DELTON
TECHNOLOGY 广合科技

2024

Delton Technology (Guangzhou) Co., Ltd.

Environmental, Social, and Governance Report

Contents

About this Report

This report is the second Environmental, Social, and Governance (ESG) report published by Delton Technology (Guangzhou) Co., Ltd. Adhering to the principles of materiality, quantifiability, balance, and consistency, it focuses on disclosing the philosophy, significant progress, achievements, and future plans of the Company and its subsidiaries in the areas of environment, social, and corporate governance, spanning from January 1, 2024, to December 31, 2024. Any inconsistencies will be explained in the relevant sections of the report.

Basis of Compilation

In the process of preparing this report, we identified key stakeholders, analyzed and prioritized material issues related to environment, society, and governance, established the reporting boundaries, and collected, consolidated, organized, and reviewed relevant operational and financial materials of the Company. This report was ultimately formed based on these steps.

The report compilation process referred to the following standards and requirements:

- *Self-Regulatory Guidance No. 17 for Listed Companies on Sustainability Reporting (Trial) of Shenzhen Stock Exchange* and *Self-Regulatory Guidelines No. 3 for Listed Companies on the Compilation of Sustainability Reports of Shenzhen Stock Exchange*;
- Global Sustainability Standards Board (GSSB) "*Sustainability Reporting Standards (GRI Standards)*";
- United Nations 2030 Sustainable Development Goals (SDGs);
- The Ten Principles of the UN Global Compact;
- International Organization for Standardization "*ISO 26000: Guidance on Social Responsibility (2010)*".

Report Scope and Boundary

Except for specific materials with particular explanations, the policies, statements, and information contained in this report cover the actual business scope of Delton Technology and its subsidiaries. All information used in this report is sourced from Delton Technology and its subsidiaries. We are responsible for the authenticity, accuracy, and completeness of the report's content.

It should be noted that Delton Technology factory in Thailand is currently under construction and has not yet started production. The Dongguan factory, which serves as the downstream processing facility for the Guangzhou factory, mainly undertakes some of the backend production processes. Since the production has been running for less than one year, some system certifications have not yet been officially applied for. The relevant work will be gradually advanced according to the actual progress of operations.

Unless otherwise stated, this report uses RMB as the currency unit.

Title Explanation

For ease of expression and reading, "Delton Technology," "Delton," "the Group," "the Company," and "we" in this report refer to Delton Technology (Guangzhou) Co., Ltd. and its subsidiaries.

Unless otherwise specified, the terminology used in this report has the same meanings as defined in our annual report.

Report Language

This report is published in both Chinese and English versions. The English version is a translation of the Chinese version. In the event of any discrepancies between the two versions, the Chinese version shall prevail.

Confirmation and Approval

This report has been approved by the Board of Directors for release.

Access to This Report

You can access the electronic version of this report through the following website: http://www.delton.com.cn.

Phone: 020-82211188-3204

Email: stock@delton.com.cn

Mail: 22 Baoying South Road, Guangzhou Free Trade Zone, Guangdong, China

Message from the Chairman

To Our Esteemed Stakeholders:

In 2024, the global political and economic landscape remained complex and severe, with the real economy facing numerous challenges. The PCB industry also experienced a year of volatility and change. As a key participant in the industry, Delton Technology successfully navigated market fluctuations and achieved significant progress in multiple areas, thanks to our unwavering strategic focus and continuous investment in innovation.

In 2024, we boldly embraced the tide of capital and expanded our international footprint. In April, we successfully listed on the Shenzhen Stock Exchange main board, laying a solid capital foundation for our future development. Meanwhile, the main building of our Thailand factory was successfully capped, and equipment installation and commissioning are progressing smoothly, marking a crucial step in our internationalization strategy. Our Guangzhou and Dongguan facilities optimized product structures and enhanced delivery competitiveness through energy efficiency improvements and digital technology upgrades. Our Huangshi facility also made significant progress in product development and production efficiency, with continuous improvement in operating performance.

In 2024, we delved into the forefront of technology and scaled new heights of innovation. Technological innovation has always been the core driving force behind Delton Technology's development. Our R&D institute conducted effective research in multiple fields, including materials, new product development, and process capabilities. Notably, we achieved important technological breakthroughs in product areas such as AI servers, high-end switches, next-generation general-purpose servers, AIPC, high-end displays, and automotive electronics. These achievements not only enhanced our core competitiveness but also solidified our foundation for future development in high-end product areas.

In 2024, we embraced green development and forged a low-carbon future. Delton Technology has always adhered to the concept of green development. After being recognized as a provincial-level green factory, we were honored with the title of "National-Level Green Factory" in 2024. We achieved remarkable results in land intensification, harmless raw materials, clean production, waste resource utilization, and low-carbon energy use. Through projects such as photovoltaic power generation, central energy savers, organic exhaust RTO treatment, activated carbon RCO regeneration, and waste heat recovery, we comprehensively elevated our green production standards, realized refined energy management, reduced pollutant emissions, and promoted the minimization, harmlessness, and resource utilization of waste.

In 2024, we gathered talents from all walks of life and marched towards an intelligent era. Talent is the cornerstone of our company's development. Delton Technology has always placed great emphasis on the in-depth discovery, careful cultivation, and effective utilization of talent, striving to provide employees with broad development platforms and growth opportunities. At the same time, we are resolutely advancing our digital and intelligent transformation. By building a comprehensive technical capability system, we empower business processes, enhance operational efficiency and economic benefits, and lead the industry towards a smarter and more efficient future.

Looking ahead, Delton Technology will continue to uphold our mission of "delivering excellent services for an intelligently connected world" and adhere to our core values of "customer first, employee satisfaction, striving for success, and innovation leadership." Driven by technological innovation, we will continuously strengthen our capabilities, focus on customer needs, and create outstanding value for our clients. We will actively respond to the national innovation-driven development strategy, strengthen cooperation and exchanges with universities and research institutions, and jointly promote technological progress and industrial upgrading in the PCB industry!

Xiao Hongxing

Chairman of Delton Technology

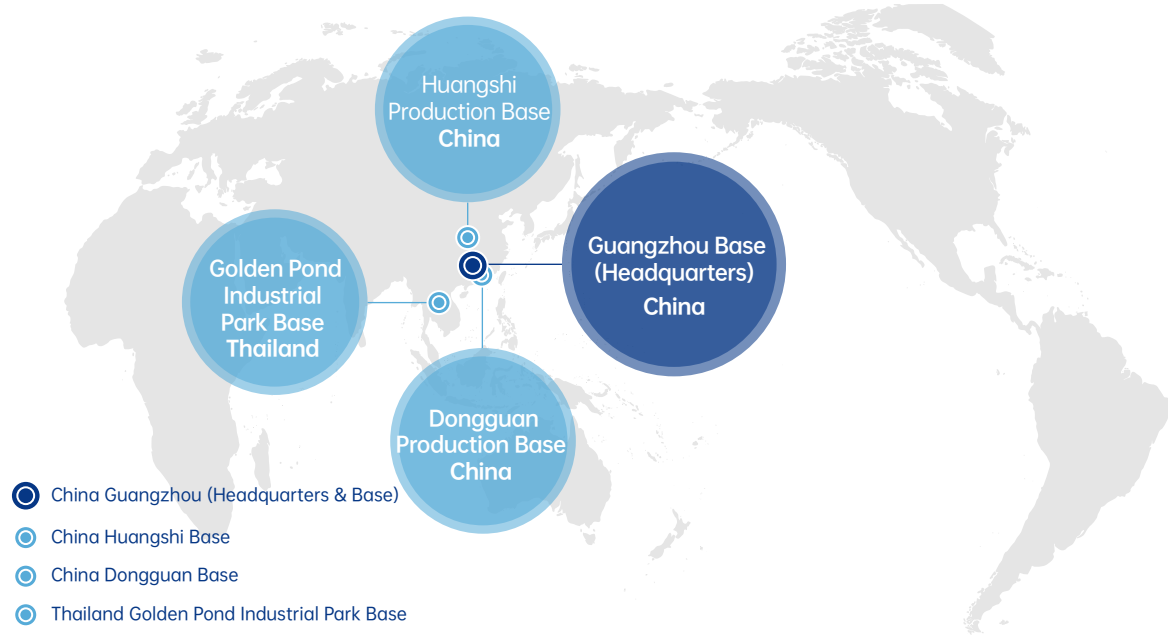
Our 2024

About Delton Technology

Delton Technology Co., Ltd. ("Company") was established in Huangpu District, Guangzhou City in 2002. In 2024, we successfully listed on the main board of the Shenzhen Stock Exchange with the stock code 001389 and the abbreviation "Delton Technology." Our headquarters is located in the Huangpu Development Zone, Guangzhou City, and our production bases are primarily distributed across Guangzhou, Guangdong; Dongguan, Guangdong; Huangshi, Hubei; and Chachoengsao, Thailand. We have a total workforce of 3,527 people and our annual operating revenue exceeds RMB 3.7 billion. We possess a high-end R&D technical team, an excellent management team, and world-class automated production lines. Over the years, we have been dedicated to becoming an industry-leading PCB manufacturing enterprise that integrates R&D, production, sales, and service of high-end, high-quality PCB products.

Delton Technology has always been committed to the manufacturing of high-end PCBs focused on high speed and high frequency. Our products are mainly applied in terminal fields such as data centers, cloud computing, industrial Internet, artificial intelligence, 5G communications, automotive electronics, security and printing. Delton Technology has long served well-known customers both at home and abroad. Over the years, our company has maintained continuous and rapid growth in scale and technical capabilities within the PCB field and has been rated as an outstanding supplier and long-term strategic partner by our major clients for consecutive years.

We place great emphasis on building our brand value, product R&D, product quality, marketing strategies and corporate culture. Through advanced cutting-edge technologies, we manufacture high-quality products, create convenient product channels, and provide considerate and prompt after-sales services. We have also developed a unique and distinctive operational management model. With the purpose of "serving our customers," we aim to provide innovative impetus and significant support for the construction of a new business structure that promotes the synchronized development of "intelligent manufacturing." We are determined to become the leader in the global PCB industry.



Guangzhou Base

Headquarters Guangzhou, located in the Pearl River Delta

35 km from the Guangzhou city center

55 km from Guangzhou Baiyun International Airport

73 km from Shenzhen Bao'an International Airport

110 km from Hong Kong

Dongguan Base

15 km from Dongguan West Railway Station

80 km from Guangzhou Baiyun International Airport

45 km from the Guangzhou headquarters

Huangshi Base

20 km from Ezhou Huahu Airport

120 km from Wuhan Tianhe International Airport

95 km from Wuhan Railway Station

1100 km from the Guangzhou headquarters

Thailand Base

158 km from Suvarnabhumi Airport, Bangkok

183 km from Port of Bangkok

2024 Progress and Performance

Business Performance

Delton Technology (Thailand) successfully topped off its multi-layer precision circuit board project

In April 2024, Delton Technology was officially listed on the Shenzhen Stock Exchange main board

In 2024, the company achieved operating revenue of **37.34** billion yuan, ☒ a growth of **39.43%** compared to 2023

The total income tax payment for 2024 reached **0.86** billion yuan, an increase of **5.09%** compared to 2023

Gross margin reached **33.38%**

Environmental Performance

Total greenhouse gas emissions for the year were **118,624.15** tonnes of CO_2e, including **11,166.19** tonnes from the newly added Dongguan factory

Water consumption in 2024 was **177.83** million tonnes, including **5.4** tonnes from the newly added Dongguan factory

☒ Achieved **10,045.81** million tons of recycled water use in 2024

Self-generated solar power from photovoltaic systems reached **3.15** million kWh in 2024

☒ **No** environmental violations or related administrative penalties occurred throughout the year

Social Performance

R&D investment in 2024 exceeded **179** million yuan, with R&D expenses accounting for more than **4%** of total operating revenue for the past three years

The cumulative number of globally authorized patents reached **210**

Environmental and safety compliance rate of our products reached **100%** in 2024

Customer satisfaction in 2024 reached **95.65** points, achieving the target for **4** consecutive years

The customer audit pass rate for the year was **100%**

100% of the minerals procured by the company were sourced from conflict-free regions

Conducted on-site audits for **60** existing suppliers and **2** new suppliers

☒ All non-compliant items identified by IPE (Institute of Public & Environmental Affairs) **have been fully rectified**

No work-related fatalities occurred throughout the year

Global workforce reached **3,527** employees in 2024, a year-on-year increase of **34.5%**, including **22** employees with disabilities

Total training sessions conducted reached **27,680**, a year-on-year increase of **34%**

Governance Performance

The proportion of female board members was **80%**

independent directors accounted for **40%**

The ESG governance structure was improved by renaming the "Board Strategy Committee" to the "Strategy and ESG Committee"

Coverage and pass rate for anti-corruption and anti-bribery training in business ethics reached **100%** in 2024

The company has maintained a tax credit rating of **A** for five consecutive years and has been preliminarily rated as an **A-level** taxpayer for 2024

External Awards and Recognitions

Guangzhou Factory

- Ministry of Industry and Information Technology (MIIT)
  National-Level Green Factory in 2024
- Guangdong Provincial Department of Industry and Information Technology
  Green Factory in Guangdong Province in 2024
- Guangdong Provincial Department of Industry and Information Technology
  Demonstration Enterprise for Service-Oriented Manufacturing in Guangdong Province in 2024
- Guangzhou Municipal Human Resources and Social Security Bureau
  Guangzhou Postdoctoral Innovation Practice Base
- Guangdong Science and Technology Awards Review Committee
  2023 Guangdong Science and Technology Progress Award
- Guangzhou Development Zone Intellectual Property Office
  High-Value Patent Cultivation and Layout Center in Guangzhou Development Zone and Huangpu District, Guangzhou
- China National Accreditation Service for Conformity Assessment (CNAS)
  Delton Technology Testing Center has been accredited by CNAS
- Responsible Business Alliance (RBA)
  RBA VAP Silver Certification
- Guangzhou Huangpu District Committee of Non-public Economic Organizations
  Outstanding Unit for Volunteer Services in Non-public Sectors
- 2024 Electronic Semiconductor Industry Innovation and Development Conference and International Electronic Circuit (Greater Bay Area) Exhibition
  23rd (2023) China Electronic Circuit Industry Revenue Ranking

Huangshi Factory

- Hubei Provincial Department of Economy and Information Technology
  Green Factory in Hubei Province in 2024
- Hubei Provincial Department of Economy and Information Technology
  Advanced Intelligent Factory in 2024
- Hubei Provincial Department of Science and Technology
  High-Tech Enterprise

System Certification

Category	Standard	Scope of Certification
Laboratory	ISO 17205:2005	Guangzhou Factory Laboratory
Quality Management	ISO 9001:2015	Guangzhou Factory Huangshi Factory Dongguan Factory
	IATF 16949:2016	Guangzhou Factory Dongguan Factory
	VDA 6.3:2022	Guangzhou Factory
	ISO 13485:2016	Guangzhou Factory
Corporate Social Responsibility	QC 08000:2017	Guangzhou Factory Dongguan Factory
	ISO 14001:2015	Guangzhou Factory Dongguan Factory
	ISO 45001:2018	Guangzhou Factory Dongguan Factory
	RBA VAP	Guangzhou Factory
Energy Management	ISO 14064-1:2018	Guangzhou Factory Dongguan Factory
	ISO 50001:2018	Guangzhou Factory Dongguan Factory
Information Security	ISO 27001:2022	Guangzhou Factory Dongguan Factory
Green Manufacturing	Guangzhou "Green Factory"	Guangzhou Factory
	Outstanding Clean Production Enterprise in Guangzhou	Guangzhou Factory

ESG Strategy and Management

In recent years, ESG has become a focal point for governments, capital markets, regulatory bodies, and leading enterprises worldwide. In China, the government has been actively promoting corporate green transformation through mandatory disclosure systems and other measures. Internationally, key countries and markets have successively introduced ESG policies and regulatory standards, requiring companies to expand their market presence with higher transparency in ESG information and improved management performance. In the high-tech manufacturing sector, ESG drives green technological innovation, reduces environmental risks, enhances the competitiveness of the industrial chain, and attracts ESG-oriented investments to achieve long-term value growth. As a key cornerstone for sustainable corporate development, the strategic management of ESG has become particularly important.

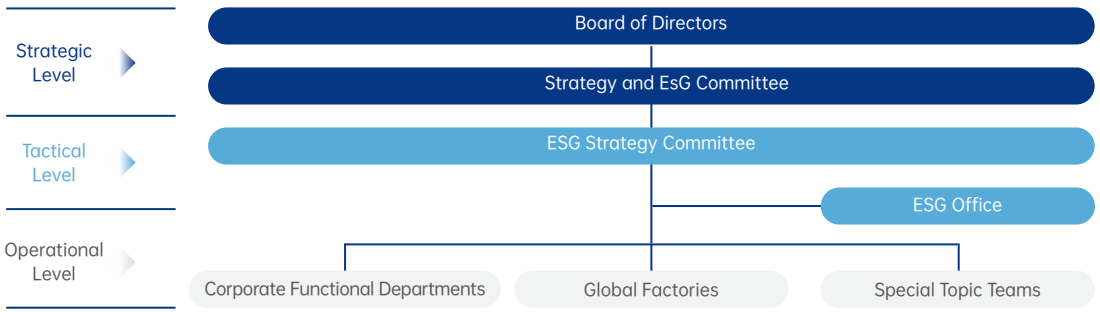
ESG Governance

Delton Technology has always emphasized the systematic and standardized nature of ESG governance. In 2024, we comprehensively updated our ESG governance system across four major dimensions: governance, strategy and management mechanisms, risk management, and metrics and targets. The Board of Directors directly led ESG strategic decision-making. Our strategic framework and system were further refined, with comprehensive risk management integrated into all business areas. We achieved closed-loop management through clear metrics and targets.

Governance

To better align with our corporate strategy and sustainable development needs, enhance our core competitiveness, clarify our development plans, improve investment decision-making procedures, elevate our ESG management level, strengthen the scientific basis of decision-making, and increase the efficiency and quality of major investment decisions, we have restructured our corporate governance framework. We have renamed the "Board Strategy Committee" to the "Strategy and ESG Committee." On the foundation of its original responsibilities, we have added corresponding ESG management duties and other related content.

With this change, Delton Technology has established a three-tier ESG governance structure that spans from the Board of Directors to the execution level, comprising the "Strategic Level—Tactical Level—Operational Level."



Delton Technology's ESG Governance Structure

Strategic Level

Comprising Delton Technology's Board of Directors and the Strategy and ESG Committee. This level is responsible for conducting research and analysis on our ESG status, and for determining ESG strategies, targets, and working mechanisms that are in line with our actual situation. The core function of the strategic level is to lead the formulation and review of our ESG strategy, as well as major resource allocation and deployment, in response to changes in both internal and external environments. It also oversees and evaluates key ESG initiatives.

Tactical Level

Consisting of the ESG Strategy Committee and the ESG Office. The ESG Strategy Committee is composed of the Group General Manager, the heads of each Group Center, the General Managers of the factories, and the leaders of Group special projects. The ESG Office includes the head of the Group's facilities center, personnel from the Group's internal control system, and ESG professionals. The policy level is primarily responsible for organizing the development of ESG management strategies based on our ESG strategy, identifying and assessing ESG risks and opportunities, guiding the establishment and implementation of ESG management targets and work plans at the Group and factory levels, improving the ESG performance evaluation system, and regularly reporting to the strategic level.

Operational Level

Comprising the main contact persons from each Group Center and factory. Their primary responsibilities include the day-to-day advancement of ESG work, ensuring the timely achievement of preset targets, and regularly reporting progress to the tactical level.

Strategy and Management Mechanism

ESG Strategy

Delton Technology focuses on three major modules: environment, society, and corporate governance, and further clarifies our ESG strategy framework by fully integrating our business model and operational characteristics:

Standardize Governance to Ensure Sustainable Development

We refer to domestic and international standards to continuously enhance the diversity, professionalism, and independence of our board members, strengthen the protection of minority shareholders' rights and interests, promote the implementation of business ethics, build a zero-tolerance mechanism for corruption, bribery, and unfair competition, and create a trustworthy business quality to achieve our sustainable development.

Winning Customer Trust with Responsible Products

We adhere to the principle of meeting customer needs with high standards, improve our product quality and customer service system, and promote the innovation and development of green products, providing a solid guarantee for us to explore new markets and customers.

Green Development to Tackle Climate Change

We adhere to the development concept that "lucid waters and lush mountains are invaluable assets," promote green operations through energy efficiency improvement and energy structure transformation, and actively cooperate with value chain partners to promote the green development transformation of the value chain and provide Delton Technology's wisdom for addressing global climate change.

Ethical Procurement Delivers Corporate Value

While improving our own development, we actively guide and influence value chain partners to operate responsibly, effectively control environmental and social risks, ensure supply chain security, and achieve ethical procurement based on our core philosophy and values.

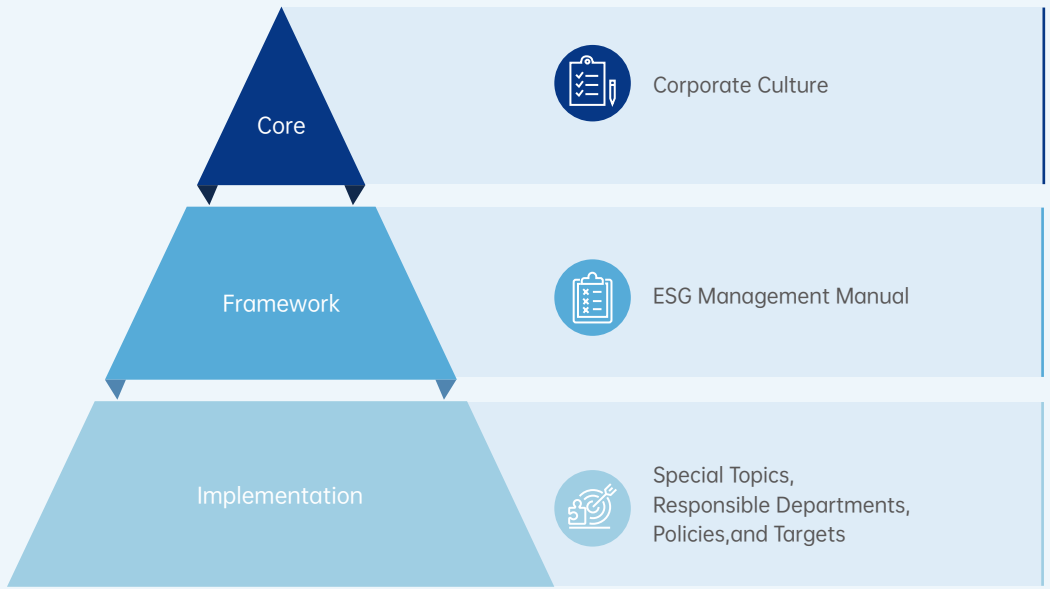
Building Corporate Citizenship with People-oriented Approach

While we continue to develop and progress, we take employees as our core, match resources for employee development, and achieve common progress between our company and employees. At the same time, we actively share development results with the community and build an outstanding corporate citizen through public welfare activities to achieve inclusive development.

Delton Technology's ESG Strategy Framework

ESG Management Mechanism

After two years of exploration and continuous optimization, Delton Technology has established a closed-loop ESG management model with three layers: "Core—Framework—Implementation."



Delton Technology's ESG Management Model

With the company's corporate culture as the core

Centered on our corporate culture, ESG work is positioned as a vital pillar to support our vision and mission, ensuring our organic integration and mutual reinforcement with business operations.

With the *Delton Technology ESG Management Manual* as the framework

The manual sets requirements for us to systematically and standardly advance ESG work from the dimensions of organizational structure, issue management, risk and opportunity, indicator target management, as well as operational mechanisms and information disclosure. This ensures that our group headquarters and global factories can work in a coordinated manner and achieve the expected goals.

With the special topics as the implementation

Focusing on key issues under our ESG strategy framework. These core issues are refreshed annually based on changes in internal and external environments. Lead departments are assigned to drive implementation, with short-, medium-, and long-term goals and metrics established. Regular reports on progress are made to the ESG strategy and strategic layers to ensure ESG work is effectively executed. Additionally, policies for key issues are formulated by lead departments, reviewed, and then issued by the management.

Risk Management

Delton Technology identifies, analyzes, and assesses risks and opportunities from both internal and external environments and stakeholder demands. We have established risk response measures, including risk avoidance, risk mitigation, and risk acceptance, to enhance our ability to withstand risks and seize opportunities. Currently, centered on the *Risk Management Procedure*, we have built a closed-loop process for systematic risk identification, assessment, response, and evaluation.

Risk areas include modules such as quality, hazardous substances, environment, occupational health and safety, corporate social responsibility, and information security management systems. These modules comprehensively cover the operations and management systems of all group factories, used for systematic identification and management of related risks and opportunities.

Annually, the group and factory functional department heads organize risk identification, level determination, and measure formulation activities based on their respective departmental activities. The identification results are recorded in the "Risk and Opportunity Identification, Evaluation, and Countermeasure Follow-up Form." Risks faced in operations are categorized into strategic risks, market risks, operational risks, financial risks, compliance risks, and ESG risks, with designated lead management units for each type of risk.

The group and factory department heads conduct risk assessments for the identified risks and opportunities and formulate corresponding response measures. The results are documented and reviewed by the highest-level department and center heads. They also organize the implementation of improvement measures for risks and opportunities. For high-risk projects, resources should be concentrated to prioritize improvements within the required timeframe. In the year following the completion of improvement measures, departments must re-evaluate the risks. If the improvements are effective, the existing control methods will continue to be implemented; if not, new improvement plans must be developed and followed up on.

ESG risks refer to medium- and long-term risks faced by the company due to failure to timely adapt to adverse changes in environmental and climate conditions, social and corporate governance aspects, or missed development opportunities. These risks include governance risks, climate risks, water risks, business ethics risks, and sustainable procurement risks, which will be jointly managed by the Group's ESG Office, factory environmental management departments, Supply Chain Management Center, and factory procurement departments.

Indicators and Goals

Issue	Target	Key Indicator	Progress in 2024
Corporate Governance	Proportion of female board members	No less than 1/3	80%
	Proportion of independent directors	No less than 40% in 2024	40%
	Case closure rate for corruption reports filed	No less than 50% in 2050	100%
	Training and assessment pass rate for anti-corruption and anti-bribery among all staff (including directors, supervisors, senior management, regular employees, laborers, and part-time employees)	100%	100%
	Annual training and assessment pass rate for anti-monopoly and fair competition	100%	100%
	ISO27001 certification coverage for factories	100%	100%
Responsible Products	Compliance rate for conflict minerals audit	100%	100%
	Customer satisfaction	>93	95.65
Green Developmen	Proportion of renewable electricity	2036: 50% 2050: 100%	1.68%
	Carbon reduction in operations	2024: 3.5% reduction in carbon intensity year-on-year 2028: Carbon peak 2030: 36.98% reduction 2056: Carbon neutrality	13.67% reduction in carbon intensity
	Year-on-year reduction rate of water consumption per unit of output value	3.5%	2.04%
	Proportion of recycled water in total water usage	2024: 88% 2036: 92% 2050: 96%	98.34%
	Proportion of recycled raw materials used	2024: Substrate copper: 75% Copper foil: 15% Copper balls: 100% Copper oxide powder: 100%	Substrate copper: Guangzhou: 82%, Huangshi: 67% Copper foil: Guangzhou: 99.4%, Huangshi: 100% Copper balls: Guangzhou: 100%, Huangshi: 100% Copper oxide powder: Guangzhou: 100%, Huangshi: 100%
	Proportion of waste recycled	2024: 95% 2030: 96% (and obtain zero landfill certification) 2050: 98%	97%
Ethical Procurement	Supplier social responsibility contract signing rate	100%	100%
	CSR audit coverage for suppliers	100%	100%
People-oriented Approach	Number of child labor and human rights incidents	0	0
	Training and assessment pass rate for human rights	100%	100%
	Employee training coverage rate	100%	100%
	Employee benefits coverage rate	100%	100%

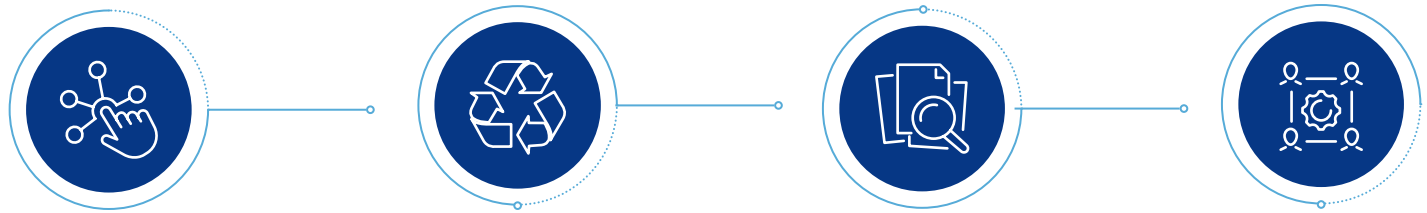
Double Materiality Assessment

The Double Materiality Assessment analyzes the impact of various issues on a company's financial performance while also evaluating their broader social and environmental implications. This approach helps companies precisely identify ESG issues closely related to their business development. It enables companies to focus more effectively on ESG work related to core business operations, efficiently address emerging risks in the ESG domain, enhance their long-term value creation capabilities, and promote high-quality corporate development.

In 2024, Delton Technology built a materiality analysis framework in accordance with the requirements of exchanges and other international authoritative standards, and completed the substantive analysis.

Double Materiality Assessment Framework and Process

Delton Technology has established a four-step analysis method for materiality assessment, which includes identification, list building, evaluation, and integration into management. This ensures that the materiality analysis meets the information disclosure requirements of the exchange and is integrated with business operations, achieving a management-driven approach.



Identification of the Value Chain and Stakeholders

Based on our business model, we conducted a systematic analysis of the value chain to identify its key components and clarify the stakeholders involved at each stage, as well as theextent of their engagement.

Development of a Sustainability Issues List

By referencing sustainability disclosure standards and guidelines, capital market rating requirements, peer benchmarking, and industry trend research-and taking into account our actual business operations-we developed a scientific and comprehensive list of sustainability issues.

Double Materiality Assessment

Using this list, we carried out a double materiality assessment by distributing questionnaires to all stakeholders, evaluating the impact of each issue on the economy, environment, and society, as well as its relevance to our financial performance.

Report Disclosure and Strategic Integration

We incorporated the resultsof the double materiality assessment into our annual sustainability report toensure regulatory compliance and transparent disclosure. At the same time,we deeply integrated these results into our sustainability strategy to enable targeted, closed-loop managementand continuously enhance our performance.

