was chaired by the Company's Chief Executive Officer (CEO). The Committee was responsible for coordinating and planning the Company's cybersecurity strategic blueprint, reviewing and making decisions on major matters in the areas of product security, information security, and industrial control security, and supervising and guiding the organisation and implementation of various security tasks. In terms of product security, we implemented the strategic requirements for product cybersecurity and functional safety, promoted the effective operation of relevant management systems, and continuously strengthened the communication of security awareness as well as the development of professional capabilities; in terms of information security, the Company focused on its information security strategy, the operation of its information security management system, the organisation and delivery of company-wide information security training, and the gradual establishment of a technical prevention and control system to reduce information security risks. Meanwhile, we established an information security emergency management support team and formulated an emergency response plan for information security incidents to prevent damage to information assets and effectively curb the cross-transmission, escalation, and evolution of information security risks.



The Company, with reference to international and industry standards such as ISO/IEC 27001 and TISAX (Trusted Information Security Assessment Exchange, the trusted information security assessment standard), established internal information security management systems and formulated and implemented internal management procedures and policy documents including *Policy for Information Security Management*, *Policy for Managing Information Security Incidents*, *Policy for Managing Information Security Assets and Risks*, and *Personal Information Protection Management System*.

Our Zhongkai Base and Huinan Base passed the TISAX certification assessments in 2020 and 2021, respectively, and obtained the TISAX AL3 label, the highest level of protection.

During the Reporting Period, Zhongkai Base and Huinan Base, as well as the domestic branch Shenzhen Desay SV Automotive Co., Ltd., all passed the surveillance audit of the ISO/IEC 27001:2022 Information Security Management System. The domestic branch Shanghai Raptor Automotive Co., Ltd. passed the certification audit of the ISO/IEC 27001:2022 Information Security Management System for the first time and obtained the certificate.

| Strategy

With the mission of building a controllable and trustworthy cyberspace to safeguard the Company's operational security, compliance, and sustainability, we uphold the value proposition of "ensuring compliance, preventing and controlling risks, supporting sustainability, and adopting a globally integrated approach", and promote the implementation of this value in three phases: in the short term, focusing on proactive, risk-oriented management and control; in the medium term, achieving security enablement through business integration; and in the long term, realising security integration of strategic initiatives.

Key initiatives include enhancing comprehensive information security protection and operational capabilities, establishing a compliance system for data and personal information, setting up a company-level cybersecurity laboratory, and introducing AI security standards to strengthen the product security system, thereby supporting global business expansion and sustainable development.

Impacts, risks and opportunities management

◆ Capacity Building for Information Security and Privacy Protection

Through measures such as deploying security protection systems, implementing security testing, conducting graded protection assessments, and carrying out cybersecurity attack-and-defence drills, we strengthened full-spectrum, combat-ready core cyber security capabilities and established an integrated security protection system encompassing technical protection, compliance assessment, and live verification.

The Company strictly complies with applicable laws and regulations of countries or regions, including *Data Security Law of the People's Republic of China*, *Personal Information Protection Law of the People's Republic of China*, and the *EU General Data Protection Regulation (GDPR)*, in conducting our business, and established end-to-end data security management and control capabilities.

We have established an automotive data classification and tiered management system, implementing full life-cycle control over in-vehicle full-scenario data, including collection, transmission, storage, use, and destruction. We strictly adhered to the basic principles of lawful, proper, and necessary personal information processing, implemented compliance requirements such as in-vehicle processing and no collection by default, and strengthened data security safeguards through technical measures such as data de-identification and encryption protection.

We deployed internally such systems as Zero Trust, further narrowing the network exposure surface and initially establishing a defence-in-depth cyber security system. Through regular vulnerability scanning, penetration testing, and attack-and-defence drills, we comprehensively covered the Company's key information systems. We also established an on-site information security inspection mechanism, carried out empowerment training for the information security team, and continued to build a controllable and trustworthy cyber security environment.

Cybersecurity Attack-and-Defence Drill



Through simulated hacker attacks, we conducted security assessments in a real environment, tested the effectiveness of existing defence mechanisms, and identified and remedied potential security vulnerabilities. During the Reporting Period, we completed two cybersecurity attack-and-defence drills and anti-ransomware attack live drills, as well as two phishing email drill activities, proactively identifying and remedying vulnerabilities and enhancing the overall information security level of the Company.

Information Security Audit



Internal audit of the information security management system: **twice** a year

Third-party ISO/IEC 27001 audit: **once** a year

Third-party TISAX certification: **once** every **three** years

On-site information security inspection: **once** a quarter



Information Security Interface Personnel Empowerment Training



Specialised Information Security Inspection



On-site General Information Security Inspection



Practical Drill on Cyber Attack and Defence and Ransomware Prevention

◆ Information Security Protection and Privacy Protection Promotion

The Cybersecurity Steering Committee routinely publishes publicity materials and pushes training courses through multiple channels, including the OA cybersecurity portal, the YesV broadcast account, office computer screen-savers, and the online training platform "V Classroom", thereby continuously enhancing the information security awareness among all employees.



OA
Cybersecurity Portal

YesV Cybersecurity Steering
Committee Broadcast Account

Screensaver for
Company Office Computer

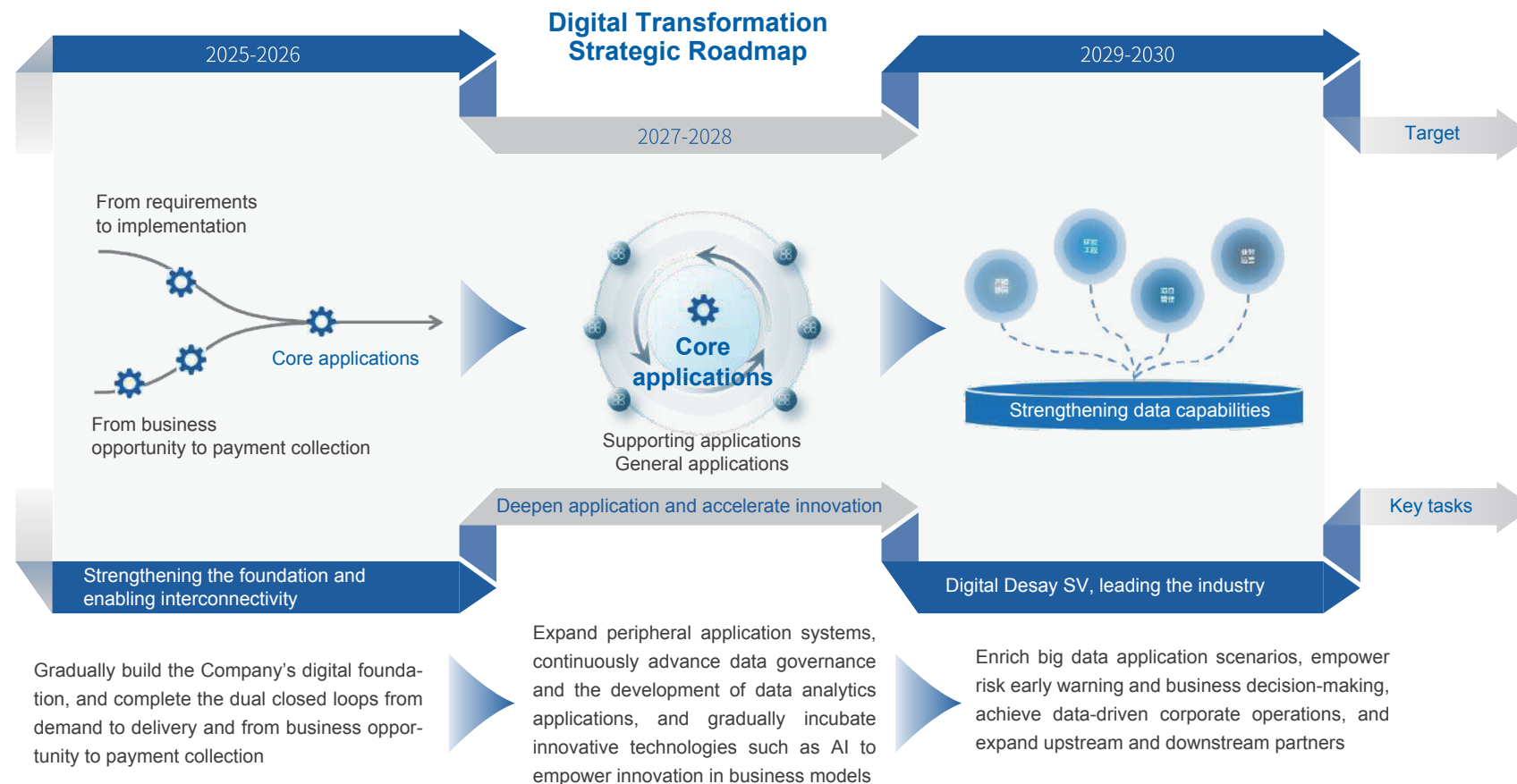
V Classroom
Video Training

| Targets and Metrics | Target for 2025 | Target Achievement in 2025 |
|----------------------------|--|----------------------------|
| <p>Targets and Metrics</p> | <p>The number of incidents penalised by the relevant authorities for violating information security and privacy protection-related laws and regulations is 0</p> | <p>0, achieved</p> |



Special section: Digital transformation and AI empowerment

Digital transformation and AI empowerment are the core driving forces for the Company to achieve high-quality, sustainable development. In 2024, to achieve our digital transformation vision of digital operations, quality improvement, and efficiency enhancement, we continued to carry out digital planning and development towards 2030 around two core business value streams: demand-to-delivery and opportunity-to-cash.



Through the deep integration of technological innovation and our business, we enhanced operational efficiency, optimised resource allocation, and strengthened organisational capabilities. With the business architecture, application architecture, data architecture, and technology architecture as the main components, we demonstrated four key characteristics: business visibility, efficient decision-making, a combination of agility and stability, and openness and interoperability, reshaping operations to improve quality and boost efficiency.

and applying general-purpose AI by leveraging the existing partner ecosystem " will follow the implementation principles of low investment, rapid deployment, and high value. This will drive and empower the business to achieve efficiency improvements, embedding AI enablement throughout the entire process—from R&D and production to operations and services—to form a closed-loop mechanism of "strategic coordination — scenario exploration - pilot validation - full-scale rollout - iterative optimization, " and achieve significant results in the digital transformation of R&D, the intelligent implementation of business operations, and the conversion of data governance into tangible value.

At present, we apply AI technologies in our business operations and research and development to optimise internal processes. However, our ethics of science and technology on the product side are still at an exploratory stage. We will continue to monitor the ethics of science and technology risks arising from the application of AI technologies, and will establish and implement ethics of science and technology management system in a timely manner. Through a regular review mechanism, we will effectively prevent and control the relevant ethical risks.



◆ Digital R&D upgrade: AI-driven optimisation across the entire R&D lifecycle

The Company focused on enhancing both software R&D efficiency and quality, and established an AI-empowered R&D system. The Software Requirements Closed-Loop Management System achieved standardised requirements management. Through visual dashboards, we tracked the status across the full lifecycle, achieving end-to-end visual management. The AI Automated Code Generation & Code Review System uses AI to automate software code generation, thereby improving engineers' work efficiency. It leverages AI for code review to enhance code quality; and it generates unit test cases using AI to enable automated testing, thereby achieving a closed-loop automated software development process. After the improvement measures were implemented for a certain project, the software release success rate before M3 increased from 72.3% to 90%, and the M3 software version test pass rate increased from 81.1% to 90%. After the measures were implemented, the number of software versions submitted for testing decreased by 823 times, testing man-hours decreased by 4,938 h, efficiency increased by 53%, and manpower benefits reached CNY 790,000. We enhanced the efficiency of software development and testing, while also reducing the number of project issue reports from clients and improving customer satisfaction.



◆ Business Intelligence Implementation: Unlocking Collaborative Value Through Full-Scenario AI Applications

Focusing on enhancing operational efficiency, we implemented three core AI application scenarios:



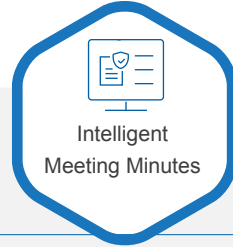
Intelligent Customer Service

Covering areas such as HRM and DMC, it integrates with the Feishu Cloud's document knowledge base to enable automated updates of standardised content, with an estimated annual revenue of CNY 1.88 million. The HRM ticket automated processing rate reached 100%, and the chatbot interception rate was 94.26%.



Intelligent Assistant

Through the use of the Athena Intelligent Assistant, the Intelligent Manufacturing Technical Standards Q&A Assistant, and Digital Xiao Xi, we broke down information silos, supported knowledge reuse, enhanced efficiency, promoted team collaboration, and provided decision support, with estimated annual benefits of CNY 2.61 million.



Intelligent Meeting Minutes

Following pilot application and effectiveness validation, we rolled this out to all employees, reducing the time required to compile meeting minutes and enabling task creation and closed-loop management, with estimated annual benefits of CNY 2.69 million.



AI Hackathon Competition

The inaugural AI Hackathon Competition jointly organised by Desay SV and Feishu used the competition format to gather business pain points and requirements, solicit business pain points and innovative topics, and cover both domestic and overseas regions, thereby consolidating best-practice deliverables of build once and reuse across multiple domains.

Number of Cases
 500+ business pain points
 100+ innovation topics
 55 in the preliminary round, 16 in the semi-finals, 10 in the finals

Number of participants In The Competition
 300 people + Desay SV
 5 people + Feishu

Number of Regions Covered
 7 in China
 1 overseas

Line-up of Guests Invited To Attend The Finals
 30+ Feishu guests
 20+ Feishu partners

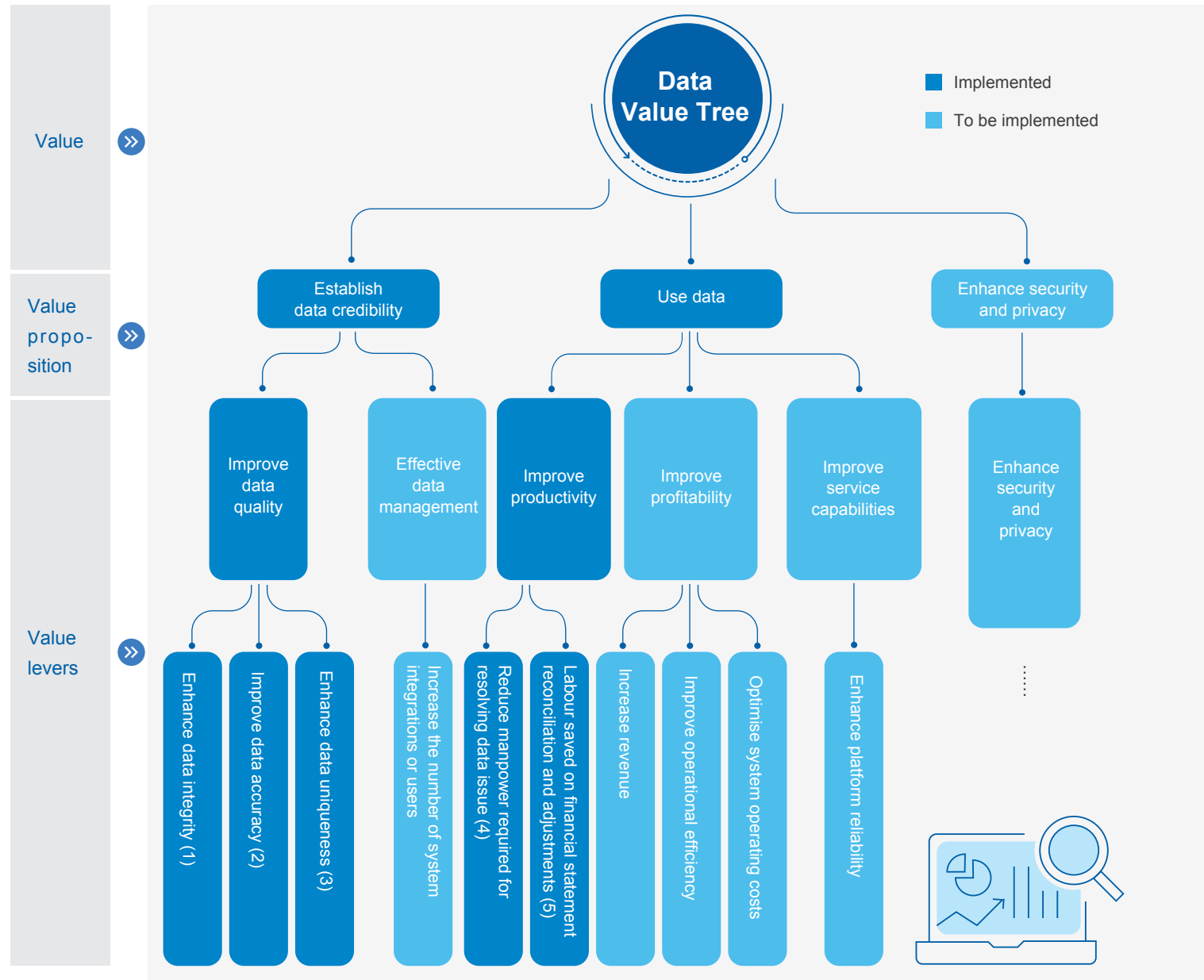
AI HACKATHON 德赛西威AI黑客松大赛
 决赛

赛程回顾

Python, JS, HTML5, LOW CODE PROGRAMMING

◆ **Data governance value transformation:
building a trusted data value system**

The Company established a data governance value system model to quantify data quality across dimensions such as integrity, accuracy, and uniqueness, and tracked the benefits of data governance through standardised accounting methods. In 2025, we accounted for benefits across two dimensions: improving the quality of existing data and improving the quality of incremental data, cumulatively saving CNY 687,200.00 in labour costs. Building on the outcomes of data governance, we connected cross-domain information integration and made tacit knowledge explicit, which both reduced reliance on key personnel and provided high-quality data support for AI model training, forming a positive cycle of data-model-application-value.



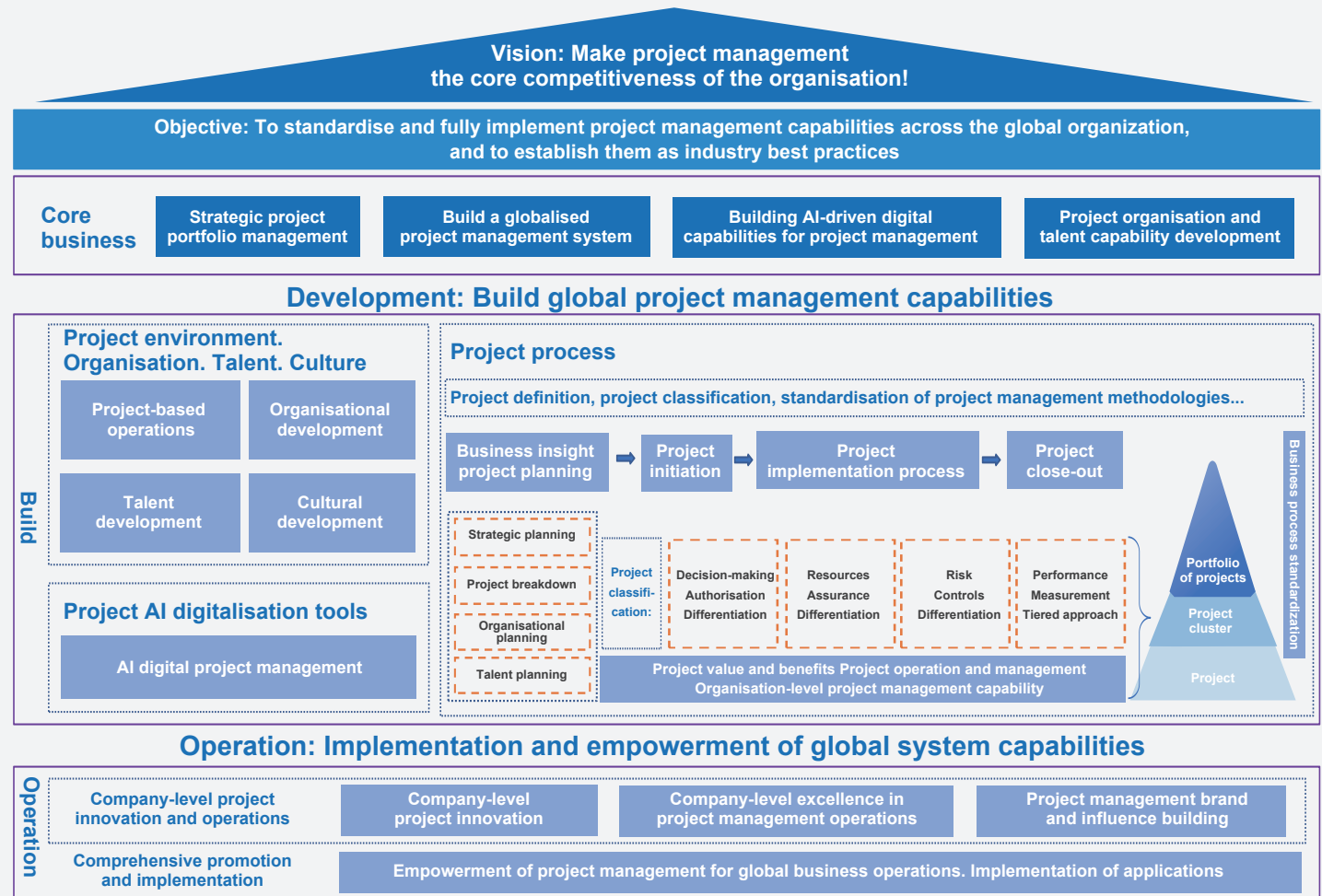
Special section: project management

Amid the waves of automotive intelligence and globalisation, project management has become a core foundational capability for Desay SV in implementing strategy, coordinating resource allocation, and creating diversified value. The Company established a Project Management Committee and set the vision "making project management the core competitiveness of the organisation project management the core competitiveness of the organisation". With the goal of standardising and fully implementing project management capabilities across the global organisation, and making them an industry best practice, we built an overall global project management framework covering core business, capability building, and operational enablement.

At the capability-building level, we established an organisational, talent, and cultural system to support project-based operations, introduced AI digital tools to build an intelligent management platform and knowledge base, and developed standard full-lifecycle processes covering business insight, project initiation, implementation, and closure. For projects at different levels, we implemented differentiated decision-making authorisation, resource assurance, and risk management and control.

At the operational enablement level, we were committed to company-level project innovation and operational excellence, promoting the comprehensive roll-out and effective implementation of the management system across our global business scope, thereby achieving systematic enhancement of organisation-level project management capabilities and a closed-loop value realisation.

Overall Framework for Project Management Development

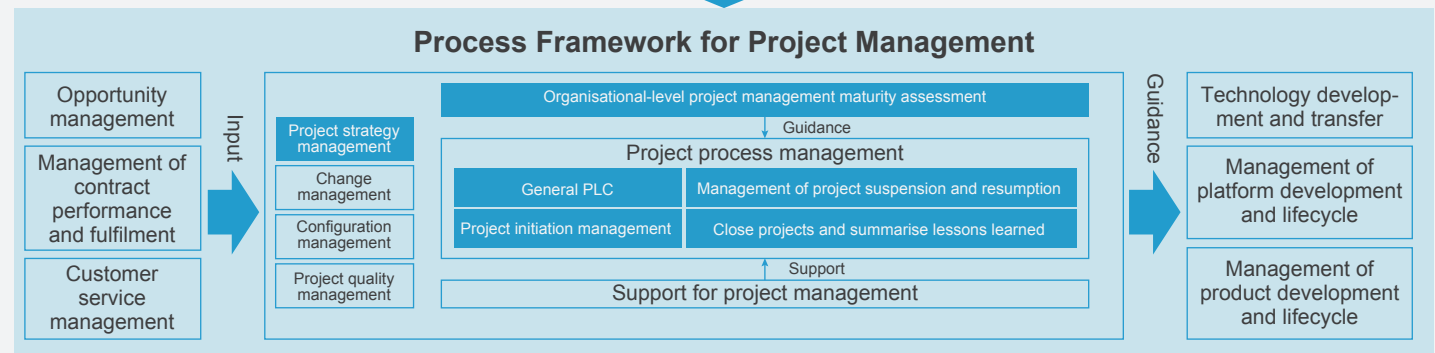
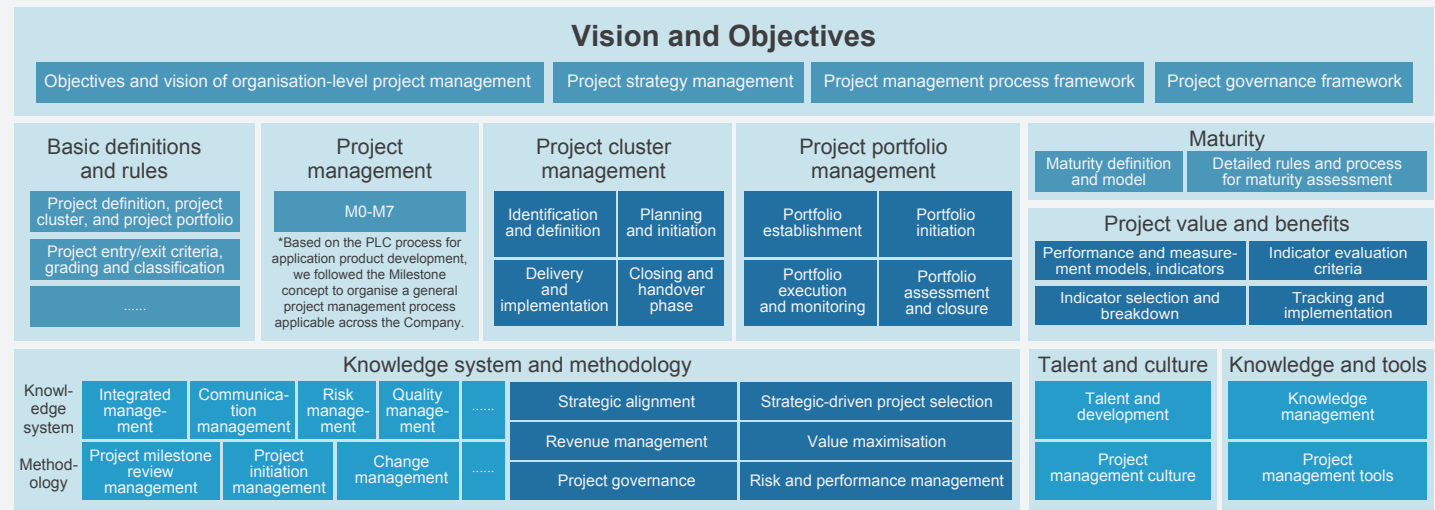


Under this overarching structural guidance, the Company developed a clear project management system framework and steadily advanced the implementation and deepening of the management system. In 2025, with strengthening the foundation and standardising the core as the phased focus, we completed the construction of the underlying framework of the project management system and achieved end-to-end integration of the core processes. We established the objectives, strategies, processes, and governance framework for organisation-level project management, defined the basic rules and definitions of project management, and put in place a supporting maturity model and detailed assessment rules. At the execution level, the Company focused on streamlining the end-to-end project management process based on the PLC (product life cycle), established a standard knowledge system covering dimensions such as integration, communication, risk, quality, and cost management, and successfully institutionalised core methodologies including milestone reviews and change management, effectively ensuring the standardisation and normalisation of fundamental project operations.