Delton Technology's Double Materiality Assessment Process

In 2024, we conducted online surveys targeting both internal and external stakeholders, distributing questionnaires for the Double Materiality Assessment and ultimately collecting 434 valid responses, including 337 from internal stakeholders and 97 from external stakeholders. Based on these survey results, we assigned values to the questionnaire options and used a weighted average method to calculate and organize the findings into a materiality matrix. This process enabled us to complete the Double Materiality Assessment for 2024.

Annual Materiality Matrix

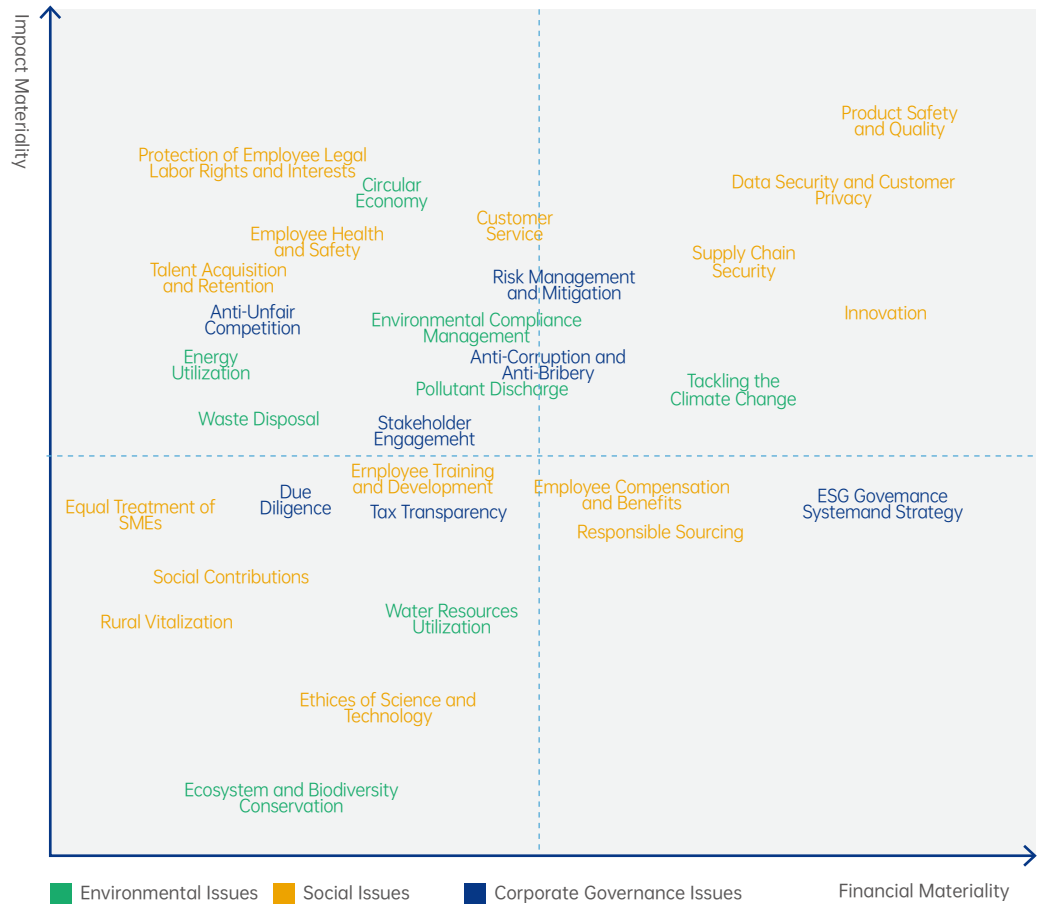
Based on the analysis results, Delton Technology has identified six material issues with significant impact. In terms of the disclosure framework, we structure our presentation around the five key elements, namely "Governance - Strategy and Management Approach - Risk and Opportunity Management - Annual Progress - Indicator and Goal":

Five-element Disclosure Issues

Product Safety and Quality, Data Security and Customer Privacy Protection, Supply Chain Security, Innovation-Driven Development, Climate Change Response, and ESG Governance and Strategy. These issues are systematically disclosed across governance, strategy and management mechanisms, risk and opportunity management, annual progress, and metrics and targets.

Routine Disclosure Issues

Other issues, which have relatively lower financial materiality, are disclosed in accordance with our historical disclosure structure. Moving forward, we will dynamically adjust the scope and depth of disclosure based on the strategic importance and management maturity of the issues, ensuring that information disclosure aligns with our development stage.



Delton Technology's 2024 Materiality Matrix

Issue Management Practices

Delton Technology's Strategy and ESG Committee has conducted a comprehensive review and confirmation of this year's materiality matrix. For the identified material issues, the responsible departments have implemented systematic management from multiple dimensions, extending the scope of management from internal operations to the entire value chain to ensure comprehensive coverage of relevant areas.

In terms of information disclosure

we focus on the annual management measures and achievements of priority issues;

In the operational execution level

we rely on our well-established internal control system and risk management mechanism to fully implement management measures, providing strong support for the realization of our sustainable development goals.

For more details on the practice and effectiveness of these issues, please refer to the subsequent sections of this report.

Stakeholder Engagement

Stakeholder	Needs and Expectations Identification Department	Expected Needs	Main Relevant Systems					
			Quality	Hazardous Substances	Environment	Health & Safety	Social Responsibility	Information Security
Customers	Marketing Center	Quality, technology, environmental safety management systems, corporate social responsibility, information security, etc.	√	√	√	√	√	√
Shareholders, Investors	Finance Department, Securities Office	Operations, investment performance, etc.	√	√	√	√	√	√
Suppliers/Contractors	Supply Chain Management Center, Factory Procurement Department	Suppliers' procurement strategies, new technologies, etc.	√	√	√	√	√	√
Government Agencies (e.g., local complaint and environmental agencies, health agencies, labor agencies, fire departments, public security agencies), Water and Electricity Supply Agencies	Factory Environmental Safety Management Unit, Human Resources Department, Facilities Management Department	Compliance operations, product quality and safety, economic growth stimulation policies, and related expectations	√	√	√	√	√	√
Banks	Finance Center	Financial aspects	√					√
Factory Employees	Factory Human Resources Department	Employee information, income, working environment, etc.				√	√	√
Community Residents	Factory Environmental Safety Management Unit	Environment, safety, etc.			√			√
Information Service Agencies	Factory Information Department	Network services, etc.						√
Certification Bodies, Third-Party Testing Service Providers	Factory Quality Department, System Management Department	Testing, certification, etc.	√	√	√	√	√	√

Green Development to Tackle Climate Change

Tackling climate change is of vital importance to enterprises. As countries around the world implement increasingly stringent regulations related to climate change, companies that proactively plan for low-carbon transformation can avoid compliance risks, seize policy advantages, and enhance their market competitiveness. From a customer perspective, growing consumer awareness of environmental protection leads to a preference for green products. By embracing ESG, companies can increase brand favorability and customer loyalty. From the standpoint of their own development, tackling climate change can drive corporate innovation and transformation, optimize costs and efficiency, and enhance the competitiveness of the entire industrial chain.

Delton Technology firmly supports national targets and international conventions related to climate change, such as the *China Carbon Neutrality Goal* and the *Paris Agreement* . We continuously monitor, record, and report on energy consumption and greenhouse gas emissions. Based on our actual development situation, we have set a strategic goal to achieve carbon neutrality by 2056.

Our Goals

- Reduce carbon emissions by **3.5%** year-on-year in 2024
- Achieve a **95%** waste recycling rate
- Utilize **88%** of total water usage through recycling

Our Progress

- Continuously disclosed carbon management information on the CDP website for **8** consecutive years
- Continuously disclosed environmental protection and carbon emission data on the IPE website for **8** consecutive years
- Achieved a **13.67%** year-on-year reduction in carbon intensity
- Achieved a **97%** waste recycling rate
- Achieved a **98.34%** proportion of total water usage through recycling

Support SDGs

Comprehensive Tackling of Climate Change

In 2024, Delton Technology followed a globally standardized framework for climate change response, continuously improving across four major dimensions: governance, strategy, risk and opportunity management, and metrics and targets. We strive to mitigate the risks brought by climate change and actively explore the opportunities of green transformation to support our sustainable development.

Climate Change Governance

Currently, Delton Technology has established a three-tier climate change governance structure that spans from the Board of Directors to the execution level, comprising the "Strategic Level—Tactical Level—Operational Level."

The ESG Strategy Committee provides overall leadership and guidance, with the ESG Office coordinating and the Carbon Neutrality Management Project Team driving implementation, supported by various functional departments. Together, they advance the low-carbon economy through the following key strategies and optimize carbon management across the Group and its factories.

The Group's ESG Strategy Committee will lead the strategic response to climate change. It has established a Carbon Neutrality Management Project Team, led by a project leader (Management Representative) appointed by the chair of the ESG Strategy Committee, and project deputy leaders appointed by the General Managers of each factory. The team also includes representatives from each factory's Environmental Management Department (team), Facilities Department, and other relevant departments involved in Scope 3 emissions.

Level	Function and Personnel	Climate Governance Responsibilities	Communication Mechanisms
Strategic Level	Strategy and ESG Committee	• Listen to regular reports from the ESG Strategy Committee Chair and provide guidance on progress, reporting significant matters to the company's board of directors. Hear updates on climate-related work progress through regular board or committee meetings	• Regularly review climate-related work progress through board or committee meetings
	ESG Strategy Committee Chair	• Responsible for forming the Group's "dual carbon" management team, appointing the "dual carbon" team leader, and providing resources for the "dual carbon" initiative • Guide the establishment and implementation of "dual carbon" management goals and work plans at the Group and factory levels • Report "dual carbon" management performance to the Strategy and ESG Committee	• Hold at least one meeting per year; convene special meetings for important decisions
Tactical Level	ESG Office	• Facilitate information sharing, work coordination, and resource allocation between different levels of dual carbon work to ensure smooth and orderly progress • Monitor and improve the dual carbon work process, and provide rational suggestions • Lead the dual carbon capability training and development for the Carbon Neutrality Management Project Team, build a training system for management and execution levels, and conduct regular personnel training • Aggregate the Group's inventory, reports, and records related to greenhouse gas inventory and verification, and ensure reasonable external disclosure	• Regularly summarize and report climate work progress to the board of directors • Annually disclose climate-related matters • Regularly organize working meetings
	Carbon Neutrality Management Project Team	• Internally, responsible for formulating dual carbon management goals and energy-saving carbon reduction measures, and ensuring the achievement of dual carbon strategic goals • Externally, responsible for responding to stakeholders' carbon reduction demands, conducting supply chain carbon verification and reduction training, and promoting sustainable development among suppliers to gradually achieve net-zero emissions across the value chain	
Operational Level	Other Relevant Headquarter Departments	• Promote dual carbon work related to their respective departments and ensure the achievement of expected goals • Report difficulties and resource needs in project implementation to ensure steady progress	• Report annual dual carbon work and progress data as required • Report problems and challenges encountered in the work at any time

Strategy and Management Approach

Management Approach

In 2024, Delton Technology established a three-tier organizational structure for climate change response, comprising the ESG Strategy Committee, the ESG Office, and the Carbon Neutrality Management Project Team. This framework ensures a cohesive and unified approach to climate change across the Group.

ESG Strategy Committee

- Formulate carbon management strategies and targets
- Review and approve the annual work plans developed by the Carbon Neutrality Management Project Team
- Guide the continuous improvement of our dual carbon strategies and performance

ESG Office

- Coordinate domestic and overseas factories to implement the approved dual carbon annual work plans
- Promote the verification of dual carbon work and ensure timely external disclosure

Carbon Neutrality Management Project Team and Factory Functional Departments

- Develop the group-wide annual dual carbon work plan and submit it for approval to the ESG Strategy Committee
- Identify GHG emission sources, collect data, and manage them on a day-to-day basis
- Take the lead in promoting GHG emission calculation and quantification, establish a carbon emission inventory, and collaborate with functional departments and factories to advance emission reduction efforts
- Promote carbon verification and the development of a low-carbon supply chain

Group Carbon Management Process Diagram

In addition, based on practical management, we have issued the *Delton Technology Group Carbon Management Procedure*, clarifying the carbon management process across our entire group.

We continuously improve our carbon emission accounting system. Functional departments of each factory need to optimize their measurement, statistics, and monitoring capabilities for carbon emission data within their scope of responsibility, strengthen daily management, and ensure the completeness, reliability, and consistency of the data.

We develop and implement energy-saving and carbon reduction strategies and plans, with continuous improvement. We promote low-carbon technologies and practices, and carry out energy-saving, emission reduction, and water-saving projects.

We explore the establishment of a carbon emission monitoring and early warning mechanism, and conduct routine analysis and monitoring of carbon emission trends.

We optimize our supply chain management. We encourage major suppliers to implement "dual carbon" management work, organize training on supply chain carbon inventory and carbon reduction, strengthen cooperation with suppliers, promote sustainable procurement, and gradually incorporate "dual carbon" management into supplier requirements. We reach strategic cooperation with major raw material suppliers to jointly promote net-zero emissions across the value chain.

We regularly disclose our carbon emission status and transparently report relevant information to shareholders, employees, and the public. We disseminate our dual carbon achievements and experiences through diverse channels such as our company website and social media to enhance public awareness and trust in our company.

In addition, we have published the *Environmental Protection Policy*, which clearly articulates our principles and positions on environmental compliance and climate change.

Climate Change Strategy

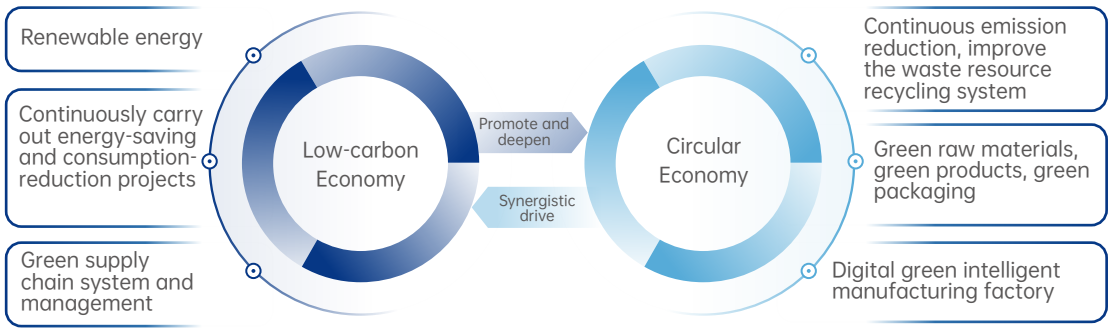
Leveraging our products and business model, our response to climate change primarily focuses on two core areas:

Low-carbon Economy

We will advance the low-carbon economic process in two major areas—corporate operations and the value chain—by continuously enhancing energy efficiency and optimizing the energy structure.

Circular Economy

By implementing efficient waste management, developing green products and packaging, and constructing green intelligent factories, we will not only address climate change risks but also seize opportunities. We aim to provide customers with green and low-carbon products and reduce the environmental impact across the entire product life cycle.

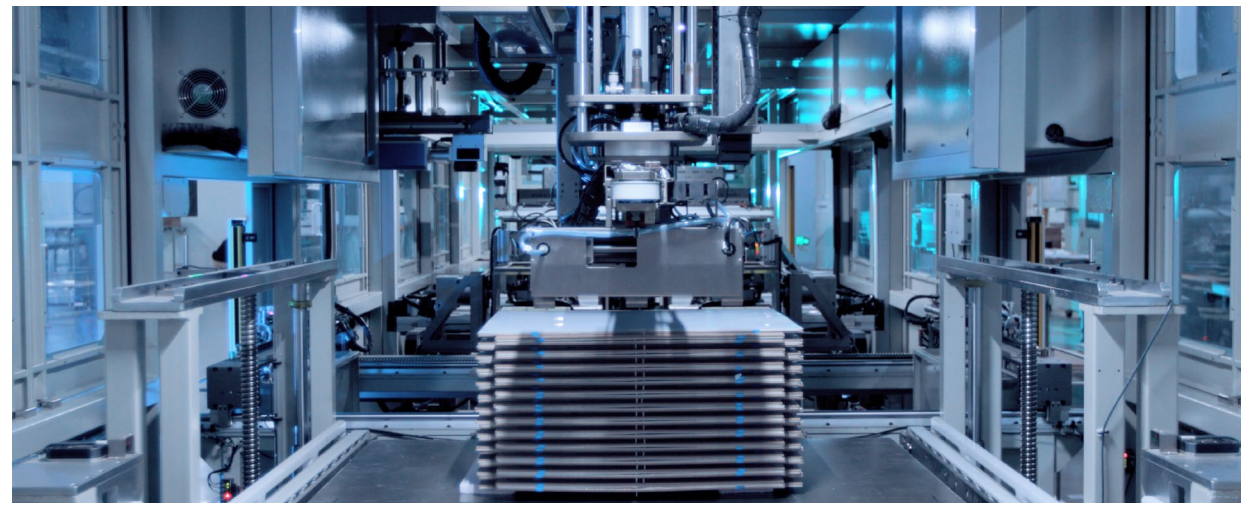


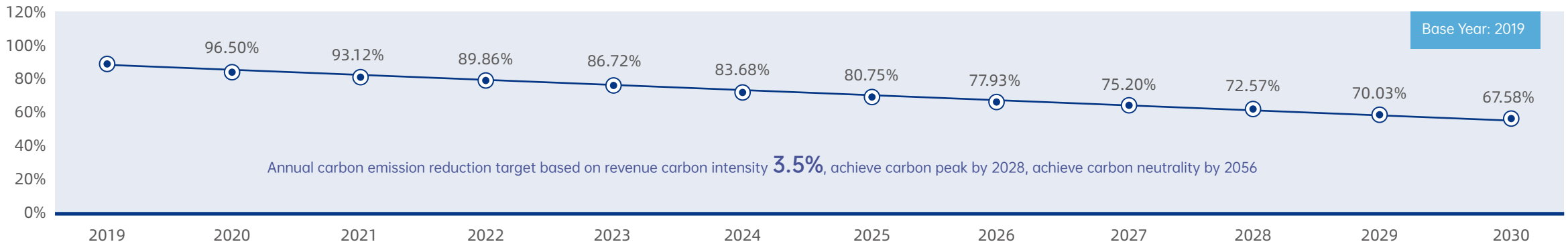
The Two Core Measures of Delton Technology in Responding to Climate Change

Roadmap for Net-Zero

From the perspective of product manufacturing, Delton focuses on strengthening energy, resource, and waste management, introducing energy-efficient technologies, and building a green development and carbon neutrality pathway across the entire lifecycle. On the input side, Delton emphasizes the cleanliness of resource and energy sources, prioritizing the use of green and clean energy and resources. In the production process, it stresses energy and resource conservation as well as emission reduction. On the output side, it focuses on the safe disposal, traceability, resource utilization, and multi-level use of energy from waste. Through safe disposal and resource utilization technologies and management practices, Delton aims to achieve a green closed loop in the product lifecycle and promote the development of a circular economy.

From a temporal perspective, in the medium and short term, Delton will achieve a continuous reduction in carbon intensity through energy efficiency, energy conservation, and resource recycling, which are both environmentally and economically beneficial. In the long term, it will achieve carbon neutrality through the purchase of green electricity and carbon capture technologies. With 2019 as the base year, Delton Technology plans to reach peak carbon by 2028 and ultimately achieve carbon neutrality by 2056.





RBA Code of Conduc	Digital Factory	Renewable Energy Utilization	Green Manufacturing	Peak Shaving and Valley Filling	Central Energy Saver	Dust Collection System Integration and Retrofit	In-line Recycling and Reuse of Pre-treatment Micro-etching Waste Liquid	Third-Party Certification
• RBA non-VAP audit passed in May 2019 • RBA VAP certification passed in May 2024, Silver Award • SAQ completed and risk assessment conducted in March 2024	• Intelligent energy management. Recognized as a Grade A energy consumption supervision unit in Guangzhou. Focus on energy conservation, consumption reduction, and quality improvement • Data IT-ization and intelligent operations • Digital measurement and networked control • Visualized status	• 3MW photovoltaic power station in operation • Average annual power generation: 3.28 million kWh • Annual carbon emission reduction: 1,905.6 tCO_2e	• Recycling and reuse of packaging materials • Improving raw material utilization rate • In-line recycling and regeneration of raw materials • Innovative process technologies with environmental and social benefits • National Green Factory • Guangzhou Clean Production Advantage Enterprise • Received the "Green Plate" in Guangzhou's environmental credit evaluation • Successfully established as a water-saving enterprise in Guangzhou • Achieved "A" grade in the evaluation of graded control of volatile organic exhaust	• 16MW energy storage power station in operation • First-year discharge volume: 5.76 million kWh • Cumulative discharge volume over 25 years: 118.77 million kWh • Average annual discharge volume: 4.75 million kWh	• Installation of central energy savers in power supply circuits • Series connection of central energy-saving devices in the main power supply circuit to improve power quality and reduce power losses • Annual power saving: 3.6 million KWh • Annual carbon emission reduction: 2,091.6 tCO_2e	• Replacement of fans and pipelines, optimization of control systems • Post-retrofit power saving rate: 37.5% • Annual power saving: 594,000 kWh • Annual carbon emission reduction: 345.1 tCO_2e	• Electrolytic copper recovery rate: 100% • Annual savings in micro-etching solution: 324 tonnes • Annual water saving and emission reduction: 300 tonnes • Achieve "0" emissions	• Continuous disclosure of water and carbon emission data on the CDP website for nine consecutive years • Continuous disclosure of environmental and carbon emission data on the IPE website for nine consecutive years • ISO 14064-1:2018 certification passed in September 2023 • Sony GP certification achieved • 2023 Delton Technology ESG Report published

Delton Technology's Net-Zero Roadmap

Risk and Opportunity Analysis

In 2024, the Carbon Neutrality Management Project Team conducted a routine climate risk review. Through external trend research, policy analysis and interpretation, and communication and surveys with internal and external stakeholders, we identified climate-related risks and opportunities, analyzed their significance and potential impacts, and took corresponding response measures.

In line with our long-term vision of net-zero carbon emissions and the government's planned milestones of "peak carbon by 2030 and carbon neutrality by 2060," we categorized the time horizons of climate risks and opportunities into short-term (0-10 years), medium-term (10-20 years), and long-term (20-40 years).

Delton Technology Climate Risk Identification and Response

Risk Category	Risk Name	Risk Description	Duration of Impact	Likelihood of Impact	Scope of Impact	Financial Impact	Response Measures
Physical Risk	Acute Risk——Earthquakes, typhoons, floods, heavy rains, etc	• Floods may damage factories, equipment, and inventory, leading to production disruptions • Strong winds and heavy rains may destroy facilities and impact the supply chain	Short-term	High	Upstream Value Chain Internal Operations	High	• **Risk assessment**: Regularly evaluate climate risks and develop emergency response plans • **Facility reinforcement**: Enhance the disaster resilience of factories and equipment • **Water resource management**: Implement water-saving technologies and water recycling systems • **Supply chain diversification**: Establish a diversified supply chain to reduce reliance on single sources • **Insurance purchase**: Buy relevant insurance to mitigate potential losses
	Chronic Risk——Sea-level rise, water scarcity, etc	• Factories located in coastal areas may face inundation risks, threatening infrastructure and operations • Water scarcity can impact production, especially processes that are heavily dependent on water	Long-term	Medium	Upstream Value Chain Internal Operations	High	
Transition Risk	Policy and Legal	• **Carbon pricing mechanisms:** The government implements policies such as carbon taxes and Emissions Trading Schemes (ETS), which directly increase corporate energy and raw material costs (especially in high-energy-consuming PCB production processes) • **Increasing environmental regulations**: Restrictions on the use of chemicals (such as etching solutions and plating solutions) require companies to switch to more environmentally friendly but higher-cost alternative materials. Stricter controls on wastewater and exhaust gas emissions increase investment in environmental equipment and compliance costs • **Supply chain carbon footprint requirements**: Policies such as the EU's Carbon Border Adjustment Mechanism (CBAM) and the Eco-design Regulation for Sustainable Products require companies to disclose and reduce supply chain carbon emissions, pushing PCB companies to transition to low-carbon suppliers	Medium-term	High	Upstream Value Chain Internal Operations	Medium	• **Proactive decarbonization**: Adopt clean energy sources (such as photovoltaic power generation) and optimize energy efficiency (such as waste heat recovery) • **Promote circular economy practices** (such as waste liquid recycling and copper foil reuse) • **Technology research and development**: Invest in low-carbon processes (such as cyanide-free plating and dry etching) and environmentally friendly materials (such as lead-free solder) • **Supply chain management**: Collaborate with low-carbon suppliers and establish a green supply chain certification system • **Compliance and disclosure**: Meet international ESG standards in advance (such as TCFD and SASB) and proactively disclose carbon footprints • **Market strategy adjustment**: Develop low-carbon product lines (such as "green PCB") to meet customer demands
	Technological Risk	• **Technological substitution threat**: New low-carbon technologies (such as halogen-free substrates, low-temperature soldering processes) require companies to invest in R&D funds to upgrade equipment • **Alternative materials** (such as bio-based resins, biodegradable substrates) may challenge the traditional PCB material market. • **Technology lag risk**: Companies that fail to adopt energy-saving technologies (such as efficient thermal management, clean energy) in a timely manner may face cost disadvantages or be eliminated from the market	Medium-term	High	Upstream Value Chain Internal Operations	Medium	
	Market Risk	• **Customer demand shifts to low-carbon products**: Downstream customers increasingly require suppliers to provide "carbon-neutral" PCB products; companies that do not meet the standards may lose orders • **Consumer preference for green electronics** drives the PCB industry towards environmental certifications (such as RoHS, REACH) • **Changes in the competitive landscape**: Companies that achieve low-carbon transformation first (such as using green electricity, circular production) may capture market share • Companies from emerging market countries may exert price competition pressure due to lower environmental costs	Medium-term	Medium	Internal Operations	High	
	Reputation Risk	• **Greenwashing accusations**: If a company fails to achieve genuine low-carbon transformation, it may face criticism from external organizations or consumers, as well as government penalties • **Insufficient supply chain transparency**: Failure to disclose carbon footprints or environmental impacts of the supply chain may lead customers to view the company as an unreliable partner	Medium-term	Low	Downstream Value Chain	Low	
	Financing and Investment Risk	• **Rising financing costs**: Financial institutions incorporate ESG performance into loan assessments, and high-carbon enterprises may face higher interest rates or financing restrictions • **Investor divestment**: ESG funds may avoid high-emission, high-pollution PCB enterprises, leading to falling stock prices or difficulties in obtaining capital • **Stranded asset risk**: Traditional high-energy-consuming equipment (such as coal-fired boilers, old plating lines) may be retired early due to policy restrictions, causing asset impairment	Medium-term	Low	Internal Operations	Low	

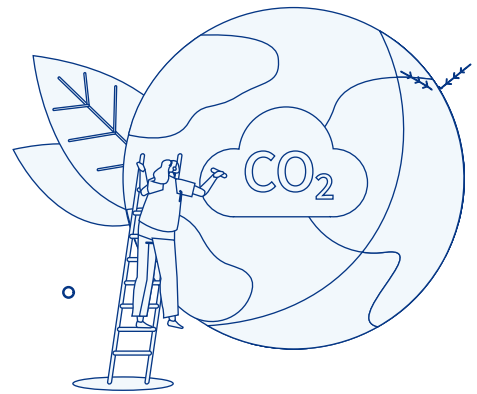
By identifying and anticipating transition risks, developing corresponding action plans, and proactively laying out our product research and development and technological breakthroughs, we expect that these positive response measures will bring opportunities to our business activities, mainly manifested in creating more market opportunities through new products and service solutions.

Delton Technology Climate Opportunity Identification and Response

Opportunity Category	Opportunity Description	Duration of Impact	Likelihood of Impact	Financial Impact	Scope of Impact
Transition Opportunities ——Products and Services	• **AI servers and data center demand:** The surge in AI computing power is driving the growth in demand for high-end PCBs, such as high multilayer boards (18 layers and above), HDI boards, and packaging substrates. These products feature high density and low energy consumption, which align with the trend of low-carbon development • **New energy vehicle opportunities:** The electrification of vehicles has doubled the demand for PCBs compared to traditional fuel vehicles, and it requires higher reliability and high-temperature resistance	Medium-term Long-term	High	High	Internal Operations
Transition Opportunities ——Energy Substitution	• **Low-carbon policy incentives**: The "dual carbon" goals and carbon tax exemptions promoted by various governments, as well as China's "Two New" policies (new energy, new infrastructure), provide policy support for PCB companies to carry out technological transformation and green production • **Environmental material substitution:** Stricter environmental regulations force companies to adopt low-carbon materials such as halogen-free substrates and bio-based resins, while also promoting the recycling of waste liquids and the reuse of copper foil, reducing carbon emissions during the production process • **Energy-saving production processes:** The development of low-carbon processes such as cyanide-free plating and dry etching can reduce the use of chemicals and wastewater discharge • **Energy structure transformation:** Companies can reduce operational carbon emissions and enhance market competitiveness by purchasing green electricity (such as photovoltaic power) • **Demand for green certification**: Environmental certifications such as RoHS and REACH have become export barriers, pushing companies to optimize their production processes	Medium-term Long-term	High	High	Internal Operations
Transition Opportunities ——Capital Flow and Financing	• Increased financing support from financial institutions for green enterprises: PCB companies with high ESG ratings are more likely to obtain low-cost loans • Accelerated depreciation of high-energy-consuming old equipment, driving the company's asset-light transformation	Short-term	Low	Medium	Internal Operations

Indicators and Goals

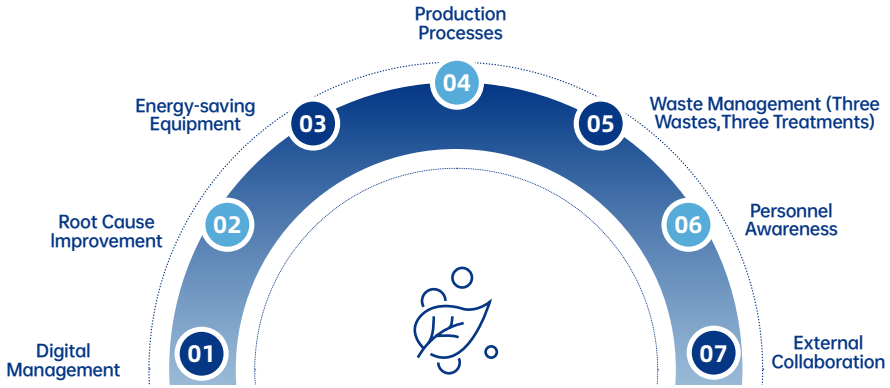
Issue	Target	Key Indicator	Progress in 2024
Green Development	Proportion of renewable electricity	2036: 50% of electricity from renewable sources 2050: 100% of electricity from renewable sources	Current proportion of renewable electricity: 1.68
	Carbon reduction in operations	2024: 3.5% year-on-year decrease 2028: Reach peak carbon emissions 2030: 36.98% reduction in carbon emissions 2056: Achieve zero carbon emissions	Current decrease in carbon intensity: 13.67%



Building Green Business Operations

As a national high-tech enterprise, a national manufacturing single-champion product, and a national corporate technology center, Delton Technology has always adhered to the concept of green development, ensuring that all operational activities follow the environmental policy of "business activities comply with government environmental regulations," "continuously implementing resource conservation, recycling, and waste reduction," "effectively implementing an environmental management system," and "working with third parties to achieve environmental protection goals."