In 2026, we planned to further refine the granularity of our management and expand our management perspective from individual projects to project cluster and portfolio management. By strengthening strategic alignment, benefits management, and resource co-ordination, we aimed to maximise corporate value. At the same time, we will introduce a performance and measurement model to establish a scientific indicator evaluation system. In terms of support and assurance, we planned to further strengthen our talent development and culture-building mechanisms, and improve knowledge management and tools, thereby establishing an excellent project management ecosystem that is highly aligned with our strategic objectives.

Development of the Project Management Framework

Legend: Completed in 2025 Planned for completion in 2026



The Company's project management process strictly aligned with the global standards of the Project Management Institute (PMI). The core project team held professional certifications such as Project Management Professional (PMP). In terms of tiered and categorised project management, we adopted a differentiated control strategy, implementing a stepped management mechanism for strategic project clusters and routine business projects, among others, to ensure that resources were allocated towards high-value projects.

In project management practices, we integrated the agile development model and explored and implemented a customer co-creation development mechanism for joint problem-solving, thereby promoting efficient delivery and continuous optimisation of complex technical projects. In 2025, our IPU04 High-performance Integrated Assisted Driving Domain Control Platform Project received the PMI (China) Project Management Award, and our project management practices were recognised by an internationally authoritative body. As the core cornerstone of our strategic deployment in advanced intelligent driving, this project successfully achieved a strategic leap from single-project delivery to tackling business project clusters.

Through a parallel model of full-stack in-house R&D and joint development, we innovatively integrated the PLC process with software agile development, ensuring hardware quality while enabling continuous iteration of software functions and precisely aligning with market needs. The project covered mainstream OEMs in the Chinese mainland and overseas joint-venture OEMs, strongly driving the achievement of our strategic objectives.

At the PRINCE2 International Project Governance Conference, we received the PRINCE2 Enterprise Best Practice Award in recognition of our outstanding compliance and professionalism in the field of project governance management; and only four companies received this honour this year. Winning two international authoritative honours in succession fully demonstrated our internationally leading strength in project management in the AI era. In the future, we will continue to enhance our project management capabilities through the integrated application of standardised processes and cutting-edge technological tools, supporting the Company's high-quality development in areas such as digital transformation and multinational operations, and increasing global recognition of domestically developed intelligent automotive solutions.



04 GOVERNANCE

- Corporate Governance
- Compliant Operations
- Business Ethics



Corporate governance

The Company strictly complies with the requirements of laws, regulations, and normative documents including the *Company Law of the People's Republic of China* (hereinafter referred to as the "Company Law"), the *Securities Law of the People's Republic of China* (hereinafter referred to as the "Securities Law"), the *Code of Corporate Governance for Listed Companies*, and the *Self-Regulatory Guidelines No. 1 for Listed Companies on the Shenzhen Stock Exchange—Standardized Operation of Companies Listed on the Main Board*. In light of our actual circumstances, we continuously improve our corporate governance structure and internal management system, and strengthen our internal management and control system. In accordance with relevant provisions including the *Company Law and the Guidelines for the Articles of Association of Listed Companies* (hereinafter referred to as the "*Guidelines for the Articles of Association*"), we adjust our governance structure in light of actual circumstances, and no longer establish a Board of Supervisors or supervisors. In parallel, we revise a series of rules and regulations, including the Articles of Association, to further consolidate the governance foundation, regulate operational processes, enhance governance standards, and effectively safeguard shareholders' lawful rights and interests.

The Company has formulated and implemented provisions such as *Articles of Association and Detailed Rules for the Implementation of the Board of Directors' Special Committees*, which set out the voting and counting rules, directors' duties, requirements for the independence of independent directors, and nomination procedures, among others. The Board of Directors has established four special committees, namely the Strategy and Sustainability Committee, the Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee. Each has formulated corresponding rules of procedure, among which the Audit Committee has become the core supervisory body. All directors perform their duties diligently, attend Board meetings and shareholders' meetings conscientiously, familiarise themselves with relevant laws and regulations, and clearly understand their own rights, obligations, and responsibilities.



The fourth session of the Board of Directors of the Company consists of nine directors, including one employee representative director and three independent directors (one of whom is an accounting professional). The number of directors and the composition of personnel are in compliance with the relevant provisions of the *Company Law and Articles of Association*. The employee representative director was elected through a democratic election by the Company's employees, and the other directors were elected by the Shareholders' Meeting. The election process was lawful and compliant, meeting the requirements of the *Articles of Association and the Management Measures for Independent Directors of Listed Companies*, among others.

| Position | Name | Gender | Age | | | Tenure of Independent Directors 9 months or above | Educa-tional Back-ground | Professional Skills | | | Em-ploy-ee Status |
|----------------------|------------------|--------|----------|------------|----------|--|--------------------------|-----------------------|---------------------|-------------------|-------------------|
| | | | ≤50 year | 51-59 year | ≥60 year | | | Indus-try,tech-nology | Legal, risk control | Em- ployee Status | |
| Chairman | Gao Dapeng | Male | √ | | | | Bachelor's degree | √ | | | √ |
| Director | Jiang Jie | Male | | √ | | | Master's degree | √ | | | |
| | Li Bing bing | Male | | √ | | | Master's degree | | | √ | |
| | Luo Xiang | Male | √ | | | | Bachelor's degree | √ | | | |
| | Qiu Yaowen | Male | √ | | | | Bachelor's degree | √ | | | |
| | Ling Jianhui | Male | √ | | | | Master's degree | √ | | | √ |
| Independent director | Luo Zhong liang | Male | | √ | | √ | Master's degree | √ | | | |
| | Xiong Ming liang | Male | | √ | | √ | Ph.D. | | | √ | |
| | Xu Huanru | Male | | | √ | √ | Ph.D. | | √ | | |

During the Reporting Period, all material decisions of the Company were made by the Shareholders' Meeting in accordance with the law, and there were no instances of major shareholders misappropriating the Company's funds or directly or indirectly interfering with the Company's decision-making and business operations by overstepping the Shareholders' Meeting. The Company's Board of Directors and internal bodies operate independently and remain independent from major shareholders in terms of business, personnel, assets, organisation, and finance. The Board of Directors strictly complies with relevant laws and regulations, convenes and holds meetings in a standardised manner, effectively implements resolutions of the Shareholders' Meeting, and performs its duties in accordance with the law within the scope of its authorisation.



During the Reporting Period, the Company

- Convened **6** shareholders' meetings, including **5** extraordinary meetings, and reviewed and approved **34** resolutions;
- Held **11** Board meetings, with **78** resolutions approved, and a **100%** attendance rate for directors;
- Held **4** special meetings of independent directors, with **11** resolutions approved, and a **100%** attendance rate for independent directors;
- Held **3** special meetings of the Strategy and Sustainability Committee, with **6** resolutions approved, and a **100%** attendance rate for directors;
- Held **4** special meetings of the Remuneration and Appraisal Committee, with **11** resolutions approved, and a **100%** attendance rate for directors;
- Held **4** special meetings of the Audit Committee, with **8** resolutions approved, and a **100%** attendance rate for directors.

Information disclosure and investor protection



The Company has formulated the *Information Disclosure Management Policy and the Investor Relations Management Policy* and strictly implemented them. During the Reporting Period, the Company strictly complied with relevant provisions including the *Company Law, the Securities Law, and the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange*, and fulfilled its information disclosure obligations on the principles of truthfulness, accuracy, completeness, and timeliness, thereby safeguarding the right of all shareholders to have equal access to information. Through the preparation and disclosure of ad hoc announcements and periodic reports, we promptly disclose our financial position and operating results to shareholders and the public.



The Company continues to strengthen the investor communication mechanism. Through multiple channels, such as the Investor Relations section on our official website, the annual online results briefing, the interactive platform of the stock exchange, the investor hotline, and on-site research visits, we proactively respond to investors' concerns, keep communication channels unobstructed, and establish a fair and effective communication bridge between the Company and investors and the public. In 2025, we published 198 announcements, held one annual online results briefing, produced 14 research summaries, and responded to 232 investor questions on the investor communication platform of the Shenzhen Stock Exchange. We were awarded the highest Grade A in the Shenzhen Stock Exchange's information disclosure assessment for seven consecutive years.



The Company strictly convenes and holds shareholders' meetings in accordance with laws and regulations and relevant requirements, with standardised voting procedures and legal and valid resolutions, fully safeguarding the lawful rights and interests of all shareholders, especially minority shareholders. We attach great importance to shareholder returns. In strict compliance with the provisions such as the *Regulatory Guidelines No. 3 for Listed Companies—Cash Dividends of Listed Companies*, we have formulated and implemented a stable and transparent cash dividend policy, and maintained the consistency and reasonableness of the dividend policy. During the Reporting Period, we completed cash dividend distribution in accordance with the Articles of Association, effectively safeguarding shareholders' rights and interests in dividend distribution and repaying all shareholders through concrete actions.

Compliant Operations

To standardise operational management, prevent operational risks, and ensure the orderly conduct of business activities, the Company, in accordance with the requirements of laws, regulations, and normative documents including the *Company Law, the Securities Law, and the Basic Standards for Enterprise Internal Control*, and in light of our own operating characteristics and management needs, has established an internal control system covering all levels and all processes of operational management, and continued to optimise and improve it. By standardising and effectively implementing various governance systems, our corporate governance standards improved steadily, effectively ensuring compliant operations and safeguarding the lawful rights and interests of all shareholders.

The Company has established and operated a compliance management system in accordance with ISO 37301:2021. The Huinan Base passed certification for the first time in 2024, covering the compliance management in related to the design and manufacture of intelligent cabin system, intelligent driving system and Intelligent connected system for automotive, including management areas such as personal information protection and data security. In 2025, we successfully passed the first surveillance audit, which confirmed that we were effective in compliance governance, system planning and mechanism operation; that our compliance obligations and risk identification were sufficient; that our process control and monitoring mechanisms were well established; that our internal improvement mechanisms were mature; and that we had integrated personal data and important data protection assessments into product development.

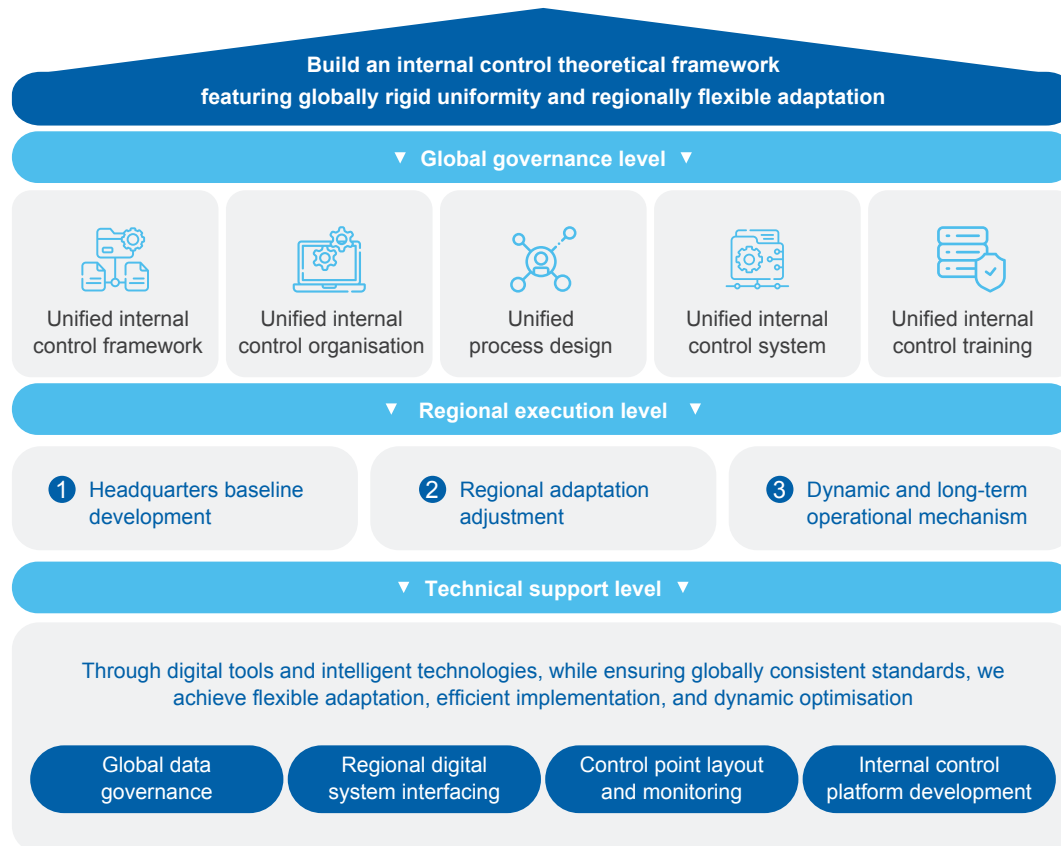
During the Reporting Period, we did not experience any non-compliance penalties in the compliance area, or major negative public opinion incidents.



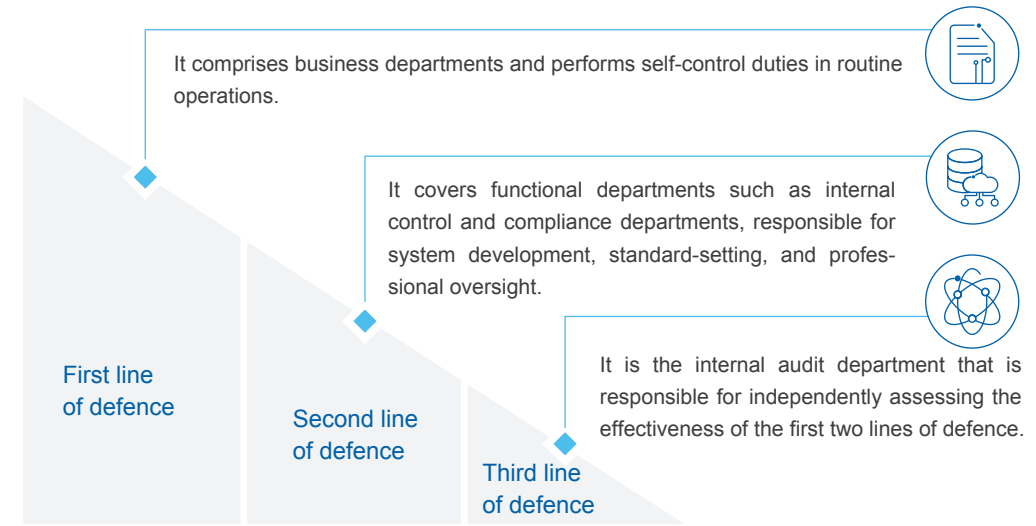
ISO 37301

Internal control management

To address the risks and regulatory challenges arising from changes in the internal and external environment, we have established an Internal Control and Risk Management Department under the Company's Finance & Controlling Management Center, and proposed building an internal control system featuring globally rigid uniformity and regionally flexible adaptation. This system aims to build a resilient internal control mechanism with a global perspective and local responsiveness, and is committed to safeguarding asset security, optimising risk management, enhancing operational efficiency, and empowering our sustainable growth. The overall structure is divided into three levels, including the global governance level, the regional execution level, and the technical support level.



At the global governance level, we base our approach on the internal control framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), covering five key elements—internal environment, risk assessment, control activities, information and communication, and monitoring activities. We design the Company's internal control framework and align it with the Company-level procedure framework. We focus on establishing an organisational system for the three lines of defence in internal control:



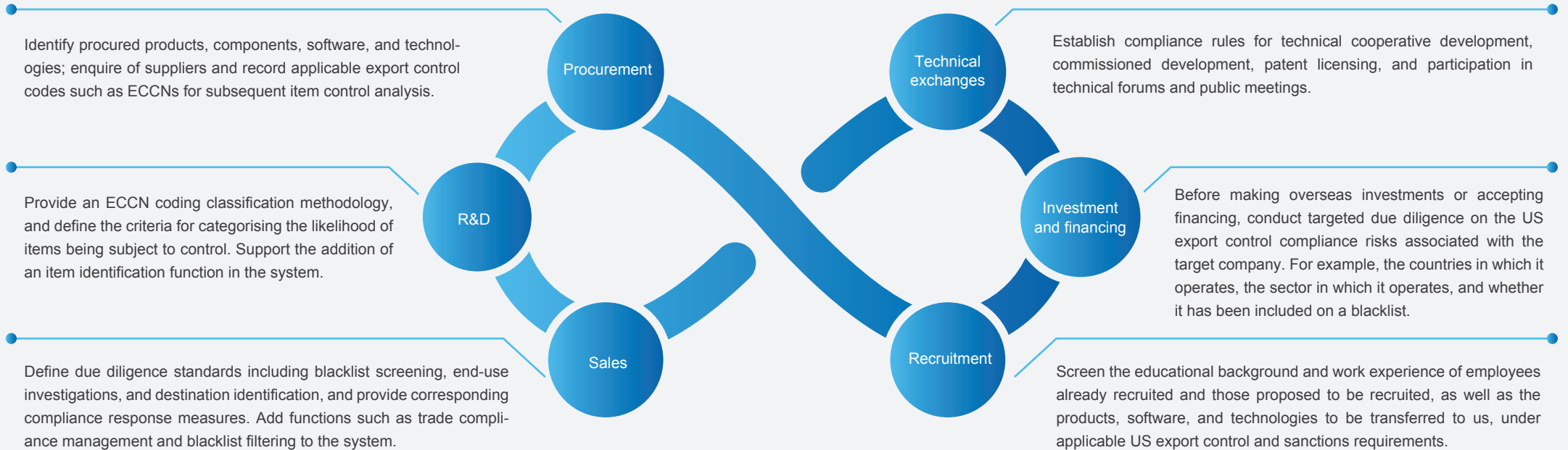
In addition, we implement a unified design for core processes such as fund management, financial statement consolidation, and procurement management, and have established a unified system framework covering subsidiary management rules, an authorisation and approval system, and basic internal control standards. At the same time, we develop a standard internal control development pathway for regional companies of different types, functions, and stages of development. Finally, through standardised training in multiple languages, across multiple scenarios, and with multiple cases, we comprehensively enhance the internal control awareness and implementation capabilities of all regional companies.

Compliance management

Export control compliance is one of the core safeguards for the Company's global business. We have incorporated it into our overall compliance management system and established an export control compliance system covering the entire business procedure, encompassing six major business segments of procurement, R&D, sales, recruitment, investment and financing, and technical exchanges. We have strengthened export control compliance training for all employees, embedded relevant requirements throughout the full business procedure, and developed an export control and sanctions compliance management system. As of the end of the Reporting Period, no related violations occurred, effectively supporting the compliant and steady operation of our global business.



Based on the identification and review of existing risks, we tailor an export control compliance system covering the entire business procedure, with the technical team supporting the automatic implementation.





In 2025, the Company received the "2025 In-House Impact Award" conferred by China Business Law Journal of Law Asia. In 2026, we are continuing to advance the development of compliance management systems for AI compliance, fair labour, anti-monopoly, and anti-unfair competition.



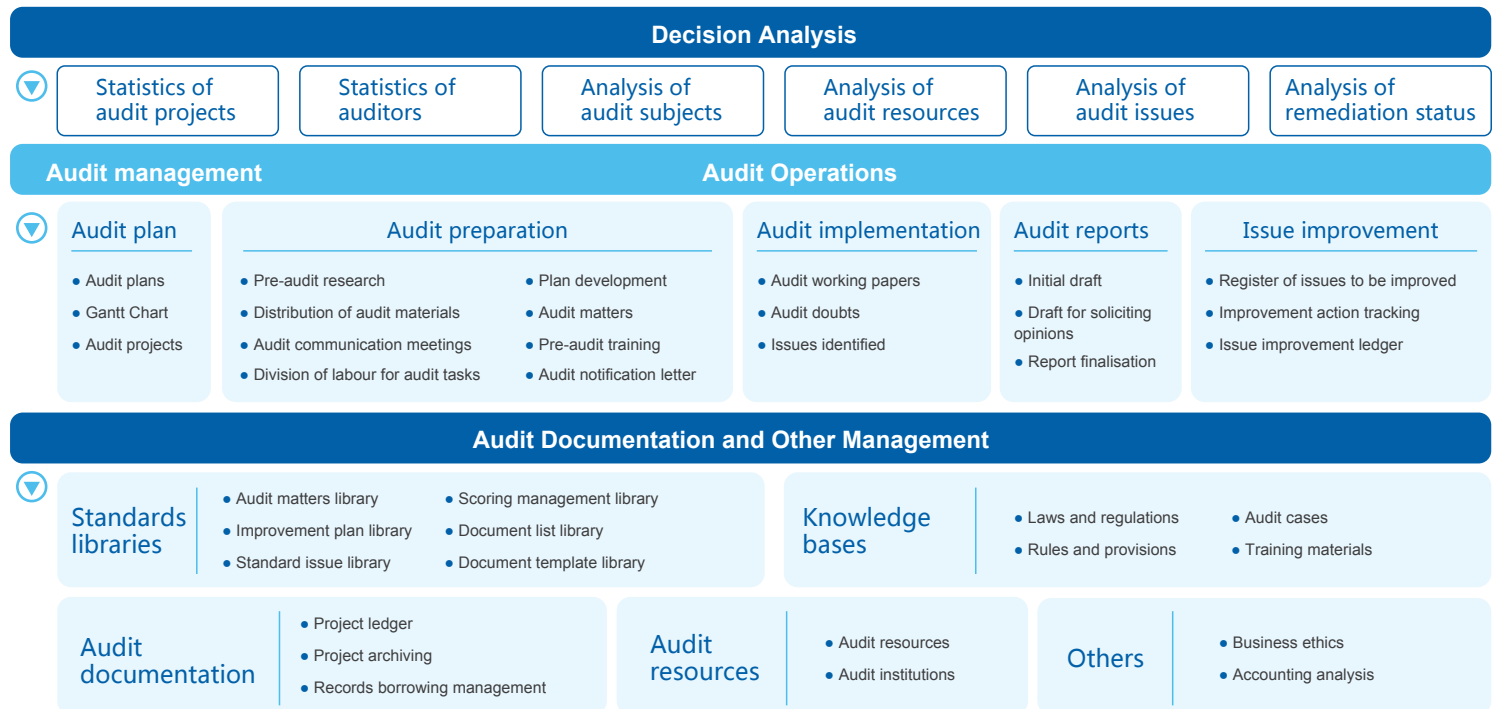
Audit

Internal audit department is a core lever for the Company to ensure compliance and deliver value. Anchored to internal control objectives, we carry out internal audits on a regular basis to achieve a periodic audit cycle, focusing on weak points or high-risk areas such as the improvement of systems and policies, key projects, and asset management. During the Reporting Period, we completed nine audit projects, identifying 363 audit issues and formulating a total of 230 improvement action items, of which 151 had been closed.

In 2025, internal audit department established a digital audit management system, achieving information-based management across the lifecycle of audit business, from planning, project management, audit plans, audit notifications, audit evidence collection, audit working paper management, and audit reports to remediation tracking. Through the digital audit management system, we further enhance the standardisation, normalisation, and process-based management of audit projects, effectively improving the audit efficiency and quality.

Based on continuous, systematic tracking of audit remediation progress, we gradually establish a unified and complete audit knowledge base, creating digital audit assets. By promoting the sharing of audit knowledge and the flow of information, we will fully leverage the value of data and experience, providing support for audit work implementation and the enhancement of audit governance capabilities.

Digital Audit Management System



| Tax governance

The Company strictly complies with domestic and overseas tax laws and regulations, and has established a Tax Management system. We put in place an end-to-end tax internal control mechanism covering key processes, including tax accounting, filing and payment, and risk early warning, and implement a General Manager accountability system to ensure compliant and effective tax management for the Group and its subsidiaries. In line with our global business layout, we align with tax policies across different regions and carry out lawful and compliant tax planning to ensure that tax filings are true and accurate. Meanwhile, we strengthen dynamic control over tax-related risks and enhance employee training on tax compliance, and proactively fulfill our tax payment obligations. During the Reporting Period, no tax violations occurred.

Tax Management Principles

Comply with tax laws and regulations, and truthfully file tax returns and pay taxes due

In response to changes in tax laws, promptly analyse the pros and cons and make adequate preparations to address them

Make good use of tax planning and fully enjoy all applicable tax incentives

| Region | Types of tax | Tax incentives | Corporate tax compliance rating |
|--------|--|--|--|
| China | Value-added tax Enterprise income tax Others | Value-added tax: 1.Refund upon payment for software products; 2. Additional deduction for advanced manufacturing industries; Enterprise income tax: 1. Enterprise income tax incentives for high-tech enterprises; 2. Additional deduction of R&D expenses. | Rated A for six consecutive years since 2019 |

Business ethics

Integrity and honesty are important prerequisites for an enterprise to establish itself in the market, and they are also the code of conduct of Desay SV employees. We have always established business cooperation with high standards of business ethics, communicated the self-discipline requirements of integrity and anti-corruption, as well as fair competition, to employees and partner organisations across the supply chain, and shaped a proactive and positive spirit of integrity in operations through a closed-loop management mechanism of "Prevention-Implementation-Supervision-Handling".



Anti-commercial bribery and anti-corruption

The Company had established internal system documents including the Code of Business Ethics Management, the Code of Business Conduct, the Provisions on Accepting and Giving Gifts, the Management Measures for Anti-fraud and Whistleblowing Mechanisms, and the Whistleblowing Management System, clearly defining and regulating business conduct and ethical standards for all employees. We are required to uphold integrity and probity, prevent unethical and improper operations and the pursuit of improper interests, and are committed to fostering a business environment characterised by integrity, probity, and keeping our commitments.

The Company has established comprehensive and unobstructed reporting channels, including a reporting email address and reporting hotline. We encourage employees, partners (customers, suppliers, etc.) and members of the public to report, in accordance with the law, suspected non-compliance, illegal acts and criminal offences. Meanwhile, in compliance with the whistleblower protection principles in the Whistleblowing Management System, we protect whistleblowers through confidentiality management measures such as minimising the number of people with access to the information and appointing designated personnel to securely store report materials, and deal seriously with any acts of retaliation against whistleblowers, resolutely safeguarding whistleblowers' lawful rights and interests. The Company has established a whistleblowing reward fund to provide rewards to whistleblowers based on the circumstances of the reported incidents. During the Reporting Period, the Company received zero whistleblowing leads, initiated investigations into zero internal non-compliance and fraud cases, and took action against zero individuals.

Development of a culture of integrity

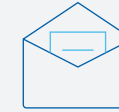


Desay SV conducted integrity self-assessments for indirect employees in the Chinese mainland for four consecutive years. In 2025, we received a total of **5,615** valid questionnaires, with **5,399** participants and a time-limited participation rate of **96%**. The self-assessment covered gift management, bribery and corruption, conflicts of interest, commercial fraud, unauthorised establishment of entities, non-compliant commitments, improper benefits, etc. During the Reporting Period, the Company provided the Code of Business Conduct and Whistleblowing Management course training to newly hired indirect employees, and conducted **1** compliance risk inspection.

In 2025, the Company participated in industry exchanges organised by the Enterprise Anti-fraud Alliance on multiple occasions, strengthening exchanges and learning of experience in integrity and compliance. Through thematic seminars, forum exchanges, and other activities, we continuously drew on the anti-fraud experience provided by the Enterprise Anti-fraud Alliance and the industry.



Accepting department:
IAM of Huizhou Desay SV Automotive Co., Ltd.



Email:
jubao@desaysv.com



Whistleblowing hotline:
0752-2655872



Correspondence address:
6, North Huitai Road,
Huinan Technology Park,
Huizhou, Guangdong, P.R.
China, 516025

Anti-unfair Competition

The Company has established and implemented the Fair Competition System, upholds the ethics of integrity in competition, and safeguards the order of free market development. We have always been committed to fair dealings with customers, suppliers, and competitors, and strictly prohibit obtaining competitive advantages through improper means such as manipulating information, concealing facts, or abusing privileges. We never allow any party to gain an unfair advantage over others by manipulating, concealing, or abusing privileged information, distorting material facts, or adopting any other unfair trading practices.

We remain committed to responsible sales and marketing promotion. We ensure compliance by the Marketing Department, sales teams, and product teams throughout the entire procedure of business development and contract management, and provide accurate and comprehensive information in all processes, including market development and customer sales.

During the Reporting Period, there were no cases of unfair competition behaviour or any breaches of antitrust law or the Anti-monopoly Law that resulted in sanctions by the relevant authorities or litigation.

05 ENVIRONMENTAL

- Response to Climate Change*
- Energy Management*
- Water Resource Utilisation
- Environmental Compliance Management

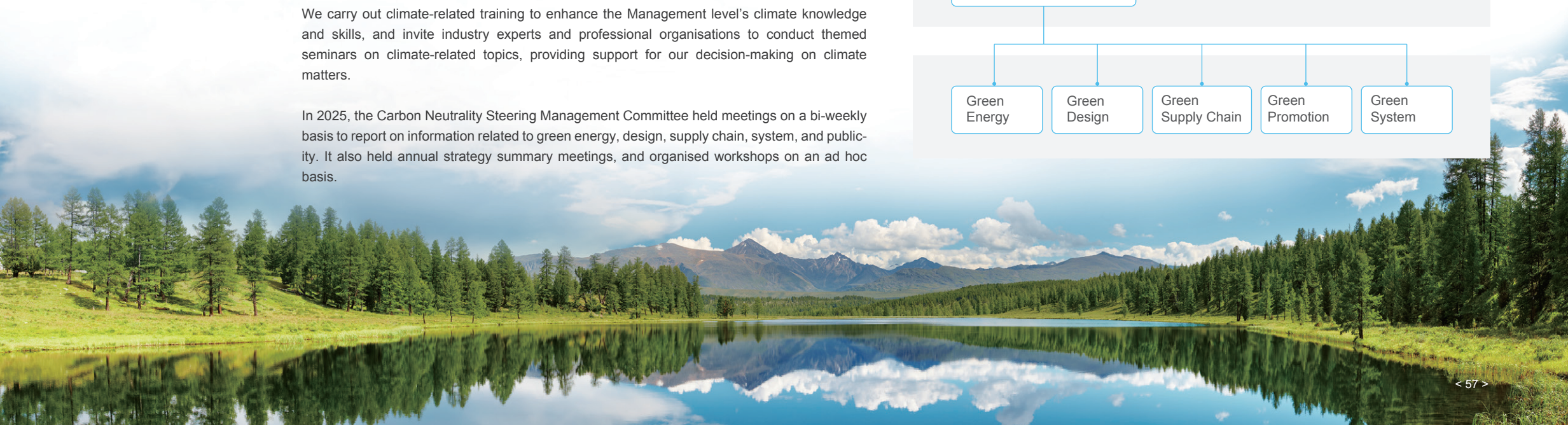
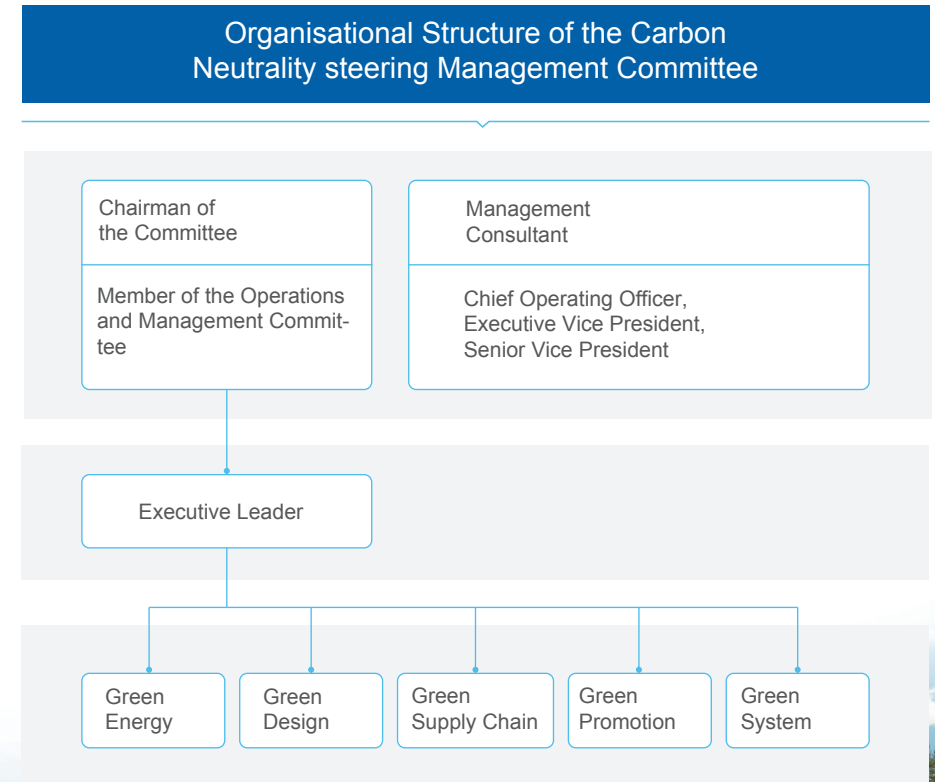
Response to climate change*

Governance

The Company has established a Carbon Neutrality Steering Management Committee, which is jointly managed by the Chief Operating Officer and a management advisory team comprising members of the Company's Operations and Management Committee. It coordinates the strategic planning for low-carbon development and formulates the implementation pathway for carbon reduction, in order to ensure that we can achieve our carbon neutrality target. The Carbon Neutrality Management Committee is primarily responsible for managing updates to the strategic objectives and pathways for the dual carbon goals, continuously advancing operational carbon neutrality and value chain carbon neutrality, pre-research and promotion of new low-carbon products, and the development of a low-carbon supply chain. The Green Energy Team is responsible for optimising the energy mix, reducing total carbon emissions, researching new technologies, and continuously iterating zero-carbon solutions; the Green Design Team is responsible for formulating product carbon reduction plans and roadmaps, promoting low-carbon products, and advancing the low-carbon certification for products and the carbon reduction strategies for product components and raw materials; the Green Supply Chain Team is responsible for investigating and enhancing suppliers' carbon neutrality capabilities, and for promoting the implementation of zero-carbon solutions for new materials, among other tasks.

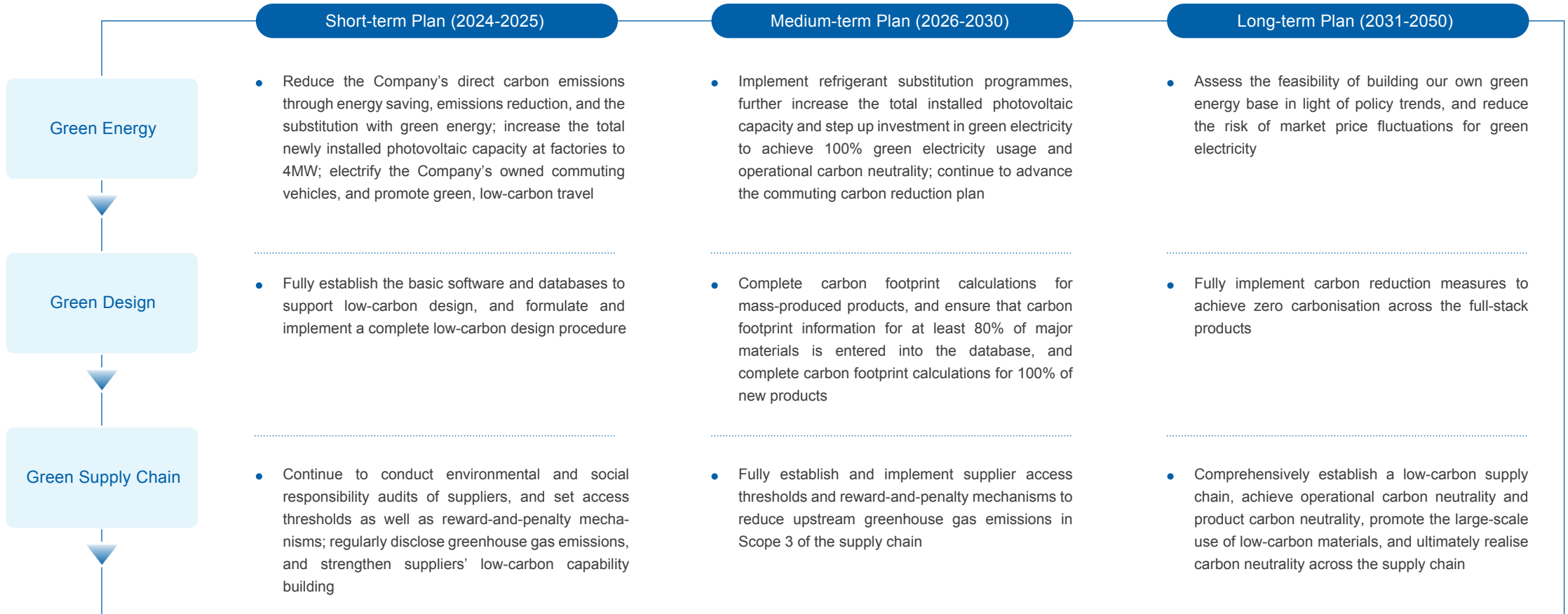
We carry out climate-related training to enhance the Management level's climate knowledge and skills, and invite industry experts and professional organisations to conduct themed seminars on climate-related topics, providing support for our decision-making on climate matters.

In 2025, the Carbon Neutrality Steering Management Committee held meetings on a bi-weekly basis to report on information related to green energy, design, supply chain, system, and publicity. It also held annual strategy summary meetings, and organised workshops on an ad hoc basis.



Strategy

Since launching our carbon neutrality plan in 2021, we have remained committed to making our own contribution to the target of limiting global warming to 1.5°C, and have set the strategic targets of "using 100% green electricity by 2030 to achieve operational carbon neutrality" and "achieving carbon neutrality across the value chain by 2050". We treat green energy, green design, and green supply chain as key areas of focus, and have formulated short-, medium-, and long-term strategic plans, providing a solid foundation and clear direction for a green and low-carbon transformation on all fronts.



Analysis of Climate-related Risks and Opportunities

Climate-related Physical Risks, Impacts and Measures

| | Climate-related impact factors | Risk description (Economic, environmental, and social) | Financial impacts | Time horizon | Value chain impacts | Measures and actions taken |
|----------------|----------------------------------|---|--|------------------------------|--|---|
| Physical risks | Flooding disasters | <ul style="list-style-type: none"> Economic: Production bases may be forced to suspend operations, equipment may be damaged, and supply chains may be disrupted, increasing repair and production resumption costs; Environmental: Secondary pollution caused by floods may damage surrounding ecosystems; Social: Employee safety may be threatened and the corporate social responsibility image may be damaged. | <ul style="list-style-type: none"> Direct property losses and production disruptions may lead to reduced revenue, increased costs for emergency rescue and equipment replacement, and a rising risk of compensation for breaches of contract in the supply chain. | Long, medium, and short term | <ul style="list-style-type: none"> Upstream (chip/sensor supplier logistics disruptions), downstream (delivery delays triggering customer claims), self-operations (sharp increases in operating costs, declining capacity utilisation). | <ul style="list-style-type: none"> Short term: Investigate potential hazards for flood control at the factory area, and allocate emergency supplies; Medium term: Introduce flood-control equipment; Long term: Establish an early-warning mechanism for flood risk in the supply chain, and expand suppliers across multiple regions. |
| | Extreme high-temperature weather | <ul style="list-style-type: none"> Economic: Higher equipment failure rates, increased equipment maintenance costs, surging energy consumption of air-conditioning systems, increased electricity costs, and hindered outdoor autonomous driving road tests may result in project delays; Environmental: Higher energy consumption may exacerbate pressure from carbon emissions; Social: Increased health risks for employees working outdoors may require additional heatstroke prevention investment. | <ul style="list-style-type: none"> A significant increase in electricity costs, delayed revenue recognition due to postponed testing projects, increased expenditure on employee health protection, and the risk of regulatory fines for exceeding carbon emissions limits. | Long, medium, and short term | <ul style="list-style-type: none"> Upstream (power suppliers' electricity rationing affecting production), downstream (delays in delivering customer projects triggering contractual disputes), self-operations (declining operational efficiency, increased compliance costs). | <ul style="list-style-type: none"> Short term: Provide outdoor testing teams with heatstroke prevention equipment and adjust working hours; Medium term: Promote equipment and process transformation to improve energy efficiency; Long term: Deploy green energy to reduce reliance on externally purchased electricity. |

Climate-related Physical Risks, Impacts and Measures

| Climate-related impact factors | Risk description (Economic, environmental, and social) | Financial impacts | Time horizon | Value chain impacts | Measures and actions taken |
|---------------------------------|--|--|------------------------------|--|---|
| Increased frequency of typhoons | <ul style="list-style-type: none"> Economic: Damage to facilities at coastal R&D/production bases, logistics disruptions, and production interruptions; Environmental: Intensified water and soil erosion around factory areas due to typhoons and torrential rainstorms; Social: Escalated threats to employee safety, increased investment in emergency response resources. | <ul style="list-style-type: none"> Increased repair costs for factory buildings and equipment, shortages of raw materials and backlog of finished goods caused by logistics disruptions, liquidated damages arising from delayed order deliveries, and insurance claims affecting cash flow. | Long, medium, and short term | <ul style="list-style-type: none"> Upstream (delivery delays by coastal electronic component suppliers), downstream (disruption to the production plans of vehicle manufacturers, impaired collaboration trust), and self-operations (asset impairment risk, challenges to operational continuity). | <ul style="list-style-type: none"> Short term: Reinforce windproof facilities at coastal factory areas and establish emergency logistics plans; Medium term: Diversify the layout of production bases to reduce the concentration of regional disasters; Long term: Optimise supply chain resilience. |
| Global warming | <ul style="list-style-type: none"> Economic: Policies such as carbon tariffs may increase export costs, and consumers' low-carbon preferences may force technological upgrades; Environmental: It may encourage enterprises to optimise the energy mix and accelerate the green transition; Social: It may enhance the image as a green brand and attract ESG investors. | <ul style="list-style-type: none"> Increased compliance costs such as carbon tariffs, and increased investment in green technology R&D, with long-term access to tax incentives and ESG financing support; high initial investment in low-carbon supply chain transformation, followed by subsequent cost reduction and efficiency improvement. | Long, medium, and short term | <ul style="list-style-type: none"> Upstream (upstream suppliers need to meet low-carbon standards, resulting in higher screening costs), downstream (downstream vehicle manufacturers require a low-carbon supply chain, leading to closer, more tightly bound collaboration), self-operations (enhanced long-term competitiveness and broadened financing channels). | <ul style="list-style-type: none"> Short term: Carry out carbon footprint accounting; Medium term: Promote the low-carbon transition of the supply chain and introduce low-carbon suppliers; Long term: Plan the development of carbon assets and explore revenue from carbon trading. |
| Water scarcity | <ul style="list-style-type: none"> Economic: Water use at production bases (the cleaning process in hardware manufacturing) may be restricted, resulting in reduced capacity; the retrofit of water-saving equipment may increase capital expenditure; Environmental: Water resource recycling may be promoted to reduce ecological impacts; Social: Fulfilment of our responsibility for water conservation may enhance our reputation within the community. | <ul style="list-style-type: none"> Rising prices of water resources may increase operating costs, investment in water-saving equipment may lead to higher capital expenditure, water-use restrictions may result in production capacity losses, and water-saving achievements may qualify for government subsidies/tax reductions. | Long, medium, and short term | <ul style="list-style-type: none"> Upstream (water constraints faced by upstream raw material processing enterprises may affect supply stability), downstream (low-carbon and water-saving concepts conveyed to customers to enhance brand loyalty), and self-operations (improved resource utilisation efficiency and reduced compliance risks). | <ul style="list-style-type: none"> Short term: Identify opportunities for water conservation; Medium term: Introduce water recycling systems and upgrade water use in production processes; Long term: Promote technological upgrades in reclaimed water reuse to achieve closed-loop water resource management. |

Climate-related Physical Risks, Impacts and Measures

| | Climate-related impact factors | Risk description (Economic, environmental, and social) | Financial impacts | Time horizon | Value chain impacts | Measures and actions taken |
|------------------|--------------------------------|--|--|------------------------------|---|---|
| Transition risks | Energy mix risk | <ul style="list-style-type: none"> Economic: Volatility in traditional energy prices may lead to higher electricity costs; the initial investment for renewable energy substitution will be high, but the long-term costs are stable. Environmental: Reduced reliance on fossil energy and lowered carbon emission intensity. Social: Response to the dual carbon policy and enhanced compliance and social recognition. | <ul style="list-style-type: none"> Fluctuations in energy costs may increase profit uncertainty, investments in green electricity equipment such as photovoltaics/energy storage may increase, and costs for green electricity procurement or carbon trading may rise, but additional revenue can be generated through the monetisation of carbon assets. | Long, medium, and short term | <ul style="list-style-type: none"> Upstream (alignment with green electricity service providers and optimisation of the structure of energy suppliers), downstream (downstream customers favour low-carbon products, market share increases), and self-operations (enhanced energy resilience, controllable long-term costs). | <ul style="list-style-type: none"> Short term: Optimise the electricity consumption structure and increase the proportion of green electricity procurement; Medium term: Deploy distributed photovoltaic + energy storage systems to reduce dependence on the power grid; Long term: Explore the virtual power plant model and participate in electricity demand-side response. |
| | Upstream supply chain risks | <ul style="list-style-type: none"> Economic: Inadequate low-carbon capabilities among upstream suppliers may lead to supply chain disruptions, and suppliers that do not meet low-carbon standards may face elimination; Environmental: Upstream emission reductions may be promoted to lower Scope 3 emissions. Social: An ecosystem of green supply chain may be built to enhance the industry's sense of responsibility. | <ul style="list-style-type: none"> Increased costs for suppliers' low-carbon audits and management, and rising procurement costs due to premium pricing from low-carbon suppliers, but in the long term this can reduce carbon risks in the supply chain, secure high-quality suppliers, and avoid compliance penalties. | Long, medium, and short term | <ul style="list-style-type: none"> Upstream (promoting upstream suppliers' low-carbon transition, and jointly building a green ecosystem), downstream (communicating the low-carbon value of the supply chain to customers, and enhancing partnership engagement), and self-operations (improving supply chain resilience, and reducing compliance risks). | <ul style="list-style-type: none"> Short term: Continue to conduct environmental and social responsibility audits for suppliers, and set access thresholds and reward-and-penalty mechanisms to strengthen suppliers' low-carbon capability building; Medium term: Establish and operate supplier access thresholds and reward-and-penalty mechanisms; Long term: Establish a low-carbon supply chain and achieve carbon neutrality across the supply chain. |
| | Downstream customer risks | <ul style="list-style-type: none"> Economic: Downstream vehicle manufacturers have accelerated electrification and low-carbon transition. If the carbon footprint of products is too high, such products may be eliminated; however, high-end customers may be secured by providing low-carbon cockpit solutions (e.g., lightweight materials, low-power chips); Environmental: Low-carbon collaboration across the entire industry chain may be promoted; low-power chips); Social: Supporting transport carbon neutrality may enhance industry influence. | <ul style="list-style-type: none"> The risk of customer churn may lead to a decline in revenue and increased investment in low-carbon technology R&D, but in the long term gross margin can be enhanced through high-value-added low-carbon products to secure orders from high-quality customers. | Long, medium, and short term | <ul style="list-style-type: none"> Upstream (driving upstream suppliers' low-carbon transition to jointly meet customer requirements), downstream (strengthening collaboration with leading downstream vehicle manufacturers and deepening low-carbon partnerships), and self-operations (developing and producing low-carbon smart cockpit/driving systems, optimising product carbon footprints, enhancing product competitiveness, and strengthening industry influence). | <ul style="list-style-type: none"> Short term: Conduct product carbon footprint accounting; Medium term: Develop low-carbon solutions and gradually integrate low-carbon design requirements; Long-term: Implement lifecycle low-carbon management and achieve carbon neutrality across the supply chain. |