We have built green factories and created green operations around five directions: intensive land use, harmless raw materials, clean production, resourceful waste, and low-carbon energy. All our performance indicators have reached the advanced level of the industry. In 2024, Delton Technology was recognized as a "National Green Factory" by the Ministry of Industry and Information Technology of China. This is not only an endorsement of Delton Technology's achievements in green development, but also shows that the green development path we have developed is effective.



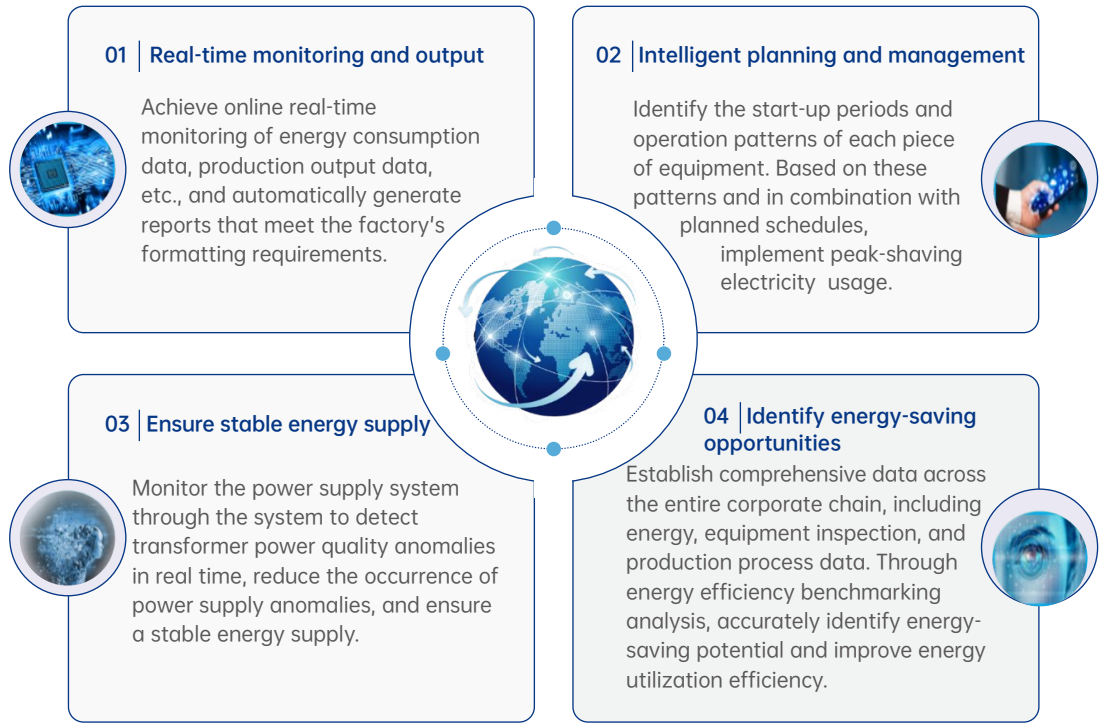
Delton Technology's Green Operation Pathway

At the same time, we comply with the environmental protection laws, regulations, and standards of the locations where we operate. We legally obtain, maintain, and update all required environmental permits, approvals, and registrations as required by regulations, and promptly update them. We also comply with the operational and reporting requirements of the permits. Currently, we have obtained ISO 14001 certification.

Strengthen Energy Management

Enhance Digital Management

As early as 2021, our energy management was upgraded from manual to intelligent management, achieving refined energy management. Intelligent energy management breaks the limitations of time and location, allowing us to monitor production energy efficiency and its fluctuations in real time. By using an intelligent energy management system, we can grasp the energy consumption comparison data of equipment, monitor energy-saving targets, reduce energy consumption, and improve quality and efficiency. Currently, our energy management system has reached the top level.



Promote Root Cause Improvement

Optimizing renewable energy utilization and promoting energy storage and central energy saver efficiency are key pathways for source improvement. We reduce electrical energy loss and increase renewable energy usage through projects such as "photovoltaic power generation" and "central energy savers."

In terms of enhancing renewable energy utilization

Delton Technology is continuing to advance the installation of distributed photovoltaics. The Huangshi factory is expected to complete the installation in 2025. The current total installed capacity is three megawatts, with a cumulative power generation of 3.15 million kWh in 2024 and a carbon reduction of 1,796.4 tonnes of CO_2e per year. Additionally, we are actively exploring the application of green electricity and green certificates. In 2023, the purchase volume reached 19.53 million kWh, accounting for about 20% of the total electricity consumption.

Regarding energy storage

we launched an energy storage project in 2023 with an average annual discharge of 4.75 million kWh, saving 3.8 million yuan in electricity costs per year. The Guangzhou Factory No.1 is expected to be put into use in 2025.

In terms of energy savings through central energy savers

we installed six new central energy savers in 2024, achieving an annual electricity saving of 3.6 million kWh. As of the end of the reporting period, a total of nine central energy savers have been installed, with an annual electricity saving of 8.1 million kWh and an annual carbon saving of 4,619 tonnes of CO_2e.

In 2024, we further strengthened energy system management and successfully obtained certification for our energy management system. Through systematic and standardized management practices, we have comprehensively improved energy utilization efficiency.

Strengthen Equipment Energy Conservation

We remain committed to our net-zero target, introducing energy-efficient equipment to reduce energy waste and improve energy efficiency.

High-pressure fan drying energy saving

In response to the trend of increasing product board thickness and smaller holes, which raises drying demands on the production line, we have upgraded our blowers to energy-saving high-pressure fans. In 2024, we completed 14 sets of upgrades, achieving annual electricity savings of 840,000 kWh and a carbon reduction of 479 tonnes of CO2e. As of the end of the reporting period, a total of 41 sets have been upgraded, resulting in annual electricity savings of 2.29 million kWh and a carbon reduction of 1,306 tonnes of CO_2e.

Permanent magnet synchronous motor energy saving

We have introduced new IE5 ultra-high-efficiency permanent magnet synchronous motors, which achieve over 10% energy savings per unit. During the reporting period, four VCP pulse lines were equipped with permanent magnet synchronous motors, with 45 pumps per line, realizing annual electricity savings of 570,800 kWh and a carbon reduction of 325.35 tonnes of CO_2e.

Wastewater station Roots blower energy-saving retrofit

In 2024, our Guangzhou Factory II replaced the traditional Roots blowers in the wastewater station with air-suspended centrifugal blowers. After the retrofit, we achieved annual electricity savings of 222,600 kWh and a carbon reduction of 126.95 tonnes of CO_2e, while effectively reducing operating noise.

Optimize the production process

Under the continuous optimization of energy and equipment, Delton Technology manages production processes and procedures to achieve refined energy saving in production.

Character tunnel oven energy saving with heat pumps

According to the drying and heating requirements of tunnel furnaces, high-temperature energy-saving technology with heat pumps is adopted. Air is used as the heat source to preheat and supplement new air heating for tunnel furnaces, improving the comprehensive energy efficiency and reducing corporate operating costs. During the reporting period, two character tunnel ovens were retrofitted, achieving annual electricity savings of about 500,000 kWh. As of the end of the reporting period, a total of 800,000 kWh of electricity had been saved annually, and 456 tonnes of CO_2e had been reduced annually.

Panel loading and unloading machine suction plate energy saving with central vacuum systems.

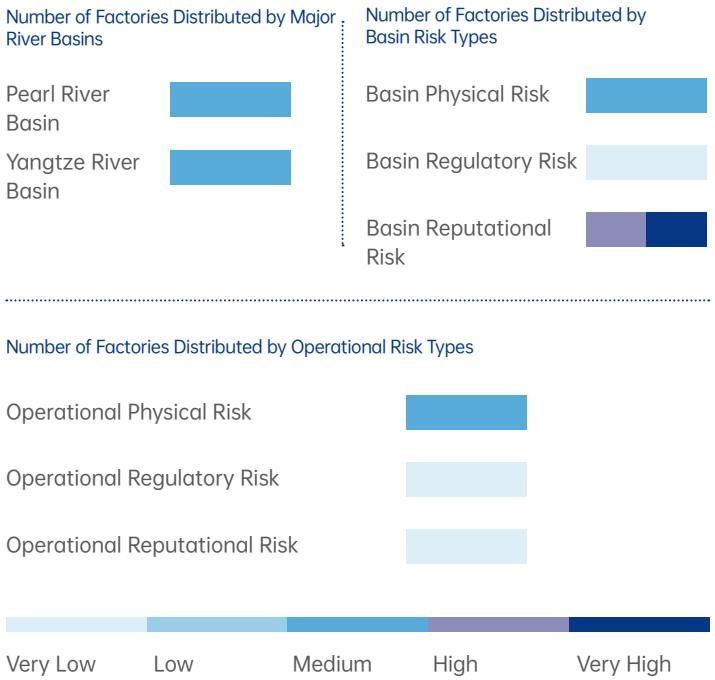
The suction plate of panel loading and unloading machines, which was originally generated by vacuum generators using compressed air, was retrofitted to use central vacuum systems for direct suction. In 2024, a total of 40 panel loading machines were retrofitted in two phases, reducing 1,367 vacuum generators. This resulted in annual electricity savings of 934,000 kWh. As of the end of the reporting period, a total of 83 panel loading machines had been retrofitted, achieving annual electricity savings of 1.2 million kWh and an annual CO_2e reduction of 688 tonnes.

Water Resource Management

The printed circuit board (PCB) manufacturing industry is a high-water-consuming sector within the electronic information manufacturing industry. Processes such as panel cleaning, etching, electroplating, and chemical plating have high water requirements. In 2024, Delton Technology further strengthened the management of its water resource system, building a systematic water risk management mechanism from water risk identification to measure response.

Delton Technology's Closed-Loop Water Risk Management Procedure

For Delton Technology, its water risks mainly involve water use risks in the product production process and water extraction risks caused by the river basin conditions of the factory locations. To better carry out water resource management actions, in 2024, Delton Technology continued to use the World Wide Fund for Nature's (WWF) Water Risk Filter online analysis tool to identify water basin risks and operational risks for each factory. The Guangzhou factory and Huangshi factory are located in the Pearl River Basin and the Yangtze River Basin in China, respectively, which are considered medium-risk areas.



Delton Technology's Water Risk Identification Results

In 2024, Delton Technology introduced a smart water-saving project. The smart water-saving controller module consists of an ultrasonic flow meter, a variable-speed ball valve, a display screen, and a main control module. It is internally equipped with multiple sensors and has the function of bidirectional data transmission, which can simultaneously upload liquid monitoring data and issue water regulation instructions. The product collects comprehensive water management data through multi-sensor fusion technology and uploads the data to the cloud for computation. Based on the results of cloud computing, it issues instructions to remotely control the flow rate of smart water-saving devices in different areas and processes. Through closed-loop system instructions, it achieves fully intelligent operation, dynamically adjusts the water flow in the production line, and realizes energy-saving and green production effects while ensuring product quality.

In addition, we actively explore opportunities for water resource recycling. In 2024, we launched a project to improve the water reuse rate of the wet process line. We canceled the front-end water supply and diverted the overflow water from the back-end to sections with lower water quality requirements. This reduced the need for additional water supply and enabled the reuse of cleaner water, achieving energy and emission reduction.

Through a combination of measures, in 2024, we reused 34.644 million tonnes of water. By implementing measures such as product displacement and seasonal water saving, centralized recycling of overflow water across areas, and modular rainwater collection and reuse, we achieved water savings of 191,000 tonnes. Meanwhile, we were honored as an "Excellent Water-Saving Unit in Huangpu District in 2024" and a "Provincial Water-Saving Benchmark in Guangdong."

Indicator	Target	Key Indicator			Progress in 2024
		2025	2030	2050	
Water Intensity	Percentage decrease in water consumption per unit of output value compared to the previous year	3.5%	Reduce water intensity by 40% relative to the base year	Reduce water intensity by 60% relative to the base year	Decrease 2.04%
Water Recycling and Reuse	Ratio of recycled water to total water usage	90%	92%	96%	98.34%

Note: In 2024, both the Guangzhou and Dongguan factories of Delton Technology undertook extensive construction and retrofitting projects. The water usage statistics for these projects were included in the overall water consumption figures, which led to an increase in total water usage.

Waste Management

Delton Technology actively responds to the government's call and deeply participates in the pilot construction of "waste-free cities." In the process of building a "waste-free factory," Delton Technology focuses on source control, implementing green management throughout the entire process from raw material procurement, production processes to waste treatment. By implementing a series of innovative measures, we have successfully achieved waste minimization, resource utilization, and harmlessness in the production process.

In terms of waste minimization, Delton Technology has significantly reduced waste generation in the production process by optimizing production processes and introducing energy-efficient and environmentally friendly equipment.

Regarding resource utilization, we actively explore ways to reuse waste. It collects, treats, and reuses waste generated during production, maximizing resource utilization. For example, it has implemented a recycling and regeneration system for tin-removal and micro-etching waste liquids, effectively saving the use of tin-removal water, nitric acid, and micro-etching liquids while reducing the generation of hazardous waste.

In terms of harmless treatment, Delton Technology has introduced advanced exhaust gas treatment technologies and equipment to ensure that exhaust gases meet emission standards. It also recycles and regenerates spent activated carbon, effectively protecting the surrounding environment.

Delton Technology's effective management of waste has been recognized by the government. The Guangzhou factory was awarded the title of "Waste-Free Factory" in Huangpu District in 2024.

Case Study | Multi-Pronged Approach to High-Standard Exhaust Gas Treatment at Delton Technology

Due to the objective impact of various organic solvents used in the production process, effective treatment of organic exhaust gas has always been a key focus of environmental protection in the printed circuit board (PCB) industry. In 2024, Delton Technology achieved real-time online monitoring of organic exhaust gas emissions and networked control, designated specific personnel to manage the operation of each exhaust treatment facility, and automatically added chemicals to ensure treatment effectiveness. We realized that both the source collection and end-of-pipe treatment efficiency of VOCs (volatile organic compounds) reached over 90%, earning an A-level rating in Guangzhou's organic exhaust gas tiered control evaluation. Moreover, in quarterly sampling tests conducted by third-party organizations, we achieved a 100% compliance rate in emissions. This work was also included in Guangdong Province's typical cases of clean production, receiving recognition from regulators.

In addition, in 2024, Delton Technology switched from conventional combustion to low-nitrogen combustion, reducing nitrogen oxide emissions from 120 mg/m³ to 50 mg/m³, effectively improving air quality from the source.

Indicator	Target	Key Indicator			Progress in 2024
		2025	2030	2050	
Waste Reuse	Waste recycling rate	95%	96%	98%	97%
	Zero landfill certification for waste	-	Obtained certification	Obtained certification	-

Enhance Personnel Awareness

We highly value the enhancement of environmental awareness among all staff and have established a systematic environmental training system. In 2024, we provided comprehensive environmental training for new employees and all current staff, covering areas such as environmental management systems, energy saving and climate action, waste reduction and sorting, etc., to ensure that everyone has the knowledge and practical skills for environmental protection. The relevant training has covered all employees. By regularly conducting environmental training, we continuously improve employees' environmental management capabilities, enhance their sense of responsibility and proactivity in participating in environmental actions, and lay a solid foundation for our green transformation and sustainable development.

Systematically Advancing the Circular Economy

Improve the Governance of the Circular Economy

Circular economy is one of the three special working groups in Delton Technology's ESG governance structure. The team members include the Research Institute, Facilities Center, Environmental and Safety Management Department, and Supply Chain Management Center. The main work includes:

- Promoting the application of circular economy principles within the company.
- Gradually optimizing material management and implementing circular economy concepts from the material usage side, such as using recycled raw materials, purchasing low-pollution and environmentally friendly chemicals, using recyclable and biodegradable packaging materials, and reducing plastic use.
- Identifying opportunities to reduce waste and improve resource efficiency. Continuously carrying out resource utilization projects to increase the internal recycling of waste liquids and waste, and save the use of chemicals and raw materials.
- Promoting recycling and reuse programs to ensure 100% safe disposal of waste and increase the proportion of waste recycling.

Promote Circular Reuse

We actively promote recycling and reuse projects and have achieved the goals of waste liquid resource utilization and zero discharge through technological innovation.

In the treatment of micro-etching waste liquid

we use online recycling technology to electrolytically extract copper from the waste liquid into copper plates. The treated water is then readjusted and reused in the production line, achieving 100% recycling. In 2024, we successfully recovered 87.43 tonnes of electrolytic copper, saved 324 tonnes of chemicals annually, and conserved 300 tonnes of water. The equipment maintenance cycle was also extended from once a week to once every six months, significantly reducing operating costs.

In the treatment of tin-removal waste liquid

we have broken through the traditional model of external disposal and adopted online recycling technology to extract tin from the waste liquid into tin mud cakes. The treated water is readjusted and reused in the production line, completely replacing traditional tin-removal liquids and nitric acid chemicals. In 2024, we processed 65.72 tonnes of tin-containing waste, achieving triple benefits of cost reduction, efficiency improvement, and emission reduction, while also reducing the energy consumption and risks associated with the transportation of hazardous waste.

In the recycling and reuse of copper wire

we introduced surface corrosion technology to finely treat the copper layer. Without affecting the electrical and mechanical properties, this technology effectively reduces the thickness of the copper layer, decreases the amount of copper used, and significantly reduces the weight of the boards. This achieves the dual goals of resource conservation and lightweight design, further enhancing the environmental and economic benefits of our products while ensuring the high performance and stability of the circuit boards.

We have also introduced online membrane sludge press facilities to reduce the generation of hazardous waste membrane sludge by 50% at the source.

2024Recycled Material Recovery

Waste Kraft Paper

865.23 Tonnes

Copper Foil Scrap

81.88 Tonnes

Tin Blocks

2.91 Tonnes

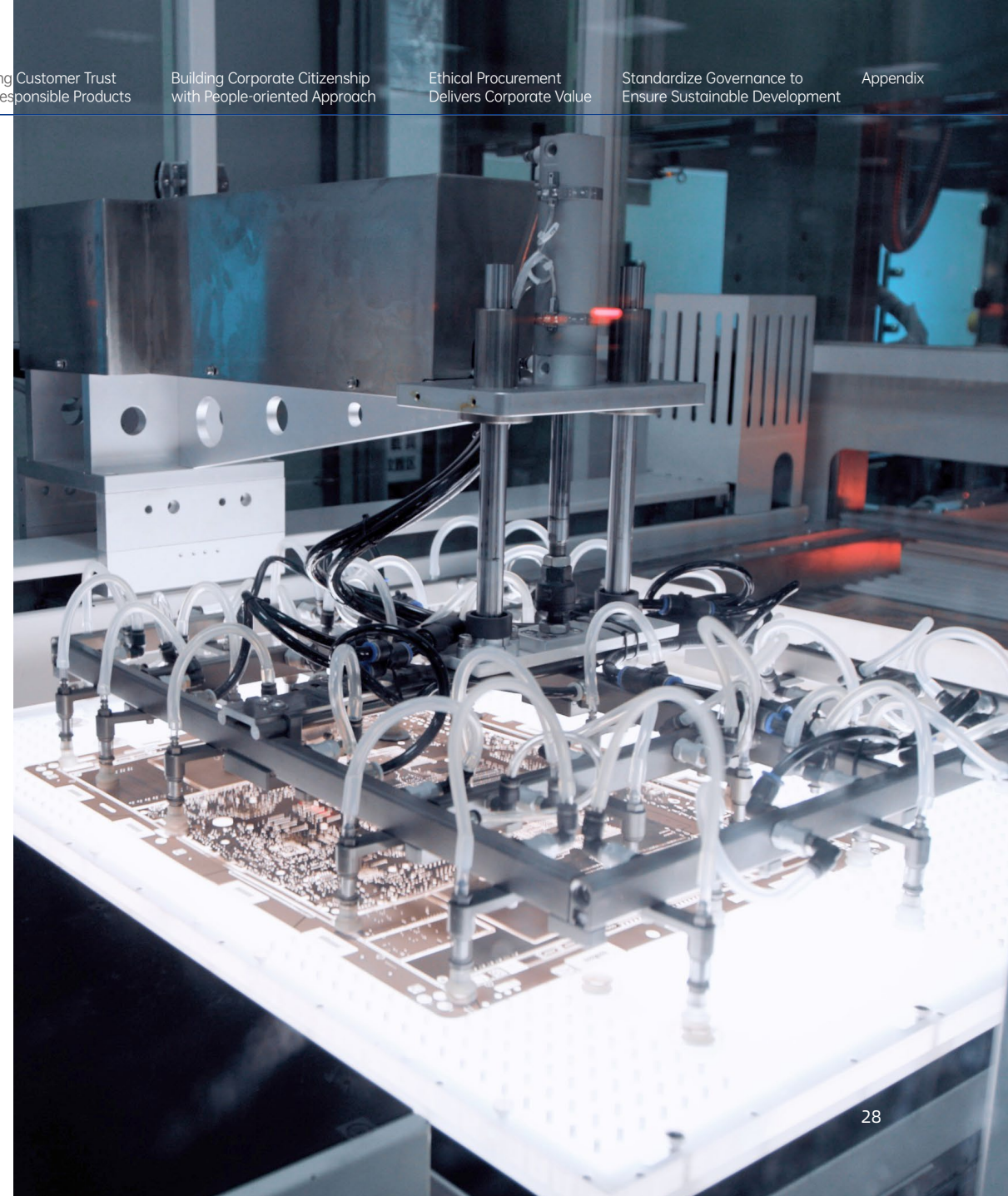
Exploring the Application of Recycled Materials

In 2024, we actively promoted the application of recycled materials.

In the field of copper raw materials, based on the procurement data from 2023, the proportion of copper-containing raw materials processed from recycled copper reached 86%, with the calculation standard based on third-party certifications such as UL2809, ISO14021, and SCS. At the same time, we actively encouraged our copper raw material suppliers to obtain certifications related to recycled materials and successfully assisted two core suppliers in completing the UL2809 recycling certification.

In addition, we have taken effective measures in the reuse of waste from raw material processing. Waste kraft paper, waste copper materials (including waste copper blocks and waste copper foil) generated in the production process are handed over to suppliers for reprocessing or smelting, transforming them into new materials that are reintroduced into the production cycle. This further promotes the efficient recycling of resources and supports the sustainable development of the supply chain.

Indicator	Target	Key Indicator			Progress in 2024
		2025	2030	2050	
Recycled Raw Material Usage	Substrate Copper	80%	90%	100%	Guangzhou: 82% Huangshi: 67%
	Copper Foil	30%	90%	100%	Guangzhou: 99.4% Huangshi: 100%
	Copper Balls	100%	100%	100%	Guangzhou: 100% Huangshi: 100%
	Copper Oxide Powder	100%	100%	100%	Guangzhou: 100% Huangshi: 100%



Winning Customer Trust with Responsible Products

For Delton, customer satisfaction is the core driving force behind our sustainable development. We strive to meet the increasingly diverse and sophisticated needs of our clients through continuous technological innovation and scenario-based solutions. Quality is the foundation of our partnerships, and we have established a comprehensive quality control system to ensure zero-defect delivery of our products. We also ensure strict compliance with regulations to maintain the highest standards of legality and integrity. Our commitment to customer service extends throughout the entire product lifecycle. We prioritize efficient response to customer needs and have developed standardized service procedures to enhance problem-solving efficiency. By taking a multi-faceted approach, Delton actively embraces the core value of "customer first."

Our Goals

- No intellectual property litigation incidents
- No product returns or recalls due to quality issues
- 100% pass rate for annual external quality system audits
- No fire or explosion incidents
- No chemical spill accidents

Our Progress

- Intellectual property litigation cases: **0**
- Product returns, recalls, and defective products: **0**
- Annual external quality system audit pass rate: **100%**
- Fire or explosion incidents: **0**
- Chemical spill accidents: **0**

Support SDGs

Strengthening Corporate Innovation Capabilities

Innovation in science and technology is the core competitive edge of our company. Delton adheres to a long-term perspective, driving development through continuous innovation. We focus on enhancing our independent innovation capacities, increasing R&D investment, and improving production processes and manufacturing capabilities. By doing so, we actively promote the development of new forms of productive forces and enhance the core competitiveness of our industry.

Governance

Delton is committed to innovation as a core value, with a focus on value creation through innovation. To this end, we have established research institutes and other R&D departments to fully integrate intellectual property (IP) activities with the innovation process. By implementing the international standard ISO 56005:2021 *Innovation Management - Tools and Methods for Intellectual Property Management: Guidelines*, We have developed a comprehensive system for innovation and IP management. Additionally, we set up an organizational structure for innovation and IP management, led by the highest management level, to ensure systematic and standardized operations in R&D activities.

To further strengthen innovation and R&D management, Delton has formulated and implemented a series of management systems, including the *Innovation and Intellectual Property Management Manual*, *Innovation and Intellectual Property Management Policy*, *R&D Project Management Guidelines*, *Patent Management Procedure* and *R&D Incentive Policy*. Building on the existing project management system, these systems ensure full lifecycle patent management for innovation projects, covering all stages from project initiation, R&D implementation to technology transfer and commercialization. This approach effectively enhances innovation efficiency, quality, and benefits.

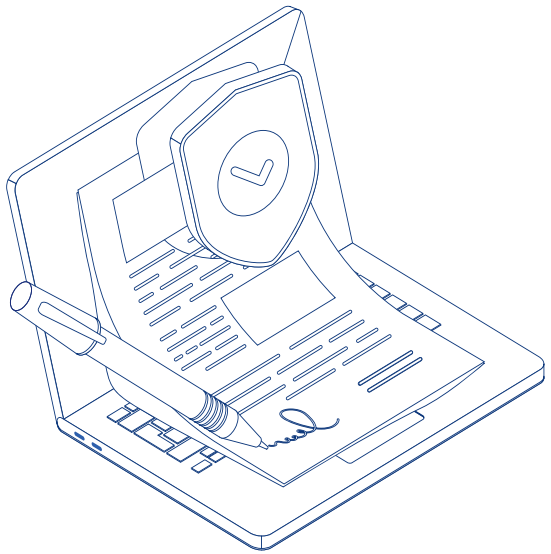
Strategy and Management Approach

Delton has established a systematic strategic framework and management mechanism in innovation management and intellectual property (IP) management to ensure the efficient conduct of innovation activities and comprehensive protection of IP rights. Based on external market demands and internal development goals, we formulate an annual plan for scientific and technological innovation as well as a list of government projects each year, clarifying R&D directions and key areas of focus. Through scientific planning and resource allocation, it ensures that innovation activities are highly aligned with strategic objectives.

At the same time, we strictly adhere to national laws and regulations related to IP and, in combination with its own practical situation, has developed and implemented a series of management policies, including the *Intellectual Property Risk Prevention Procedure*, *Intellectual Property Information and Resource Management Procedure*, *Intellectual Property Evaluation and Control Procedure* and *Intellectual Property Dispute Resolution Procedure*. All of these are integrated throughout the entire innovation process to ensure that innovative achievements are promptly filed for patents and receive legal protection. By maintaining long-term cooperation with professional IP service institutions and legal advisors, we have established a comprehensive IP risk prevention and control system to effectively avoid potential risks in the innovation process.

Risk and Opportunity Management

In the process of technological innovation, Delton focuses on the key challenges in cutting-edge technology fields, in accordance with our risk management standards and requirements. It identifies, assesses, and monitors potential uncertainties in the R&D process to manage risks effectively. We conduct in-depth analyses of critical stages and control points in the innovation process, integrating risk management into every key step of innovation and technological advancement. At the same time, intellectual property (IP) management is embedded throughout the entire innovation process to ensure that R&D achievements are not only breakthroughs in technology but also protected and utilized effectively and in a timely manner.



R&D Risks and Opportunities Identification and Response

Category	Description	Possibility	Impact	Response
Risk	During the innovation and R&D process, there is a potential risk of core technologies being stolen or inadvertently infringing on third-party intellectual property rights. This could lead to legal disputes, economic compensation, and the creation of technical barriers, thereby affecting the company's market competitiveness and reputation	Low	Medium	• Establish a comprehensive intellectual property management system, including patent layout, trademark registration, and mechanisms for protecting trade secrets, to ensure the legal protection of core technologies • Conduct regular intellectual property audits and infringement risk assessments to ensure the compliance of R&D activities and avoid potential legal risks. • Strengthen intellectual property awareness training for employees, and have them sign legally binding confidentiality agreements and non-compete agreements to prevent technology leakage
	During the process of technology research and development, there may be issues such as incompatibility between the technical route and existing production processes, insufficient technological reserves, or deviation of the R&D direction from market demands. These issues can lead to difficulties in commercializing the R&D outcomes or missing the market opportunities	Low	High	• Conduct in-depth market demand analysis and technical feasibility studies during the R&D project initiation phase to ensure that the R&D direction is highly aligned with market trends and customer needs. • Establish a cross-departmental collaboration mechanism to enhance communication and cooperation among R&D, production, marketing, and other departments, ensuring seamless integration between technology R&D and industrialization • Increase investment in technology pre-research, establish a technology reserve repository, and make early deployments in cutting-edge technology fields to enhance technical competitiveness
Opportunity	By continuously driving technological innovation and implementing forward-looking strategic planning, it is possible to lead the industry's technological development trends, develop high value-added products, and thereby enhance market competitiveness and expand market share	Medium	Medium	• Increase R&D investment by establishing a special fund for technological innovation to support research and development of cutting-edge technologies, ensuring a leading position in technology • Collaborate with universities, research institutions, and enterprises across the industry chain to build a platform for industry-university-research cooperation, accelerating technological breakthroughs and the transformation of research results • Closely monitor industry technological trends (such as 5G communication, Internet of Things, artificial intelligence, etc.), and make early deployments in related technology research and development to seize market opportunities
	By actively participating in the application for government science and technology projects, Delton can obtain policy support such as qualification certification, financial subsidies, and tax preferences. At the same time, this process can enhance brand influence and technical strength, providing strong support for innovative development.	Medium	Medium	• Establish a dedicated team for policy research and project application to track the dynamics of national and local government science and technology policies in real time, ensuring timely access to policy information. • Actively participate in industry alliances, technology standard-setting, and industry summits led by the government to enhance industry discourse power and influence. • Optimize the internal management system of the enterprise to ensure compliance with the qualification requirements for high-tech enterprises and "little giant" enterprises, thereby increasing the success rate of project applications.

Annual Progress

Ensure Investment on R&D

Delton Technology remains committed to the high-end PCB manufacturing path, focusing on high-performance computing and 5G communication as its core product areas. We are dedicated to the technological development of products such as high-end servers, 5G communication, AI computing, and high-end laptops. Delton undertakes major special projects from the Ministry of Industry and Information Technology of China, and has mastered core manufacturing technologies and processes for server PCBs with independent intellectual property rights. It possesses technical capabilities that are at the domestic leading level and forms a unique technological competitive edge.

Delton's Innovation Capabilities

Recognitions

Guangdong Province Intellectual Property Demonstration Enterprise,

Guangzhou Innovation Benchmark Enterprise

Consecutively recognized as a Gazelle Company in Huangpu District for seven years.

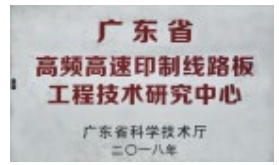
Intellectual Property

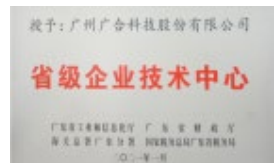
In 2024, Delton applied for 80 patents (including 46 invention patents) and 5 PCT international patents. The cumulative number of patent applications reached 418, with 210 authorized.

we have also presided over or participated in the formulation of 12 industry/ group standards and registered 29 computer

Qualification

Delton has established several key innovation and research centers, including the National Enterprise Technology Center, the Guangdong Provincial Enterprise Technology Center, the Guangdong Provincial Engineering Technology Research Center for High-Frequency and High-Speed Printed Circuit Boards, the Guangdong Provincial Industrial Design Center for High-Frequency and High-Speed Printed Circuit Boards, and the Huangpu District High-Value Patent Cultivation and Layout Center.





Technical Outcomes

Twenty-one products, including high-layer, high-speed printed circuit boards for big data servers have been recognized as provincial-level high-tech products.

Over the past three years, Delton has completed the evaluation of 10 scientific and technological achievements.

Awards

In 2024, Delton received one second prize in the Guangdong Province Science and Technology Progress Award, one third prize in the China Electronics Society Science and Technology Progress Award, and four second and third prizes in provincial association science and technology awards. Additionally, we were approved to establish the "Huangpu District High-Value Patent Cultivation and Layout Center."

Delton has established series of innovation management policies and comprehensive talent reward and incentive mechanisms. We have formulated internal policies such as the *Innovation and Intellectual Property Management Manual, R&D Project Management Work Guidelines,* and *R&D Incentive Policy*. These policies not only standardize the conduct of innovation work but also encourage innovative actions and reward the effective transformation of innovative achievements, creating a positive and vibrant innovation culture within us.

We have built several provincial and ministerial-level R&D platforms, including the National Enterprise Technology Center, Guangdong Provincial High-Frequency and High-Speed Printed Circuit Board Engineering Technology Research Center, Guangdong Provincial Enterprise Technology Center, and Guangdong Provincial High-Frequency and High-Speed Printed Circuit Board Industrial Design Center. It has also established physical and chemical laboratories for the research and testing of printed circuit boards. The technology center is equipped with facilities valued at over 110 million yuan. In the past three years, R&D expenses have accounted for more than 4% of the total annual operating revenue, providing ample hardware resources and financial support for independent innovation.

We have laboratory instruments and R&D equipment with an original value of up to **110** million yuan.

The R&D expenses have accounted for more than **4%** of the total annual operating revenue each year over the past three years.

Delton places high importance on the cultivation of R&D talents and is committed to providing continuous impetus for business innovation and development. By continuously expanding the scale of its R&D team, we have established a robust team of R&D technicians with solid theoretical foundations, strong technical capabilities, and rich practical experience. As of 2024, the total number of R&D personnel in the company has reached 391, accounting for 11.09% of the total workforce. The R&D team possesses independent intellectual property rights in the core manufacturing technologies and processes of server PCBs, with technical capabilities that are at the domestic leading level.

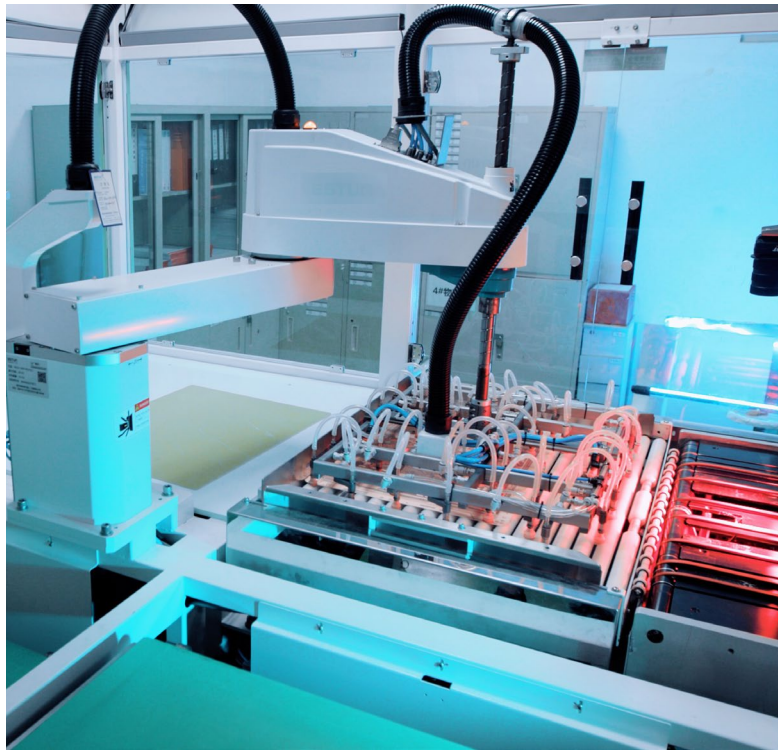
The core members of our technical team possess profound industry backgrounds and extensive R&D experience. They have participated in the formulation of numerous industry standards and have been granted over 70 patents. The team has successfully established a national-level enterprise technology center and undertaken multiple major national science and technology projects, further consolidating our leading technical position in the industry.

As of 2024

the total number of R&D personnel in the company has reached **391**

accounting for **11.09%** of the total workforce

In 2024, we launched a total of 45 R&D projects. Among them, 22 projects focused on the development of cloud computing products, communication products, and application terminal products. The remaining 23 projects were dedicated to the research of fundamental and process technologies, including signal integrity technology, surface flatness control technology, hybrid lamination technology, laser processing technology, backdrilling technology, high aspect ratio plating, and non-destructive testing technology. These projects aim to reduce drill bit wear, decrease the consumption of shims, lower the energy consumption of electricity, gas, and air, enhance production line efficiency, and cut process costs.



Laser Drilling Technology for Aluminum Sheets

we adopted laser drilling technology to replace traditional mechanical drilling, significantly enhancing the processing efficiency of aluminum sheets. This innovation also reduces the burden on mechanical drills and eliminates the need for shims and drill bit replacements. As a result, we could save over 500,000 yuan annually in costs associated with drill bits and shims, while substantially reducing energy consumption. The technology has already been successfully implemented in mass production.

Laser-Mechanical Hybrid Processing Technology for High Aspect Ratio Microholes

to address the challenges of low processing efficiency and high drill bit wear associated with traditional mechanical drilling of high aspect ratio through-holes, Delton has developed a laser-mechanical hybrid processing technology. This technology replaces the conventional mechanical pre-drilling and step-drilling processes. By integrating laser processing with mechanical drilling, it significantly reduces the consumption of pre-drilling bits and dramatically shortens the processing time for high-thickness production panels (with a thickness ≥ 3.2 mm).

3D-Xray Non-Destructive Testing Technology

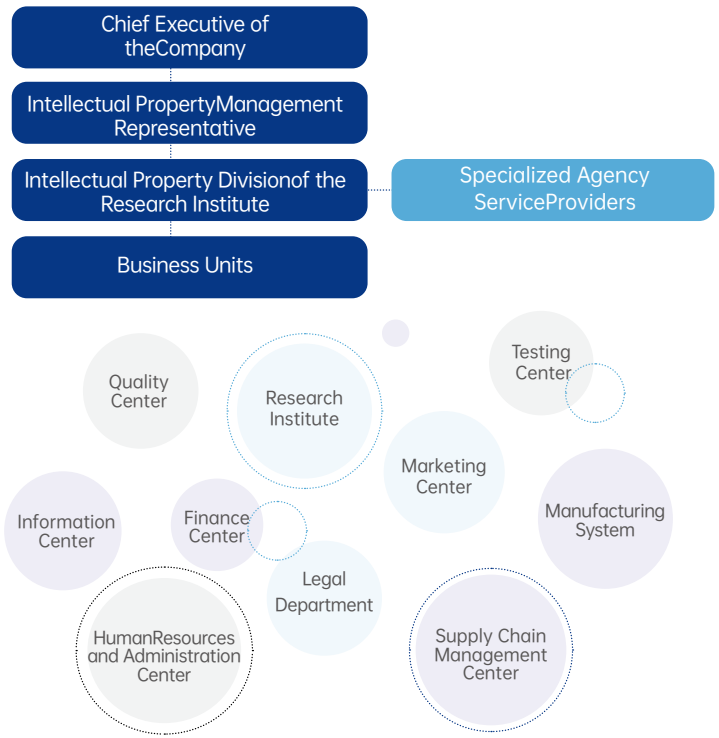
traditional backdrilling quality inspection requires destructive sampling of the boards, leading to the scrapping of the first piece, especially when using high-performance boards, which significantly increases costs. The 3D-Xray non-destructive testing technology allows for the inspection of backdrilled holes within a board thickness of up to 6 mm without causing any damage. Compared to conventional methods, the inspection efficiency is increased by more than three times. We have already implemented this technology in mass production.

High-Precision Backdrilling Technology

to meet the higher demands for precision and efficiency in backdrilling for high-end server products, we have developed a high-precision backdrilling technology by combining customized equipment and algorithm development. Compared to traditional methods, this technology reduces the number of backdrilling steps from eight to just two, significantly improving processing efficiency and reducing the usage of aluminum cover plates. Delton has now achieved mass production capability for backdrilling with a tolerance of 2-8 mils and has realized small-batch processing for backdrilling within the range of 2-6 mils.

Intellectual Property Management

Delton adheres to respecting intellectual property rights(IPR),using IPR in compliance with regulations, and protecting its own IPR. We have established a comprehensive intellectual property management system to continuously enhance its capabilities and standards in technology patent and IPR management. This approach aims to guard against the risks associated with IPR use, strengthen the protection of core technologies, and avoid infringing on the IPR of others, thereby maintaining its competitive edge and brand reputation.



Delton Technology Intellectual Property Management System

Delton has established an innovation and intellectual property management system and created an organizational structure for innovation and intellectual property management led by our top management. A dedicated Intellectual Property Manager Representative has been appointed to oversee and supervise intellectual property management activities. Under the representative, an Intellectual Property Group has been set up to collaborate with our research institute. This group is responsible for conducting risk reviews and devising relevant measures related to patents and intellectual property protection during the innovation and R&D process, ensuring that all the technological innovation activities are conducted in compliance with regulations. Each business department integrates intellectual property management into its routine workflow, thereby preventing risks from occurring at the front line of operations.

To standardize the intellectual property management, in accordance with the relevant national intellectual property laws and regulations and in combination with our actual situation, in 2024, Delton has revised a series of management systems, including the *Innovation and Intellectual Property Management Policy, Intellectual Property Risk Prevention Procedures, Intellectual Property Information Resource Management Procedures, Intellectual Property Assessment and Control Procedures, Intellectual Property Dispute Resolution Procedures, Patent Management Procedures, Copyright Management Procedures, Trademark Management Procedures*, and *Contract Review Management Procedures.* By regulating the creation, protection, and utilization of intellectual property, we analyze and control intellectual property risks, achieving full lifecycle patent management for innovative projects. This enhances innovation efficiency, quality, and benefits, effectively preventing and reducing intellectual property infringement disputes. It also strengthens our capabilities in creating, managing, protecting, and utilizing intellectual property, thereby enhancing core competitiveness and supporting the sustainable development.

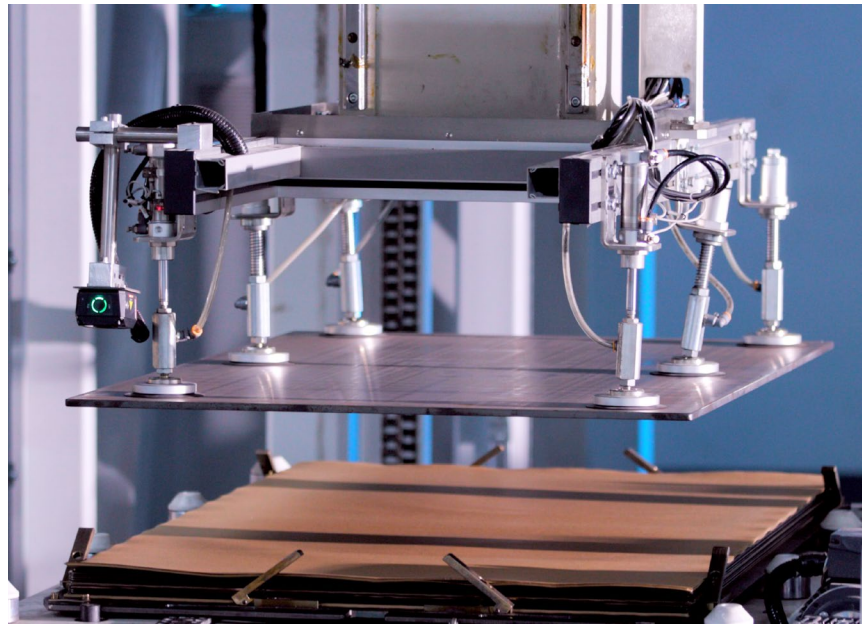
To promote high-quality integrated development and guided by the realization of innovation value, Delton emphasizes the supporting role of intellectual property strategy in its business and innovation strategies. Collaborating with authoritative external institutions, we have established an intellectual property management system in accordance with the ISO 56005 international standard, integrating management and quality assurance. We also have strengthened intellectual property management in four areas: strategic management capabilities, basic management capabilities, innovation process management capabilities, and innovation output and intellectual property application capabilities. At three levels—intellectual property layout, patent drafting, and intellectual property search and analysis—we have enhanced the quality control of intellectual property. So far, three employees have obtained certification as innovation management professionals, and we are expected to pass the Level 2 evaluation of the ISO 56005 international standard in the first half of 2025.

To further promote the business development and expand financing channels, we have partnered with Shanghai Pudong Development Bank (SPDB) to obtain a patent pledge financing credit line of 250 million yuan through patent value assessment and the pledge of patent rights. This initiative not only realizes the value of intellectual property but also provides a competitive edge for our technological innovation and operational activities, supporting sustainable growth.

As of the end of the reporting period

we **have not** experienced any cases of patent infringement or been involved in patent infringement disputes.

Certification of Innovation Manager



Strengthening External R&D Collaboration

Delton is continuously strengthening its R&D capabilities and shaping an innovative R&D landscape. We are committed to developing a collaborative innovation and R&D model with our R&D team at the core and external industry-university-research (IUR) cooperation as a supplement. This model aims to help us continuously improve the quality and level of scientific research, consolidate the market competitiveness of its products, and further promote new developments in industry innovation capabilities.

Delton places great emphasis on IUR cooperation and external collaboration, and has established a sound management mechanism for IUR cooperation. By fully utilizing the technological and talent advantages of major universities, we introduce high-quality professional talents to meet our technical needs. In order to accelerate the penetration of high-tech into traditional industries and enhance the engineering and industrialization level of scientific research achievements, the Delton Technology Research Institute has successively established long-term IUR projects with well-known domestic universities such as Guangdong University of Technology, University of Electronic Science and Technology of China, and South China University of Technology. We are actively pursuing world-leading technologies in various technical fields of the electronic circuit industry.

R&D Collaboration Platforms

Collaboration Platforms	Progress and Achievements
Joint Cultivation with International High-Level Universities	• In collaboration with the University of Electronic Science and Technology of China and the National University of Singapore, Delton undertook the 2022 Guangzhou Development Zone International Science and Technology Cooperation Project titled "Research and Application of Key Technologies for Low-Loss Transmission and High-Multi-Layer Copper Interconnect Electrodeposition in Electronic Circuits." Currently, the project is still in progress. • We have signed a "Cooperative Agreement on Joint Recruitment and Training of Postdoctoral Researchers" with the University of Electronic Science and Technology of China. This aims to better promote the integration of industry-university-research cooperation and the transformation of scientific research achievements through the joint training of postdoctoral researchers.。
Technical Innovations with Domestic Universities	• We have continuously collaborated with South China University of Technology on industry-university-research projects for four years, overcoming key technical challenges and achieving breakthroughs in technology application. It has also maintained a 10-year collaboration with Guangdong University of Technology, a key university in Guangdong Province for high-level construction, which has played a significant role in enhancing our R&D capabilities and cultivating innovative talents. • As of the end of the reporting period, we have successively launched six collaborative projects with South China University of Technology, published multiple core SCI papers, and tackled two key technologies. In 2024, we signed four industry-university-research cooperation projects with South China University of Technology, namely "Smart Depth Control Technology for Deep Backdrilling in PCBs," "High-Precision Impedance Control Technology," "Electroplating Parameter Simulation for High Aspect Ratio Through-Vias in PCBs," and "0 Stub Solder Mask Ink Preparation Process." These projects further focus on the key technologies of high-frequency and high-speed printed circuit boards. • In 2024, we continued to collaborate with Guangdong University of Technology on innovative processes such as "Special Backdrilling Tool Processing" and "Ultrafast Laser Deep Microvia Processing Technology" for high-end server PCB projects.
In-depth Collaboration with Leading Peers	For seven consecutive years, Delton has maintained a deep cooperation with the industry's leading enterprises. By complementing each other's strengths and growing together, both parties have collaborated on projects such as the application research of high-speed material properties and the development of new server platform products, based on mutual market analysis and technical exchanges. This collaboration aims to better and more quickly support the launch of competitive products into the market. Additionally, both parties have continuously optimized costs together, achieving good sales volumes and returns.
Value Chain Co-Growth	We continuously engage with suppliers. Focusing on key technical aspects, we collaborate with multiple suppliers on strategic research and development of high-frequency and high-speed circuit board materials, improvement of technical wear and tear, and process optimization. We have made significant progress in the application of domestic materials and have successfully industrialized the technological achievements.

Indicators and Goals

Issue	Target	Key Indicator	Progress in 2024
Intellectual Property Litigation Cases	There have been 0 intellectual property litigation cases (including those involving customers, third parties, R&D, software copyrights, etc.).	2025: 0	0
		2030: 0	
		2050: 0	

Steady Advancement in Intelligent Manufacturing

Smart manufacturing is the core engine for the transformation and upgrading of China's manufacturing industry. Through the application of industrial internet, artificial intelligence, and other technologies, it achieves full-process automation and data-driven operations, significantly enhancing production efficiency and product quality while reducing labor and energy consumption costs. Additionally, it promotes green manufacturing, supports the "dual carbon" goals, accelerates the climb to the high-end of the global value chain, and provides key momentum for building a new development pattern.

Strengthening Informatization of Operations

Delton continues to drive the agile iteration of technology and accelerate the digital transformation process to better adapt to the demands of business changes. We have established systems such as SAP, Manufacturing Execution System (MES), Warehouse Management System (WMS), Equipment Automation (EAP), Business Intelligence (BI), Electrical Drive System (EDS), Office Automation (OA), and HR systems. Except for the logistics outside the factory, which is not yet covered, data collection and interaction functions have achieved semi-automated data acquisition processes in other business segments. Data has been preliminarily visualized (electronic dashboards) across various links, including production, equipment, quality, and supply chain.

Data Integration and Sharing	We conduct cross-departmental sharing through system database permission settings. They also create shared spare parts libraries and customer information databases within each system for use by relevant personnel, and achieve unified authentication across multiple systems.
Data Intelligence Analysis	Based on the relevant systems, we have achieved coverage in R&D, design, production, supply, sales, inventory, and finance. The R&D system has adopted InPlan/InCAM, and has preliminarily implemented 3D modeling for some processes (inner layers). Delton is also capable of real-time data collection and display on the production line, achieving a preliminary digital twin.
Material Incoming Inspection	When the warehouse receives materials, they are scanned via QR code and entered into the integrated platform, linking to the material batch and enabling first-in-first-out (FIFO) management. At the same time, the IQC (Incoming Quality Control) inspection results can be judged in the system. The handling report for non-conforming materials can be associated with the inspection batch in the system, supporting full-process traceability and management.

In addition, through continuous accumulation and improvement, we have achieved digital and intelligent upgrades in areas such as equipment systems, networks, information security, financial systems, human resources systems, and data management.

Hardware and System

Delton has completed the construction of a high-availability network, expanding the number of SAP server nodes from 4 to 7, upgrading the CPU from 2 cores to 6 cores, and increasing the memory from 1.5T to 3T. This has significantly enhanced the data processing capabilities. Meanwhile, the MES database has achieved read-write separation with dual nodes and added CDP backup coverage for 21 standalone servers, ensuring high data availability.

Network Transformation

Delton has upgraded its Internet firewall to a dual-machine deployment. It has added two 10-Gigabit firewalls to the data center's core switch cluster. Additionally, four 10-Gigabit firewalls have been installed in the production network to achieve segmented management. We also deployed bastion hosts, network access systems, database auditing systems, and log auditing systems, which have further enhanced network security and management efficiency.

Information Security

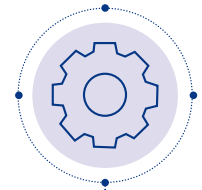
Delton is advancing the compliance use of information management by focusing on optimizing file service permission settings. It has configured read, write, print, and copy permissions for file operations and records operation logs. Additionally, we established a content review mechanism for emails and WeChat for Enterprise to strictly prohibit the external transmission of sensitive information. Through role-based assignments according to SAP, CMP, and FILE systems, we have achieved automatic authorization, thereby comprehensively enhancing the level of information security management and ensuring the confidentiality and integrity of data.

Financial System

Delton leverages a financial statement consolidation system to support the multi-entity and multi-currency consolidation of its domestic and international subsidiaries. Utilizing AI translation technology, it completes multilingual translations, enabling the display of financial vouchers in Thailand in multiple languages and generating the group's consolidated financial statements with a single click. This significantly enhances the efficiency and accuracy of financial reporting, strongly supporting our internationalization strategy. Additionally, we have further established expense control standards and reimbursement approval processes, achieving automatic recognition of invoices, authenticity verification, and automated expense disbursement. This optimizes the reimbursement process, improves financial processing efficiency, and reduces manual operation costs.

HR System

Delton has deployed a facial recognition system to replace traditional IC cards for attendance and access control management. This protects the biometric information security of personnel, with an accuracy rate of facial recognition reaching 100% and the recognition time controlled within 2 seconds. It effectively eliminates the phenomenon of proxy clocking-in, significantly enhancing the efficiency and security of human resource management. Additionally, we have established an HR system that complies with Thai law and a multilingual OA approval system. By deploying the facial recognition management system and integrating it with the HR system, we provide comprehensive support for the smooth operation of its business in Thailand.



Data Management

Delton has formulated data statistical rules and standardized documents to promote the migration of report data to the BI platform. It has achieved the digitization of original records and IT-based feedback on quality and yield. The system supports real-time queries and integrates functions such as quality reports, monthly reports, and daily reports. Additionally, we have improved the utilization rate of the AGV system and unified the display of 12 cost control reports across the group, thereby comprehensively optimizing data governance efficiency.

The data foundation that runs through the entire business chain has provided great possibilities for us to enhance the informatization and automation levels of manufacturing. Currently, Delton has achieved intelligent raw material warehousing, intelligent AGV transportation and temporary storage in production lines, and intelligent finished goods warehousing. The overall level of intelligence in logistics and warehousing has been fundamentally improved.

Case Study | The Intelligent Warehouse Construction Project

In 2024, in response to the existing issues in traditional warehouse management such as large space occupation, disorganized material placement, and low efficiency due to overlapping personnel management, we initiated the "Intelligent Warehouse" construction project. By leveraging machinery and computer technology, Delton has automated and informatized the logistics processes of material handling, storage, conveying, and sorting. The project also introduced intelligent sorting systems, automated automated storage and retrieval warehouses, and automated guided vehicles (AGVs) to enhance warehouse operation efficiency and management levels.Upon completion, the intelligent warehouse will significantly reduce labor burdens and optimize warehouse management efficiency. Through the Warehouse Management System (WMS), data visualization reports will be generated, enhancing management visibility and streamlining operational processes. The application of intelligent systems will also lower the error rate in goods picking, save delivery time, and create higher-quality services for customers.

Empowering Intelligent Manufacturing

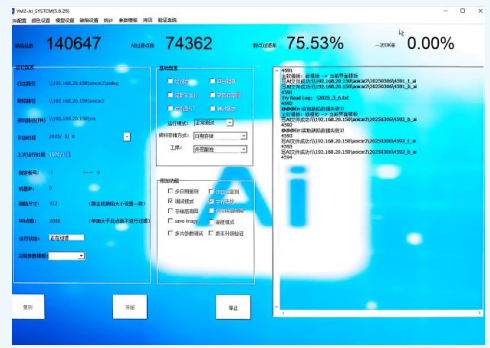
In the wave of intelligent manufacturing, Delton takes AI technology as the core driving force to comprehensively advance the digital construction of the entire process. By simplifying business processes and improving operational efficiency through intelligent means, we have significantly reduced production errors and defect rates, thus empowering its transformation and upgrading to intelligent manufacturing. Relying on advanced technical architecture and data governance capabilities, Delton has built an efficient, precise, and reliable intelligent manufacturing system, setting a new benchmark for digital transformation in the industry.

Leveraging real-time IoT monitoring and AI quality inspection technologies (such as machine vision), we could reduce human errors and achieve zero-defect delivery. It transforms traditional inspection methods into an optical irradiation mode, using AI to read product images and intelligently identify defects.

Case Study | AI Technology Empowering Intelligent Manufacturing

In 2024, we utilized AI technology to optimize production processes. Specifically, for the tool management in drilling operations, we established an intelligent inspection system based on high-definition cameras and text specification recognition. This system enables precise identification of needle specifications and colors, and we have also developed seven color scheme recognition models. These models allow for automatic identification of mixed-color needle boxes and trigger alarms for anomalies, achieving a 100% error-proof rate.

Meanwhile, we have deeply integrated the Internet of Things (IoT) with AI quality inspection technology. In the AOI (Automated Optical Inspection) process, we have upgraded traditional manual inspection to an optical illumination and AI image recognition mode using machine vision technology. Through intelligent algorithms, the system automatically analyzes product images to accurately identify and classify defects. This reduces the risk of errors caused by human intervention, further enhances quality control levels, and helps us move closer to the goal of "zero defects."



Full-Process Digital Quality Management

Intelligent Material Inspection

In the incoming material inspection stage, QR code scanning technology is used to achieve seamless data integration across the entire chain. Material information is batch-associated and managed on a first-in, first-out basis through a comprehensive platform. The IQC (Incoming Quality Control) inspection results are automatically determined by the system and are instantly linked with the non-conformance handling report, ensuring that the quality traceability chain is complete and verifiable.

Automated Warehouse Management

During the material warehousing process, the system automatically identifies the production date through the QR code on the outer packaging and executes intelligent allocation based on preset rules. After the material is stored, the system automatically triggers the judgment of the sampling inspection results. If the inspection is not qulaified, the system immediately locks the material and blocks its flow, effectively preventing defective products from entering the production line.

Intelligent Early Warning in the Production Process

Delton has established a first-piece early warning and control mechanism for processes. The first-piece system for inner and outer layer line widths can automatically identify anomalies and trigger real-time early warnings. Only after confirmation by both the Quality Engineer (QE) and the In-Process Quality Control (IPQC) systems can mass production be initiated. The slicing and sample submission process has been fully informatized. The system automatically generates a unique sample submission number and prints identification tickets. Sample data is automatically linked with key parameters such as production line, batch, and material number, ensuring an increase in data traceability efficiency by more than 60%.

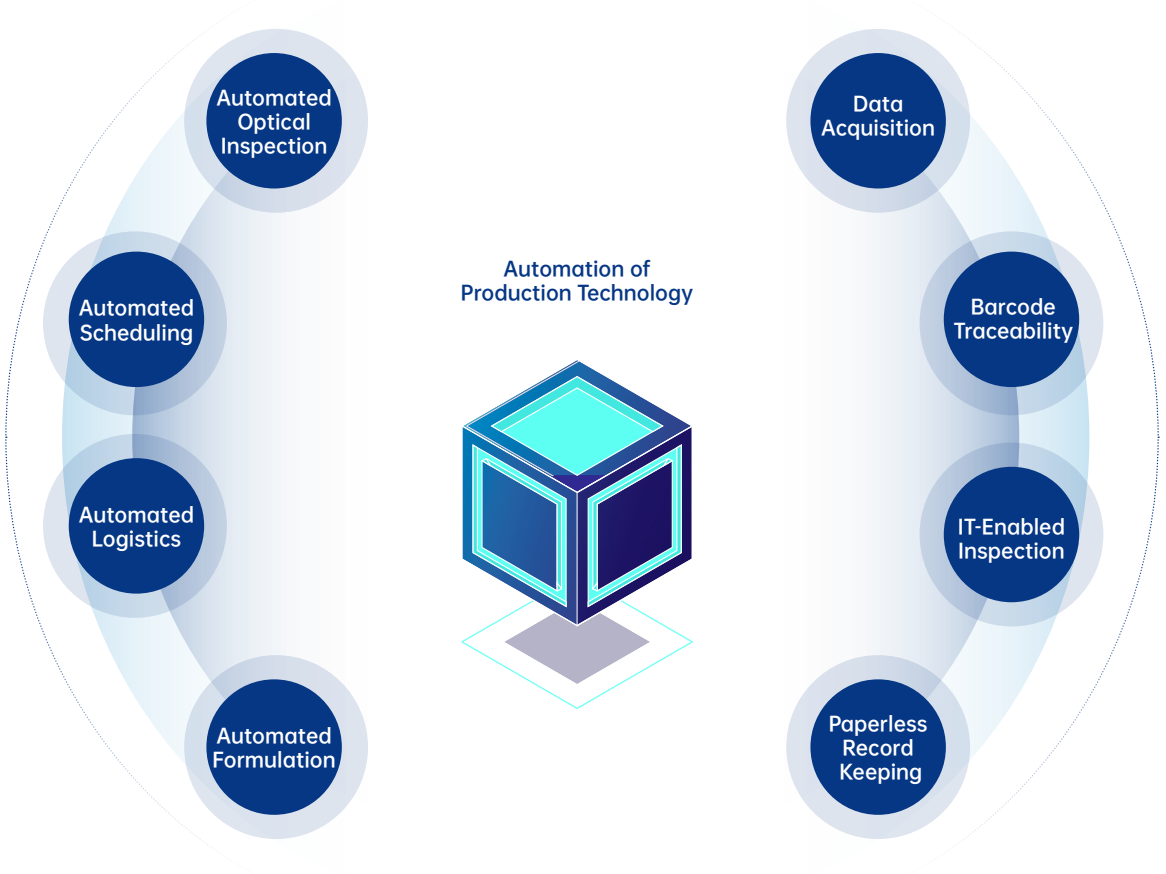
Dynamic Monitoring of Key Parameters

The CPK system is utilized to implement full life cycle monitoring of key chemical solution parameters. The process capability index is calculated in real-time for each shift and synchronized to the electronic dashboard, enabling visual control of production process stability. Anomalies in data trigger a tiered early warning mechanism, driving quality intervention to a timeliness level of minutes.