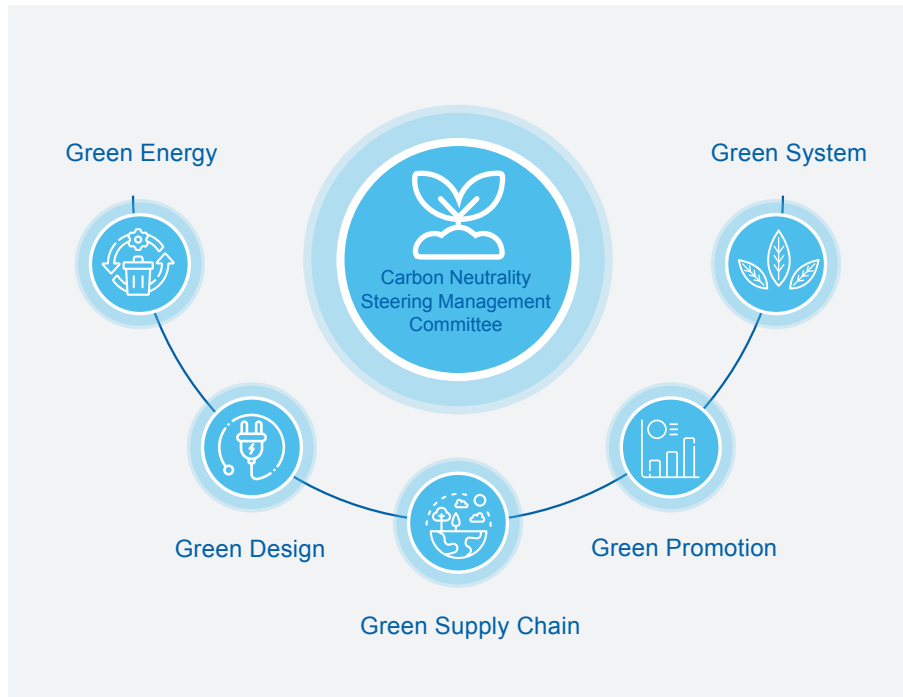
Climate-related Physical Risks, Impacts and Measures

| | Climate-related impact factors | Risk description (Economic, environmental, and social) | Financial impacts | Time horizon | Value chain impacts | Measures and actions taken |
|-------------------------------|-----------------------------------|---|---|------------------------------|--|--|
| Climate-related Opportunities | Market opportunities | <ul style="list-style-type: none"> Economic: Driven by the dual-carbon policy, demand from vehicle manufacturers for low-carbon smart cockpits and green connected services may surge, creating new market opportunities; Environmental: Supporting carbon reduction in transport may drive the industry's green transition; Social: Meeting consumers' demand for low-carbon mobility may enhance corporate social value. | <ul style="list-style-type: none"> Revenue growth from new low-carbon products/services, green electricity services such as vehicle-to-grid (V2G) interactions may open up new profit growth points, and improved ESG ratings may attract long-term capital. | Long term | <ul style="list-style-type: none"> Upstream (jointly developing low-carbon materials/chips with upstream partners, building a green supply chain), downstream (expanding the low-carbon customer base, deepening ecosystem collaboration), self-operations (developing low-carbon technologies, enhancing added value of products, upgrading the business structure, and strengthening profit resilience). | <ul style="list-style-type: none"> Long-term: Share low-carbon technologies to empower the entire industry chain to reduce carbon emissions. |
| | Resource efficiency opportunities | <ul style="list-style-type: none"> Economic: Technologies such as liquid cooling for data centres and waste heat recovery from production lines may enhance energy efficiency and reduce operating costs; Environmental: Reduced resource consumption and carbon emissions may enhance ecological benefits; Social: An established benchmark for high efficiency and energy conservation may attract policy and capital support. | <ul style="list-style-type: none"> Energy efficiency improvements may lead to lower energy costs, waste heat recovery may generate additional income, and improved resource utilisation efficiency can secure government subsidies/tax incentives. | Long, medium, and short term | <ul style="list-style-type: none"> Upstream (promoting upstream suppliers to improve energy efficiency and share cost-reduction benefits), downstream (sharing energy efficiency management experience with customers to enhance service engagement), and self-operations (implementing energy efficiency upgrades in production processes, continuously optimising operational costs, and improving profit stability). | <ul style="list-style-type: none"> Short term: Conduct energy audits and implement energy-saving retrofit pilots; Medium term: Introduce an energy efficiency management system and optimise the energy consumption of production lines; Long term: Establish a circular economy model and promote recycling and reuse. |

Impacts, risks and opportunities management

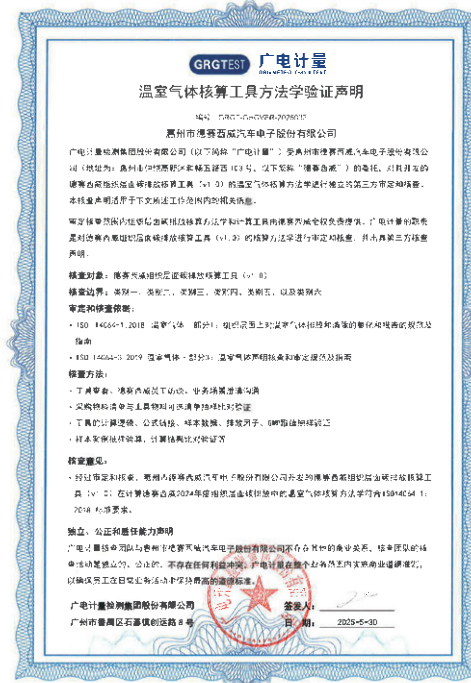
Based on our business characteristics, internal and external development environment, and external professional advice, we have established a robust management procedure for climate change-related impacts, risks and opportunities, comprising identification, analysis, assessment and response.

The Company's Carbon Neutrality Steering Management Committee continues to focus on climate-related matters, carries out dedicated planning for green energy, green design, green supply chain, green promotion, and green system, regularly tracks relevant actions and progress through a regular meeting mechanism, and conducts annual appraisals of project targets.



Carbon Management Platform

The Company has independently developed an organisational-level carbon emission accounting tool (v1.0). In 2025, we engaged GRG Metrology & Test Group Co., Ltd. to conduct an independent third-party validation and verification of our greenhouse gas accounting methodology. With ISO 14064-1:2018 and ISO 14064-3:2019 as the primary basis, the verification covered the verification boundaries for categories one to six. The verification was carried out through multiple methods, including tool review, interviews, communication on business scenarios, sampling and cross-checking against the list of procured materials, sampling verification of the accounting logic and data (including emission factors and GWP values), and recalculation of sample cases. It was confirmed that the greenhouse gas accounting methodology of this accounting tool complies with the requirements of ISO 14064-1:2018 and can be used to calculate organisational-level carbon emissions for Desay SV.



| Green design

We continue to advance the R&D of green and low-carbon products and strengthen the lifecycle management of our products. We ensure consistency in implementing design concepts throughout the manufacturing process, continuously explore the application of lightweight and renewable materials, and enhance the environmental friendliness of our products during use.

| | | | | |
|---|--|---|--|---|
|  <p>Low-carbon Functional Design for Products</p> |  <p>Development and Application of Low-carbon Materials</p> |  <p>Lightweight Product Design</p> |  <p>Low Power Consumption and High Energy Efficiency</p> |  <p>Recycling and Reuse of Packaging and Auxiliary Materials</p> |
| <p>While ensuring compliance with usage requirements, we explore energy-saving functions for our products. Taking smart cockpit products as an example, in functional design, we enable the vehicle, when driving at high speed, to switch off the entertainment functions for the main driver's seat and retain only auxiliary functions for safe driving, such as driver fatigue monitoring, thereby reducing energy consumption.</p> | <p>We continue to communicate and guide our suppliers to join our green design strategy for products, and regard the development and application of low-carbon raw materials and components as an evaluation dimension for the approval of product components.</p> | <p>On the basis of meeting functional and performance requirements for products, we use lightweight materials to reduce product weight, and carry out a lightweight design for product mechanical installation and protective components.</p> | <p>We implement comprehensive energy consumption reduction solutions from the chip level to the system level. From the chip perspective, we are exploring customised development of in-vehicle chips with semiconductor companies to minimise redundant circuits to the greatest extent and reduce the operating power consumption of chips; from the system design perspective, we advance the in-vehicle electronic architecture of traditional domain controllers into central computing system products, comprehensively reducing product weight and overall energy consumption.</p> | <p>We focus on improvements in areas such as reducing auxiliary materials used for product assembly, recycling auxiliary materials, and recycling packaging materials used for product shipments.</p> |



In 2025, in terms of knowledge and process standardisation, we completed the development of training materials related to green design and the preparation of operating guidance for accounting, and we consolidated flow charts for carbon emission verification and improvement, thereby standardising working methods and enhancing cross-process collaboration efficiency. In terms of the establishment of a database of low-carbon materials, we formulated the first edition of the database of raw materials and low-carbon materials, covering material categories including physical, bio-based, post-industrial recycled (PIR), etc. This preliminarily enabled the implementation of the low-carbon database and improved the efficiency of carbon footprint modelling.



In terms of enhancing team capabilities, the number of R&D teams already equipped with low-carbon product design capabilities increased to four teams, accounting for

33%.



- As of the end of 2025, a material carbon footprint database was established based on typical product lines, with a completion rate of **60%** for the database development.
- As of the end of 2025, the carbon reduction plan for metal hardware materials had a completion rate of **100%**.

Green promotion

In 2025, we launched our first Low Carbon Month campaign, promoting the development of a low-carbon culture within the Company and building long-term influence towards carbon neutrality.

The event, themed "Grow Green, Shape a Low-Carbon Future", was launched for the first time. Desay SV employees were here, contributing a solid strength towards the carbon neutrality goals, and working together to do our bit for the cause of sustainable development.



Targets and Metrics

| | Target for 2025 | Target Achievement in 2025 |
|---|-----------------|---|
| Reduction of carbon emissions per unit of output from the baseline year (2022): | 10% | 100% achieved |
| Target number of R&D teams with low-carbon design capabilities: | 2 teams | 100% achieved, with 4 teams |

Energy management*

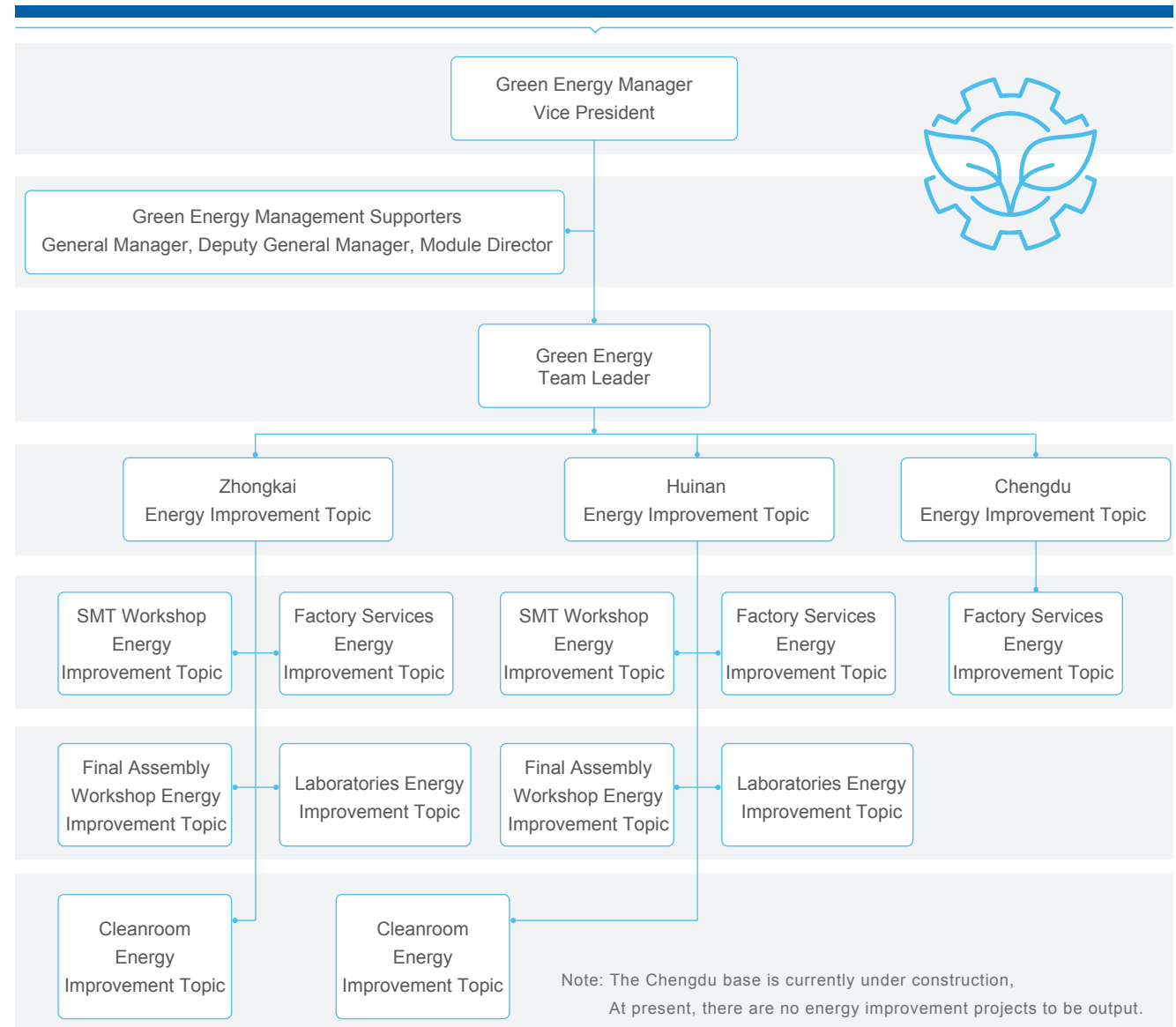
Governance

The Company has established a top-down green energy management organisational structure, with the Vice President serving as the Green Energy Manager and the General Manager, Deputy General Managers, etc., acting as Green Energy Management Supporters. A Green Energy Team Leader is appointed to coordinate overall implementation, and Energy Improvement Topic Groups are set up separately across the three major bases in Zhongkai, Huinan, and Chengdu, covering key energy-consuming segments including the SMT workshop, final assembly workshop, cleanroom, factory services, and laboratories. At the same time, the Company clarifies responsibilities at all levels. Through a clear delineation of powers and responsibilities and full-process coverage, we effectively implement energy-saving and carbon-reduction measures, and improve energy utilisation efficiency.

The Company has established the *Energy Management* policy document. Through lifecycle closed-loop management of energy targets, metrics, and supporting measures and plans (covering all processes of formulation, implementation, and review), we clarify the baseline for equipment energy efficiency control, continuously optimise energy utilisation efficiency, reduce energy consumption per unit of output value, and strengthen the safety and reliability safeguard line for energy supply. During the Reporting Period, our Huinan Base and Zhongkai Base continued to maintain valid ISO 50001 energy management system certification.

Strategy

Desay SV has identified energy management as a core initiative for achieving our carbon neutrality strategic goals. With "safety and reliability, green and low-carbon, energy-efficient and effective, and smart services" as our energy policy, we focus on three main priorities, including energy consumption control, energy efficiency improvement, and green electricity substitution. We have established a lifecycle energy management system of "policy guidance—strategic support—system assurance—technology enablement—collaborative win-win", driving synergistic improvements in energy utilisation efficiency, safety control standards, and environmental value.



Impacts, risks, and opportunities management

In 2021, Desay SV began to transition from an "energy consumer" to a "prosumer of energy". We progressively implemented measures such as photovoltaic projects and an integrated framework for source-grid-load-storage, achieving the stable utilisation of green energy through facilities including energy storage power stations and self-built gas stations. As of the end of the Reporting Period, the Huinan Base was equipped with a 6.7MWh energy storage power station; for gaseous energy, we built our own air compressor station and nitrogen station to reduce supply chain transportation carbon emissions arising from purchased energy.



Huinan Base's Distributed Photovoltaic Project:

In 2025, Phase II photovoltaic capacity of 2.4 MW was added at the Huinan Base, laying a solid foundation for the Company's green energy supply while reducing annual electricity costs by approximately CNY 700,000. As of the end of the Reporting Period, our cumulative installed photovoltaic capacity was 4.9 MW, with an annual power generation of approximately 4.05 million kWh.



Synergy Between Green Electricity Certificate Procurement and Self-built Generation of Huinan Base and Zhongkai Base:

We expanded our green energy sources by procuring 60,000 green electricity certificates. In parallel, self-built nitrogen stations at both bases reduced approximately 251 tonnes of carbon emissions from the transportation of externally purchased energy, balancing green attributes and the stability of energy supply.



In 2025, the energy consumption per unit of product of the production and operating units at our Huinan Base and Zhongkai Base was 4.83 tonnes of standard coal per 10,000 units, representing a year-on-year decrease of 5%. Our energy consumption control achieved remarkable results. The core energy consumption structure exhibited the characteristics of "electricity as the main source and gas as a supplementary source". Electricity was mainly used for the operation of production equipment, R&D testing, and office operations, of which purchased electricity accounted for 97% and self-generated green electricity accounted for approximately 3%; by leveraging the combined efforts of expanding capacity under the photovoltaic project and procuring green electricity certificates, the actual proportion of green energy reached 41%, achieving a steady increase compared with previous years, and highlighting the significant results of the low-carbon transition of the energy mix. Specific measures are as follows:



Huinan Base's Energy Storage System:

The 6.7 MWh energy storage power station built in Phase I of the Huinan Base optimised energy allocation through off-peak charging and discharging, achieving an annual cost saving of CNY 1.64 million and enhancing the flexibility of energy utilisation.



Targets and Metrics

Between 2022 and 2025, the energy rates (including purchased electricity and liquid nitrogen) at Desay SV's Huinan Base and Zhongkai Base decreased by **17%**

| | |
|-----------------|----------------------------|
| Target for 2025 | Target Achievement in 2025 |
|-----------------|----------------------------|

The proportion of green energy at Huinan Base and Zhongkai Base in total energy consumption reaches over **40%**

Achieved, at **41%**

Technological transformation and energy efficiency improvement

In 2025, we focused on two core production bases, Huinan Base and Zhongkai Base, and precisely implemented 16 energy-saving technological transformation projects, covering multiple dimensions, including photovoltaic energy storage, equipment optimisation, process upgrades, and lighting control. Throughout the year, we achieved electricity savings of 5.91 million kWh, equivalent to 726 tonnes of standard coal, saved CNY 4.43 million in energy costs, and reduced carbon dioxide equivalent emissions by 3,115 tonnes.

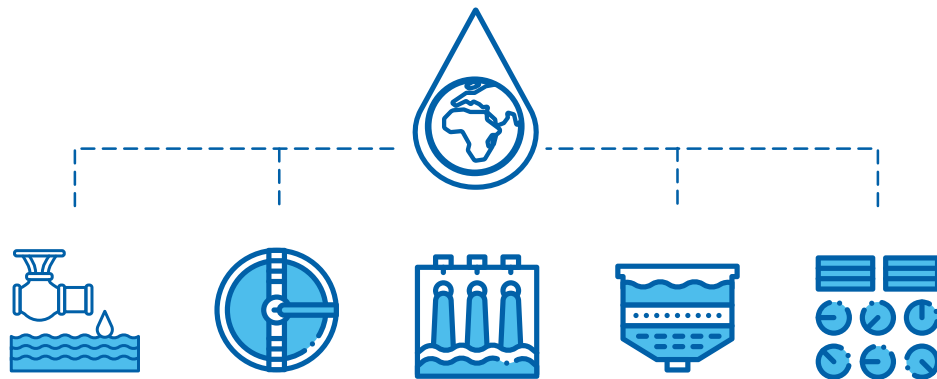


| No. | Place of Implementation | Key Projects | Annual Energy Saved (10,000 kWh) |
|-----|-------------------------|--|----------------------------------|
| 1 | Huinan | Huinan Phase II 2.4 MW Photovoltaic Project | 276 |
| 2 | Huinan | Huinan Phase I 6.7 MWh Energy Storage Project | - |
| 3 | Huinan | Reduction of Air Compressor Electricity-to-Gas Ratio at Huinan | 79 |
| 4 | Huinan | Optimisation of Furnace Cooling Method for Energy Conservation and Consumption Reduction | 7 |
| 5 | Huinan | Upgrade of High-temperature Environmental Chamber Requirements to Reduce Energy Consumption | 10 |
| 6 | Huinan | Systematic Reduction of Recurring Failures, Improvement of Preventive Maintenance Quality, and Reduction of Equipment Failure Rate | 36 |
| 7 | Zhongkai | Optimisation of Production Process and Elimination of Module Aging to Reduce Energy Consumption | 61 |
| 8 | Zhongkai | ZKASS1 Soldering Furnace Utilisation Rate Improvement | 22 |
| 9 | Zhongkai | Linkage of Workbench Lighting with Ion Fans to Save Power Consumption | 6 |
| 10 | Zhongkai | Prohibition of Heating for High-Temperature Equipment on Rest Days, with On-Duty Patrol Confirmation | 18 |
| 11 | Zhongkai | Improvement of Reflow Soldering Equipment Sealing to Reduce Nitrogen Leakage | - |
| 12 | Zhongkai | Zhongkai Phase II Workshop Ventilation Equipment Frequency Conversion Improvement Project | 41 |
| 13 | Zhongkai | Zhongkai Phase II Factory Pump Room and Air Conditioning System Energy-saving Improvement Project | 16 |
| 14 | Zhongkai | Zhongkai Cooling Tower Replacement Project | 11 |
| 15 | Zhongkai | Reduction of Total Lighting Power by Replacing with Higher-brightness Explosion-proof Lamps and Reducing the Number of Fixtures | 5 |
| 16 | Zhongkai | Zhongkai Office Lighting Energy-saving Improvement Project (Replacement with High-efficiency Fixtures) | 3 |

(Note: To maintain consistency in carbon reduction calculation, the carbon emission factor for the technical renovation project continues to use the 2012 emission factor of 0.5271 kgCO₂/kwh for the Southern Regional Power Grid.)

Water resource utilisation

The Company strictly complies with laws and regulations such as the *Water Law of the People's Republic of China*, upholds the water resources management philosophy of "water conservation first, circular use, and coordinated co-governance", and, in line with our positioning, clarifies our core commitments on water resources use to continuously improving water use efficiency and reducing water consumption per unit of output; deepening the development of the water recycling and reuse system, and expanding the scope of wastewater reuse; driving upstream and downstream partners across the industrial chain to jointly enhance water resource utilisation, supporting water resource security assurance and ecological and environmental protection in Huizhou and the locations of our production bases, and empowering the Company's high-quality sustainable development through green water resource management.



All of our fresh water sources come from the municipal water supply company, supplemented by reclaimed water reuse, thereby establishing a diversified water supply assurance system. All freshwater withdrawals strictly follow the requirements for water withdrawal/use permit management; reclaimed water mainly originates from compliant effluent produced through advanced treatment by the wastewater treatment systems at each base, forming a green water use model of "fresh water guarantee plus reclaimed water recycling", with a 100% compliance rate for the use of water resources.

| Water Conservation Management

In 2025, water consumption per unit of product at our Huinan Base and Zhongkai Base decreased by 13% compared with 2024. By improving our water recycling and reuse system, upgrading the wastewater treatment systems at each production base, and enhancing advanced wastewater treatment capabilities, we achieved "wastewater resource recovery", with a 100% reuse rate for production wastewater.

The Company advanced water-saving technological transformation and equipment upgrades, replacing high water-consuming equipment (such as traditional cooling equipment and cleaning equipment) at each production base, introducing intelligent water-saving equipment, optimising the water-use procedure for production processes, and reducing water resource losses in production processes. In 2025, we invested a cumulative total of over CNY 1 million in water-saving transformation projects.

Zhongkai Phase II Factory Pump Room Variable Frequency Improvement Project:

- 1.Addition of variable frequency drive control;
- 2.Replacement with energy-saving water pumps and cooling tower packing



Zhongkai Cooling Tower Replacement Project:

New energy-saving cooling towers have been adopted, replacing four old cooling towers (each with a capacity of 175 tonnes) with two new silent cooling towers (each with a capacity of 525 tonnes).