In 2024, Dongguan Factory enhanced equipment utilization by 2% through automated QR code scanning and intelligent development. It also integrated different machine parameters into the EAM (Enterprise Asset Management) system, achieving a 100% completion rate for equipment inspections. Meanwhile, the intelligent development of data collection enabled automatic notification of broken tool incidents, which were then connected to the MES (Manufacturing Execution System) for closed-loop management. This ensured zero loss of boards with broken tool anomalies and eliminated customer complaints. Additionally, the Dongguan MES system synchronized MI (Manufacturing Information) and WIP (Work-in-Progress) data between Guangzhou and Dongguan, supported external drilling operations, and interfaced with the DNC (Direct Numerical Control) system to obtain machine processing and alarm information. The introduction of AGV (Automated Guided Vehicle) delivery and automatic tool preparation systems reduced employees' physical workload and minimized drill bit consumption. The DNC system also pushed real-time broken tool alarms to WeCom, further improving production efficiency and the timeliness of equipment maintenance.

Automatic Tool Preparation Machine at Dongguan Factory

Our automated production technologies encompass several areas, including automated optical inspection, automated logistics, automated formulation, data acquisition, barcode traceability, IT-enabled inspection, and paperless record keeping. Through efficient management and precise control, we continuously enhance production efficiency, resource utilization, and product quality. This enables the digitalization and intelligent automation of the production process, providing strong support for our overall production operations.

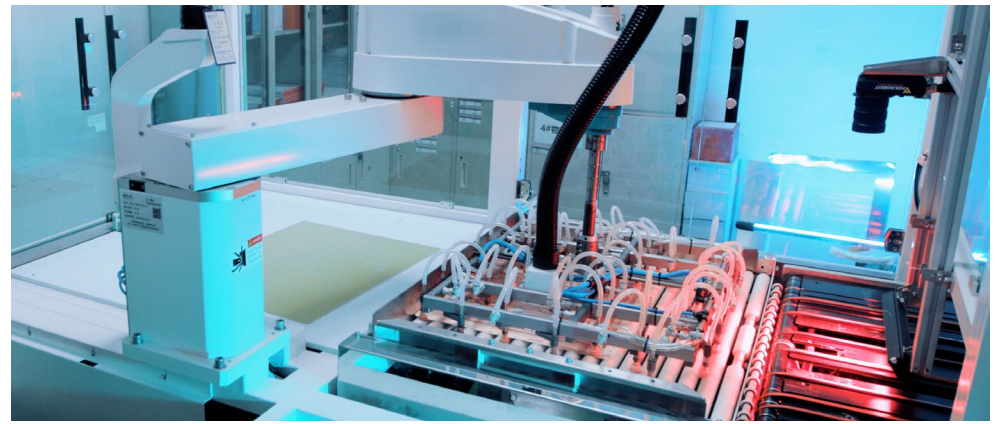


Ensuring Product Safety and Compliance

Hazardous Substance Management

Delton complies with national laws and regulations, local provisions for overseas operations, and global standards for the control of toxic and hazardous substances. We have established the *Environmental Management Substance Identification* and *Risk Assessment Management Procedure and the Green Product Manufacturing Management Procedure*. These procedures assess and identify toxic and hazardous substances in raw and auxiliary materials, promote green product design, and reduce or replace the use of toxic and hazardous substances.

In terms of environmental substance identification and risk assessment, Delton has established a management mechanism for identifying and assessing the risks of environmental management substances. The manufacturing department, quality department, purchasing department, supply chain management department, and operations management department (finished goods warehouse) are responsible for identifying, evaluating, and managing sources of hazardous substance contamination in materials, products, services, or activities accepted by their respective departments. The system management department then consolidates significant risks and submits them for approval and signature by the management representative.



Our routine management procedure for environmental management substance risk assessment mainly includes four dimensions: material risk, supplier/processor risk, process risk, and regulatory risk.

1 Material Risk Assessment

Material Usage Review:
Conducted during the earlystages of product/ process design, or at any stage ofdesign or material changes.

2 Supplier Risk Assessment

Existing Suppliers:
Reviewedannually, once a year;

New Suppliers:
Comprehensive risk assessment is conducted upon joining.

3 Process Risk Assessment

Routine Risk Review:
Conducted before production, or in case of anyprocess changes;

High-Risk Review:
For highrisk processes, reviewed annually, at least once a year.

4 Regulatory Risk Assessment

External Dynamic Monitoring:
In the event of changes inexternal regulations, industry standards, customer requirements, or other relevant provisions related to environmental management and material management, the company will conduct a comprehensive risk assessment.

Delton's Hazardous Substance Risk Assessment Procedure

Delton regularly (and as needed) conducts identification and risk assessment of environmental management substances for each unit. Annually, we carry out at least one comprehensive identification and risk assessment of environmental management substances and regularly performs identification of environmental management substances for each unit, conducting preemptive risk assessments and management. For high-risk items, we have established a management representative organization to further monitor risks and develop control measures, including:

- Establishing objectives and management plans for implementing these objectives;
- Developing control procedures, including operational controls and emergency response management measures;
- Providing necessary training;
- Formulating monitoring plans and conducting sampling inspections in accordance with these plans (including self-inspections and third-party inspections).

In 2024

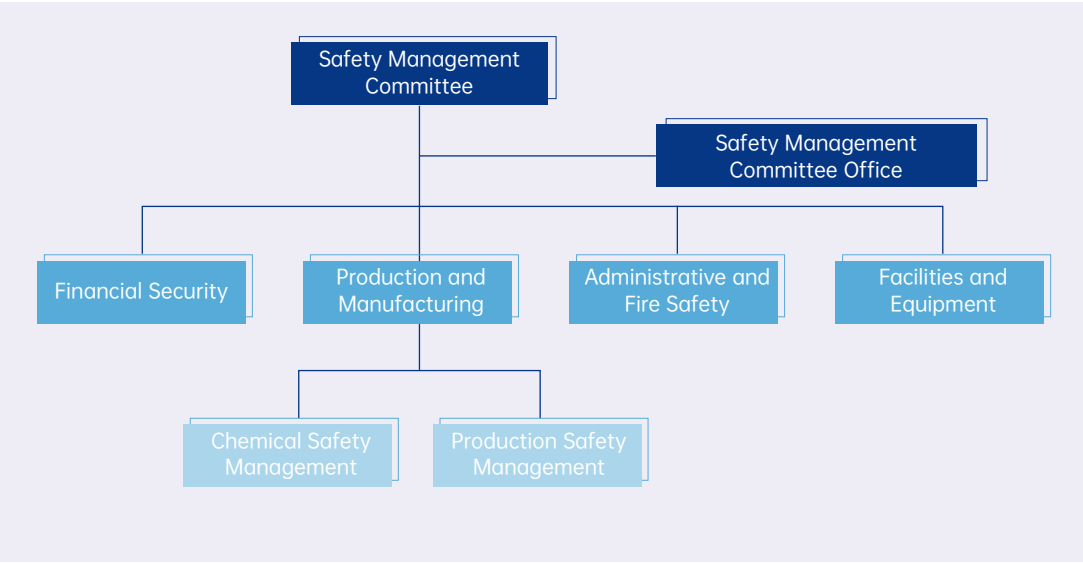
we achieved a **100%** compliance rate for product safety regulations.

Chemical Safety Management

Governance

Delton attaches great importance to chemical safety management and has established a comprehensive governance system that clarifies the responsibilities of each department to ensure the safety and controllability of chemicals throughout their entire life cycle.

Our chemical management is coordinated by the Safety Committee, with the Safety Management Committee Office responsible for coordination and supervision. The production and manufacturing departments are in charge of the specific implementation of safe use, storage, and disposal operations of chemicals, achieving comprehensive control of chemical risks.



Delton Technology's Safety Management Structure

Strategy and Management Approach

Delton has established a comprehensive and stringent management system for chemical control. In accordance with relevant regulations such as the *Regulations on the Safety Management of Chemicals* and the *Hazardous Substances Act*, we have formulated a series of documents, including the *Chemical Management Procedure, Chemical Management Procedure, Chemical Spill Emergency Procedure, Chemical Operation Standards,* and *Safety Management Standards for Flammable Chemicals* and *Strong Oxidizing Agents*. These documents cover the entire process of chemical management, including procurement, storage, use, disposal, and safety management, ensuring compliance with legal requirements and safeguarding employee safety, property protection, and environmental conservation. This system provides a solid institutional guarantee for the management of chemicals.

Risk and Opportunity Management

In the realm of chemical safety management, Delton rigorously enforces a risk identification and management mechanism. Through systematic risk assessment and dynamic monitoring, we promptly identify potential safety risks and implements effective preventive measures to ensure the safety and compliance of the entire process of chemical usage.

Risk and Opportunity List

Category	Description	Possibility	Impact	Response
Risk	The production of PCB chemicals involves a large number of toxic and hazardous substances (such as heavy metals in etching and plating solutions). If not handled properly, these substances may cause pollution of wastewater and exhaust gases, and even trigger environmental accidents.	Low	Medium	To ensure compliance with environmental regulations, Delton has established a strict chemical management system. It adopts closed-loop production processes and efficient wastewater and exhaust gas treatment equipment. Regular environmental monitoring and risk assessments are conducted to ensure compliance with environmental protection requirements.
	Improper handling during the storage, transportation, and use of chemicals can easily lead to leaks, fires, or explosions, posing a high risk of accidents.	Low	High	To enhance the safety of chemical storage and transportation, Delton has refined its safety regulations. It has adopted anti-leakage and explosion-proof equipment, strengthened employee safety training, and regularly conducted emergency drills to improve its capacity for accident prevention and response.
	If employees do not take proper protective measures, long-term exposure to harmful chemicals can lead to occupational health problems.	Medium	Medium	Provide employees with specialized protective equipment, conduct regular occupational health check-ups, optimize the working environment, and enhance safety operation training.
Opportunity	The direction of technological upgrades is driving the development of process automation and environmental protection, gradually replacing traditional high-pollution technologies.	Medium	Medium	Increase R&D investment, introduce or develop environmentally friendly processes, and promote the automation upgrade of production equipment to reduce pollution emissions and enhance production efficiency and product competitiveness.

Annual Progress

In the chemical procurement process, Delton strictly screens suppliers with proper qualifications. When introducing new chemicals, the Environmental and Safety Department obtains and evaluates the Material Safety Data Sheet (MSDS) to ensure the safety of storage, use, emergency handling, and disposal. For chemicals that are easily used to manufacture drugs or explosives (such as sulfuric acid, hydrochloric acid, potassium permanganate, hydrogen peroxide, etc.), we strictly comply with legal requirements by reporting and registering with the local public security authorities to ensure the legality and compliance of the procurement process.

In terms of chemical storage, Delton categorizes and stores chemicals based on their properties, and assigns dedicated warehouse managers for supervision. Class A chemicals (such as ink diluents, alcohol, and mesh cleaning solutions, which are flammable and explosive substances) are stored independently in Class A warehouses. These warehouses are equipped with safety facilities such as explosion-proof electrical appliances, fire-extinguishing systems, anti-static devices, and gas detectors to ensure a safe and reliable storage environment. Class B chemicals (such as acids and alkalis) and other hazardous chemicals are also stored in separate zones according to their characteristics to prevent cross-contamination and safety risks.

In the chemical usage process, Delton utilizes the ERP system to standardize the management of material requisition forms. Requisitions must be approved by supervisors and then issued by warehouse managers. The usage site is equipped with complete protective gear, and quarterly training sessions on the management of hazardous chemical usage are conducted to ensure that operators have sufficient safety awareness and operational skills. For chemical waste disposal, empty containers after use are sorted and stored in designated areas, then uniformly transported by warehouse managers to the specified storage points in the chemical warehouse, and either returned to suppliers or handed over to qualified recyclers for disposal. Expired or discarded chemicals are marked with their components by the using department and accompanied by a written application. The Environmental and Safety Management Department then carries out harmless treatment to ensure that discarded chemicals do not pose a threat to the environment.

To address emergencies such as chemical spills, Delton has established and implemented the *Chemical Spill Emergency Procedure* and regularly conducts chemical spill drills. In 2024, we carried out annual chemical spill drills on a per-process and per-department basis, covering all processes that use chemicals, to ensure that employees are proficient in the emergency response procedures. Additionally, the Environmental and Safety Management Department regularly supervises and audits the management of chemicals, holding departments or individuals accountable and imposing penalties for violations to ensure the effective implementation of the management system.

Delton conducting chemical emergency drills

Indicators and Goals

Issue	Target	Key Indicator	Progress in 2024
Chemical Safety	fire/explosion incidents	Zero fire/explosion incidents	Zero fire/explosion incidents
	No chemical spill incidents	Zero chemical spill incidents	Zero fire/explosion incidents

Reinforcing Conflict Mineral Management

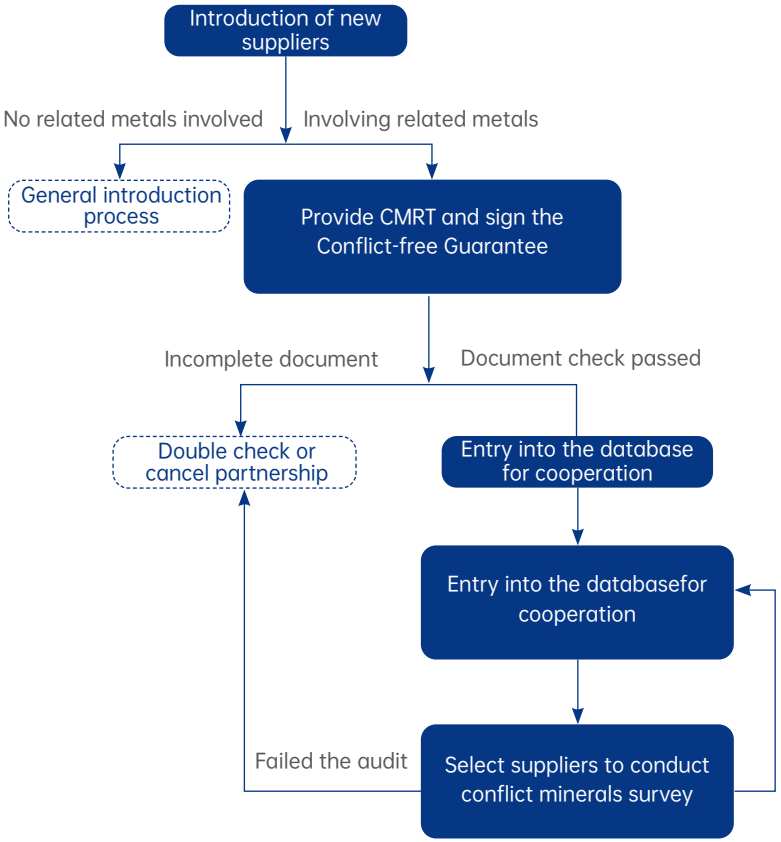
We are committed to establishing a responsible mineral procurement supply chain and strictly adhering to international regulations to ensure that its mineral procurement and products do not involve conflict minerals.

In 2024, in accordance with the requirements of the Responsible Minerals Initiative (RMI), the United Nations, and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, Delton has formulated and published its *Conflict Minerals Policy*. The policy explicitly prohibits the use of minerals, including gold (Au), tantalum (Ta), tungsten (W), cobalt (Co), and tin (Sn), that are extracted in conflict regions through improper means. It also requires the non-use of mica. Delton firmly refuses to use metal minerals extracted from illegal mining in armed conflicts and poor working environments.

Refining the Supplier Management Process

Delton requires suppliers to conduct source tracing and due diligence on conflict minerals used in their products, and to establish relevant policies to prevent minerals in their manufactured products from being sourced, directly or indirectly, from high-risk areas. Currently, we have established a comprehensive conflict minerals management process covering the introduction of new suppliers, management of existing suppliers, and the exit of non-compliant suppliers to ensure the goal of a conflict-free mineral supply chain.

- During the initial onboarding phase, new mineral suppliers must submit the *Supplier EICC-GeSI Conflict-Free Minerals Assurance Statement* before commencing supply. They are also required to provide the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT). Suppliers who meet the requirements must sign the Supplier EICC-GeSI Conflict-Free Minerals Assurance Statement.
- During the cooperation period, suppliers involving minerals must submit the *Supplier EICC-GeSI Conflict-Free Minerals Assurance Statement* and provide the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT). In the first quarter of each year, suppliers are required to update the CMRT and EMRT forms. Whenever there is an update to the versions of the CMRT or EMRT forms, suppliers are required to submit the latest versions within one month.
- If a supplier fails to submit the updated forms as required, or if the survey results are non-compliant, we will require the supplier to rectify the situation within a specified timeframe. Suppliers who fail to complete the required rectifications will have their cooperation terminated.



Delton Technology's Conflict Mineral Management Process

Enhancing Supplier Audit

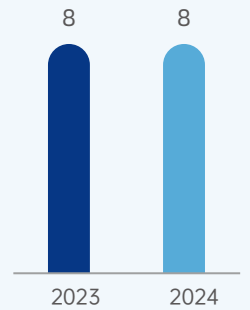
Delton continuously monitors supplier compliance through regular surveys and audits. An annual conflict minerals survey is conducted to ensure that the sources of mineral procurement are traceable and meet compliance requirements. In 2024, we collected conflict minerals information from suppliers involving minerals and confirmed that the minerals provided by existing suppliers are conflict-free.

In the 2024 annual audit, we conducted a special audit on suppliers involved in conflict minerals projects. A total of six suppliers were audited, accounting for 67% of the suppliers that should have been reviewed. Both new and existing suppliers met the relevant compliance requirements. Additionally, Delton provided conflict minerals-related training to 68 suppliers. The number of suppliers participating in the training accounted for 89% of the total suppliers involved, representing 93% of the total procurement value.

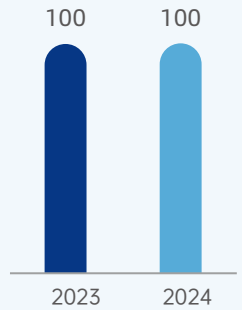
In the 2024 Annual Audit

- A total of **6** suppliers were audited
- accounting for **67%** of the suppliers that should have been reviewed
- Delton provided conflict minerals-related training to **68** suppliers
- representing **93%** of the total procurement value
- he number of suppliers participating in the training accounted for **89%** of the total suppliers involved

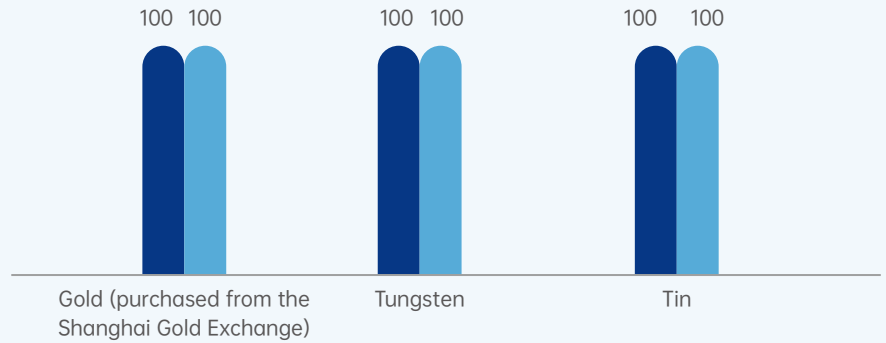
Number of Suppliers Subject to Conflict Minerals Audits(Unit)



The percentage of products (such as solder balls, milling tools/drill bits, solder bars, gold salts) that have obtained third-party responsible minerals procurement certification (e.g., RMAP)



The percentage of products with traceable raw materials（%）



Supplier Conflict Mineral Management

Continuous Optimization of Product Quality

Governance

Delton Technology considers quality management as a core element of our corporate development and has established a comprehensive quality governance system. We have set up a quality management structure led by our General Manager, who bears the ultimate responsibility for our overall quality management. Our Quality Center and each manufacturing business unit are primarily responsible for quality control, strictly monitoring quality issues in all production stages, formulating and implementing quality management plans, and ensuring the effective execution of quality initiatives. Our Supply Chain Management Department focuses on the quality control of raw materials, as well as the stability and compliance of the supply chain. Additionally, we continuously optimize our quality management system through a customer feedback and quality improvement mechanism. By regularly collecting and analyzing customer opinions, we ensure the continuous enhancement of our product quality.

Strategy and Management Approach

Delton takes a systematic management mechanism as its core and has established a comprehensive quality control system. By formulating documents such as the *Quality Management Manual, Material Control and Traceability Management Procedure*, and *Nonconforming Product Control Procedure*, we clarify quality control requirements at each stage and standardize management processes. We have also set up a Purchasing Department, Quality Center, and Testing Center, which are respectively responsible for the strict monitoring of raw material introduction, usage, and the content of harmful substances to ensure compliance with relevant standards.The Quality Center implements full-process quality monitoring based on the procedural documents and regularly reviews and optimizes key areas. In addition, we have established a supplier review system. The Supply Chain Management Department and the Purchasing Department work together to conduct full-process control of raw material quality and carry out annual audits to ensure the stability and compliance of the supply chain, thereby providing a guarantee for the continuous improvement of product quality.

Risk and Opportunity Management

Delton always focuses on balancing risk control and product value enhancement. By conducting in-depth analysis of key stages in the production process, we accurately identify potential risk points that may affect product safety and develop corresponding control plans. In daily management, a fundamental risk tracking mechanism has been established to regularly monitor key areas and dynamically optimize management measures based on market feedback. Meanwhile, we continuously explore opportunities for quality improvement to ensure that product quality is effectively aligned with customer needs and to continuously enhance the sustainable operation of the corporate quality assurance system.

Risk and Opportunity List

Category	Description	Possibility	Impact	Response
Risk	Failure to meet industry standards or regulatory requirements (such as safety and environmental protection standards) may lead to product recalls, fines, or legal litigation.	Low	Medium	To establish a robust compliance management system, it is essential to regularly track and interpret regulatory dynamics within the industry. This ensures that product design, production, and delivery are in line with relevant standards. Enhancing communication with regulatory authorities can help preemptively avoid potential compliance risks.
	Inadequate quality management during the production process may lead to product defects, quality fluctuations, or customer complaints.	Low	High	Implement Total Quality Management (TQM), optimize production processes, introduce automated inspection equipment, and regularly conduct quality audits and employee training to ensure that quality is controllable at every stage.
	Unstable quality of raw materials or components may affect the safety and quality of the final product.	Medium	Medium	Establish a stringent supplier admission and evaluation mechanism, build long-term cooperative relationships with core suppliers, and conduct regular quality audits. Implement batch testing for key raw materials to ensure the stability of the supply chain.
Opportunity	The application of high-performance materials can enhance product safety and quality, meeting the demands of high-end markets.	Medium	Medium	Increase R&D investment in high-performance materials and collaborate with material suppliers to develop customized solutions. Optimize production processes to ensure the stable application of high-performance materials.
	Intelligent detection technology can enhance the defect identification rate of products, thereby ensuring product quality and safety.	Medium	Medium	Introducing intelligent detection equipment and systems enables the comprehensive quality monitoring of the entire production process. By analyzing data to optimize detection algorithms, the precision and efficiency of detection can be significantly enhanced.

Annual Progress

Enhancing Quality Management System

Delton has always maintained an unwavering pursuit of excellence in quality. By strictly controlling production processes, continuously improving technological processes, and optimizing material applications, we are committed to creating high-quality products that precisely meet customer needs. It also responds quickly to customer requests, providing comprehensive and high-quality services to enhance customer satisfaction and loyalty, thereby driving mutually beneficial cooperation.

To precisely implement quality management, Delton has established a comprehensive quality management system comprising five major modules: system management, Design Quality Assurance (DQA) / Advanced Product Quality Planning (APQP), Quality Assurance (QA), Quality Control (QC), and Quality Service. This system ensures the delivery of high-quality products and services to customers.

Delton Technology's Five Major Modules of the Quality Management System

In 2024, we obtained international standard certifications such as ISO 9001 and IATF 16949, and maintained their continuous validity.

Meanwhile, we further advanced the informatization construction of quality management. It initiated 12 projects in different production processes, such as automated data entry in quality control systems, handling of semi-finished product anomalies, monitoring of non-conforming products, and digital shipping reports. Additionally, 10 other traceability technology improvement projects were launched to promote the digital and intelligent transformation of quality management.

In 2024

It initiated **12** projects in different production processes, such as automated data entry in quality control systems, handling of semi-finished product anomalies, monitoring of non-conforming products

10 other traceability technology improvement projects

Refining the Quality Control

Delton continuously enhances product traceability. During the inner-layer pre-treatment process, the identity of the core board is assigned. In the lamination process, the identities of different core boards are bound together. After drilling and coding, the identity of the inner-layer core board is associated with the outer-layer mother board. During the character production process, the PNL ID is linked to the PCS unit information, completing traceability at the PCS level. Currently, PIECE-level traceability has been achieved. Through the QR code on the circuit board, it is possible to precisely trace the exact second-by-second time each board spent in various production processes. The digital system also features a one-click query function, which allows users to retrieve information such as production time, quality inspection data, materials used, as well as details and outcomes of the measures taken.

In 2024

Delton underwent a total of **95** external system audits

achieving a **100%** pass rate in customer audits

To address products that are non-compliant due to quality issues or RoHS-restricted substance content, Delton has established a strict and detailed management process. This process ensures standardized handling from the stage of complaint to return and final feedback. Additionally, we have leveraged digital technology to upgrade its non-conforming product handling system. The system has evolved from manual entry of product information to an automated scanning process that retrieves product details directly on the non-conforming handling interface. This upgrade is more convenient and faster, significantly improving the speed of issue resolution. The system automatically links to WIP (Work in Progress) and effectively prevents the loss of non-conforming items. It also provides early warnings for non-conforming item information, reducing the time spent on inter-departmental coordination and enhancing overall efficiency.For rework due to quality issues, Delton has implemented relevant procedures. These procedures cover the entire process from problem initiation, root cause analysis and improvement, rework processing, to QC inspection and confirmation, ensuring that rework issues are thoroughly resolved.

In 2024

Delton **did not experience** any product recalls

As an important link in quality control, Delton adheres to the quality policy of fairness, science, accuracy, and efficiency, providing objective and precise test results to support quality improvement and problem analysis. In 2024, we continuously improved our monitoring and failure analysis capabilities, enhanced quality inspection management methods, and formed a virtuous cycle of improvement and enhancement, providing effective information support for product, technology, and process development.Our testing center successfully obtained CNAS accreditation and certification (registration number: CNAS L21463), marking a new level of technical capability and management standards in testing. In addition, intelligent equipment also offers more opportunities for quality management. We have established a quality management module in its online system and adopted intelligent quality inspection equipment in some key processes. Product quality is monitored online, enabling quality tracking. The system has the ability to automatically detect and prevent quality issues, with proactive alarm functions and mechanisms. We will further improve the utilization of product quality monitoring information in the future, achieving automatic adjustment of the production system based on quality feedback.

Consolidating the Quality Culture

To help employees understand and embrace our quality philosophy and standards, and to enhance their quality awareness so that it becomes an integral part of their behavior, Delton has organized and promoted a variety of quality dissemination activities. These include quality training, Quality Month, Quality Activity Season, quality knowledge contests, and industry exchanges. Through multiple formats and channels, we are shaping a strong quality culture.

Quality Training

- Delton has established an online training platform called "Zhangzhishi" and launched a variety of training courses. These include training on the 8D methodology, IPC-A-610J industry standards, and professional knowledge training conducted by external training institutions or supply chain technology experts.

Quality Case Training

Quality Month

- Every September is designated as Quality Month, during which it regularly holds quality knowledge contests and quality culture activities. Each production workshop independently organizes the planning for the Quality Month activities, establishing a Quality Month Implementation Committee to regularly oversee and track the effectiveness of quality improvement initiatives.
- During the 2024 Quality Month, we launched a total of 45, of which 40 were effectively improved. Among them, 29 projects achieved significant improvements. These included a reduction in NPI customer complaints, optimization of machining customer complaints, a decrease in back-drilling defect rates, control of ink thickness overruns, and resolution of surface wiping issues on SM, etc. Additionally, the product scrap rate was reduced by over 10%, and the quality loss measured by PONC (Prevention, Detection, and Correction Costs) decreased by more than 16%, effectively enhancing our cost competitiveness.

Quality Month Kick-off Meeting

Quality Season

- We organized the "2024 Quality Activity Season: Quality Culture Training" on the online training platform "Zhangzhishi." This initiative combined online training through the "Zhangzhishi System" with offline centralized assessments to enhance employees' product quality awareness.
- Additionally, Delton held an essay competition themed "Quality Season," encouraging employees to draw on their work experiences, identify excellent quality management practices, and explore new ideas, perspectives, and methods in quality management. This activity aimed to deepen employees' understanding of quality culture and ensure the effective implementation of quality management.

Industry Exchanges

- As a member unit of the Guangdong Printed Circuit Association (GPCA) and the China Printed Circuit Association (CPCA), Delton actively participates in industry exchanges and cooperation to jointly promote the quality and technological progress of the PCB industry.

Indicators and Goals

Issue	Target	Key indicator	Progress in 2024
Product Quality	Product Return Rate	Product Return Rate: 0%	Product Return Rate: 0%
	Timely Handling and On-Schedule Closure Rate of Customer Complaints	Timely Handling and On-Schedule Closure Rate of Customer Complaints > 95%	Timely Handling and On-Schedule Closure Rate of Customer Complaints 95.88%
	External Quality System Audit Pass Rate	External Quality System Audit Pass Rate 100%	External Quality System Audit Pass Rate 100%

Strengthening Customer Service Capabilities

Efficiently Meeting Customer Needs

To continuously monitor and analyze customer needs, as well as evaluations of our product quality, delivery quality, and service quality, Delton has established the *Customer Satisfaction Measurement and Feedback Management Procedure*. A customer satisfaction survey is conducted quarterly, and the results are processed and fed back. The survey targets include customers in the automotive and medical industries whose total sales volume accounts for more than 75% or who rank in the top 12. The marketing team sends out the "Customer Satisfaction Survey Form" via email, and the results are transmitted back to the operations team for consolidation. After analysis and summarization, the findings are handed over to the respective business departments as important references for setting improvement goals and relevant action plans.

In addition, Delton maintains smooth communication channels with customers and regularly engages in communication and exchanges with major customers, such as quarterly technical meetings and quarterly QBR (Quarterly Business Review) sessions.

In 2024

we achieved a customer satisfaction survey response rate of approximately **98%**, with a customer satisfaction rate of **95.65**. This represents a positive year-over-year improvement and meets our expected target.

In terms of customer management, Delton has established a risk management system to provide early warnings and control for potential risks, preventing the occurrence of non-compliant behaviors. We also implement routine management of customer credit, maintaining customer credit files that are updated quarterly to reflect real-time situations. Additionally, Delton regularly conducts customer visits and exchanges, participates in domestic and international electronics industry forums and exhibitions, maintains cooperative contact with customers, and actively explores business opportunities.

Our participation in the 2024 Electronica exhibition in Munich, Germany

Our participation in the 2024 International Electronics Circuit (Greater Bay Area) Exhibition

Respond Promptly to Customer Feedback

Delton has established a comprehensive, timely, and effective customer complaint handling mechanism to efficiently address customer complaints. It follows the "4152" principle, which means:

- **4** Within 4 hours: Initial response
- **1** Within 1 day (24 hours): Take emergency measures and provide a second response
- **5** Within 5 days: Conduct root cause analysis, develop countermeasures, and provide a third response
- **2** Within 2 months: Implement countermeasures, verify their effectiveness, and provide a fourth response

When customers discover an anomaly, they can provide feedback through business channels and quality service channels. After receiving a customer complaint, the business department forwards it to the Quality Service Department for complaint handling and problem resolution. Communication channels include, but are not limited to, email, phone, and WeChat.

Customer Feedback Process → Reception by Business Departments → Confirmation of Issues → Root Cause Analysis → Implementation of Countermeasures → Effectiveness Confirmation → Reporting to Customers

Customer Feedback Handling Process

To enhance customer communication skills and techniques, we have developed a list of EQ guidelines. After a trial period, the EQ quality has been improved, resulting in the closure of all outstanding issues. This has led to more professional and efficient communication with customers.

Building Corporate Citizenship with People-oriented Approach

Employees and communities are important targets for promoting the rational allocation of social resources, advancing social equity and justice, and ultimately contributing to the realization of common prosperity. Delton has always placed employee development at its core. Amid the complex environment of its domestic and international operations, we effectively safeguard employee rights, create open and transparent career development pathways, and achieve synchronized growth between individuals and the enterprise. We actively engage in social welfare, share the fruits of economic development with communities, and strive to build an exemplary corporate citizen.

Our Goals

- Prohibition of child labor
- No human rights complaints throughout the year
- All employees participate in human rights training
- No workplace accidents throughout the year
- All employees participate in vocational skills training
- Social benefits cover all company employees

Our Progress

- Number of child laborers: **0**
- Human rights complaints: **0** incidents
- Human rights training participation and pass rate: **100%**
- Coverage rate of employee vocational skills training: **100%**
- Coverage rate of employee performance and career development assessments: **100%**
- Socialbenefits coverage for employees: **100%**
- Guangzhou Factory Employee Satisfaction Survey Result: **82.8**
- Huangshi Factory Employee Satisfaction Survey Result: **76.83**

Support SDGs

Building a Satisfying Workplace

Delton deeply understands that talent is the core of its competitive advantage. To grow together with our employees, we actively expand recruitment channels, promotes employment diversification, and vigorously cultivates a talent pool. It also improves the management of job qualifications. Meanwhile, Delton continuously optimizes its organizational structure and staffing, enhances operational efficiency, and reasonably controls labor costs, creating broader development opportunities for employees and achieving a win-win situation for both the company and our employees.

Compliant Recruitment

Delton strictly complies with the *Labor Law of the People's Republic of China*, as well as those applicable in its overseas operations. It also respects international conventions such as those of the International Labour Organization (ILO) to regulate recruitment and dismissal, compensation and promotion, and benefits management, thereby safeguarding employees' legitimate rights and interests.

In the recruitment process, we follow internal guidelines such as the *Human Rights Protection Policy* and the *Recruitment and Employment Guidelines*, strictly managing six key recruitment procedures and adhering to the principles of "fairness, transparency, and impartiality" to ensure the rights and interests of applicants at each stage are protected.

Delton respects employees' right to free choice of employment and prohibits any actions that restrict labor freedom or involve forced labor. It also complies with national and local laws and regulations, as well as internal company policies, to explicitly forbid the employment of child labor. Before onboarding, we verify the identity information of applicants and sets age restrictions in its human resources system to prevent the recruitment of child labor. As of the end of reporting period, there have been no instances of forced labor or child labor in the company.

In accordance with the *Guidelines for Employee Appointment, Onboarding, Resignation, and Transfer Management*, Delton shall not impose penalties, fines, or other measures restricting or detrimental to employees' resignation within a reasonable notice period.

For more information on employee rights protection, please refer to the *Delton Human Rights Policy*.

Diversity and Equity

Delton strictly adheres to the *Labor Law of the People's Republic of China,* the *Employee Handbook* and the *Regulations on Humane Treatment and Anti-Discrimination Management*. We uphold the principle of equal employment and adopts a zero-tolerance policy towards any form of discriminatory behavior. We will never discriminate against or unfairly treat job seekers based on age, disability, race, gender, sexual orientation, marital status, ethnicity, nationality, religion, or any other such factors.

Delton embrace a diverse, inclusive, and equal approach in hiring talents, matching employees' capabilities with real job requirements. We are committed to creating a work environment that fosters mutual trust, diversity, and inclusion, and offers equal employment opportunities. In terms of employing people with disabilities, we currently have 22 employees with disabilities on our payroll. We provide them with work convenience infrastructure and other working conditions, and have developed customized training and career development plans for them. In daily work, chairs are available at production sites for rest, and employees with disabilities who need to can take elevators to and from the dining hall. Their convenience in production and daily life is fully ensured.

In Terms of Employing People with Disabilities

we currently have **22**

employees with disabilities on our payroll

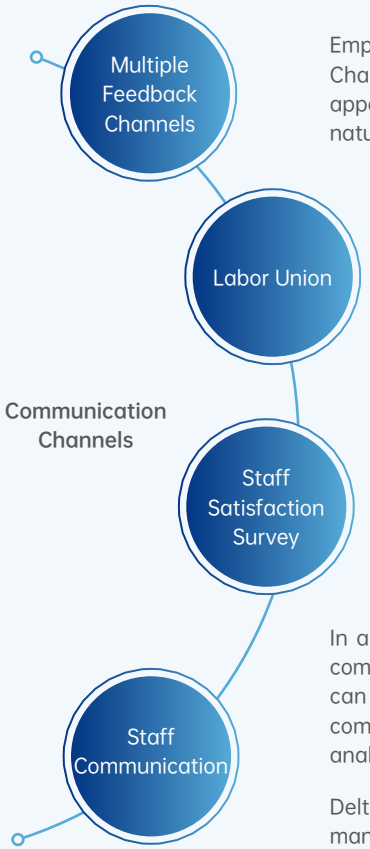
Staff Dialogue

Delton values the opinions and feedback of its employees. To foster democratic communication, we have established platforms that encourage employees to actively participate in continuous improvement and offer suggestions. And we also developed the *Complaint, Grievance Handling, and Feedback Management Procedure* to refine the process for employee feedback and grievance management, providing an open and transparent communication mechanism and diversified channels.

Delton conducts a company-wide employee satisfaction survey in the form of a questionnaire on a quarterly basis. Employees can fill out the survey and provide feedback through WeChat QR codes or emails. In 2024, a total of 222 employee complaints were handled, promoting harmonious coexistence among employees and maintaining a stable and harmonious working environment within the company.

In 2024

a total of **222** employee complaints were handled



Employees can lodge complaints and grievances through a variety of methods, and we will handle the feedback accordingly. Channels such as suggestion boxes, employee representatives, electronic complaint emails, complaint hotlines, and direct appeals are all available for employees to provide feedback. Delton will adopt corresponding handling mechanisms based on the nature and context of the feedback received.

Delton has established a trade union, through which employees can communicate with company management on issues related to the environment, safety, labor, and ethics via employee representatives. Currently, the total number of trade union members in Guangzhou Factory is 1,174, while in Huangshi Factory, it is 760. The trade union committee holds a meeting once every quarter to communicate with the company in a timely manner and understand the dynamics and true demands of the employees.

Delton regularly conducts employee satisfaction surveys to understand employee satisfaction levels and needs. In 2024, the average employee satisfaction score at Guangzhou Factory was 82.8, while at Huangshi Factory, it was 76.83, representing an approximate 10% increase from the previous year. Based on the survey results, we continue to optimize its internal management, address relevant concerns, and respond to employee needs.

In accordance with the *Consultation and Communication Management Procedure*, Delton has established and maintained communication procedures both internally and externally to safeguard the rights and interests of stakeholders. Communication can be conducted verbally or through other appropriate means, such as telephone, fax, email, or teleconferencing. When communicating, suitable personnel should be assigned to investigate any questions, inquiries, or complaints, verify the facts, analyze the reasons, and take appropriate actions before responding to the individuals who raised the issues.

Delton continues to promote the involvement and dialogue of production line employees in management. For example, in the manufacturing system, employees report daily on the output and quota achievement of their processes through WeCom group, followed by communication after the pre-shift meeting. Additionally, the HR department independently conducts key position interviews and communicates with employee representatives as part of its communication strategies.

Fully Support Talent Development

To build a professional, diverse, and international talent pool and establish a robust talent pipeline, Delton continuously engages in talent inventory, talent cultivation, and talent development initiatives. We have established three key pillars of its internal talent management strategy: a diverse talent composition, a systematic talent development and training system, and a fair compensation and promotion system.

Through the comprehensive talent development and training system, Delton continuously enhances employees' professional skills and overall quality. It cultivates a diverse group of outstanding talents to support technological advancement and provides a continuous internal driving force for business expansion.

Training and Development

Delton has established a comprehensive talent cultivation system. Through standardized training, customized training, independent innovation, and integration of industry and academia, employees are better able to integrate into the company's culture, enhance their professional skills, and support their career development. This approach also aligns the realization of individual employee value with the company's progress, promoting mutual development.

Standardized Training

The construction of a training system for all employees includes modules such as onboarding training, probationary training, and on-the-job training, providing relevant content and training mechanisms for each module:

Onboarding Training

Policy and Regulation: Develop the *Guidelines for New Employee Onboarding Training and Probationary Period Management*

Onboarding Assessment: Conduct training on company policies, safety management, quality awareness, and basic knowledge of management systems. New employees will be officially onboarded after passing the assessment

Probationary Training

Operational Positions: Develop the *Guidelines for Training Management of Operational Positions* and the *Training Plan for Probationary Period of Operational Position Employees*. Training cycles are set based on job levels, and both theoretical and practical assessments are required

Other Positions: Probationary training for professional, technical, and management personnel is conducted according to the *Probationary Training Plan for Professional, Technical, and Management Personnel*, with a passing score of 80 points for comprehensive evaluation

On-the-job Training

Tiered Training: Develop the *Employee Training Management Procedure* and related training plans. Delton formulates training plans at the company level, department level, and process level, and implements and supervises them according to the plans

Customized Training

Delton provides a customized training system tailored to different positions and levels of employees, including training for production line workers, management trainees, managerial-level training, grassroots supervisor boot camps, and specialized position training.

Line Workers	• Develop a Probationary Training Plan and an Annual Process Training Plan based on job skill requirements • Establish a *Cultivation Program for Junior College and Vocational High School Students* as Shift Leaders for production line employees at the junior college level. This program aims to train employees capable of handling shift leader positions through a combination of centralized lectures, on-the-job practice, mentorship, and customized boot camps
Management Trainees	• In accordance with the *Management Trainee Development and Growth Management Method*, a series of courses are established, and a special plan is formulated annually
Managerial-level Training	• Leadership Talent Series Courses: A total of 15 courses are offered to cultivate management talents with strong leadership skills
Specialized Position Training	• In accordance with regulatory requirements, we have developed the *Guidelines for Special Position Training*. It identifies special job positions that require specific training and certification, arranges external training for certification, and conducts regular annual reviews

Engeering Skill Training at Huangshi Factory

The Huangshi factory has established both online and offline communication channels, such as official accounts, video accounts, journals, and bulletin boards, to regularly update high-quality content. Through these diverse channels, the factory provides learning resources for employees. Additionally, in collaboration with Hubei Engineering Vocational and Technical College, a PCB Joint (Industry) College has been established. Focusing on the rapid development needs of the electronics information industry, the college is committed to training high-quality technical and skilled talents, thereby reserving outstanding personnel for the industry.

Case Study | Training for Thai Employees in China

In 2024, to address the challenges of the weak foundation of the Thai PCB industry as well as language and cultural differences, Delton's Thailand factory organized Thai operational position employees to come to China for specialized training. During the training process, the factory took a series of targeted measures: Thai translators were assigned to translate operating documents into Thai to eliminate language barriers. At the same time, experienced Chinese employees were arranged as one-on-one position mentors, adopting a gradual training model that closely integrates process principles with machine operations. The training was divided into two parts: theoretical knowledge assessment and practical skills assessment. Ultimately, 40 qualified Thai employees were awarded job qualification certificates, and an employee skills matrix was established, laying a solid foundation for subsequent work.

Case Study | Delton's 2024 Management Trainee Boot Camp

In July 2024, Delton launched the 2024 Elite Class and Management Trainee Boot Camp. By combining intensive training with practical experience on the production line, the program helped participants from various departments to rotate through specific positions. A variety of assessment mechanisms were used to ensure effective learning outcomes. During the phase review, trainees demonstrated their learning achievements through M1+M2 performance reports. They also clarified their future learning directions through review summaries and position kick-off meetings.

We developed a three-year training plan at the corporate, departmental, and individual levels for management trainees and mapped out a clear career growth path. During the on-the-job practice period, we launched a mentor-assisted curriculum for trainees, inviting benchmark departments to share their training experiences and further enhance the trainees' capabilities. In the semi-annual performance review, we comprehensively evaluated the training outcomes, promoting the growth of management trainees in professional knowledge, skills, and practical abilities. This initiative has laid a solid foundation of talent for our development.

Training Evaluation

Delton has established a personnel training and assessment management procedure. Every year, we organize training satisfaction surveys for participants and follows up on the training issues raised by employees to make improvements. A *Training Satisfaction Survey Report* is formed, which analyzes the problems and needs of employees and proposes optimization and improvement measures.

In addition, we committ to building and cultivating a team of excellent internal trainers. It has formulated the *Internal Trainer Management Measures* to standardize the management of the trainer team and provide continuous support for talent development and growth.

Compensation and Promotion

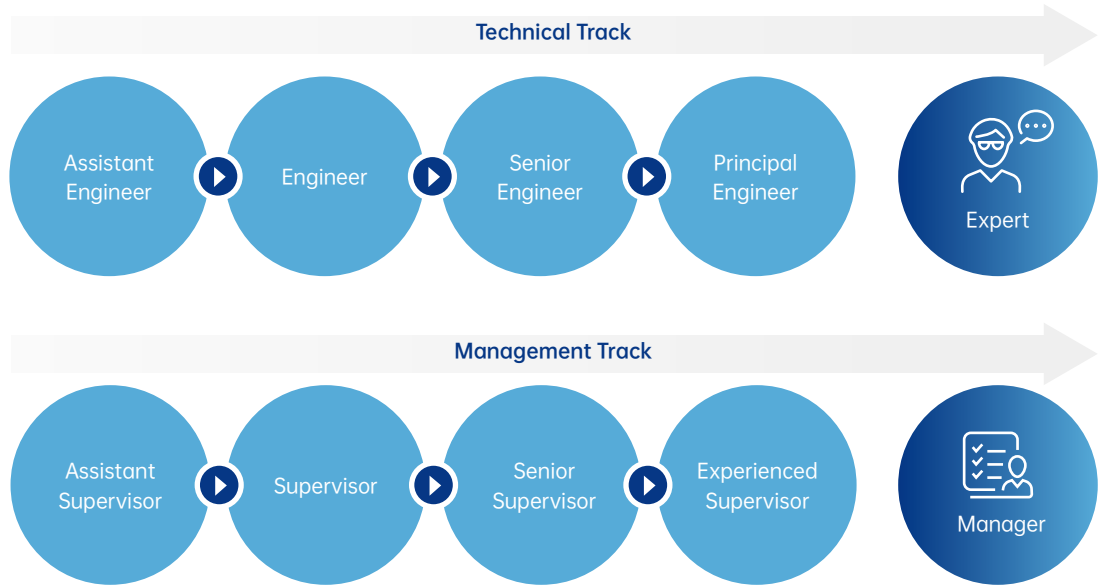
We implement principles of open, fair, and just promotion management. We have established and refined a scientific evaluation and assessment process, as well as a comprehensive promotion management procedure. We have also developed a thorough and detailed compensation and promotion plan to ensure that employees' salaries and career development are reasonably planned and implemented.

In terms of compensation management, we have established relevant compensation assessment and management methods, including the *Attendance Management System, Performance Management System*, and *Compensation and Benefits Management System*, to safeguard employees' earnings. We regularly pay salaries and provide relevant vouchers on a monthly basis, and offer compensation for employees' non-routine working hours. Through a fair compensation and promotion system, we motivate employees to keep progressing. We implement monthly performance assessments for all employees to regularly evaluate individual performance. For new management trainees, we conduct semi-annual performance reviews over a two-year period; for management staff, we require monthly reports and conduct performance reviews every six months and annually to support employee development.

We develop our compensation plans based on market research and internal evaluations to ensure that our salary levels are in line with industry standards. We adopt a diversified compensation structure, which includes base salary, performance bonuses, and benefits allowances.

- Base Salary is determined according to employees' job levels and capabilities, ensuring market competitiveness and fairness.
- Benefits and Allowances include social insurance and housing fund, festival benefits, health check-ups, and more, providing comprehensive living support for employees.
- In accordance with the *Attendance Management System*, employees enjoy flexible working modes, including the option for online remote check-ins.

In terms of career advancement, we continuously refine our job promotion mechanisms to provide employees with broad career development opportunities. Based on employees' performance and potential, we develop personalized promotion plans and conduct regular assessments and adjustments.



Career Advancement Pathways

Huangshi Factory has established an excellence evaluation mechanism. Through monthly and annual excellence evaluations, it has identified 468 role models, continuously fostering an atmosphere of learning from the excellent, establishing a sense of honor among employees, and setting up exemplary benchmarks.

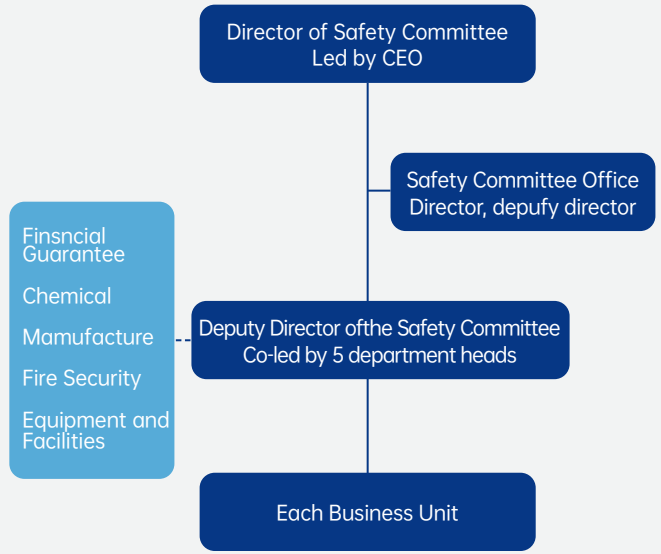
Pay attention to workplace health and safety

We insist on safe production as the first priority, strictly abides by the *Safety Production Law of the People's Republic of China* and the laws and regulations used in overseas operations, establish a sound management system for safe production, and creates a healthy and safe working environment for employees.

Safe production

We have established a sound safety production management system and obtained the international ISO45001 occupational health and safety management system certification. In order to ensure the implementation of safety production management, we have set up a special safety committee to coordinate and manage safety production related matters. The general manager is the top person in charge and serves as the director of the safety committee, responsible for decision-making on major safety production risk events and supervising the implementation of safety production guarantee work; the heads of the five departments of capital guarantee, chemicals, manufacturing, fire safety, and equipment and facilities jointly serve as the deputy director of the safety committee, and formulate strategic goals and action plans according to the committee's resolutions, and supervise the security work of the main business modules. Each business department is responsible for implementing the work arrangements of the Safety Committee and implementing safety production to the front line.

In addition, we strengthened its system construction and formulated the *Safety Production Management Procedures, Emergency Preparedness* and *Response Management Procedures, Occupational Hazard Factors Management Procedures* and other systems as our guidance documents to create a healthy and safe production environment for employees. The Safety Committee sets health and safety management goals, formulates corresponding management measures, and reviews the implementation of each measure and the achievement of target indicators on a monthly basis.



Delton Technology's Work Safety Management System

We have carried out strict management and supervision on the safety protection of the workplace. The equipment machine is equipped with a number of safety protection measures, such as safety cover, safety grating, safety door interlocking shutdown device, two-hand button, sound and light alarm, etc., to reduce the risk in the operation process. At the same time, we implement a safety inspection system to detect and eliminate potential safety hazards at the work site in a timely manner to ensure the safety of employees at work. We identify and evaluate safety hazards of production equipment and other machinery, provides protective devices or barriers, formulates maintenance rules, conducts daily inspections and regular maintenance of safety protective devices, and informs relevant departments for maintenance when abnormal. In addition, we have set up inspection mechanisms for relevant personnel at all levels, daily self-inspection reports by safety administrators of various processes, daily inspections by safety administrators, monthly joint safety inspections, joint safety inspections during holidays, seasonal special safety inspections, special equipment special operations or regional special inspections, etc., to reduce potential safety hazards.

We organize and carry out relevant safety training, and formulates and implements training plans every year. New employees are required to undergo three-level safety training and assessment. After passing the test, they will be assigned to the post, and professional outsourcing training such as special equipment and special operations will be obtained. All process supervisors will arrange for external training to obtain a safety administrator certificate and take up the post with a certificate.

As of the End of the Reporting Period

there were **0** work-related accidents, fire accidents, and occupational disease accidents

Occupational Health

We attache great importance to occupational health and safety management, and regularly conduct occupational health examinations and work environment factor testing. As of the end of reporting period, all work environments have met the requirements of laws and regulations. Safety officers are arranged in each factory of the group to conduct daily inspections and monthly safety inspections of the leadership to ensure the safety of the work site. For work-related accidents, we require all factories to conduct cause analysis, implement improvement measures, and educate all employees on accident warnings, and impose corresponding penalties on those responsible. In addition, we conduct occupational hazard status assessment every three years to continuously optimize the occupational health management system.

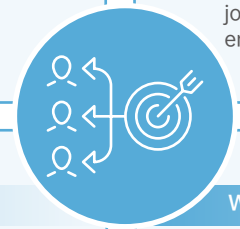
We always put the occupational health of employees in the first place, and comprehensively protect the health rights and interests of employees through systematic management measures.

Industrial Hygiene Management

- Identify and evaluate hazard sources, and use engineering technology or management methods to strictly control hazard sources
- Organize occupational health evaluation and monitoring, conduct awareness education on on-site occupational risk factors, establish on-site occupational factor risk procedures and identify key safety and health positions to implement key management, educate employees to wear labor protection equipment correctly, and conduct daily maintenance of labor protection equipment
- Provide earplugs, masks and other protective equipment to ensure the health of employees at different stages of work, implement the safety inspection system, and timely discover and eliminate potential safety hazards at the work site

Occupational Disease Prevention

- Effective protection of female employees and employees with occupational taboos
- Regularly conduct occupational health inspections for employees (pre-job/on-job/off-job inspections);
- Provide employees with occupational health and safety training
- Occupational hazard environmental factor testing and evaluation are carried out every year, and the relevant data are up to the standard
- Carry out occupational hazard physical examinations, including pre-job, in-job and post-job physical examinations, to ensure the health of employees at different stages of work



Strong Physical Work Management

- Establish physical labor intensity evaluation norms, and organize the classification and evaluation of physical labor intensity for each post
- According to physical labor intensity evaluation results, determine the positions to adjust the work intensity or make work adjustments

Work Injury Management

- Formulate *Environmental Safety Incident Accident Management Procedures* to prevent work-related injury incidents and standardize the control and handling procedures. After a work-related accident occurs, it is necessary to rescue the injured in a timely manner, investigate and analyze the cause of the accident, form an investigation report, propose improvement and preventive corrective measures to prevent the accident and follow up and improve it in a timely manner, and inform the surrounding and related employees of the accident investigation results
- Pay for work-related injury insurance for each employee to provide additional safety protection

Emergency Response

We attache great importance to engineering accidents, and have formulated internal normative documents such as *Emergency Preparedness and Response Management Procedures* to improve the accident notification and handling procedures. When potential accidents and emergencies occur, all departments must respond quickly and take effective measures to carry out first aid treatment, reduce adverse environmental impacts and personal and property losses, and report them in a timely manner to minimize injuries. At the same time, We strictly implement the principle of "four do not let go", that is, if the cause of the accident is not found out, the improvement measures are not implemented, the person responsible for the accident is not punished, and the relevant personnel are not educated and trained to ensure that the accident investigation and handling are timely and compliant to prevent the accident from happening again. For fire safety, We have established strict accident prevention and accident handling methods to effectively ensure the production safety of employees.

Routine Fire Inspection

- The fire control room arranges certificate holders on duty 24 hours a day, and implements relevant records according to regulations
- Organize special joint safety inspections before major holidays
- Arrange full-time firefighters to inspect all fire-fighting equipment of the company every half month, and keep inspection records
- Organize a fire evacuation drill every six months, covering all employees of the day and night shift
- Arrange for a third-party company with fire protection maintenance qualification to maintain our fire protection system once a month, issue a formal maintenance report and upload it to the government fire management platform

Fire Safety Training

- Organize fire safety "four abilities" training for all employees every six months
- Organize voluntary firefighter retraining once a year

  Organize fire evacuation drills
- Organize a series of fire protection activities every year in Safety Month and Fire Month
- Daily morning meeting promotion

In 2024, we conducted a number of fire drills and trainings to improve the fire safety awareness of all employees and improve safety emergency response capabilities.

Fire Evacuation Drill

Joint Security Inspection

Huangshi factory mainly adopts a combination of online and offline models to enhance the fire protection awareness of all employees. Offline supervisors and supervisors have special fire safety training, and online safety awareness training for all employees (questionnaire + WeCom platform).

Fire Month Publicity and Education

Fire Advocacy Training

Improve Employee Benefits

We provide all employees with good benefits, including but not limited to: social insurance, welfare holidays, holiday benefits, cultural and sports activities, etc., actively enrich employees' spare time, pay attention to their physical and mental health, continue to provide assistance to employees with special difficulties, and create a happy and harmonious working atmosphere for all employees.

Employee Benefits

We formulate the *Attendance Management System* and *Company Remuneration and Welfare Policy*, in accordance with the requirements of labor law and RBA standards, to ensure that employees can obtain fair and reasonable remuneration and comprehensive welfare guarantee. The policy covers salary, bonus, allowance, social security, housing provident fund and other aspects, providing employees with a stable source of income and good benefits, so that employees can work with peace of mind, improve work enthusiasm and work efficiency.

- To ensure the physical and mental health of employees, we prohibit forcing employeesto work overtime and ensure that all employees have at least one day off per week;
- To ensure the physical and mental health of employees, we prohibit forcing employeesto work overtime and ensure that all employees have at least one day off per week;
- Each month, for cases where overtime exceeds the limit or rest days are not met, eachdepartment must develop improvement measures, which are then followed up andsupervised by the Human Resources Department;
- Employees are entitled to annual leave and statutory paid holidays. The holidays includeWomen's Day, Mother's Day, Father's Day, Dragon Boat Festival, Mid-Autumn Festival,Spring Festival, etc.

In 2024, our labor union provided employees with relevant benefits (holiday gift packages, high-temperature job condolences, academic subsidies, opportunities for registration for academic qualifications, and critical illness relief) and specific benefits.

Humanistic Care

Our labor union goes deep into employees and effectively protects their rights and interests. The union meets quarterly and the member representative assembly is held annually. At the beginning of each year, the union formulates an annual labor union activity plan and cost budget, and organizes the approval and implementation of specific activity plans on a monthly basis.

Protection of Women's Rights and Interests

In order to ensure the rights and interests of our female employees, the labor union provides relevant benefits for female employees through the Women's Workers Committee. We have a maternity room and provide maternity leave, breastfeeding leave and other holidays.

Employee Care Project

We provide employees with tips for handling matters, such as warm reminders for medical insurance cards, employee physical examinations, anti-fraud safety notification reminders, influenza prevention notification reminders, and caring for employees' health.

In 2024, we carried out a wide variety of employee activities, such as the "Delton Cup" basketball game, table tennis competition, badminton competition, Mother's Day event, March 8th event, excellence evaluation, birthday party, team-building activities, etc. These activities were recognized and actively participated in by our employees, effectively enriching their lives and helping to achieve a balance between work and leisure.

The 4th Delton Badminton Competition


"Thanksgiving Mother's Day" Event


Outstanding Staff Award Ceremony


Table Tennis Events

Actively Contribute to Charity

Dedicated to Social Welfare

We actively fulfill social responsibility, devote ourselves to public welfare and charity, always pay attention to social needs, and are committed to creating more value for the society. We deliver warmth and care with practical actions, deeply integrate corporate development and social responsibility, actively implement the mission of corporate citizenship, and contribute to the construction of a harmonious society.

Case Study | 2024 Arbor Day Activities

In March 2024, We actively responded to the national green development concept, organized and carried out the Arbor Day activities with the theme of "planting a touch of new green, sending a hope", actively responded to the national green development concept, and promoted the development of green environmental protection. Our senior leaders and employees participated in the planting of 50 African jasmine saplings, demonstrating the spirit of teamwork and care for the natural environment. Since 2022, We have held Arbor Day activities for three consecutive years, planting a total of 81 green trees, adding green vitality to the factory area and reflecting our long-term commitment to sustainable development.

Case Study | Blood Donation in 2024

In December 2024, Delton Technology organized a voluntary blood donation campaign for all employees. This initiative provided valuable life support for patients in urgent need of blood. It demonstrated the employees' sense of social responsibility and our humanistic care.

Promote Volunteering

In June 2020, under the guidance of the Party Committee of the non-public economic organization in Huangpu District, Guangzhou, and under the organization of the Party Member Volunteer Service Team of the non-public economic organization in Huangpu District, we established a Party Member Volunteer Service Team. In order to strengthen the construction of the party member team, give full play to the fighting fortress of the party organization and the vanguard and exemplary role of party members, promote party members to fulfill their obligations as party members, and guide party members to show their identities, our Party Member Volunteer Service Team has carried out various forms and all-round volunteer services, such as environmental protection and public welfare, helping the elderly and the young.