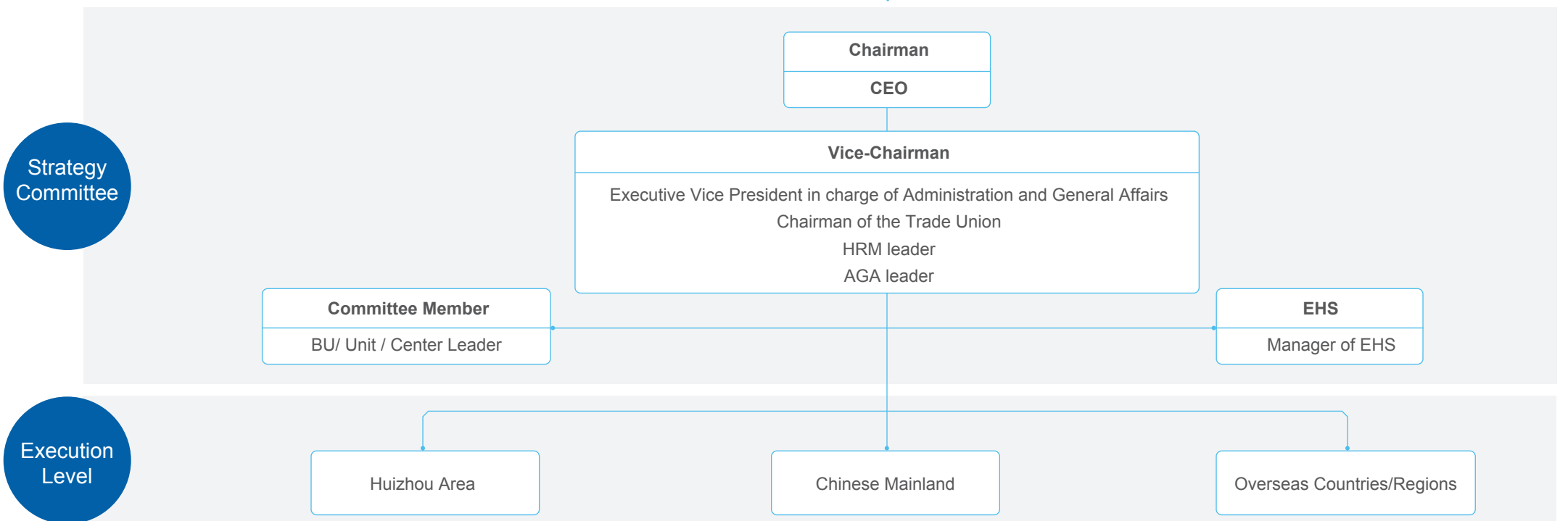


Environmental compliance management

We attach great importance to the impact of our production and operations on the surrounding environment, and treat environmental compliance and sustainable development as an important component of our core strategy. The Company has established an Environmental, Health and Safety Management Committee as the highest decision-making body for environmental management. Chaired by CEO, it coordinates the formulation of environmental management policies, targets and performance metrics, and supervises the implementation and continuous improvement of environmental management-related policies.



Organisational Structure of the Environmental, Health and Safety Management Committee



We are responsible and committed to environment protection, compliance with laws and regulations related to environment, health and safety. We continuously improve the EHS system and its performance in order to create a safe and healthy environment for all employees at all times.



Natural Environment Protection

Based on life cycle thinking, during the design and development process of products or services, reducing resource and energy consumption, protecting the natural environment from harm and degradation, and avoiding or minimizing pollution.



Compliance to Laws and Regulations

We are committed to comply with national and local laws and regulations related to environment and occupational health and safety.



EHS Performance Improvement

We engage all employees to carry out continuous improvement activities to further enhance system management capability and improve EHS performance.



People-orientation

We continuously raise employees' EHS consciousness and encourage them to participate in related activities. It is part of our corporate social responsibility to protect our environment, as well as to protect our employees' occupational safety.

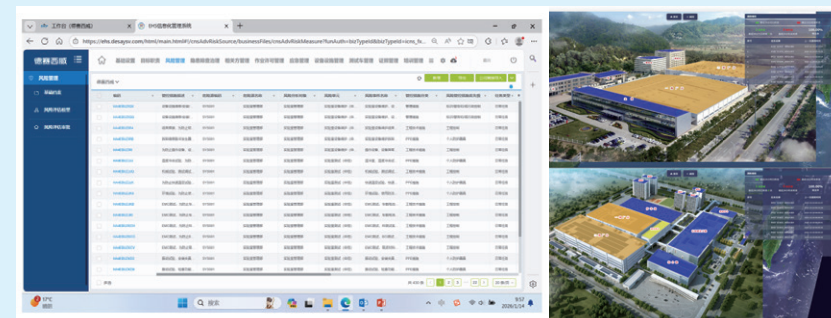


The Company has established systems such as the *Management Procedure for the Environmental, Health and Safety Responsibility System*, the *Management Provisions on Emergency Drills*, the *Fire Emergency Response Plan*, and the *Chemical Management Process* to guide each base in regularly carrying out environmental factor identification, compliance reviews, risk assessment and management reviews, emergency drills, and chemical management. The Huinan and Zhongkai production bases maintained the environmental management system and obtained ISO 14001 certification. Other newly established or under-construction bases are also proactively developing environmental management systems in accordance with ISO 14001 requirements.

During the Reporting Period, there were no penalties for non-compliance with environmental protection regulations, and no incidents occurred that caused negative impacts on employees and the community.

EHS Information Management Platform

In 2025, we promoted online monitoring and management of business processes such as "safety policy, safety management, fire safety management, occupational health, environmental management, and security management", achieving end-to-end closed-loop management across the full chain, driving dual improvements in safety and efficiency, and addressing issues relating to system functional operation and technology. It is currently being piloted at Huinan Base and Zhongkai Base.





| Chemical management

The *Chemical Management Process* standardised the entire process from chemical procurement to disposal. New chemicals are required to undergo a 100% introduction assessment prior to being introduced. Suppliers should provide testing reports to determine hazardous characteristics. The chemicals involved in our production mainly include cleaning agents and hot-melt adhesives. We have established dedicated chemical warehouses and explosion-proof cabinets at our production bases for the classified storage of various chemicals, reducing environmental, health and safety risks caused by chemical leakage. The Company requires all employees involved in hazardous chemicals to complete special training and wear personal protective equipment.



| Ecosystem and biodiversity protection

Desay SV incorporates ecosystem and biodiversity protection into our operational management system. Throughout the entire project lifecycle, we integrate ecological protection considerations and strictly comply with the requirements of environmental regulations. In parallel, we strengthen employees' awareness of ecological protection through internal communications. Through practical actions, we reduce the impact of our operations on ecology, work collaboratively to safeguard regional biodiversity, and support the sustainable development of ecosystems.

In 2025, a new Chengdu Base was established. A biodiversity identification was completed, confirming that there are no rare animals or plants, cultural relics or historic sites, nature reserves, or sensitive points such as drinking water source abstraction intakes within the selected project site and surrounding area. There are no apparent environmental constraints in the vicinity of the project.



| Pollutant discharge and waste management

The Company strictly complies with laws and regulations including the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and the *Law of the People's Republic of China on the Prevention and Control of Noise Pollution*, as well as national and industry standards such as *The Reuse of Urban Recycling Water-Water Quality Standard for Industrial Uses* (GB/T19923-2005), the *Integrated Emission Standard of Volatile Organic Compounds for Stationary Pollution Source* (DB44/2367-2022), the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB12348-2008), the *Catalogue for Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources* (2019), and the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2023), as well as other relevant local regulations and standards in the locations where we operate, to carry out pollutant discharge management. We strictly control the generation and discharge of wastewater, waste gas and noise, as well as solid waste, during production and operations.

The Company has formulated the *Management of Wastewater, Noise, Waste and Waste Gas* as the core standards for pollutant and waste management. This system aims to "prevent and control wastewater, waste gas, noise and solid waste pollution and safeguard personnel health". Its scope of application covers the entire production and control processes for water, air, noise and residues within the Company and the corresponding departments; responsibilities and division of labour are also clearly defined, promoting multi-departmental collaboration in implementing controls. This system, by standardising full-process management, implements pollution prevention and control requirements, effectively reduces the impact of operations on the environment, and concurrently supports the compliant operation and performance improvement of our environmental management system.



| Wastewater

Our main uses of water resources are water for cleaning in the production process, water for the air-conditioning system, and domestic water for dormitories, canteens, etc., all of which are supplied via municipal pipelines, and we do not draw water directly from the sea, lakes, or underground water bodies. After collection, the cleaning wastewater is centrally conveyed to the wastewater treatment station. Through steps such as sand filtration, carbon filtration, three-stage reverse osmosis, and evaporative concentration, the cleaning wastewater is restored to meet the requirements of *The Reuse of Urban Recycling Water-Water Quality Standard for Industrial Uses* of China. All treated water is reused in the cleaning process and is no longer discharged into the municipal industrial wastewater pipeline network, thereby achieving secondary utilisation of water resources. After domestic water has been used, it is pre-treated and discharged into the local municipal sewage pipeline network. We carry out third-party testing every year to ensure that pollutants meet local government standards.



Construction of New Wastewater Treatment Station at Huinan Factory with "Pretreatment + AAO + MBR+RO" Process

To support the growth of the Company's business and the commissioning of new production lines, and to ensure the coordinated development of capacity expansion and environmental performance, on the basis of the existing zero-discharge wastewater treatment system, a new wastewater treatment station was constructed in 2025 and is expected to be put into use in 2026. By upgrading the treatment capacity and processes, we ensure that wastewater continues to achieve the "zero discharge" target even with incremental volume. All effluent is reused for workshop production after advanced treatment, realising the circular recycling of water resources within the enterprise and reducing fresh water consumption and impacts on the external environment at source. Achieving 100% reuse of newly generated wastewater, significantly conserving fresh water resources and eliminating the risk of external discharge to the environment at source, is a substantive measure for circular water resources management. Operating in parallel with the existing water station and sharing the RO and evaporation systems reflects a centralised and highly efficient resource management concept, with the system's total treatment capacity significantly improved.



| Waste gas

The main sources of our atmospheric pollutants are solder fume emissions generated during the reflow soldering and wave soldering processes, and cooking oil fume emissions from the canteen. After being collected through sealed pipelines during the production process, emissions are uniformly conveyed to smoke and dust purification equipment for treatment before discharge. Oil fume exhaust gas is conveyed to the roof for high-altitude discharge after being treated by oil fume purification equipment. We improve waste gas treatment efficiency and conduct third-party testing of atmospheric pollutants annually to ensure compliance with local environmental standards.



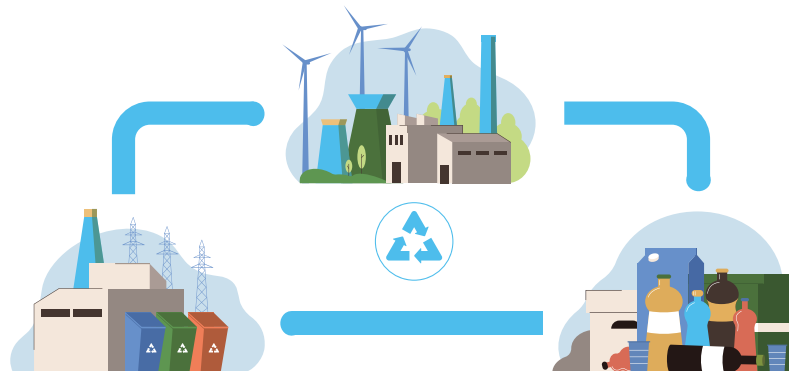
| Noise

We attach great importance to noise management. At our Huinan Base and Zhongkai Base, we continue to carry out routine third-party monitoring on a quarterly basis to comprehensively monitor the acoustic environmental impacts arising from production equipment and operating processes. This initiative aims to verify the effectiveness of our management through scientific monitoring methods, ensure that all operational activities remain within the scope permitted by laws and regulations, and maintain harmonious coexistence between production and the ecological environment.



| Waste management

The main waste generated by the Company during production activities includes general industrial solid waste and hazardous waste. To avoid harm to the environment during the waste disposal process, the Company has formulated internal process documents to manage the entire process from waste generation to disposal.



Solid Waste Requirements and Treatment Methods for Huinan Base and Zhongkai Base

Hazardous waste

- Waste type: Waste circuit boards and circuit board offcuts, waste alkali liquor, sludge, discarded hazardous chemical packaging containers, etc.
- Pollution prevention and control facilities: Hazardous waste storage warehouse or storage tank area
- Treatment method: Entrust qualified disposal entities to carry out harmless disposal or comprehensive utilisation

General industrial solid waste

- Waste type: Scrap steel, waste paper, waste plastics, etc.
- Pollution prevention and control facilities: General industrial solid waste storage facility
- Treatment method: After classified collection, entrust downstream suppliers for harmless disposal or comprehensive utilisation

Circular economy

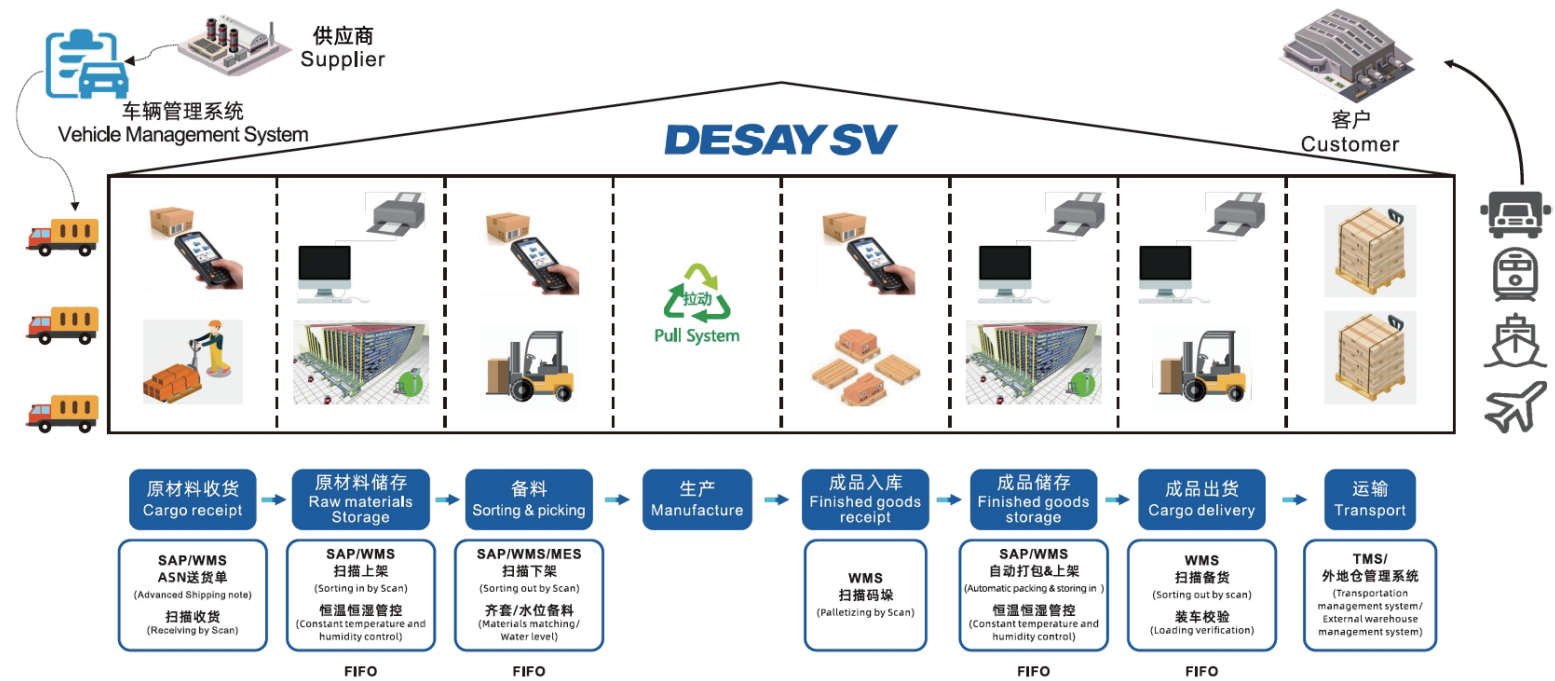
Circular logistics



Reused packaging container

Desay SV places emphasis on end-to-end management across the logistics stage, achieving comprehensive monitoring from upstream transportation of raw materials to downstream distribution of finished products. By scanning the QR codes on packaging materials or transport pallets, we track the source and destination of each type of material, achieving transparency and traceability in logistics transportation. Meanwhile, in order to reduce the generation of unnecessary packaging waste, after products are delivered to customers, we engage a third party to collect the plastic containers used for product packaging for reuse in subsequent transportation. During the Reporting Period, the proportion of reused packaging containers at Huinan Base reached 13%.

运营流程图 Operation Flow Chart





06 SOCIAL

- Protection of Employees' Rights and Interests
- Occupational Health and Safety
- Employee Training and Development*
- Sustainable Supply Chain
- Rural Revitalisation and Social Contribution

Protection of employees' rights and interests

The Company strictly complies with the *Labour Law of the People's Republic of China*, *Labour Contract Law of the People's Republic of China* and other relevant laws and regulations, as well as the laws and regulations applicable in our overseas operating locations, and relevant international standards such as the conventions of the International Labour Organization (ILO).

The Company has established a sound human resources management policy system that covers the entire employee management lifecycle from onboarding and employment to offboarding. It specifically includes regulations and rules on compliant recruitment and hiring procedures, execution and performance of labour contracts, remuneration, benefits and social insurance management, performance appraisal and job adjustments, labour-management relations management, and employee engagement management, fully aligned with the requirements of labour laws and regulations and the Company's corporate management practices.




We have formulated the *Guidelines on Combating Modern Slavery and Human Trafficking and Preventing Discrimination and Harassment*, as well as sound and systematic management policies for equal employment, anti-forced labour, anti-harassment and abuse, and equal opportunities. These policies clearly set out full-process management standards covering recruitment access, job placement, remuneration and benefits, promotion and development, complaint reporting, and rights protection. In addition, a monitoring, inspection, and grievance feedback mechanism is implemented to ensure that all policies are effectively enforced, safeguarding employees' lawful rights and promoting compliant and humane labour management.

We have always been committed to fostering a culture of equality, diversity and inclusion, upholding a zero-tolerance principle towards discriminatory behaviour, and focusing on building a working environment characterised by mutual trust and collaboration, as well as openness and inclusiveness. During recruitment, hiring, remuneration and benefits management, talent development, and career advancement, the Company strictly safeguards employees' equal rights and interests, complies with the relevant provisions of the *Management of Labour-Management Relations*, and prohibits discrimination or unfair treatment based on age, disability, ethnicity, gender, marital status, nationality, political affiliation, race, religion, sexual orientation, or union membership. During the Reporting Period, the Company did not record any incidents of discrimination that violate the above regulations.

We uphold an inclusive and equal approach to talent, and treat all candidates equally during the talent recruitment process. We adopt a diversified talent recruitment mechanism combining campus recruitment and social recruitment. While continuing to expand the size of our talent pool, we continuously strengthen the depth and quality of our talent pipeline. In terms of university-enterprise cooperation, in 2025, the Company established order-based classes and internship bases with five universities and carried out over 100 horizontal technical projects.



Human Rights Protection

| | Prohibition of child labour | Prohibition of forced labour, discrimination, and harassment | Collective bargaining and freedom of association |
|---|--|--|--|
|  <p>Policies and rules</p> | <p><i>Guidelines on Prohibition of Employing Child Labour and Remedial Measures</i></p> <p><i>Underage Worker Prevention Work Instructions</i></p> | <p><i>Guidelines for Anti-Modern Slavery and Human Trafficking, Prevention of Discrimination and Harassment Work</i></p> <p><i>Guidelines on the Employment Management of Persons with Disabilities</i></p> | <p><i>Guidelines on Employees' Freedom of Association, Alliance, and Religious Activities</i></p> |
|  <p>Preventive measures</p> | <p>During the recruitment phase, we verify candidates' age information and carefully confirm their identity during onboarding procedures. If any instances of child labour are identified, immediate remedial actions are taken, including suspending work and contacting the employee's family or guardian. Minors are required to undergo a pre-employment medical examination, annual health check-ups, and a medical assessment upon reaching 18 years of age to ensure their health and safety. We also provide appropriate training for underage employees, clearly define their job responsibilities, and impose necessary work restrictions to ensure reasonable working hours and a safe working environment.</p> | <p>All forms of modern slavery during business operations are prohibited, including slavery, forced or compulsory labour, human trafficking, etc.</p> <p>All forms of discrimination and harassment related to race, age, gender, etc. are prohibited. New employees are informed during induction training that coercive and other related behaviours are not permitted.</p> <p>Employees with disabilities are entitled to equal treatment as other employees.</p> | <p>We respect all employees' freedom of belief, as well as their rights to freely form, join, and participate in trade unions and engage in collective bargaining.</p> <p>We provide appropriate venues for employees' religious activities.</p> <p>Employees are entitled to engage in collective bargaining. Complaints, feedbacks, and suggestions regarding the Company may be submitted to employee representatives, or discussed jointly with employee representatives in negotiations and communications with the Company's management.</p> |
|  <p>Feedback channels</p> | <p>If any suspected human rights violations within the Company are identified, reports may be submitted through the Company's whistleblowing channels:</p> <p>Tel.: 0752-2655872 / 0752-2833890</p> <p>Email: jubao@desaysv.com</p> | | |

Remuneration and performance

We are committed to providing fair, equitable, and market-competitive remuneration and benefits. Through an incentive mechanism that links remuneration with performance, including performance-based bonuses, equity incentives, etc., we continuously attract and retain outstanding talent.

During the Reporting Period, male and female permanent employees at our Huinan and Zhongkai bases received the same starting salary, which is 1.297 times the local minimum wage.

We have formulated the *Performance Management Policy*, clarifying the standard procedures for employee performance management. It covers six key stages: goal setting, supervision and coaching, appraisal interviews, roundtable meetings, performance feedback, and implementation of development plans, thereby establishing a transparent and fair performance appraisal system. During the Reporting Period, 100% of our employees underwent regular performance appraisals.

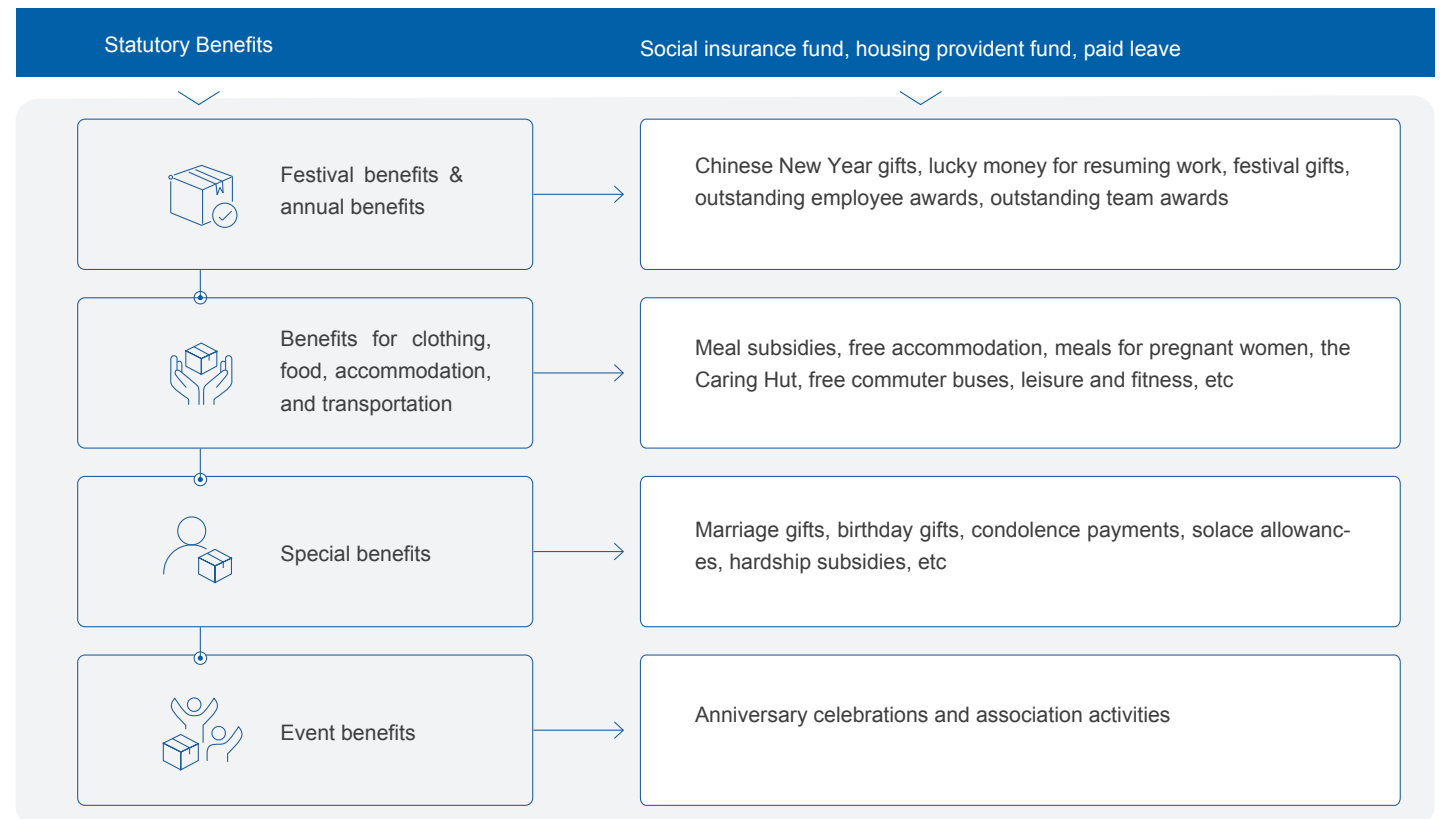
During the reporting period
100%
Employees undergo regular performance evaluations.