Our work has also been recognized by the government. In December 2024, we were awarded the "Excellent Volunteer Service Unit" by the Party Committee of the non-public economic organization in Huangpu District, Guangzhou.

Ethical Procurement Delivers Corporate Value

We promote a transparent and fair supply chain management system through responsible procurement practices, and actively lead the in-depth implementation of environmental protection, social responsibility and business ethics in the global supply chain. Through in-depth cooperation with suppliers, we will strengthen the competitiveness of the supply chain and lead the industry to achieve changes in sustainable development and compliance operations. We guarantee the stability and sustainable development of the supply chain, strengthen our social responsibility influence in the global market, and join hands with suppliers to move towards a more responsible, innovative and visionary future.

Our Goals

- All purchased products comply with the Responsible Minerals Purchasing Policy
- Supplier CSR review covers all major material suppliers
- All suppliers sign sustainable procurement charter/ supplier code of conduct

Our Progress

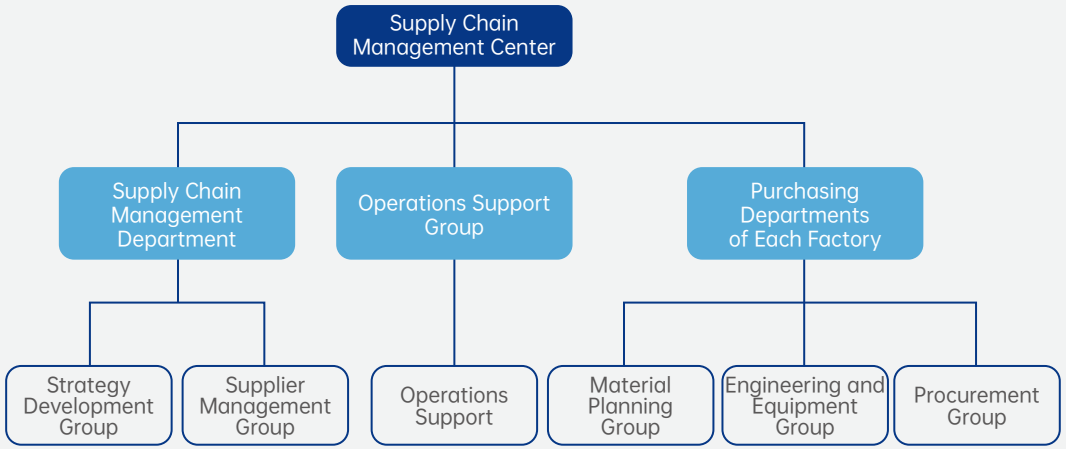
- Percentage of products that comply with responsible sourcing policy **100%**
- CSR review coverage of major material suppliers is **100%**
- Supplier Sustainable Sourcing Charter/Supplier Code of Conduct Signature Rate **100%**

Support SDGs

Ensuring Supply Chain Security

Governance

In order to ensure the security and stability of the supply chain, we have established a complete supply chain security management system and set up a supply chain management center to be responsible for overall strategic planning and decision-making. We adopt a hierarchical governance structure, with the supply chain management center at the highest level, with functional departments such as the supply chain management department, the operation support group and the purchasing department of each factory, which are responsible for supplier quality supervision, supply chain coordination and procurement execution respectively. Through this hierarchical governance structure, we can effectively manage all links of the supply chain and improve business continuity and supply chain resilience. The Supply Chain Management Center is fully responsible for the implementation and management of our supply chain security management system, ensuring the coordination and cooperation of various functional departments to jointly ensure the security and stability of the supply chain.



Delton Technology's Supply Chain Safety Management System

Strategy and Management Mechanism

We have formulated a series of key policies and management systems to optimize internal processes to ensure the stability and continuity of the supply chain. The supply chain management policy system includes the *Supplier Code of Conduct*, the *Sustainable Procurement Policy*, and the *Conflict Minerals Policy*, which comprehensively cover all aspects of supplier management, require suppliers to abide by strict codes of conduct and procurement processes, and emphasize environmental protection, social responsibility and ethics in resource procurement. At the same time, in order to refine supplier management, we have formulated the *Supplier Management Procedures*, the *Raw Material Supplier Management Specifications*, the *Equipment and Facilities Engineering Supplier Management Specifications* and the *Parts Supplier Management Specifications*. Differentiated management standards are formulated according to the characteristics of suppliers, involving quality control, supply stability, compliance and continuous improvement to ensure business continuity and resilience of the supply chain. Through precise management of key suppliers, we will improve the smooth operation of the supply chain and the ability to respond to emergencies and market fluctuations, enhance the resilience of the overall supply chain, ensure the continuous operation of the business, and lay the foundation for long-term stable development.

Risk and Opportunity Management

We formulate the *Risk and Opportunity Identification Evaluation and Countermeasures Follow-up Form* to systematically identify potential risks and opportunities in the supply chain and formulate corresponding countermeasures. Through this mechanism, we can detect and respond to various risks in the supply chain in a timely manner, prevent potential crises such as supply chain disruption, and seize development opportunities in the market at the same time. The Supply Chain Management Center evaluates the identified threats and risks, and divides the risks into three levels: high, medium and low according to their impact and possibility of occurrence, and formulates corresponding risk control measures for related risks. On the premise of ensuring the security of the supply chain, we will optimize the allocation of resources, improve the flexibility and resilience of the supply chain, and provide a solid guarantee for the sustainable growth of the business.

Risk and Opportunity List

Category	Description	Possibility	Impact	Response
Risk	The supplier management system is not perfect, the introduction process is not standardized, and the assessment data is not objective, resulting in non-compliance in the audit, which affects the fairness of supplier selection	Low	High	• Develop and publish appropriate supplier evaluation criteria on a quarterly basis based on demand • Complete the performance evaluation on time every month, supervise the supplier to improve, and apply it accordingly according to the evaluation results • Publish the performance appraisal results of major material suppliers every quarter to promote suppliers to improve
	Supplier information security management is not in place, and our information security requirements are not effectively transmitted to suppliers, resulting in information security incidents	Low	High	• New suppliers are required to sign a non-disclosure agreement and relearn the information security requirements of Delton Technology every year • All supplier visits need to be registered and filed, and the corresponding procurement personnel will follow up the whole process to ensure that suppliers do not enter the unauthorized information security area
	Irregular disposal of some suppliers, resulting in suppliers being punished by regulations, affecting our own operations	Low	High	• Annual review of the qualifications of hazardous waste purchasers • Conduct on-site audits of new hazardous waste suppliers • Formulate annual audit plans for key hazardous waste purchasers • Monthly check on the IPE performance of hazardous waste acquirers
Opportunity	By promoting the digitization and collaboration of the supply chain, enterprises can improve the transparency, response speed and anti-risk ability of the supply chain, optimize the cost structure, and enhance the resilience and competitiveness of the supply chain	Middle	Middle	• Introduce ERP, SCM system and IoT technology to realize digital management and real-time monitoring of the whole process • Establish an information sharing platform with core suppliers to optimize demand forecasting, inventory management and production planning • Establish a risk early warning mechanism, implement diversified procurement strategies, and reduce the risk of supply chain disruption

Annual Progress

In 2024, we formulated the *Technical Risk-Supply Chain Interruption Business Continuity Strategy and Accident Management Plan* to ensure supply chain security and business continuity. We have evaluated the potential impact of supply chain disruptions through business impact analysis, identified risk causes and formulated countermeasures, including investigating the causes of supplier material disruptions, checking undelivered orders, confirming the latest delivery dates, and coordinating extension arrangements with customers.

In addition, we established a sound accident management plan and a business continuity and recovery plan. The accident management plan clarifies the organizational structure, reporting process and emergency measures to ensure rapid response and effective action in the event of a supply chain disruption. The business continuity and recovery plan details key tasks, resource requirements, responsible persons and timelines, and covers emergency plans such as material allocation, order adjustment and supplier replacement to ensure business continuity and stability. In the post-processing stage, we combined accident handling experience, continuously optimizes strategies, and incorporated effective corrective measures into daily management processes to continuously improve the security and business continuity of the supply chain.

In 2024, we arranged payment to all suppliers, including SMEs, according to the payment terms agreed in the contract, and there were no overdue payments for SMEs.

Indicators and Goals

Issue	Target	Key Indicator	Progress in 2024
Supplier Management	Supplier CSR review covers all major material suppliers	CSR review coverage of major material suppliers is 100%	CSR review coverage of major material suppliers is 100%
	All suppliers sign contracts containing clauses on environmental, labor, and human rights requirements	Percentage of suppliers signing contracts containing clauses on environmental, labor, and human rights requirements: 100%	Percentage of suppliers signing contracts containing clauses on environmental, labor, and human rights requirements: 100%
Supply Chain Security	No supply chain disruptions throughout the year	Supply Chain Disruptions: 0	Supply Chain Disruptions: 0

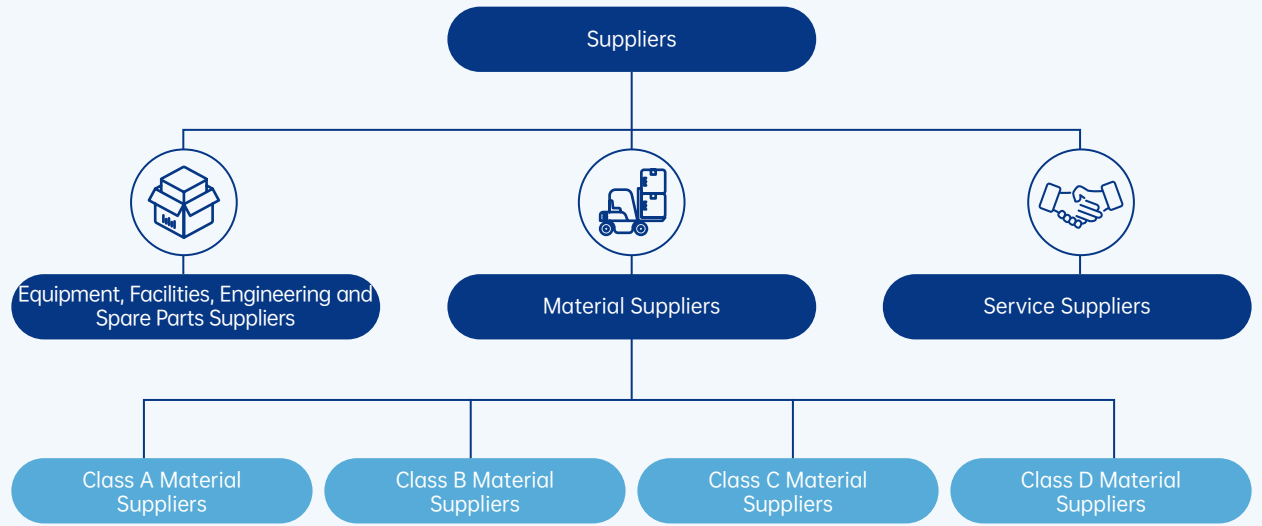
Strengthen Supply Chain Supervision

We are committed to building a transparent, compliant and sustainable supply chain system that ensures strict standards in environmental, social responsibility and compliance. Through sound management and audit processes, we promote continuous improvement of suppliers and jointly fulfill the responsibility of sustainable development. Relying on continuous empowerment and in-depth cooperation, we have continuously improved the comprehensive capabilities of our suppliers, and have joined hands with global partners to achieve the long-term goal of sustainable development.

Supplier Compliance Management

We always pay attention to social and environmental responsibility in supply chain management, ensuring that the procurement activities of all suppliers meet the requirements of our sustainable development. To this end, we have adopted a comprehensive supplier management system and audit mechanism, from supplier introduction, daily management, performance evaluation to regular audits, etc., relevant information and requirements are also formulated by our *Supplier Code of Conduct* to elaborate and explain.

We have established a comprehensive supplier evaluation system to ensure that various suppliers meet our business needs through differentiated classification management. According to the *Supplier Management Procedure*, suppliers are divided into potential suppliers, qualified suppliers, alternative suppliers, withdrawn suppliers and blacklisted suppliers. Each type of supplier has set specific evaluation criteria according to the type of products or services it provides. Material suppliers are the key management objects of our suppliers, and their quality, delivery, price and technical support are regarded as key evaluation indicators. At the same time, through a sound management system, we have incorporated ESG indicators such as environmental protection and social responsibility as bonus or deduction items into the supplier access and performance evaluation system, and formulated relevant documents such as the *Raw Material Supplier Management Code* to ensure that suppliers meet our standards in all dimensions.



Delton Technology's Supplier Classification

In addition, we have also formulated the *Sunshine Agreement on Supplier Business Conduct* and the *Anti-Corruption Policy*, requiring suppliers to commit to abide by anti-corruption laws and regulations, and resolutely put an end to any form of bribery and illegal behavior. By regularly organizing training and conducting compliance audits, we continue to strengthen suppliers' awareness of responsibility, ensuring that they strictly abide by business ethics and compliance requirements during cooperation, effectively preventing corruption risks, and ensuring the transparency, fairness and integrity of the supply chain.

Supplier Due Diligence

We attache great importance to supplier due diligence to ensure that supply chain partners meet the company's and international compliance standards. To this end, we have formulated an annual due diligence plan in accordance with the *Supplier Audit Management Regulations*, combined with the professional audit forces of multiple departments, to ensure that each supplier is fully evaluated on various compliance requirements.

During the Supplier Introduction Phase

we conduct a comprehensive qualification review in accordance with the *Supplier Management Procedures*, all potential suppliers must provide necessary information such as the Conflict Minerals Questionnaire, ISO 9001 certificate, and meet certain basic requirements such as registered capital and operating life. For suppliers that do not meet the standards, we will eliminate them. In addition, we conduct environmental compliance assessments through third-party platforms such as IPE to ensure that suppliers have no major environmental penalties or shutdown records. Only suppliers who have passed a comprehensive audit and meet various standards can be included in the list of qualified suppliers of Delton Technology.

In Terms of Inventory Supplier Management

we also implements strict due diligence procedures. Every year, we evaluate the environmental compliance of suppliers through the IPE platform. If an environmental safety incident occurs during the assessment period, we will require the supplier to make rectification and ensure that it revokes the relevant violation record on the IPE platform. In addition, we will combine regular audits and on-site evaluations to continuously monitor the performance of suppliers in terms of social responsibility and labor rights, and make necessary rectification or elimination measures based on the evaluation results.

During the Due Diligence Process

we keep detailed records of compliance issues found and require suppliers to take corrective measures. After the rectification is completed, the supplier shall be reviewed to ensure that the problem is effectively resolved. For suppliers with significant compliance risks or failure to rectify on time, we will take corresponding measures based on the evaluation results, including suspending cooperation or directly canceling cooperation, to ensure supply chain compliance and stability. For suppliers that do not meet the red line requirements, we will cancel the cooperation directly.

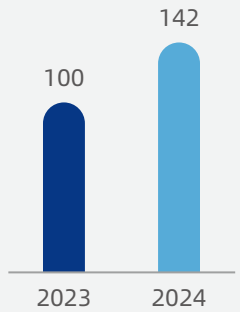
In 2024, we continued to deepen the construction of the supplier quality management system, and comprehensively carried out supplier audit and process quality management rectification. A total of 44 suppliers were audited throughout the year, with a coverage rate of 45%, and 100% audits were implemented for 2 new suppliers. In response to the problem of abnormal quality of suppliers, we organized a special meeting and asked suppliers to submit improvement reports to promote the effective solution of the problem.

Responsible Procurement

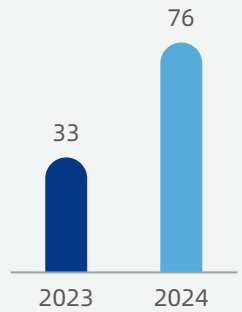
In addition to strict management of suppliers, we also pay attention to the training of internal buyers and the construction of incentive mechanism to ensure that every buyer can follow our procurement policies and standards during the procurement process. In 2024, we formulated the *Sustainable Procurement Policy*, strictly regulated procurement activities, and ensured that factors such as environmental protection, social responsibility and business ethics are fully considered in the procurement process. In addition, we provide regular integrity and integrity training for procurement personnel to strengthen their awareness of complying with laws and regulations and our code of conduct, and require procurement personnel to sign the *Integrity Commitment*, promising to maintain fairness, transparency and integrity in the procurement process, and to eliminate any form of corruption.

In order to further implement responsible procurement, we link procurement objectives with the remuneration of purchasers, and encourage purchasers to always adhere to our concept of sustainable procurement when performing their duties, and ensure that procurement behavior conforms to our social responsibility and ethical standards.

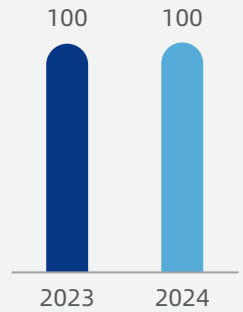
Number of company material suppliers



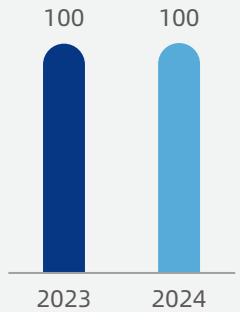
Number of suppliers participating in CSR training



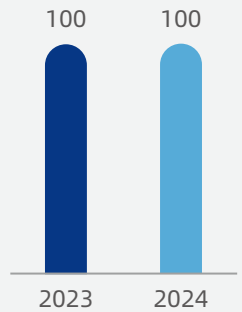
Percentage of target suppliers that have undergone CSR on-site audits



Audit bad item rectification rate



Percentage of contracts signed by suppliers that include environmental, labor and human rights requirements



Supplier Empowerment Cooperation

We are committed to promoting the common growth of suppliers through continuous empowerment and in-depth cooperation. By strengthening strategic partnerships with suppliers, we provide necessary resource support and professional training to help them improve their management capabilities and technical levels. On this basis, the two parties jointly formulate sustainable development goals, work together to promote innovation and optimization, and promote the continuous improvement and efficient operation of the overall supply chain. We insist on establishing long-term and stable partnerships with suppliers to jointly respond to market challenges and share development results.

In 2024, we further strengthened our supplier social responsibility management, and carried out the *Supplier Code of Conduct* and corporate social responsibility training for 68 suppliers. The number of suppliers participating in the training accounted for 89%, covering 93% of the group's total procurement. The pass rate of training and assessment is 100%, which ensures that suppliers fully grasp the relevant requirements and actively implement them, laying a solid foundation for the sustainable development of the supply chain.

Standardize Governance to Ensure Sustainable Development

We always adhere to the concept of modern compliance governance, and ensure the stable operation of the company by continuously improving the corporate governance structure, strengthening risk management and enhancing transparency. We strictly abide by relevant laws and regulations, continuously optimize board governance, audit supervision and information security management, and are committed to improving corporate compliance and transparency to ensure sustainable development. As a listed company, on the basis of establishing an efficient governance system, we continuously promote strategic decision-making and risk management, ensure that various businesses and operations meet international standards, and actively fulfill social responsibilities.

Our Goals

- Business ethics training covers all employees of the company
- No corruption lawsuits during the reporting period
- ISO 27001 certification covers all factories
- During the reporting period, there were no complaints about employee privacy and personal information leakage

Our Progress

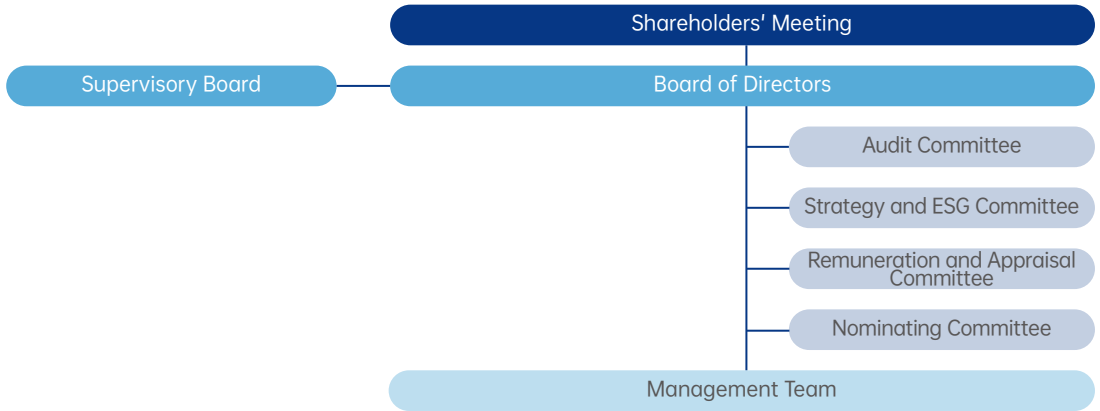
- All employees' business ethics training participation and assessment pass rate is **100%**
- The company has **no** commercial bribery or corruption incidents throughout the year
- ISO 27001 certified factory coverage is **100%**
- **0** complaints about employee privacy and personal information leakage

Support SDGs

Create Modern Compliance Governance

Improve Corporate Governance

In strict accordance with the *Company Law*, *Securities Law*, *Listed Company Governance Guidelines* and the requirements of relevant laws and regulations of the China Securities Regulatory Commission, we continuously improve the governance structure of "three meetings and one layer" and standardized the operation of the company.



Delton Technology's Corporate Governance Structure

In 2024

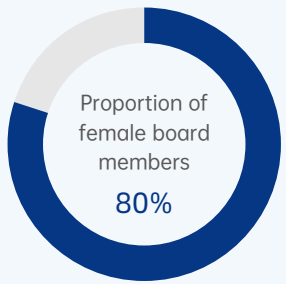
we held **8** board meetings

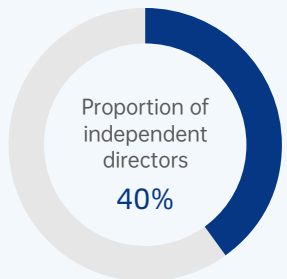
the board of directors reviewed and approved **47** resolutions, and the corporate governance system was optimized.

Board Members and Professional Committees

Member	Personnel background			Serve on professional committees			
	Sex	Serve	Professional	Audit Committee	Strategy and ESG Committee	Remuneration and Appraisal Committee	Nomination Committee
Xiao Hongxing	Male	Chairman	PCB Industry Technology and Management	-	★	-	★
Zeng Hong	Female	Director and General Manager	PCB industry system and management	-	√	√	√
Liu Jinchan	Female	Director	PCB Industry Management	√	-	-	-
Chen Limei	Female	Independent director	Chinese Certified Public Accountant	√	√	√	√
Li Ying	Female	Independent director	Chinese Certified Tax Agent Chinese Certified Public Accountant	★	-	★	-

Description: ★ Convener of the committee √ Member of the Committee-Unserved





The professional operation of the board of directors is an important guarantee for the scientificity and effectiveness of corporate strategic development decision-making. When building a governance structure, we take professionalism and diversification as our core elements, and fully consider the three dimensions of the background of board members, the qualifications of independent directors, and the composition and operation of professional committees to ensure the scientific and comprehensive governance structure.

Background of Board Members

We take professionalism and diversification as the core criteria, and select members with rich industry experience, strategic forward-looking and deep professional knowledge. Board members not only have in-depth insights into industry development trends, but also include experts in auditing, accounting, taxation and other fields to ensure the effective combination of compliance operations and strategic decision-making;

The composition and operation of professional committees

The Board of Directors has Supervisory Board, Audit Committee, Strategy and ESG Committee, Remuneration and Appraisal Committee, and Nominating Committee, which fully meet the requirements of the regulatory authorities and provide a solid guarantee for the standardized operation of the board of directors. The members of each professional committee have professional backgrounds in related fields, ensuring that they play a professional role in strategic planning, risk management and control, salary incentives and talent selection, and further strengthen the effectiveness of corporate governance.

Through the organic combination of professionalism and diversification, the board of directors of Delton Technology not only improves the scientificity and effectiveness of decision-making, but also lays a solid governance foundation for the sustainable development of the company.

Operation of Supervisory Boards and Professional Committees in 2024

Mechanism	Staff composition	Operations in 2024
Supervisory Board	Mr. Zhou Zhiyong: Supervisor, Director of the Company's Operation Management Department Mr. Peng Jinghui: employee representative supervisor, chief expert of the company's research institute Ms. Xue Jing: Supervisor, Manager of Human Resources Department of the company	7 meetings were held and 34 proposals were reviewed and approved.
Audit Committee	Liu Jinchan: Director Li Ying: Independent Director, Chinese Certified Tax Agent, Chinese Certified Public Accountant Chen Limei: Independent Director, Chinese Certified Public Accountant	3 meetings were held and 18 proposals were reviewed and approved.
Strategy and ESG Committee	Xiao Hongxing: Chairman Zeng Hong: Director, General Manager, Senior Engineer of Electronic Technology Chen Limei: Independent Director, Chinese Certified Public Accountant	5 meetings were held and 9 proposals were reviewed and approved.
Remuneration and Appraisal Committee	Li Ying: Independent Director, Chinese Certified Tax Agent, Chinese Certified Public Accountant Zeng Hong: Director, General Manager, Senior Engineer of Electronic Technology Chen Limei: Independent Director, Chinese Certified Public Accountant	3 meetings were held and 7 proposals were reviewed and approved.
Nomination Committee	Xiao Hongxing: Chairman Zeng Hong: Director, General Manager, Senior Engineer of Electronic Technology Chen Limei: Independent Director, Chinese Certified Public Accountant	/

Whistleblower and Whistleblower Protection

We have formulated the *Anti-Fraud Complaint and Report Management System*, *Code of Conduct for Business Ethics* and *Whistleblower and Whistleblower Protection Policy*, encourage employees and the outside public to actively report misconduct and corruption, while providing whistleblowers with strict confidentiality and anonymity protection from retaliation and discrimination. As the report acceptance department, the audit department is responsible for keeping the information of the whistleblower strictly confidential and carefully checking the content of the report.

Reporting Channel

Report Tel: 020-82210789 / 19928420557

Report E-mail: audit@delton.com.cn

Report WeChat:

Report Address: Audit Department, No. 22 Baoying South Road, Guangzhou Free Trade Zone, Guangzhou City, Guangdong Province, 510700

Guarantee Tax Transparency

We always regard tax compliance and transparency as an important cornerstone of corporate operations. By improving the institutional system, optimizing management processes, and strengthening risk prevention and control, we ensure the standardization and openness of the entire chain of tax management. We strictly abide by national tax laws and regulations, formulate and implement the *Tax Management Work Procedures*, clarify the internal system of tax management, the division of labor and operation specifications, and forms a systematic tax management system.

In 2024, we have made significant progress in the optimization and digital upgrade of tax management processes:

In terms of process optimization and digital upgrade, we have completed the docking with the fourth phase of the Golden Tax System of the Electronic Taxation Bureau, comprehensively promoted the issuance of electronic invoices, and significantly reduced the use of paper invoices.

For the expense reimbursement link, we strengthened the tax review mechanism. For a single invoice with an amount of more than 2,000 yuan, the tax accountant will check the establishment time and business authenticity of the invoicing enterprise, and strictly prevent the risk of non-compliant pre-tax deduction.

We have established a tax accounting cross-check mechanism to check the tax matters of the factory every week to ensure that potential problems are identified and rectified in a timely manner to avoid delays in tax problems.

In order to improve the ability to prevent and control tax risks, during the reporting period, we formulated special tax guidance documents, and regularly arranged for tax accountants to participate in external training and organized internal training to strengthen tax knowledge and management capabilities to ensure the continuous improvement of the professional capabilities of tax-related personnel.

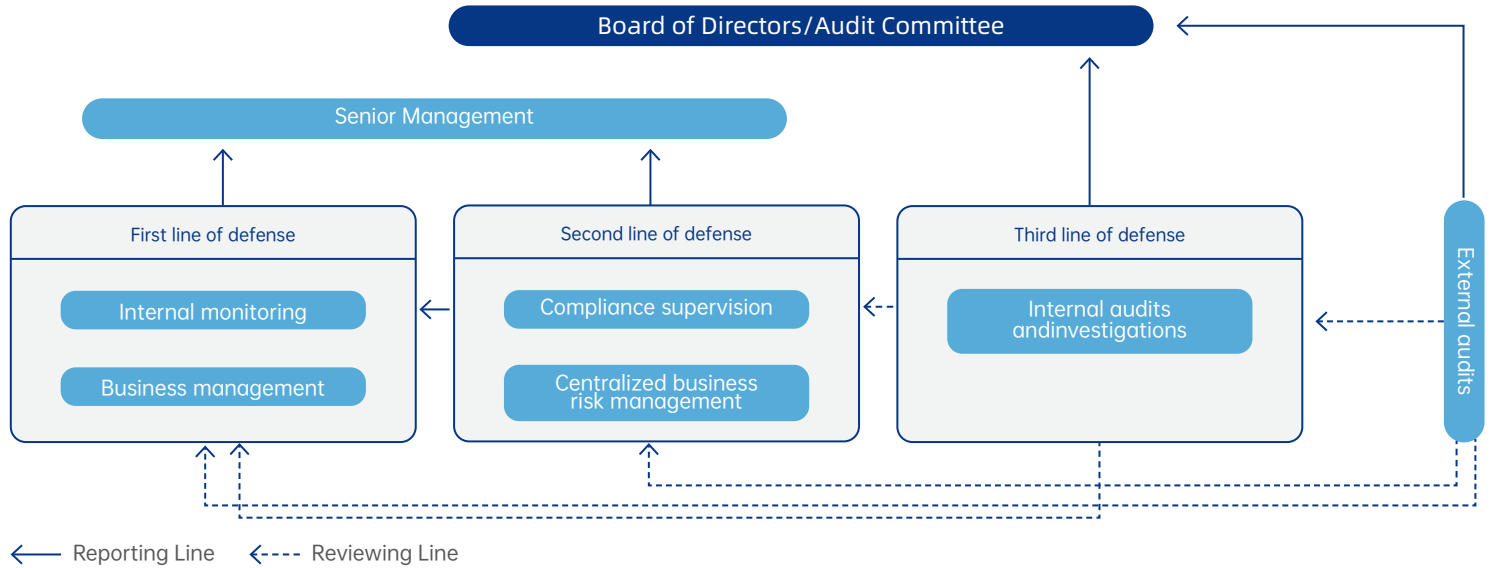
Factory	Tax inspection items	Taxes involved	Check the effect
Guangzhou, Dongguan, Huangshi factories	2022 to 2024 tax audit problem inspection	Corporate income tax, individual tax, stamp duty	Further interpret the tax laws and regulations, avoid underpayment, underpayment, and overpayment of taxes and fees, and check the tax-related risks of enterprises.
Guangzhou	Tax-related training on previous equity changes	Corporate income tax, stamp duty, individual tax	Check the tax liabilities of different types of enterprises in equity changes, and strengthen employees' understanding of tax knowledge on different issues such as equity incentives and dividends.