Welfare and Benefits

The Company strictly complies with the laws and regulations of each region in which it operates, ensuring that employees enjoy statutory insurance and leave benefits. We also actively take employees' specific needs into account, continuously optimise and enrich the benefits package, have formulated and implemented the *Guidelines for the Managing and Delivering Employee Benefits*, and have been implementing our benefits standards and improving our benefits system. In 2025, employee engagement was 89.4%, a continuous increase for the fourth consecutive year.

In 2025, employee engagement was

89.4%



Employee democratic management system

The Company has established a standardised, multi-tier employee democratic management system, safeguarding employees' rights to be informed, participate, express, and exercise oversight through diversified measures. Employee Representative Congress meetings are convened on a regular basis to review major matters involving employees' vital interests (such as proposals for adjustments to remuneration and benefits and employee rewards and penalties management measures), ensuring that employees' appeals are fully expressed and addressed through statutory democratic channels. We standardise the operation of labour unions, and leverage them as a bridge for communication between the Company and employees. Labour unions organise activities such as opinion solicitation and coordinate the resolution of various labour-related issues. We have established regular communication platforms, such as setting up a general manager's mailbox, an employee feedback hotline, and online communication channels, to ensure smooth pathways for employees to express their requests and concerns. We regularly organise discussion forums and employee engagement surveys to promptly collect employees' opinions and suggestions on corporate management, cultural development, the working environment, and other aspects, and have established a closed-loop rectification mechanism. We implement a system for openness in corporate affairs by publicly disclosing key information on corporate operation and management (such as revisions to rules and regulations, results of awards and commendations, standards for benefits distribution, and allocation of training resources), thereby safeguarding employees' right to know and right to supervision.

The Company has established a standardised closed-loop feedback management mechanism, where feedback collected through various channels is regularly consolidated, reviewed, and categorised, with responsible departments and processing timelines clearly defined, employee concerns and suggestions are tracked throughout the entire process, feasible proposals are implemented, while issues that cannot be immediately resolved are promptly communicated to employees along with explanations and future plans. This ensures that every piece of feedback undergoes a full "collection – analysis – action – response – optimisation" cycle, effectively enhancing employee engagement and sense of belonging, while continuously improving the efficiency of corporate management.

During the Reporting Period, we held three Employee Representative Congress meetings.



Employee care and assistance

The Company upholds a people-oriented philosophy, has established a "prevention-intervention-support" mechanism for employee mental well-being. It has developed procedural guidelines for managing the Employee Assistance Programme (EAP) and continues to advance the professional development of its EAP framework. Through integrated online and offline service platforms, the Company conducts quantitative assessments to optimise service delivery, effectively enhancing employees' well-being and sense of belonging while reinforcing the people-centred foundation for its high-quality development.

During the Reporting Period, we continued to advance the EAP psychological care programme and actively built a comprehensive employee mental health support system by organising 11 themed mental wellness activities, including parent-child psychological activities and mental health.

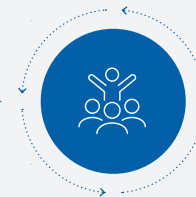
We care for female employees by providing dedicated support measures such as pregnancy meals and nursing rooms. We have established a Female Employees Committee and formulated the *Female Employee Labor Protection Management Work Instructions* to safeguard women's rights and interests. In addition, we support employees in balancing their work and family lives. All employees are entitled to parental leave, and a variety of family-oriented activities, such as summer programmes for employees' children and fun sports events, are organised each year to encourage employees to enjoy and engage in family life.



2025 Desay SV Family Day



2025 Desay SV Summer Camp



2025 Desay SV Anniversary Celebration



2025 Mid-Autumn Carnival



Targeting employees in difficulty, the Company has established a multi-dimensional long-term assistance and support mechanism, and developed the *Assistance Programme for Employees with Critical Illnesses or Suffering Accidents*, which covers key areas such as critical illness aid, mental health support, and family assistance.

Among these, critical illness aid is provided through a dedicated support fund, streamlined application and approval procedures, and medical expense subsidies and living allowances to employees with critical illnesses.

Mental health support is provided by professional partner institutions, and includes one-to-one psychological counselling and group psychological guidance activities. It helps employees to relieve work and life stress. Family assistance focuses on employees' practical needs, such as children education, care for relatives, and sudden family changes. We provide targeted support programmes and resource-matching services, addressing employees' concerns in an all-round way and effectively enhancing their sense of belonging and well-being.

Canteen Management Committee

We have established a Canteen Management Committee, whose core responsibilities are to oversee all aspects of the Company's canteen operations, ensure the safety of employees' meals, and collect feedback on the current state of canteen operations and track improvement outcomes, thereby enhancing employees' satisfaction with the canteen. Its routine supervision covers canteen operations (including portion size and meat-to-vegetable ratios, menu variety, and compliance of service hours with standards, and consistency between menus and what is actually served) and ingredient management (including spot checks of warehouse stock and verification of inbound and outbound inventory records). A closed-loop system is adopted for this process, where feedback is collected and daily inspection records are maintained, which are then summarised weekly and discussed at Canteen Management Committee meetings. The committee drives the implementation of improvements in the canteen and monitors their effectiveness. Where any improvement fails, appropriate corrective measures are discussed and publicly communicated, and outcomes are continuously tracked and monthly reviewed.

Tasting Sessions among Committee Members and Food Festival



Occupational health and safety

The Company has established the Environmental, Health and Safety (EHS) Management Committee as the highest leadership group for work safety. The committee, chaired by CEO, with relevant senior management members and heads of departments serving as members, is responsible for formulating EHS management policies, objectives, and work plans. Through multiple action measures such as advance prevention, enhancing incident response capabilities, and training and drills, we ensure workplace safety on all fronts. As at the end of the Reporting Period, our Huinan and Zhongkai production bases had obtained the ISO 45001:2018 Occupational Health and Safety Management System certification.

According to the Company's comprehensive emergency response plan and on-site emergency management arrangements, a three-level response system has been established:



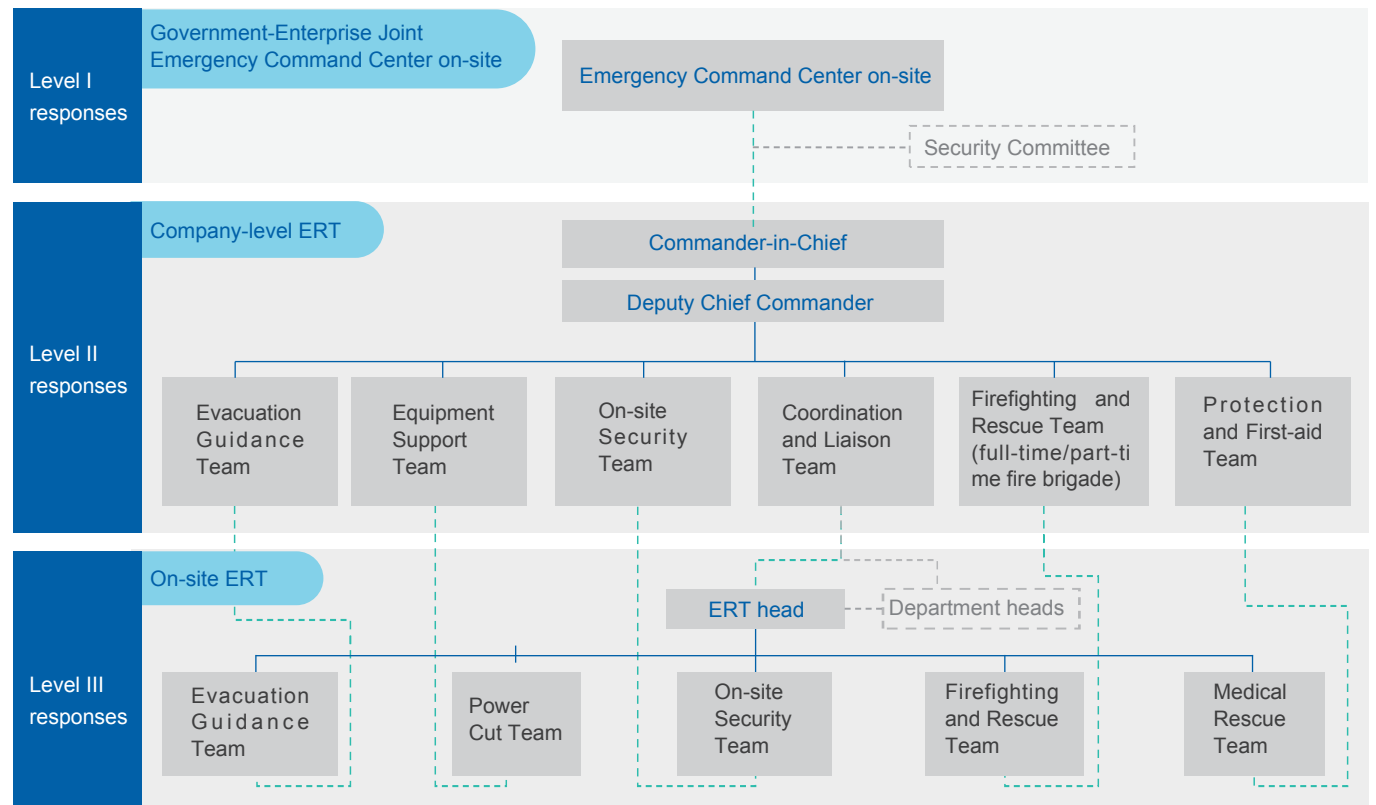
Level III emergency responses are handled by the on-site Emergency Response Team (ERT), which is composed of on-site operational personnel;

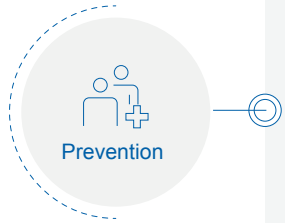


Level II emergency responses are handled by the Company-level ERT, which consists of regional heads and the Company's ERT;

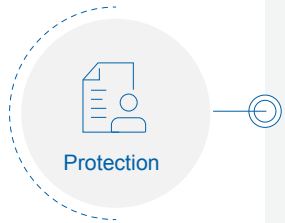


Level I emergency responses are commanded and handled by the government-enterprise joint emergency command center on-site, comprising the Company's Security Committee and government rescue agencies.

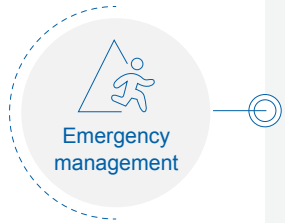




- We formulate policies including the *Occupational Health Management, Hazard Identification, Assessment and Control, and Occupational Health Checkup Management*, to standardise health surveillance to prevent occupational diseases. These policies cover prevention and control of hazards in production and operation environments, as well as health, medical consultation and treatment management for personnel exposed to hazards. We also establish a process for hazard identification and control covering all scenarios involving our personnel, visitors and workplaces, providing support for accident prevention and continual improvement.
- Each year, we conduct occupational disease hazard identification to identify, assess and control hazards, and rectify identified safety hazards.
- We regularly maintain production facilities and employees' operating equipment.
- We provide pre-job, in-job and post-job occupational health checkups for employees before, during, and after their employment.
- Our Huinan and Zhongkai bases provide insurance coverage for employees. In 2025, work-related injury insurance amounted to CNY**3.9199** million, covering **100%** of employees, while employer liability insurance amounted to CNY**238,400**, also covering **100%** of employees.



- The *Guidelines on Management of Special Labour Protection Supplies* standardise end-to-end management of occupational health protection supplies, and safeguard workers' lawful rights and operational health. The Company proactively accepts supervision by regulatory authorities to ensure compliance, thereby building a robust protective barrier for employees' workplace safety.
- We provide employees with personal protective equipment appropriate to their job roles, and train them on proper use and safety requirements.
- First-aid supplies and facilities such as medicine kits and AEDs cover all areas.



- The *Emergency Drill Management Regulations* set out full-process control requirements to standardise the entire drill cycle, including planning, implementation, and review, ensuring the effective implementation of emergency plans and compliant operations. The *Emergency Plan for Typhoons and Floods* standardises the handling procedures for responses to typhoons and rainstorms to minimise losses and ensure personal and property safety. The *Emergency Plan for Fire* standardises response procedures for fires of varying severity, safeguarding employees' personal and property safety while maintaining production order.
- We have formulated multiple on-site emergency response procedures, such as the *On-Site Response Plan for Fire Incidents, On-Site Response Plan for Lithium Battery-induced Fire Incidents, On-Site Response Plan for Pressure Vessel Explosion, On-Site Response Plan for Electric Shock Incidents, and On-Site Response Plan for Nitrogen Leakage*.
- We regularly carry out various types of emergency drills. During the Reporting Period, 44 drills were carried out.



Contractor safety management

- The Company has formulated the *Guidelines on Management of On-site Contractor Operations* to standardise contractors' EHS management for on-site operations, ensure that their activities comply with laws and regulations and our internal requirements, and effectively control or eliminate associated risks, reinforcing the safety barrier in external collaboration processes.



Incident handling

- Production safety incidents are managed by category in accordance with the *Incident Reporting, Investigation and Handling Procedures*.



Safety training

- We regularly conduct training on production safety, fire safety, and occupational health and safety, and provide EHS education to construction suppliers.
- During the Reporting Period, **172** training sessions were held, with **32,061** attendees.

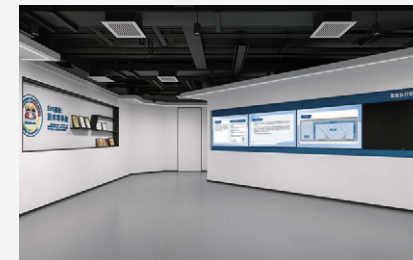
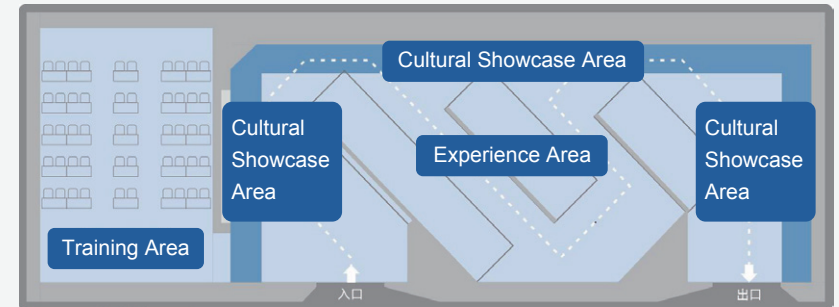


EHS Experience Center

- To enhance the effectiveness of employee safety training and ensure full compliance with the requirements for three-level safety education (24H regulatory requirements), the EHS Department has set up an EHS Experience Center, covering mechanical injury experience based on simulated production line equipment, display of firefighting and emergency equipment, display of labour protection equipment, first-aid experience, etc. In 2025, the Company conducted full-coverage training at the EHS Experience Center, with an overall training completion rate of **97.51%**.

EHS Experience Center

Aerial View





The Company has established a closed-loop risk management process for noise-related occupational hazards in accordance with the industry standard *Guidelines for Risk Management of Occupational Noise Hazards*. All production bases of the Company that are covered by this Report regularly conduct third-party noise monitoring to ensure that noise levels comply with local laws and regulations.

The Company attaches great importance to the management and control of occupational noise hazards. In 2025, we focused on roles with excessive noise exposure and carried out systematic, targeted improvements across 23 such roles to comprehensively reduce employees' exposure to noise-related risks and ensure compliance with the workplace occupational hazard control requirements.

Highlights in Improvement

The FA appearance inspection role in Phase I of ASS1 at Zhongkai Base replaced ionising air guns with silenced air guns.

Silencers were installed on the motor exhausts of SMT automatic 40-thread cut-board dust collectors at Huinan Base to reduce production noise.

Before improvement

The FA appearance inspection role in Phase I of ASS1 at Zhongkai Base used an ionising air gun to blow dashboards, generating ambient noise up to 97.5 dB.



After improvement

Following communication with the customer, we replaced ionising air guns with silenced air guns, reducing the ambient noise to below 80 dB.



Before improvement

Without a silencer, the motor exhaust of a cut-board dust collector produced high-speed airflow, and thus generates strong aerodynamic noise up to 87.5 dB due to friction and turbulence.



After improvement

A specially designed exhaust silencer was precisely installed at the motor exhaust end of the cut-board dust collector, effectively controlling noise. Subsequent measurements showed that workstation noise levels stabilised at 75 dB.

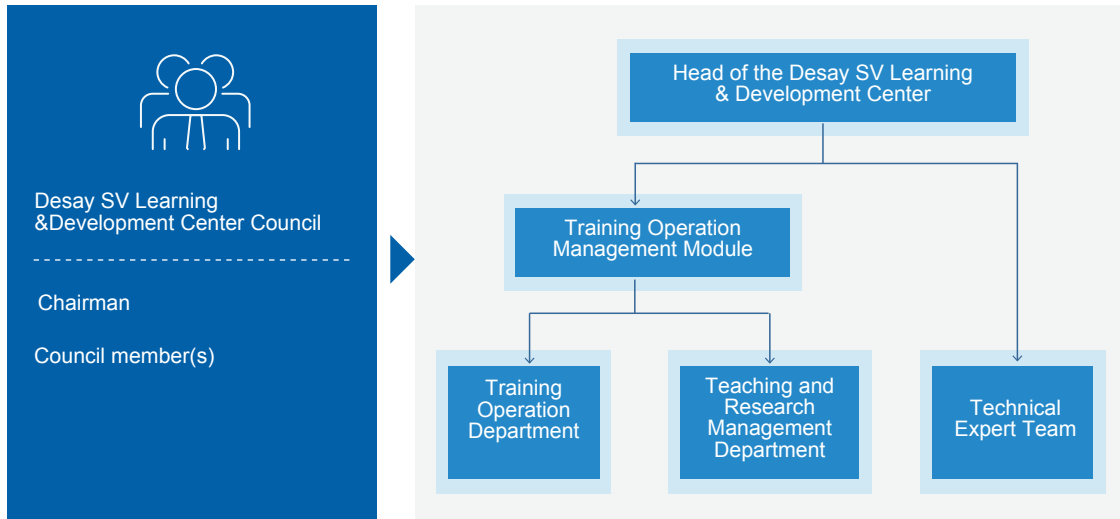


Employee training and development*

Governance

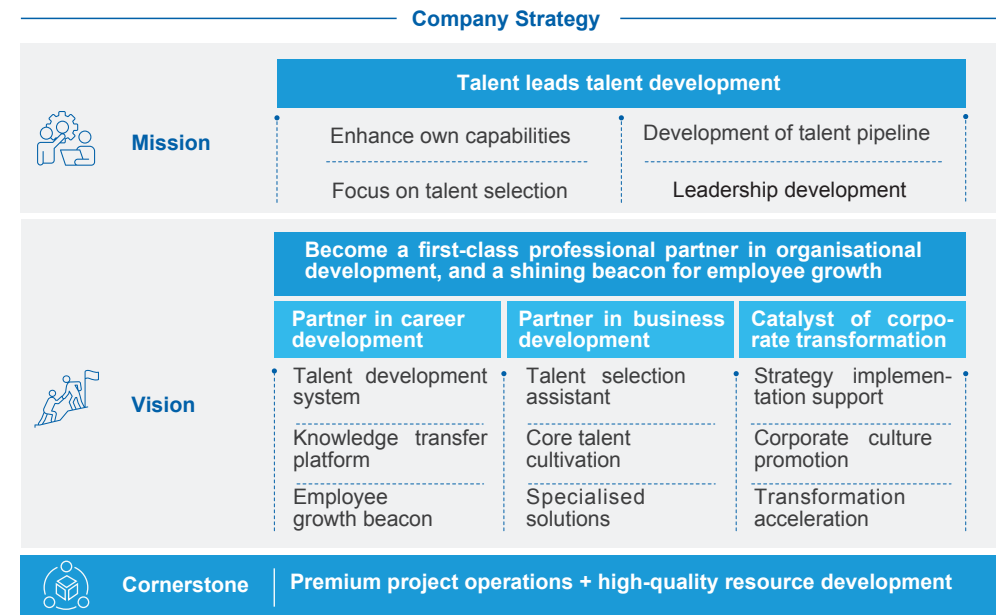
The Company pays close attention to employees' learning and development, and established in September 2018 the Desay SV Learning & Development Center headed by the senior management, with a clearly defined role and organisational structure. We systematically plan and implement the annual training programme, actively cultivate an internal lecturer team, a structured curriculum, and a digital learning platform, and introduce advanced training technologies to enhance empowerment effectiveness. In addition, we focus on consolidating internal organisational experience, summarising and promoting outstanding tools and methodologies, and facilitating knowledge sharing and continuous innovation, thereby providing comprehensive support for employees' career development and achieving shared progress for both individuals and the organisation.

We continue to improve the training management system by updating and issuing classified business processes covering management training needs, management training operations, and management training resources, further standardising training processes and enhancing the standardisation and effectiveness of the training system's operation.



Strategy

The Learning & Development Center, with the mission of "talent leads talent development", systematically advances employees' capability enhancement and talent pipeline development. With the vision of becoming a first-class professional partner in organisational development and a guiding beacon for employees' growth, we continue to improve our career development support system by establishing a talent development model covering employees' career development, business development, and corporate transformation, and promoting the synergistic evolution of talent growth and business objectives. Supported by premium project operations and the development of high-quality resources, we continue to enhance the professionalism and comprehensiveness of our training system, promoting improvements in employees' capabilities, strengthening organisational effectiveness, and achieving steady growth in the Company's long-term value.



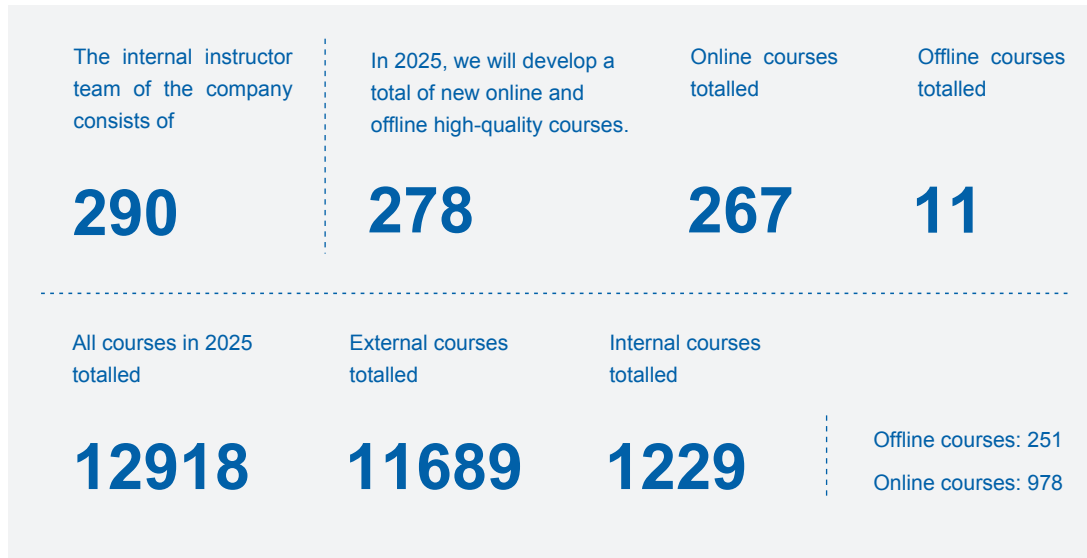
Impacts, risks and opportunities management

Employee training and development system

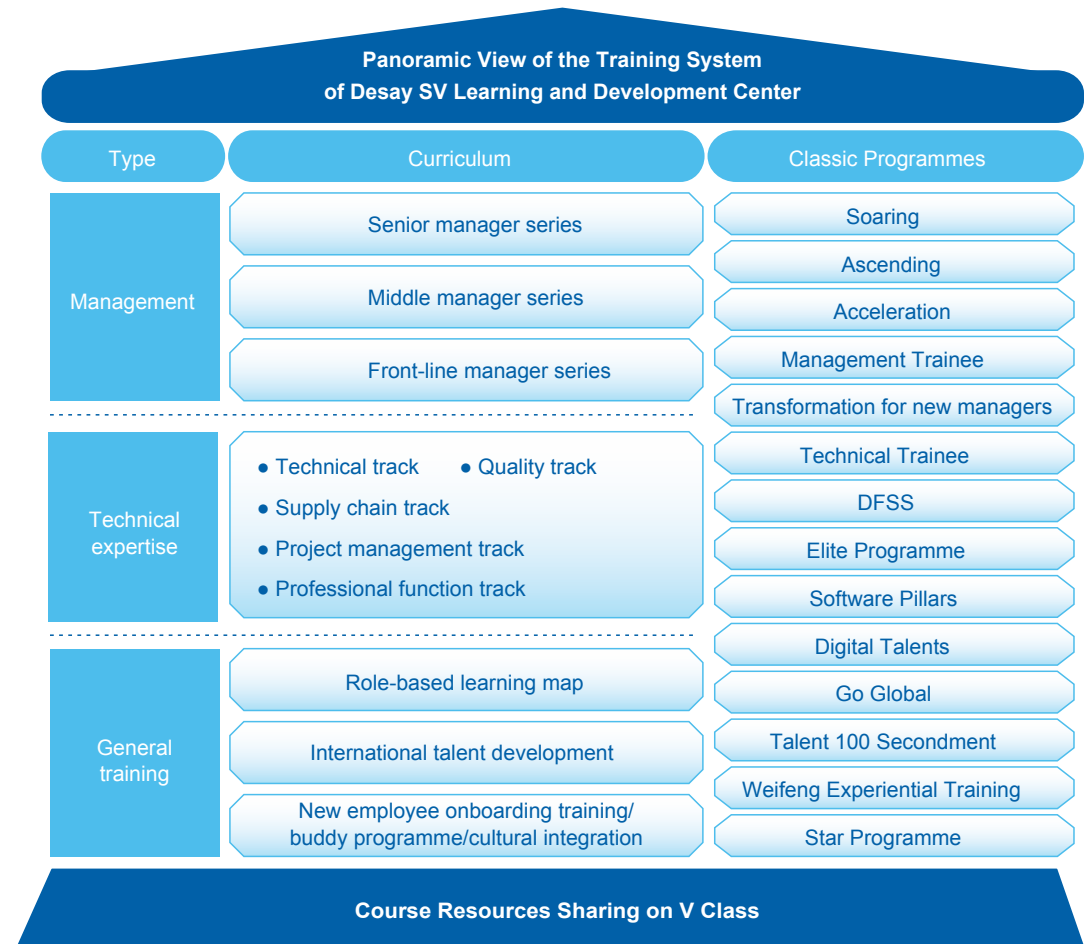
During the Reporting Period, the Company's internal lecturer team comprised 290 members, including lecturers, business mentors, facilitators, experiential coaches, etc.

In 2025, we developed 278 new high-quality online and offline courses, including 267 online courses and 11 offline courses.

In 2025, the total number of our courses reached 12,918, including 11,689 external courses and 1,229 internal courses (including 251 offline courses and 978 online courses).



The Company has established an employee training system covering all employees, with tiered and category-based arrangements. Focusing on management capability enhancement, professional and technical development, and general capability building, we have developed a systematic and sustainable talent development mechanism. We also share course resources on the online learning platform (V Class), enhancing the accessibility of training and the efficiency of learning.

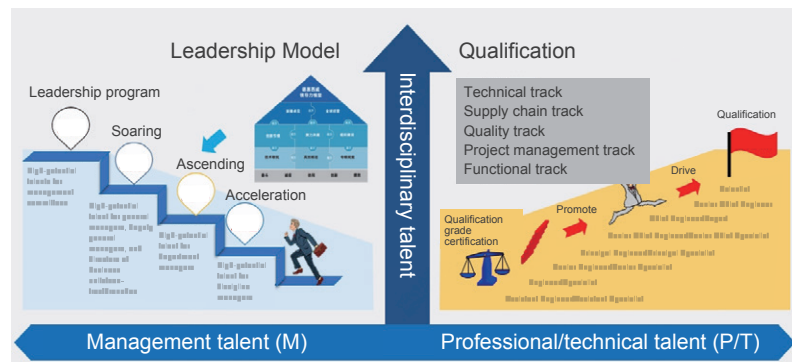


Career development pathways

The Company uses MTP (Management, Technological, Professional) as its core framework to systematically develop a talent development and promotion system covering management and professional technical career tracks. Leveraging a sound promotion management system, we have established dual career development pathways for management talent (M) and professional/technical talent (P/T), providing eligible employees with fair and transparent career promotion opportunities and continuously expanding employees' career development prospects.

In designing talent development pathways, we support employees in achieving multi-path growth in both management and professional technical tracks by clarifying job families, competency models, and qualification standards, promoting effective alignment between talent development and our strategic needs. We gradually build a versatile talent pipeline featuring the coordinated development of management capabilities and professional expertise, continuously enhancing employees' sense of career belonging and sense of achievement from growth.

We also help employees successfully apply for external programmes, including vocational skill level accreditation, applications for professional titles, and municipal- and district-level talent recognition, enabling them to obtain external subsidies or honorary titles. In 2025, applications for the municipal-level "Chief Technician" title were approved for ten employees, and applications for the "Young Skilled Professional" title were approved for 62 employees, providing comprehensive support for employees' career development.



Desay SV's Dual-Pathway Career Development System



Targets and metrics

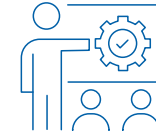
In 2025, employee training covered **66,324** person-times, with direct employees receiving an average of **49.48** hours of training per person and indirect employees receiving an average of **45.23** hours. Annual training expenditure amounted to CNY **13.3** million.

Employee engagement target for 2025

Employee engagement target **82%**

Target achievement in 2025

target achieved, **89.4%**



Operation of V Class

operating activity

Average per capita visits in event operations increased by 11

20% ↑

Per capita visits increased by

Active per capita visits in 2025

65

Quality Month Campaign

AI Hackathon Competition

Teachers' Day Campaign

In-role Certification Examination

Branch operation

The number of learning tasks has increased by 195

38% ↑

The number of learning tasks increased by

Number of learning tasks in 2025

710

Branch new employee training

Branch survey programmes

Branch knowledge challenge

Overseas branch quiz contest

Sustainable supply chain

The Company has developed the *Supplier Management Manual*, which applies to all hardware and software suppliers of components. It aims to pass on management experience, enhance supplier management efficiency, and promote the joint growth of both supply and demand parties.

Supplier management

We have formulated the *Supplier Social Responsibility Management Procedures*, covering four key areas, i.e., conflict minerals management, annual certified supplier management, hazardous substances control, and potential supplier assessment. This establishes standardised supplier social responsibility management from inclusion to day-to-day collaboration, strengthening coordinated implementation with suppliers across compliance and responsibility dimensions.



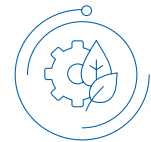
INNOVATE TOGETHER, UNITE BEYOND
Desay SV 2025 Partner Conference



Quality Month Visits to Outstanding Partners to Promote
Collaborative Supply Chain Quality

Supply chain due diligence

We require all suppliers to strictly comply with and sign the *Letter of Commitment to Supplier Social Responsibility* and *Sunshine Agreement*. Prior to supplier inclusion, we send them the *Desay SV Supplier ESG Assessment Form* for self-assessment and investigation. Based on the assessment form, we conduct ESG assessments and, sign the *Letter of Commitment to Supplier CSR Social Responsibility* with suppliers who pass the assessment. In 2025, we conducted ESG assessments of 161 suppliers, and no ESG compliance risks were identified. During the Reporting Period, 100% of suppliers signed the *Letter of Commitment to Supplier Social Responsibility*, undertaking not to use hazardous substances, not to use conflict minerals, and to comply with the ILO conventions and relevant national laws and regulations (such as prohibitions on forced labour and discrimination).



Responsible minerals management

The Company attaches great importance to the compliant and sustainable supply of mineral resources. We require suppliers to systematically sort out source information on relevant minerals such as tin, tantalum, tungsten, and gold, as well as the situation of their production and sales regulatory chains, and to complete the *RMI_CMRT* Conflict Minerals Report, jointly promoting the development of a responsible mineral supply chain.

| Green supply chain

In respect of green supply chain development, the Company has established the overarching policy of "developing a low-carbon supply chain evaluation system and a green supply chain management framework centred on continuous improvement". In 2025, we provided improvement training for key suppliers, with 19 suppliers participating in advocacy training and over 120 suppliers' employees trained. We facilitated the completion of green electricity projects by 19 suppliers and supported 17 suppliers in obtaining energy system certifications.

In 2025, by reviewing the existing raw material inventory, we conducted a carbon emissions survey and accounting for raw materials, and completed the low-carbon verification and inclusion of 38 alternative materials.

| Equal treatment to SMEs

The Company always regards equal treatment of small and medium-sized enterprises (SMEs) as an important part of industrial chain collaboration, and strictly complies with the *Law of the People's Republic of China on Promotion of Small and Medium-Sized Enterprises* and relevant requirements. Guided by the core principles of compliance, fairness, and collaborative win-win outcomes, the Company prohibits the inclusion of discriminatory clauses or the implementation of unfair treatment in business cooperation. This safeguards the legal rights and interests of SMEs within the industrial chain and contributes to the development of an open, inclusive, and stable industrial ecosystem.

In terms of procurement collaboration, we have established a transparent inclusion and competition mechanism. In supply chain procurement, for all projects, we have established standardised bidding procedures, and publicly disclose bidding information, qualification requirements, evaluation criteria, and other details through channels such as our official website and the industry's procurement platforms. This prevents the setting of threshold conditions that exceed business needs (such as unreasonable requirements on capital scale or years of cooperation), and ensures that SMEs can participate in competition on an equal footing.

During the Reporting Period, the Company recorded no accounts payable (including notes payable) with an outstanding balance exceeding CNY 30 billion or accounting for more than 50% of total assets, nor any overdue payments to SMEs.

- Suppliers attend the advocacy training

19

- Training covers suppliers

120

- The supplier has completed the green electricity project.

19

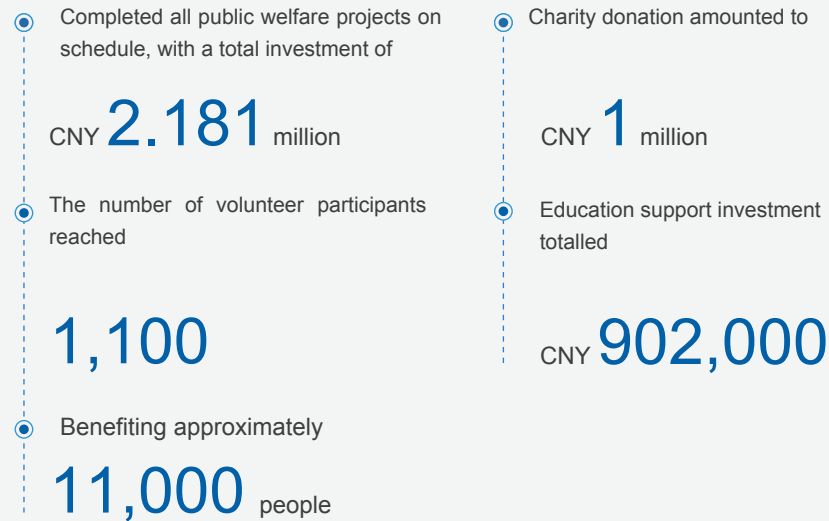
- The supplier has completed the energy system certification work.

17



Rural revitalisation and social contribution

The Company has always upheld the philanthropic philosophy of "Empowerment through capacity building is more sustainable than mere provision of support", and continued to contribute to green environmental protection, education support, and rural revitalisation. During the Reporting Period, the Company focused its public welfare efforts primarily on supporting education through charitable initiatives, and completed various public welfare projects on schedule, with a total investment of CNY 2.181 million. Approximately 1,100 volunteers participated, benefiting around 11,000 people. Of the total, CNY 1 million was donated to charity, and CNY 902,000 was invested in educational assistance.



"Light Up Small Wishes" AI Education Tour

The public welfare programme jointly initiated by Desay SV and Huizhou Zhongkai High-tech Zone Charity Federation has, for three consecutive years, supported the growth of young people through an innovative model of "technology + education", benefiting hundreds of disadvantaged children and delivering them knowledge and hope.

In 2025, we specially designed a gamified incentive mechanism, enabling children to earn "Knowledge Coins" by completing learning tasks and redeem them for gifts. This innovative task-driven model effectively stimulated children's learning motivation and exploratory spirit, and provided high-quality support for their growth.

At Guangdong Science Centre, recognised by Guinness World Records as the "World's Largest Science Centre", children explored autonomous vehicle models to better understand AI-powered traffic systems, simulated spacecraft operations in the "Chasing the Stars" exhibition, and enjoyed the science film *Time Travel* on the 18-metre-diameter dome screen.



Desay SV's 8th Education Support Charity Initiative: Steps of Care, Seeds of Knowledge

In December 2025, Desay SV's 8th education support charity initiative, themed "Inspiring New Heights", was successfully held at Taohuayuan, Huizhou. Nearly one thousand employees and public-spirited members of the community were brought together by philanthropy and sport to take part in the event, continuing to use sporting activities as a vehicle for philanthropic values and delivering on the Company's commitment to social responsibility. For every one kilometre completed by participants, the Company donated CNY 20. This event continued to adopt the competition rules of converting exercise mileage into public welfare funds, enabling participants to take part in community public welfare while enjoying exercise. The public welfare funds raised will be fully allocated to the 2026 Library Programme, bringing a lasting culture of reading to rural and community education. As the core vehicle for the Company's public welfare initiatives, the Library Programme had, as of 2025, cumulatively donated and built 26 libraries nationwide. This marked a leap from rural areas to campuses, and from one-off donations to long-term co-existence with communities, providing multi-dimensional, comprehensive, and sustainable reading support for rural areas and communities.



Aid for Tibet Earthquake Zone, Creating a Circle of Care

The charitable relief initiative jointly launched by Desay SV and Huizhou Zhongkai High-tech Zone Charity Federation provided a rapid response to the 6.8-magnitude earthquake that struck Dingri County, Shigatse, Tibet, on 7 January 2025. Through concrete actions, it helped build a protective and supportive network for the affected highland areas. Facing the difficulties of emergency relief and resettlement in the high-altitude, cold plateau, the Company promptly contributed CNY 1 million, specifically allocated to emergency rescue operations, cold-weather supply procurement, and post-disaster reconstruction, and continued to track conditions in the affected regions, ensuring timely and effective assistance to affected communities.

With hearts and hands united in solidarity, the Company leveraged its philanthropic efforts to bring warmth and hope to disaster-stricken communities, supporting them in overcoming challenges and rebuilding a better life.



德赛西威
创·领·智·行

援手西藏震区 共筑温暖防线

德赛西威捐赠100万元
驰援西藏日喀则震区

1月7日，西藏日喀则市定日县发生6.8级地震，致大量伤亡和房屋倒塌。灾区地处高原高寒地区，救援安置挑战巨大，备受社会关注。德赛西威通过惠州仲恺高新区慈善总会捐赠100万元，用于受灾地区紧急救援、物资采购及灾后重建等工作，我们将密切关注灾区动态，为受灾民众贡献切实有效力量。

心手相连，共克时艰！祝愿灾区同胞早脱困境，重建美好家园！

惠州市德赛西威汽车电子股份有限公司

2025年1月8日

Home Makeover for Families in Need to Support Rural Revitalisation

The charity project "Home Makeover for Families in Need", jointly initiated by Desay SV and Huizhou Zhongkai High-tech Zone Charity Federation, has for three consecutive years implemented a model of "targeted assistance + sustainable improvement". With a cumulative investment exceeding CNY 830,000, the project has upgraded the living environments of 33 underprivileged households, transforming dilapidated homes into warm, safe residences and contributing tangibly to the human dimension of rural revitalisation.

During the 2025 Chinese New Year period, the project team conducted home renovation inspections and New Year visits, and visited five households in need. While delivering New Year gifts and cash assistance, the team witnessed the tangible improvements brought by the renovations - mud-brick houses were equipped with safety handrails and water heaters, and their electrical systems and toilets were fully upgraded, and old tile-roof houses had leaky roofs repaired, exterior walls whitened, and were furnished with care beds and anti-bedsore mattresses.

In addition to home renovations, party representatives also delivered New Year goods to residents, bringing the joy of the Spring Festival together with the warmth of social care. The Company continues to advance its corporate philanthropy, delivering warmth to more families through thoughtful actions and helping bring the vision of rural revitalisation to life.



Before renovation After renovation



Cumulative investment exceeded
CNY **830,000**

Upgraded the living environments of
33 underprivileged households

ESG DATA PERFORMANCE TABLE AND NOTES

Operational and Governance Performance Data

| Business Ethics Performance Over the Past Three Years | | | | | |
|---|--|-------------|------|------|-------|
| Category | Indicator | Unit | 2023 | 2024 | 2025 |
| | Training sessions on the <i>Code of Business Ethics and Whistleblowing Management</i> | / | / | / | 1 |
| | Number of new employees participating in the training on the <i>Code of Business Ethics and Whistleblowing Management</i> | Person-time | / | / | 1,491 |
| | Percentage of indirect employees who have signed the <i>Responsibilities for Compliance with Laws and the Code of Business Conduct</i> | % | / | / | 100 |
| | Percentage of suppliers who have signed the <i>Sunshine Agreement</i> | % | / | / | 100 |
| | Number of bribery and corruption incidents | / | / | / | 0 |
| | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees by regulators | / | / | / | 0 |
| | Number of periodic spot checks on monopoly and unfair competition practices | / | / | / | 1 |
| | Number of concluded legal cases regarding unfair competition brought against the issuer or its employees by regulators | / | / | / | 0 |

Note: Business ethics performance data cover the Company's Huizhou headquarters and all branches within China
 The *Code of Business Ethics and Whistleblowing Management training* covered anti-commercial bribery, anti-corruption, and anti-unfair competition sessions

| Data Security and Customer Privacy Protection Over the Past Three Years | | | | |
|--|-------------|----------|----------|----------|
| Indicator | Unit | 2023 | 2024 | 2025 |
| Number of internal information security audits | / | 3 | 2 | 2 |
| Number of training sessions on information and privacy security management | / | 2 | 3 | 2 |
| Number of participants in training sessions on information and privacy security management | Person-time | 3,461 | 4,912 | 8,363 |
| Duration of training on information and privacy security management | Hour | 3,189.32 | 3,678.56 | 4,559.15 |
| Employee coverage ratio of training on information and privacy security management | % | 100 | 100 | 100 |
| Number of information security drills | / | 1 | 1 | 2 |
| Number of information security risk rectifications | / | 54 | 48 | 41 |
| Number of data security incidents | / | 0 | 0 | 0 |
| Number of customer privacy leakages | / | 0 | 0 | 0 |
| Number of regulatory penalties for violation of information security or privacy protection laws or regulations | / | 0 | 0 | 0 |
| Losses incurred to customers or the Company due to information security incidents | / | 0 | 0 | 0 |

Note: Data security and customer privacy data are consistent with the scope of the consolidated financial statements.

Technological Innovation Over the Past Three Years

| Indicator | Unit | 2023 | 2024 | 2025 |
|---|----------------|-------|-------|-------|
| Total R&D investment | CNY100 million | 20.29 | 21.92 | 26.37 |
| Proportion of R&D investment in operating revenue | % | 9.26 | 7.94 | 8.10 |
| Size of the R&D team | / | 3,886 | 4,324 | 5,063 |
| Number of R&D personnel with a doctoral degree | / | 23 | 24 | 31 |
| Number of R&D personnel with a master's degree | / | 561 | 824 | 1,094 |
| Number of R&D personnel with a bachelor's degree | / | 2,712 | 2,999 | 3,444 |
| Proportion of R&D team members as a percentage in total workforce | % | 45.26 | 45.98 | 42.4 |
| Number of trademarks held | / | 165 | 178 | 181 |
| Number of software copyrights held | / | 178 | 219 | 246 |
| Number of copyrights held | / | 74 | 74 | 74 |
| Number of standards contributed to | / | 89 | 113 | 128 |
| Number of international standards | / | 2 | 3 | 1 |
| Cumulative number of international standards | / | 2 | 5 | 6 |
| Number of national standards | / | 33 | 2 | 3 |
| Cumulative number of national standards | / | 33 | 35 | 38 |
| Number of industry standards | / | 4 | 0 | 0 |

| Technological Innovation Over the Past Three Years | | | | |
|---|-------------|------|------|------|
| Indicator | Unit | 2023 | 2024 | 2025 |
| Cumulative number of industry standards | / | 4 | 4 | 4 |
| Number of association and local standards | / | 50 | 19 | 11 |
| Cumulative number of group and local standards | / | 50 | 69 | 80 |
| Number of high-tech enterprises recognised | / | 4 | 4 | 4 |
| Number of national science and technology awards received | / | 0 | 0 | 0 |
| Intellectual property activities organised or participated in | / | 4 | 5 | 6 |
| Number of intellectual property trainings | / | 6 | 7 | 6 |
| Number of participants in intellectual property training | Person-time | 623 | 756 | 872 |

Note: The technology innovation performance data are consistent with the scope of the consolidated financial statements.

| Product Quality and Safety Over the Past Three Years | | | | |
|--|------|------|------|------|
| Indicator | Unit | 2023 | 2024 | 2025 |
| Number of major product- or service-related safety and quality incidents | / | 0 | 0 | 0 |
| Product recall rate due to product safety and quality issues | % | 0 | 0 | 0 |
| Major adverse events caused by product or service issues | / | 0 | 0 | 0 |
| Response rate to service-or product-related complaints | % | 100 | 100 | 100 |

Note: Product quality and safety data are consistent with the scope of the consolidated financial statements.

Environmental Performance Data

| GHG Emissions Over the Past Three Years (Unit: tCO ₂ e) | | | | |
|--|------------------------|----------|--------|----------|
| Category | Emission Source | 2023 | 2024 | 2025 |
| Scope 1 | Gasoline | 45.24 | 49.31 | 38.53 |
| | Diesel oil | - | - | 14.05 |
| | Natural gas | 426.17 | 506.13 | 517.99 |
| | Other direct emissions | 9,185.63 | 390.48 | 1,792.13 |
| | Subtotal | 9,657.04 | 945.92 | 2,362.70 |

| GHG Emissions Over the Past Three Years (Unit: tCO ₂ e) | | | | |
|--|--|-------------------|-------------------|---------------------|
| Category | Emission Source | 2023 | 2024 | 2025 |
| Scope 2 | Purchased electricity | 50,526.59 | 55,388.37 | 75,919.54 |
| | Subtotal | 50,526.59 | 55,388.37 | 75,919.54 |
| Scope 3 | Indirect emissions from transportation | 8,470.95 | 5,431.75 | 13,652.09 |
| | Indirect emissions from the products or services used by the Company | 415,789.62 | 481,035.73 | 515,080.70 |
| | Indirect emissions from the products produced by the Company | 454,870.73 | 413,184.16 | 536,205.28 |
| | Other indirect emissions | - | - | - |
| | Subtotal | 879,131.30 | 899,651.64 | 1,064,938.07 |
| Total | | 939,314.93 | 955,985.93 | 1,143,220.31 |
| GHG emissions intensity per unit | tCO ₂ e/CNY10,000 | 0.46 | 0.33 | 0.35 |

Note 1: Data in 2025 cover all operating sites of the Company within the Chinese mainland

Note 2: The accounting methodology used is ISO 14064-1

Note 3: The electricity emission factors used in the past three years are sourced respectively from the regional average CO₂ emission factors for electricity in 2021, 2022, and 2023

Note 4: GHG data for the past three years have all been verified by a third party

Note 5: The fluctuation in other direct Scope 1 emissions data is mainly due to newly purchased fire extinguishers

| Energy Consumption Over the Past Three Years | | | | |
|--|----------------|------------|------------|------------|
| Indicator | Unit | 2023 | 2024 | 2025 |
| Basic information on energy use | | | | |
| Total energy consumption | tce | 12,078.32 | 17,266.38 | 22,871.68 |
| Direct energy consumption | tce | 305.51 | 342.24 | 370.04 |
| Indirect energy consumption | tce | 11,773.31 | 16,924.14 | 22,501.64 |
| Energy use intensity | tce/ CNY10,000 | 0.0055 | 0.0063 | 0.0070 |
| Energy consumption | | | | |
| Gasoline | L | 20,045.14 | 22,226.20 | 17,364.13 |
| | Gj | 922.08 | 1,022.41 | 542.59 |
| Diesel oil | L | 0 | 0 | 5,300.60 |
| | GJ | 0 | 0 | 188.99 |
| Natural gas | m³ | 213,128.00 | 238,945.00 | 259,047.00 |
| | GJ | 7,672.60 | 8,602.02 | 9,325.69 |
| Steam | MWh | 0 | 0 | 0 |
| Purchased electricity | MWh | 95,795.87 | 137,706.56 | 183,089.03 |
| | GJ | 344,865.13 | 495,743.60 | 659,120.50 |
| Coal | MWh | 0 | 0 | 0 |

| Energy Consumption Over the Past Three Years | | | | |
|---|------|----------|-----------|-----------|
| Indicator | Unit | 2023 | 2024 | 2025 |
| Clean energy consumption | MWh | 2,145.91 | 7,828.15 | 17,282.03 |
| | GJ | 7,725.27 | 28,181.33 | 62,215.29 |
| Wind energy | MWh | 0 | 5,530 | 8,168 |
| Proportion of wind energy | % | 0 | 70.64 | 47.26 |
| Solar energy | MWh | 2,145.91 | 2,298.15 | 9,114.03 |
| Proportion of solar energy | % | 100 | 29.36 | 52.74 |
| Hydropower | MWh | 0 | 0 | 0 |
| Proportion of hydropower | % | 0 | 0 | 0 |
| Proportion of purchased electricity in total energy consumption | % | 95.48 | 92.91 | 90.11 |
| Proportion of clean energy in total energy consumption | % | 2.14 | 5.28 | 8.50 |

Note: The energy performance data cover all operating sites of the Company within the Chinese mainland.

Clean energy encompasses self-generated photovoltaic power, green electricity purchased, and domestic renewable energy certificates (RECs). In 2024, it came from self-generated photovoltaic power and green electricity purchased; in 2025, it came from self-generated photovoltaic power and domestic RECs. The energy conversion factors for 2025 are based on *GB/T 2589-2020 General rules for calculation of the comprehensive energy consumption*

Total Waste Generated Over the Past Three Year

| Solid Waste | Unit | 2023 | 2024 | 2025 |
|---|------|----------|----------|----------|
| Total general industrial solid waste generated | t | 1,062.00 | 1,174.32 | 1,143.70 |
| Total hazardous waste generated | t | 135.39 | 140.16 | 186.33 |
| Proportion of hazardous waste disposed of by external contractors | % | 100 | 100 | 100 |
| Total hazardous waste recovered, recycled, and reused | t | 113.084 | 106.76 | 104.97 |
| Proportion of reusable packaging used | % | 20 | 18 | 13 |

Note: The above waste performance data cover the Company's Huinan and Zhongkai bases.

Water Resource Utilisation Over the Past Three Years

| Indicator | Unit | 2023 | 2024 | 2025 |
|---|------------------|---------|---------|---------|
| Total water withdrawal (purchased from municipal supply) | t | 500,903 | 539,524 | 623,154 |
| Total water recycled | t | 3,321 | 7,411 | 12,556 |
| Proportion of total water recycled in total water withdrawal | % | 0.66 | 1.37 | 2.01 |
| Total water consumption | t | 55,099 | 59,348 | 68,547 |
| Water consumption intensity (water consumption/operating revenue) | t/CNY100 million | 252 | 215 | 211 |

Note: Water resource utilisation performance data cover the Company's Huinan and Zhongkai bases.

The total water consumption coefficient is based on the pollution load coefficient of 0.89 for Region 5 (which includes Guangdong) from the *Manual of Pollution Generation and Discharge Coefficients for Domestic Sources*

Social Performance Data

| Employment Over the Past Three Years | | | | | |
|--|---------------------------------------|------|-------|-------|--------|
| Indicator | | Unit | 2023 | 2024 | 2025 |
| Total number of employees | | / | 8,585 | 9,404 | 11,940 |
| Number of parent company employees at the end of the Reporting Period | | / | 7,334 | 7,978 | 10,076 |
| Number of subsidiary employees at the end of the Reporting Period | | / | 1,251 | 1,426 | 1,864 |
| Total number of employees receiving remuneration during the Reporting Period | | / | 8,585 | 9,404 | 11,940 |
| Number of retired employees for whom the parent company and key subsidiaries bear expenses | | / | 0 | 0 | 0 |
| Number of employees under labour contracts | | / | 8,585 | 9,404 | 11,940 |
| By gender | Male employees | / | 6,136 | 6,758 | 8,699 |
| | Female employees | / | 2,449 | 2,646 | 3,241 |
| | Proportion of male employees | % | 71.47 | 72.00 | 73.00 |
| | Proportion of female employees | % | 28.53 | 28.00 | 27.00 |
| By age | Employees aged under 30 | / | 3,460 | 3,589 | 4,780 |
| | Employees aged 30 to 50 | / | 5,029 | 5,714 | 6,971 |
| | Aged over 50 | / | 96 | 101 | 189 |
| | Proportion of employees aged under 30 | % | 40.30 | 38.17 | 40.00 |

Employment Over the Past Three Years

| Indicator | | Unit | 2023 | 2024 | 2025 |
|-------------------------------------|---|-----------------------------|-------|-------|--------|
| By age | Proportion of employees aged 30 to 50 | % | 58.58 | 60.76 | 58.00 |
| | Proportion of employees aged above 50 | % | 1.12 | 1.07 | 2.00 |
| | Average age of employees | Years | / | / | 31.62 |
| By education level | Employees with a doctoral degree | / | 25 | 28 | 33 |
| | Employees with a master's degree | / | 684 | 980 | 1,349 |
| | Employees with a bachelor's degree | / | 3,698 | 4,205 | 4,997 |
| | Employees with an associate degree | / | 1,005 | 1,286 | 1,630 |
| | Employees with education below associate degree level | / | 3,173 | 2,905 | 3,931 |
| | Proportion of employees with a doctoral degree | % | 0.3 | 0.3 | 0.3 |
| | Proportion of employees with a master's degree | % | 8.0 | 10.4 | 11.3 |
| | Proportion of employees with a bachelor's degree | % | 43.1 | 44.7 | 41.9 |
| | Proportion of employees with an associate degree | % | 11.7 | 13.7 | 13.6 |
| | Percentage of employees with education below associate degree level | % | 36.9 | 30.9 | 32.9 |
| | By nationality/ethnicity | Number of foreign employees | / | 312 | 211 |
| Number of Chinese employees | | / | 8273 | 9,193 | 11,607 |
| Number of ethnic minority employees | | / | 926 | 786 | 1,024 |

Employment Over the Past Three Years

| Indicator | | Unit | 2023 | 2024 | 2025 |
|--|---|------|-------|-------|--------|
| By nationality/ethnicity | Proportion of foreign employees | % | 3.63 | 2.24 | 3.00 |
| | Proportion of Chinese employees | % | 96.37 | 97.76 | 97.00 |
| | Percentage of ethnic minority employees | % | 10.79 | 8.36 | 9.00 |
| By region | Employees in the Chinese mainland | / | 8,273 | 9,062 | 11,570 |
| | Employees outside the Chinese mainland (including Hong Kong, Macao, and Taiwan) | / | 312 | 342 | 370 |
| | Proportion of employees in the Chinese mainland | % | 96.37 | 96.36 | 96.90 |
| | Proportion of employees outside the Chinese mainland | % | 3.63 | 3.64 | 3.10 |
| Senior talents | Number of employees receiving the State Council allowances | / | 0 | 0 | 0 |
| | Number of senior engineers | / | 0 | 1 | 6 |
| Labour contract signing rate among employees | | % | 100 | 100 | 100 |
| Employee social insurance coverage rate | | % | 100 | 100 | 100 |

Employee Benefits and Care Over the Past Three Years

| Indicator | | Unit | 2023 | 2024 | 2025 |
|--|---|-------------|-------|-------|-------|
| Number of employees in hardship assisted | | / | 3 | 4 | 12 |
| Employee engagement | | % | 84.35 | 85.75 | 89.40 |
| Number of employee meetings and discussions | | / | 137 | 196 | 232 |
| Number of employees participating in employee meetings and discussions | | Person-time | 2,450 | 2,545 | 3,869 |
| Number of employee cultural events | | / | 33 | 34 | 37 |
| Number of employee feedbacks collected | | / | / | / | 35 |
| Number of improvements made based on employee feedback | | / | / | / | 35 |
| Employee feedback resolution rate | | % | / | / | 100 |
| Number of government subsidies applied for on behalf of employees | | Person | 1,213 | 1,063 | 239 |
| Number of social security subsidies applied for employees | | Person | / | / | 290 |
| Male | Number of employees eligible for parental leave | / | / | / | 8,699 |
| | Number of employees utilising parental leave | / | / | / | 921 |
| | Number of employees expected to resume work after parental leave | / | / | / | 921 |
| | Number of employees who actually resumed work after parental leave | / | / | / | 916 |
| | Number of employees who resumed work after parental leave and still in service 12 months afterwards | / | / | / | 464 |

Employee Benefits and Care Over the Past Three Years

| Indicator | | Unit | 2023 | 2024 | 2025 |
|-----------|---|------|------|------|-------|
| Male | Proportion of employees who resumed work after parental leave | % | / | / | 99 |
| | Retention rate of employees utilising parental leave | % | / | / | 66 |
| Female | Number of employees eligible for parental leave | / | / | / | 3,241 |
| | Number of employees utilising parental leave | / | / | / | 411 |
| | Number of employees expected to resume work after parental leave | / | / | / | 411 |
| | Number of employees who actually resumed work after parental leave | / | / | / | 404 |
| | Number of employees who resumed work after parental leave and still in service 12 months afterwards | / | / | / | 158 |
| | Proportion of employees who resumed work after parental leave | % | / | / | 98 |
| | Retention rate of employees utilising parental leave | % | / | / | 62 |

| Employee Training and Development Over the Past Three Years | | | | | |
|--|---|------|-------|-------|------------|
| Indicator | | Unit | 2023 | 2024 | 2025 |
| Employee training coverage rate | | % | / | / | 100 |
| By gender | Total training hours of indirect male employees | Hour | / | / | 222,525.50 |
| | Total training hours of indirectly female employees | Hour | / | / | 64,975.14 |
| | Total training hours of direct male employees | Hour | / | / | 210,128 |
| | Total training hours of direct female employees | Hour | / | / | 78,599 |
| By employee type | Total training hours of direct employees | Hour | / | / | 288,727 |
| | Total training hours of indirect employees | Hour | / | / | 287,500.64 |
| By gender | Average training hours per indirect male employee | Hour | / | / | 45.10 |
| | Average training hours per indirect female employee | Hour | / | / | 45.28 |
| | Average training hours per direct male employee | Hour | / | / | 51.90 |
| | Average training hours per direct female employee | Hour | / | / | 44.01 |
| By employee type | Average training hours per direct employee | Hour | 54.00 | 75.00 | 49.48 |
| | Average training hours per indirect employee | Hour | 32.80 | 41.70 | 45.23 |
| Proportion of employees who underwent regular performance and career development assessments | | % | 100 | 100 | 100 |

Note: The scope of performance data on employee training and development covers the Company's Huizhou headquarters and all branches within China

Occupational Health and Safety Over the Past Three Years

| Indicator | Unit | 2023 | 2024 | 2025 |
|---|-------------|-------|----------|-----------|
| Investment in work injury insurance (including employer liability insurance) | CNY10,000 | / | 238.84 | 415.83 |
| Employee coverage of work injury insurance | % | 100 | 100 | 100 |
| Number of severe work-related injury incidents | / | / | / | 0 |
| Number of work-related injuries | / | 6 | 7 | 11 |
| Number of workdays lost due to work-related injuries | Day | / | / | 519 |
| Lost-time injury rate per million work hours | / | 0.29 | 0.33 | 0.45 |
| Number of occupational health checkups | Person-time | 1,210 | 1,318 | 1,490 |
| Number of occupational disease cases | / | 0 | 0 | 0 |
| Occupational disease incidence rate | % | 0 | 0 | 0 |
| Number of safety training sessions for in-service employees | / | / | 157 | 172 |
| Number of participants in safety training for in-service employees | Person-time | / | 20,010 | 32,061 |
| Total duration of safety training for in-service employees | Hour | / | 5,772 | 6,098.2 |
| Number of three-level safety education sessions for new employees | / | / | 12 | 12 |
| Number of participants in three-level safety education sessions for new employees | Person-time | / | 49,210 | 136,333 |
| Total duration of three-level safety education sessions for new employees | Hour | / | 8,004.09 | 21,082.69 |

| Occupational Health and Safety Over the Past Three Years | | | | |
|---|-------------|--------|--------|--------|
| Indicator | Unit | 2023 | 2024 | 2025 |
| Number of external construction contractors managed | / | 178 | 222 | 282 |
| Number of training and education sessions for external construction contractors | / | 726 | 1,018 | 1,392 |
| Total training duration for external construction contractors | Hour | 218 | 305 | 418 |
| Number of safety and emergency drills conducted | / | 30 | 45 | 44 |
| Number of participants in safety emergency drills | Person-time | 13,818 | 19,234 | 20,360 |
| Number of comprehensive safety inspections organised | / | / | 4 | 13 |
| Rectification rate of safety hazards | % | / | 100 | 100 |

Note: 1) The occupational health and safety performance data cover the Company's Huinan and Zhongkai bases

2) For work injury insurance investment data, they were manually collected in 2024, and are based on system records for the current and subsequent years

| Supply Chain Management Over the Past Three Years | | | | |
|---|------|------|------|------|
| Indicator | Unit | 2023 | 2024 | 2025 |
| Total number of suppliers | / | / | / | 356 |
| Number of suppliers in the Chinese mainland | / | / | / | 262 |
| Number of suppliers in Hong Kong, Macao and Taiwan of China and overseas | / | / | / | 94 |
| Signing rate of Supplier Code of Conduct and integrity and confidentiality agreements | % | / | / | 100 |
| Production material suppliers' signing rate of <i>Letter of Commitment to Restricted Substances in Environmental Management and Letter of Commitment to Avoid Using Conflict Minerals</i> | % | / | / | 100 |
| Number of supplier communication sessions/training sessions | / | / | / | 6 |
| Number of suppliers audited | / | / | / | 222 |
| Number of suppliers that underwent ESG assessment | / | / | / | 161 |
| Number of suppliers identified as having actual and potential significant negative environmental and social impacts | / | / | / | 0 |
| Proportion of new suppliers included based on ESG criteria | % | / | / | 100 |
| Number of sustainability (ESG) training sessions for suppliers | / | / | / | 1 |
| Percentage of key suppliers participating in sustainability (ESG) training | % | / | / | 100 |
| Proportion of purchasers trained in sustainable procurement within the Company | % | / | / | 100 |
| Number of reports of responsible minerals-related risk incidents | / | 0 | 0 | 0 |

Note: The supply chain management performance data cover all operating entities of the Company globally

BENCHMARKING INDEX TABLE

Benchmarking Index Table for *Guidelines No. 17 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*

| Topic | Article(s) | Corresponding Section of this Report |
|---|-------------------|---|
| Chapter III Environmental Disclosure | | |
| Response to climate change | Articles 21 to 28 | Response to climate change |
| Pollutant discharge | Article 30 | Pollutant discharge and waste management |
| Waste disposal | Article 31 | Pollutant discharge and waste management |
| Ecosystem and biodiversity protection | Article 32 | Ecosystem and biodiversity protection |
| Environmental compliance management | Article 33 | Environmental compliance management |
| Energy utilisation | Article 35 | Energy management |
| Water resource utilisation | Article 36 | Water resource utilisation |
| Circular economy | Article 37 | Circular economy |
| Chapter IV Social Disclosure | | |
| Rural revitalisation | Article 39 | Rural revitalisation and social contribution |
| Charity and public welfare | Article 40 | Rural revitalisation and social contribution |
| Community relations | Article 40 | Rural revitalisation and social contribution |
| Technological innovation | Article 42 | Technological innovation |
| Ethics of science and technology | Article 43 | Digitalisation initiatives and AI empowerment |

| Topic | Article(s) | Corresponding Section of this Report |
|--|----------------------|---|
| Sustainable supply chain Responsible minerals management | Article 45 | Sustainable supply chain |
| Equal treatment to SMEs | Article 46 | Sustainable supply chain |
| Product and service safety and quality Customer relationship management | Article 47 | Product safety and quality management Customer relationship management |
| Data security and customer privacy | Article 48 | Data security and privacy protection |
| Diversity and equal opportunity human rights protection Employee rights and interests | Article 49 and 50 | Protection of employees' rights and interests |
| Occupational health and safety | Article 50 | Occupational health and safety |
| Employee training and development | Article 50 | Employee training and development |
| Chapter V Disclosure of Sustainability-Related Governance Information | | |
| Due diligence | Article 52 | Sustainable supply chain |
| Stakeholder communication | Article 53 | Stakeholder communication |
| Anti-commercial bribery and anti-corruption | Article 55 | Business ethics |
| Anti-unfair competition | Article 56 | Business ethics |
| Self-selected topics | Self-selected topics | Self-selected topics |
| Corporate governance | / | Corporate governance |
| Compliant operations | / | Compliant operations |
| Intellectual property protection | / | Intellectual property protection |
| Digital transformation and AI empowerment | / | Digital transformation and AI empowerment |
| Project management | / | Project management |

GRI Index

| | |
|---------------------------------|---|
| Instructions for use | Desay SV reported the information cited in this GRI Index with reference to the GRI Standards for the period from 1 January 2025 to 31 December 2025. |
| GRI 1 used | GRI 1- Foundation 2021 |
| Applicable GRI sector standards | N/A |

| GRI Standards | Disclosure Item | Corresponding Section |
|--|--|---|
| GRI 2: General Disclosures 2021 - The organisation and its reporting practices | 2-1 Organisation details | Entering Desay SV |
| | 2-2 Entities included in the organization's sustainability reporting | About This Report |
| | 2-3 Reporting period, frequency and contact point | About This Report |
| | 2-4 Restatements of information | ESG data table and notes |
| | 2-5 External assurance | Independent assurance statement |
| | 2-6 Activities, value chain and other business relationships | Entering Desay SV |
| | 2-7 Employees | Social performance data |
| | 2-9 Governance structure and composition | Corporate governance Sustainability management structure |
| | 2-10 Nomination and selection of the highest governance body | Corporate governance |
| | 2-11 Chair of the highest governance body | Corporate governance (For details, please refer to the 2025 Annual Report.) |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Corporate governance Sustainability management structure |
| | 2-13 Delegation of responsibility for managing impacts | Corporate governance |
| | 2-14 Role of the highest governance body in sustainability reporting | Corporate governance Sustainability management structure |
| | 2-19 Remuneration policies | Please refer to the Annual Report. |

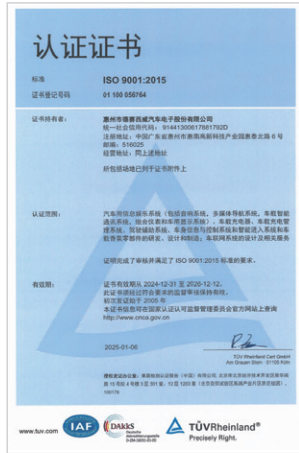
| GRI Standards | Disclosure Item | Corresponding Section |
|--|--|--|
| GRI 2: General Disclosures 2021 - The organisation and its reporting practices | 2-20 Process to determine remuneration | Please refer to the Annual Report. |
| | 2-22 Statement on sustainable development strategy | Message from Senior Management |
| | 2-23 Policy commitments | |
| | 2-24 Embedding policy commitments | |
| | 2-26 Mechanisms for seeking advice and raising concerns | Corporate governance Business ethics Protection of employees' rights and interests |
| | 2-27 Compliance with laws and regulations | Compliant operations |
| | 2-28 Membership associations | Recognition and honours |
| | 2-29 Approach to stakeholder engagement | Stakeholder communication |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | Materiality topic assessment and management |
| | 3-2 List of material topics | |
| | 3-3 Management of material topics | |
| GRI 206: Anti-competitive Behaviour 2016 | 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | Business ethics |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organisation | Energy management |
| | 302-3 Energy intensity | Environmental performance data |
| | 302-4 Reduction of energy consumption | Energy management |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | Environmental compliance management |
| | 303-2 Management of water discharge-related impacts | Environmental compliance management |
| | 303-3 Water withdrawal | Environmental performance data |
| | 303-5 Water consumption | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Response to climate change Environmental performance data |
| | 305-2 Energy indirect (Scope 2) GHG emissions | |
| | 305-3 Other indirect (Scope 3) GHG emissions | |

| GRI Standards | Disclosure Item | Corresponding Section |
|---|--|--|
| GRI 305: Emissions 2016 | 305-4 GHG emissions intensity | Environmental performance data |
| | 305-5 Reduction of GHG emissions | Energy management |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | Environmental compliance management |
| | 306-2 Management of significant waste-related impacts | Environmental compliance management |
| | 306-3 Waste generated | Environmental performance data |
| GRI 401: Employment 2016 | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Protection of employees' rights and interests |
| | 401-3 Parental leave | Social performance data |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | Social performance data |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Occupational health and safety |
| | 403-3 Occupational health services | Occupational health and safety |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Occupational health and safety |
| | 403-5 Worker training on occupational health and safety | Occupational health and safety |
| | 403-6 Promotion of worker health | Occupational health and safety |
| | 403-8 Workers covered by an occupational health and safety management system | Occupational health and safety |
| | 403-9 Work-related injuries | Occupational health and safety Social performance table |
| | 403-10 Work-related ill health | Occupational health and safety |
| | GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee |
| 404-2 Programmes for upgrading employee skills and transition assistance programmes | | Employee training and development |
| 404-3 Percentage of employees receiving regular performance and career development review | | Social performance table |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Social performance table |
| | 405-2 Ratio of basic salary and remuneration of women to men | Protection of employees' rights and interests |

| GRI Standards | Disclosure Item | Corresponding Section |
|---|---|---|
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | Protection of employees' rights and interests |
| GRI 409: Forced or Compulsory Labour 2016 | 409-1 Operations and suppliers at significant risk of incidents of forced or compulsory labour | Protection of employees' rights and interests |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programmes | Rural revitalisation and social contribution |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | Rural revitalisation and social contribution |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | Sustainable supply chain |
| | 414-2 Negative social impacts in the supply chain and actions taken | Sustainable supply chain |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | Data security and privacy protection |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | Data security and privacy protection |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Data security and privacy protection |



SYSTEM CERTIFICATES



ISO 9001



ISO 27001



ISO 14001



ISO 45001



ISO 50001



ISO 21434



ISO 21448



ISO 37301



GBT 29490



IATF 16949

INDEPENDENT ASSURANCE STATEMENT



ASSURANCE STATEMENT

REPORT ON SUSTAINABILITY ACTIVITIES IN THE HUIZHOU DESAY SV AUTOMOTIVE CO., LTD.'S 2025 SUSTAINABLE DEVELOPMENT REPORT

NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS-CSTC) was commissioned by Huizhou Desay SV Automotive Co., Ltd. (hereinafter referred to as Desay SV) to conduct an independent assurance of the 2025 Sustainable Development Report (Chinese version) for the period of January 1, 2025 to December 31, 2025.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Desay SV's Stakeholders.

RESPONSIBILITIES

The sustainability information in the Desay SV's 2025 Sustainable Development Report and its presentation are the responsibility of the sustainable development management committee and the management. SGS-CSTC has not been involved in the preparation of any of the material included in the 2025 Sustainable Development Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

SGS-CSTC hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP, 2018).

The assurance of this report has been conducted according to the following Assurance Standards:

| Assurance Standard | Level of Assurance |
|--------------------|--------------------|
| AA1000AS v3 Type 2 | Moderate |

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

| Reporting Criteria |
|---|
| AA1000 AccountAbility Principles (2018) |
| GRI Standards 2021 (With Reference to) |

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees on-site at No.6, Huitai North Road, Huinan Technology Park, Huizhou City, Guangdong Province, P.R. China, including documentation and record review and validation where relevant. This assurance engagement was restricted to the group level of Desay SV and did not include traceability of all original data from subordinate institutions.



LIMITATIONS

Data drawn directly from independently audited financial accounts and intensity data calculated based on financial data has not been checked back to source as part of this assurance process.

The greenhouse gas emission related data in the Desay SV's 2025 Sustainable Development Report has been directly adopted from the independent third party verification data and has not been double verified in this audit.

This assurance engagement was limited to conducting interviews with departmental managers and selected employees of Desay SV, in addition to reviewing relevant documents and records.

INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. As an affiliate of SGS Group, SGS-CSTC affirm our independence from Desay SV, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we believe that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated. The Desay SV's 2025 Sustainable Development Report has been prepared in accordance with the Four Principles of AA1000.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

The Desay SV's 2025 Sustainable Development Report has demonstrated that the organization identified its stakeholders, collected their expectations and concerns, established methods for stakeholder communication and engagement, and undertaken various forms of dialogue and interaction with them.

MATERIALITY

The Desay SV's 2025 Sustainable Development Report has reasonably disclosed significant issues and indicators that materially affect stakeholder evaluations and decisions, reflecting the organization's most significant impacts on economic, environmental, and social matters based on the concerns raised by relevant stakeholders.

RESPONSIVENESS

The Desay SV's 2025 Sustainable Development Report has demonstrated the established channels for stakeholder interaction and has fully addressed stakeholder concerns and expectations. Additionally, it has provided transparent responses on material issues to an appropriate extent.

IMPACT

The Desay SV's 2025 Sustainable Development Report has provided an account of the monitoring and measurement of the principal activities' impacts concerning environmental, social, and governance (ESG) issues.



QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION

On the basis of the methodology described and the verification work performed, we checked management documents, management system data, etc. We have confidence that the specified performance information included in the scope of assurance is reliable at a moderate level of scrutiny for Desay SV.

ADHERENCE TO GRI STANDARDS 2021

The assurance team concludes that the Desay SV's 2025 Sustainable Development Report has been prepared with reference to the requirements of GRI Standards 2021.

RECOMMENDATIONS

All observations pertaining to commendable practices, sustainable development activities, and managerial recommendations identified throughout the assurance process have been thoroughly communicated with relevant management divisions of Desay SV to serve as a reference for their ongoing efforts towards continuous improvement.

Signed:

For and on behalf of SGS-CSTC

David Xin
Sr. Director – Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Haidian District, Beijing, P.R. China

Feb. 23rd, 2026
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READER FEEDBACK

Dear reader,

Thank you for reading the Desay SV 2025 Sustainable Development Report. We highly value your feedback on our ESG disclosures. If you have any suggestions for improvement, please contact us via our official website or through the following channels:



Address: No. 6, Huitai North Road, Huinan Technology Park, Huizhou, Guangdong, P.R. China

Email: Sustainability@desaysv.com

We also invite you to scan the QR code below and complete the feedback survey for the Desay SV Sustainable development report. Your feedback will help us continuously improve our sustainability management practices.