From 2019 to 2023, we have been rated as A-level taxpayer for five consecutive years, and has been pre-rated as A-level taxpayer in 2024. Successfully demonstrate our high standards and compliance in tax management.

Build a Business Trust System

Improve the Compliance System

We have established a complete three-line defense mechanism to comprehensively strengthen the risk management system:



Delton Technology's Three Lines of Defense in Risk Management

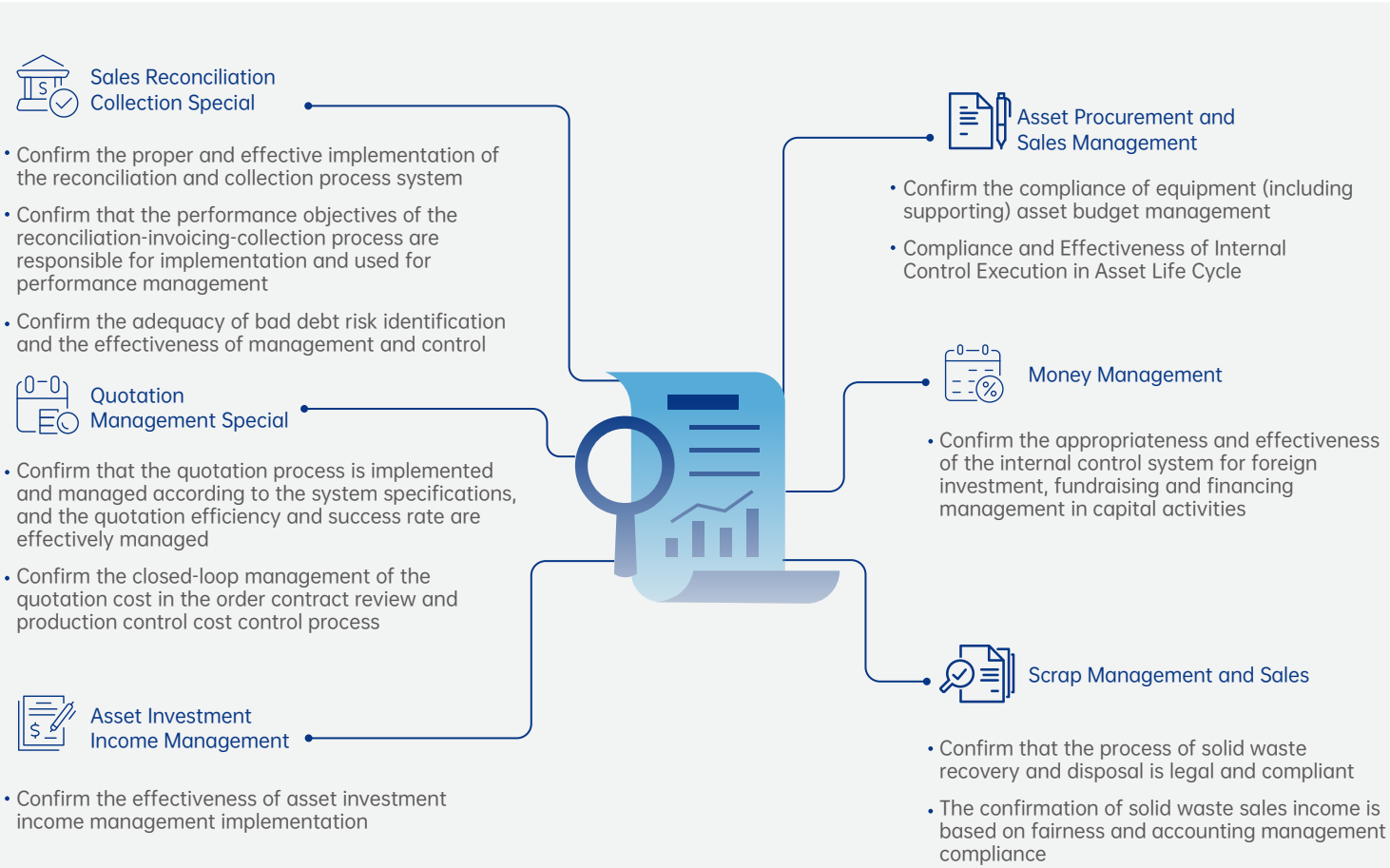
In 2024, we revised the group's risk management procedures to further clarify the risk categories, identification responsibilities and risk management strategies of each factory. The Group and Factory System Management Department organize various departments to identify internal and external risks according to the "risk management procedures" every year, covering strategic risks, market risks, credit risks, operational risks, financial risks, compliance risks, reputation risks and ESG risks.

The business department adopted a combination of quantitative and qualitative methods to assess and classify risks, and took corresponding measures for different levels. The Operation Management Department checked the implementation of risk measures on a monthly basis and incorporated the results into the annual management review. The Audit Department arranged annual audit projects according to the key points of risk management, and integrated the key points of risk control into the audit process, including the risk identification of key business modules, the implementation of management control systems and measures, and the optimization and improvement of risk identification and evaluation methods.

Strengthen Compliance Audits

When preparing the annual audit plan, we clarify the audit objectives and scope based on the development strategy, the operation and compliance review of the previous year, and the key work of the next year. The audit method is mainly based on special on-site audits. In response to the audit results, we communicate the audit findings and improvement suggestions with the audited unit through the *Audit Engineering Procedures* to ensure that an agreement is reached. The discovery of major abnormalities shall be reported to the general manager and chairman of the group in a timely manner, and the audit report shall be copied to the members of the board of directors. Monthly production and operation management will review audit issues and rectifications, and supervise the implementation of rectifications. In addition, we have established an audit CAS (Corrective Action System) system to track the status of rectification in real time, implemented online closed-loop management, and incorporated the implementation of rectification into the performance appraisal of the person in charge of the responsible unit.

In 2024, 7 audit projects with business objectives were implemented, all of which had passed special on-site audits. Based on our strategy and annual budget, we conducted audit spot checks on the process risks and key internal control points that affect the achievement of budget objectives by business operations, and conduct walk-through tests and verifications on process and result data. A total of 91 rectification issues were raised throughout the year, and the cumulative rectification completion rate was 81%. In addition, the Audit Department conducted special audit and supervision on the key internal control activities of our listing on a quarterly basis, focusing on the management of raised funds, external guarantees, related transactions, major changes in major assets, foreign investment, large capital exchanges, capital exchanges between the company and directors, supervisors, senior executives and controlling shareholders, and capital exchanges between the company and related parties to ensure listing compliance.



In 2024, we have achieved remarkable results in the field of compliance audit. By hiring a third-party professional audit institution to conduct annual audits of financial statements, internal control system and information system, combined with the special supervision of key listed compliance projects by the audit department on a quarterly basis, no non-compliance occurred throughout the year. At the same time, we completed the special project audit of the Thai factory construction project and the special major project of asset procurement management during the reporting period, which promoted the improvement of the procurement bidding management system, contract review process and equipment acceptance management procedures, and further improved the internal management efficiency.

In addition, we incorporated operational compliance and social responsibility compliance into our annual audit special plan:

	In response to the irregular internal control process of contract review, various contract review processes and responsibilities were further clarified, and the system process was optimized
	In view of the asset acceptance and disposal problems in the technical transformation of major projects, the management responsibilities and requirements of the whole process of equipment life cycle have been improved
	For the introduction of new customers, the credit management system and process have been optimized, and the risk of bad debts has been effectively reduced
	For the solid waste management link, the supplier risk management process has been improved, and the compliance of the supply chain has been strengthened
	For major projects with a contract value of more than RMB 5 million, we conduct offline audits of the whole process around "project initiation — procurement bidding — procurement contract — contract execution and acceptance — contract payment"

Regulate Business Ethics

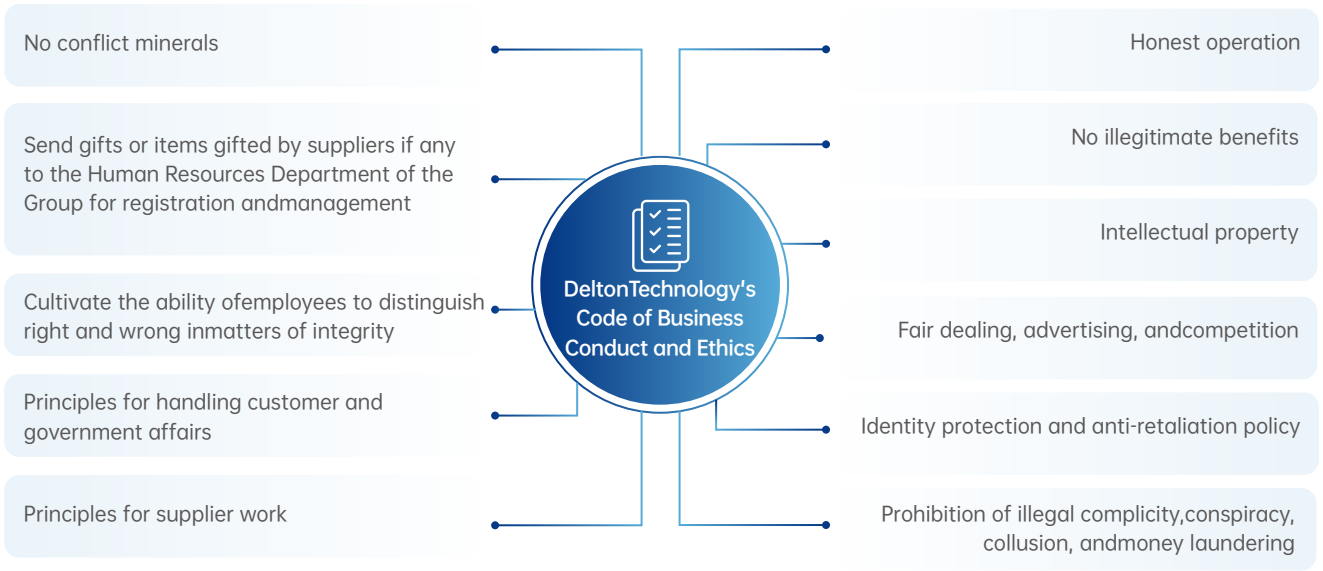
We have always been committed to maintaining high standards of business ethics. By building a sound system and implementing comprehensive compliance management, we ensure that our business activities meet ethical and legal requirements and promote our sustainable development.

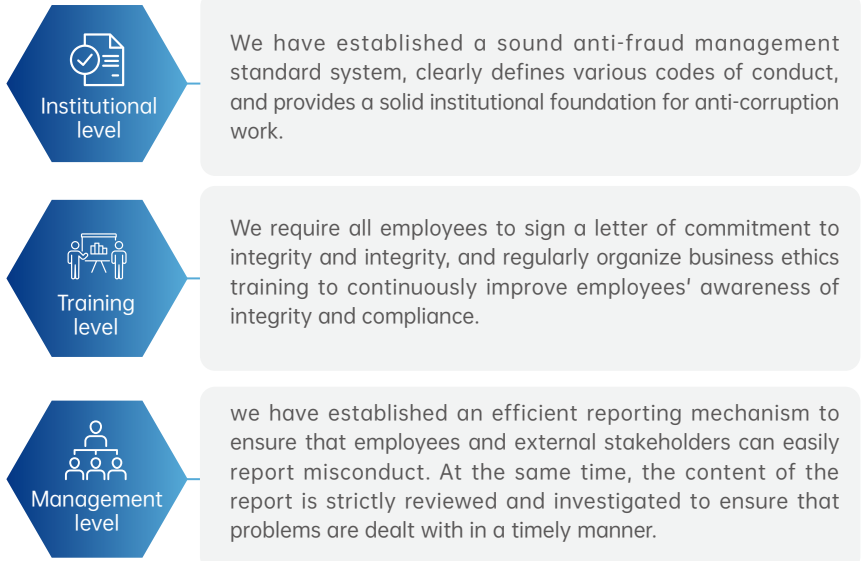
We regard integrity as the core cornerstone throughout all business management programs. In all business activities, we must follow the standards of fairness, impartiality and integrity and cooperation. We regard "six non-compliance (no connection, no bribery, no shoddy, no cutting corners, no fraud, no commercial fraud, and keeping promises)" as the norm, and prohibit any form of illegal behavior.

The "Six No and One Commitment" Code of Conduct

Anti-fraud and Anti-bribery

We have established and implemented a series of anti-corruption and anti-fraud management systems, including *Anti-Corruption Policy*, the *Anti-Fraud Management System*, the *Anti-Fraud Complaint and Report Management System* and the *Anti-Fraud Supervision and Investigation Procedures*, which provide a solid system guarantee for the company-wide anti-fraud management. To further regulate business ethics, we have updated the *Code of Conduct for Business Ethics*, clearly require employees, suppliers and other parties to abide by the principles of honest operation, fair trade, and elimination of illegitimate interests, regulate daily business behavior, and strengthen the prevention and crackdown on fraud and corruption.





In terms of anti-corruption risk management, we have established a comprehensive risk identification, assessment and management mechanism. Risk identification is carried out through various methods such as internal audit and employee reporting to ensure timely identification of potential fraud risks. We have formulated targeted risk response measures, including strengthening internal controls, establishing an effective reporting mechanism, and providing anti-corruption training to ensure that various risks are effectively managed and controlled. With the cooperation of various departments, the Audit Department continues to optimize and improve the internal control system, and promotes the construction of a corporate culture in which all employees participate in anti-fraud. In addition, we sign integrity agreements with suppliers through the supply chain management center, further strengthening the anti-corruption awareness of the supply chain.

In terms of anti-corruption training, we organize business ethics management training for all employees every year to ensure that each employee deeply understands and strictly abides by our anti-corruption policies and requirements. In 2024, our anti-corruption training has achieved full coverage, and each employee participates in learning, and the average training time is up to 2 hours, which further enhances the compliance awareness and integrity of all employees.

In order to effectively prevent corruption and bribery, we have constructed a multi-level prevention and control system to effectively reduce the risk of corruption and bribery and safeguard the transparency and fairness of business practices.

In addition, We further enhance operational transparency and ensure that all operations meet the highest ethical standards through the audit and supervision of internal systems and the annual audit of financial statements, internal controls and information systems by third-party audit institutions. The audit results and related improvement measures are regularly disclosed to the public, which enhances the transparency of corporate governance and strengthens the public's trust in our company ethics.

We resolutely implement the zero-tolerance policy, and have set clear goals in the fields of corruption, anti-unfair competition and responsible information management, including 0 corruption lawsuits, 100% anti-corruption case closure rate, 100% business ethics training participation and assessment pass rate for all employees, and ensure the full implementation of the goals through continuous training, audit supervision and risk assessment. In 2024, we had no commercial bribery or corruption incidents throughout the year, and all set targets have been achieved.

Anti-unfair Competition

In 2024, We have taken a series of important measures in the field of anti-unfair competition, and have committed to maintaining a fair and just market environment. We revised the *Code of Conduct for Business Ethics* and added content related to "fair trade, advertising and competition", clearly requiring the company to uphold the principle of fairness in business development, advertising and market competition, and promise not to publish false or inconsistent advertisements to ensure the transparency and fairness of market competition. At the same time, we have increased anti-unfair competition commitments and reporting requirements, and announced them through the ESG module of the official website to further enhance transparency. At the same time, the *Labor and Business Moral Hazard Assessment Record Form* has also been updated, and new anti-unfair competition risk assessment requirements have been added to ensure that potential risks can be identified and prevented in a timely manner during business operations.

In order to comprehensively enhance employees' awareness of anti-unfair competition, in 2024, we organized business ethics training covering all employees (including directors, supervisors, senior executives, regular employees, labor workers and part-time employees), which included anti-unfair competition content. After the training, the pass rate of the assessment reached 100%, which effectively strengthened the employees' understanding of relevant laws and regulations and the company's system, and provided a solid guarantee for compliance operations.

At the same time, our audit department conducted a comprehensive risk assessment and internal audit of the unfair competition situation in accordance with the *Code of Business Ethics Management*, and the results showed that no abnormality was found, which fully proved the company's effectiveness and standardization in anti-unfair competition management.

In daily operations, we adopt a number of specific measures to ensure the compliance and fairness of business activities.

- All external publicity materials of the company follow a unified template and are revised regularly. Unapproved oral publicity is strictly prohibited to ensure the accuracy and consistency of information release.
- The customer import process is standardized and approved through the OA system, and all relevant personnel need to sign a non-disclosure agreement (NDA) to strictly protect the customer's business secrets.
- When participating in the annual bidding of the customer system, we will conduct an internal evaluation of the quotation and formulate a bidding strategy to ensure fair competition. All price adjustments need to be approved by the general manager.

During the reporting period, we did not have any incidents of unfair competition, nor were we punished or caused economic losses due to unfair competition. In the future, we will continue to deepen the management of anti-unfair competition and contribute to the creation of a healthy and sustainable market environment.

Issue	Target	Key Indicator	Progress in 2024
Anti-unfair competition	Anti-unfair competition training covers all employees of the company	Anti-monopoly and unfair competition training and assessment pass rate 100%	Anti-monopoly and unfair competition training and assessment pass rate 100%

Responsible Marketing

We always adhere to the responsible marketing concept and are committed to enhancing brand reputation and public awareness through compliant and transparent marketing activities. We have established a sound system, training and risk management measures in the compliance management of marketing and sales personnel to ensure that all marketing activities comply with industry norms and legal requirements, and further enhance market competitiveness.

In terms of system construction

we have formulated a comprehensive sales compliance management system, covering all aspects of sales policy, market development, sales plan management, product pricing, sales order and contract management, and clarified the functions and responsibilities of each department and each level. We have also formulated management systems such as *Customer Development Management Procedures, Order* and *Delivery Management Work Guidelines and Sales Fraud and Integrity Code of Conduct*, which provide a clear framework for compliance operations.

In terms of compliance training

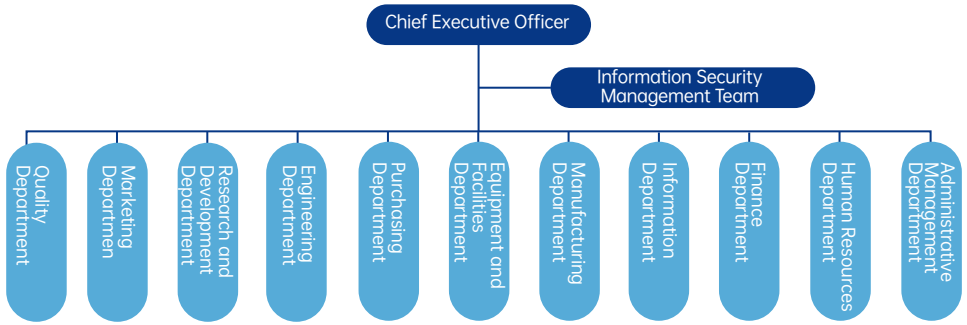
we regularly conduct compliance training for sales staff to enhance their compliance awareness, and at the same time ensure the compliance of marketing behavior through the supervision of functional departments such as operations, finance and auditing. In addition, the sales department has also established a risk management system to effectively carry out risk early warning and control through customer credit management, contract review and other measures to prevent violations from occurring, thereby ensuring the compliance of marketing activities and operational efficiency.

We will continue to promote a responsible marketing strategy to ensure that all marketing activities have a positive impact on society, consumers and the company ourselves, and contribute to our sustainable development.

Build a strong information security barrier

Governance

We continue to deepen information security management, and are committed to building a comprehensive data security and customer privacy protection system to ensure business compliance and information security. We establish an information security committee, which is composed of the top leaders of relevant departments such as information center, network security, human administration, marketing, finance, quality, equipment and facilities, engineering technology, research institutes and system management. In 2024, the committee held an annual review meeting to complete three improvement projects.



Delton Technology's Information Security Management System

Strategy and Management Approach

According to the *Customer Product Information Security Control Procedure, Series Specifications* and other institutional documents, we have clarified the whole-process management and control requirements of data classification, authority management, encrypted transmission, backup and recovery, etc., which significantly improved the reliability of data protection and privacy management. At the same time, we regularly conduct security vulnerability scanning and offensive and defensive drills to discover and repair potential security risks in a timely manner, and continue to enhance its overall security response capabilities. On this basis, we have established a hierarchical risk management mechanism, which specifically includes:

Risk Identification

The information security management team is responsible for identifying internal and external risks. In 2024, a total of 20 improvement plans will be proposed, covering potential risk areas such as data leakage, technical vulnerabilities and privacy violations

Risk Monitoring

Summarize the risk implementation status of each department on a monthly basis, and regularly report the progress through the *Information Security Report* to ensure the transparency and timeliness of risk management and control

Risk Response

Formulate and implement Information Asset Risk Management Procedures and *Operational Security Management Procedures*, standardize asset identification, authority approval, mobile media use and security incident response processes, and comprehensively improve the systemicity and effectiveness of risk management

In terms of coping strategies and mechanism processes, we have formulated strict measures from multiple dimensions such as physical security and permission settings to ensure information security:

Physical Security

We adopt a network architecture with dual-link redundancy design to ensure the stability and security of information transmission. All gateways are configured with firewalls, terminal devices are deployed with anti-virus software, servers are redundant backups, and information encryption technology is applied at the same time, and intrusion situational awareness software is deployed to strengthen real-time monitoring

Permission Settings

We implement a strict approval process. The access to the department folder needs to be approved by the leader, and the information department will open the authority to ensure the security of information access

Information Security Vulnerability Management

We regularly upgrade firewalls and antivirus software, and conduct weekly virus scans to ensure terminal security. Server hardware and software are checked daily, backup integrity is checked daily, and offensive and defensive drills are carried out regularly to improve security response capabilities

Confidential Information Management

Through access isolation and special confidential folder management, we ensure that confidential information can only be accessed by full-time personnel. The access rights of all shared folders need to be approved by the department leader and opened by the information department

Risk and Opportunity Management

We focus on combining business reality and gradually promote compliance management in the field of data security and privacy protection. By sorting out potential risk points in business scenarios, identifying compliance obligations and translating them into internal operating specifications, basic prevention and control measures are implemented simultaneously. In the process of risk identification and daily management and control, we focus on establishing a dynamic risk tracking mechanism, strengthening prevention capabilities in key areas, and continuously optimizing the adaptive construction of the compliance management system.

Risk and Opportunity List

Category	Description	Possibility	Impact	Response
Risk	The company's system encounters external hacker attacks or internal operational omissions, which may lead to the leakage of sensitive customer data, cause large-scale financial losses, and seriously damage the company's market reputation, resulting in customer loss, regulatory penalties and litigation	Low	High	• Strengthen the network security protection system, deploy intrusion detection systems and data encryption technology • Regularly conduct security audits and penetration tests to ensure timely repair of system vulnerabilities • Conduct employee safety awareness training to reduce human error
	Information systems such as SAP systems, file servers, and network communications used in the manufacturing process may have technical vulnerabilities. If they are maliciously attacked or accessed without authorization, data loss or tampering may occur	Low	High	• Implement multi-level security protection, including authentication, access control and data encryption • Strengthen regular monitoring and vulnerability repair of technical systems to ensure data integrity and confidentiality • Backup critical systems to ensure quick recovery in case of system failure
	Failure to comply with strict privacy protection regulations when processing information from related parties such as customers, employees or suppliers may lead to leakage or misuse of personal information, leading to privacy violations, Damage to customer trust, punished by privacy protection regulations	Low	High	• Implement strict information protection policies to ensure that customer data storage and processing comply with local privacy protection laws • Using data anonymization and encryption processing technology • Regularly conduct privacy protection training and establish transparency in customer information processing to enhance customer trust
Opportunity	The implementation of advanced security technology and privacy protection measures can avoid security risks, enhance the trust of customers and partners, and enhance market competitiveness	Middle	Middle	• Actively demonstrate the company's investment and achievements in data security and privacy protection, and establish a brand image of "data security first" • Optimize customer data management, ensure information transparency and security, enhance customer loyalty and open up new markets
	Compliance with laws and regulations can avoid legal risks, promote companies to introduce advanced technologies, and achieve more efficient and intelligent data management systems, thereby increasing productivity and creating new profit models	Middle	Middle	• Drive the digital transformation of enterprises through compliance review and technology investment, and make data-driven decision-making with technologies such as big data analysis and artificial intelligence • Strengthen the research and development of innovative products and services, increase market share, and seize the forefront of the industry

Annual Progress

In terms of third-party cooperation, we clarify data protection responsibilities by signing confidentiality agreements, qualification audits and regular compliance inspections. We strictly implement the *Customer Information Security Control Program*, assign full-time personnel to manage the transmission and storage of customer data, set encrypted folders and strictly restricts access rights. According to the *Information Security Authority Management Specification, Data Backup Management Specification* and other documents, the IT department implements access authorization, password policy and backup mechanism to ensure that customer privacy data is controllable throughout the life cycle.

In 2024, we attached great importance to information security management and comprehensively enhanced the security awareness of all employees. Through online information security assessment and regular training, we covered all employees and strengthened the awareness of confidentiality agreements and data operation specifications. For directors, supervisors and senior executives, we conducted information authority checks every six months, and used the authority management system and audit logs to verify authority allocation and data access records to ensure that rights and responsibilities are matched.

We take ISO 27001:2022 Information Security Management System (ISMS) as the core, combined with system improvement, technology upgrade and full participation, to comprehensively improve the level of information security management, and have successfully passed the ISO 27001:2022 version change certification. In 2024, we had no data security incidents and customer privacy breaches throughout the year. The Guangzhou factory and the Huangshi factory have completed ISO/IEC 27001 third-party audits to ensure the reliability and compliance of information security.

Indicators and Goals

Issue	Target	Key Indicator	Progress in 2024
Information Security Management Certification	ISO 27001 certification covers all factories	ISO 27001 certified factory coverage is 100%	ISO 27001 certified factory coverage is 100%
Employee Personal Privacy Protection	No employee privacy and personal information leakage complaints	0 complaints about employee privacy and personal information leakage	0 complaints about employee privacy and personal information leakage

2024 Performance Indicators

Operating Performance

Indicators	Unit	2022	2023	2024
Annual Operating Revenue	CNY 100 million	2,412.39	2,678.27	3,734.28
Income Tax Expense	CNY 100 million	30.99	82.20	86.38
By region				
South China	CNY 100 million	29.74	68.64	87.16
Central China	CNY 100 million	-5.88	5.77	-1.53
Hong Kong	CNY 100 million	7.13	7.77	0.75
Asia (excluding China)	CNY 100 million	0.00	0.01	0.00
Net Profit Attributable to Ordinary Shareholders of the Company	CNY 100 million	279.65	414.69	676.10
Annual Industrial Output Value	CNY 100 million	2,546.50	2,944.99	3,826.94
Total Assets	CNY 100 million	3,244.86	3,812.43	5,685.76

Corporate Governance Performance

Business Ethics and Compliance Data

Indicators	Unit	2022	2023	2024
Number of corruption cases initiated and concluded against employees	Case	0	0	0
Number of reports generated through anti-corruption reporting procedures	Case	0	0	0
Number of due diligence and monitoring activities conducted on business partners for anti-bribery	Case	0	0	3
Total number of anti-corruption and anti-bribery training sessions for directors/senior management	Case	1	1	3
Total number of anti-corruption and anti-bribery training sessions for general employees	Case	1	1	3
Percentage of directors covered by anti-corruption and anti-bribery training	%	-	-	100
Percentage of management personnel covered by anti-corruption and anti-bribery training	%	-	-	100
Percentage of operating sites conducting internal audits/ risk assessments on business ethics issues	%	-	-	100
Number of media crises and severe mass incidents	Case	-	0	0
Number of employee personal privacy breach incidents	Case	-	0	0

Board of Directors Tenure Data

Indicators	Unit	2022	2023	2024
Number of directors	Person	5	5	5
Number of male directors	Person	1	1	1
Number of female directors	Person	4	4	4
Number of directors with legal expertise	Person	0	0	0
Number of directors with risk management expertise (including accounting and legal backgrounds)	Person	0	0	0
Number of directors with accounting expertise	Person	2	2	2
Number of independent directors	Person	2	2	2

Environmental Performance

Greenhouse Gas Emissions Data[1]

Indicators	Unit	2022	2023	2024
Total greenhouse gas emissions	Tonne of CO2e	83,620.63	97,931.44	118,624.15
Scope 1 emissions	Tonne of CO2e	3,961.76	10,723.61	17,941.71
By greenhouse gas type				
CO2	Tonne of CO2e	-	4,200.81	4,601.25
CH4	Tonne of CO2e	-	3,855.55	2,395.51
N2O	Tonne of CO2e	-	4.57	5.83
HFC	Tonne of CO2e	-	214.77	4,294.79
PFC	Tonne of CO2e	-	2,447.91	6,644.33
Scope 2 emissions	Tonne of CO2e	79,658.87	87,207.83	100,682.44
Total greenhouse gas emissions intensity	Tonne of CO2e/Million of operating revenue	34.66	36.80	31.77
Scope 1 emissions intensity	Tonne of CO2e/Million of operating revenue	1.64	4.03	4.80
Scope 2 emissions intensity	Tonne of CO2e/Million of operating revenue	33.02	32.77	26.96

Waste Emissions Data

Indicators	Unit	2022	2023	2024
Production waste	Tonne	22,291.85	26,774.88	37,138.20
Domestic waste	Tonne	6,800.00	7,200.00	7,706.91
Total annual general waste	Tonne	5,300.31	5,697.39	7,803.36
Annual general waste density	Tonne/Million of operating revenue	2.20	2.14	2.09
Total annual hazardous waste	Tonne	16,991.54	21,077.49	29,334.84
Annual hazardous waste density	Tonne/Million of operating revenue	7.04	7.92	7.86
Waste reuse rate	%	97.33	97.53	97.00

[1]The data for 2024 is based on internal plant statistics, while the data for 2022 and 2023 is based on ISO 14064.

Exhaust Emissions Data

Indicators	Unit	2022	2023	2024
Nitrogen oxides (NOx)	Tonne	9.71	3.64	6.38
Particulate matter	Tonne	0.51	1.44	2.09
Formaldehyde	Tonne	0.22	1.75	1.94
Ammonia (NH3)	Tonne	0.09	0.08	0.38
Hydrogen chloride (HCl)	Tonne	1.32	3.04	13.39
Hydrogen cyanide (HCN)	Tonne	0.03	0.02	0.13
Sulfuric acid mist	Tonne	0.34	2.92	6.48
Sulfur dioxide (SO2)	Tonne	0.27	0.15	0.12
Volatile organic compounds (VOCs)	Tonne	3.20	4.30	7.62

Energy Consumption Data

Indicators	Unit	2022	2023	2024
Purchased grid electricity	kWh	130,031,525.00	145,614,712.00	184,176,881.40
Solar power generation	kWh	-	1,524,543.00	3,148,500.50
Diesel consumption	Liter	29,563.00	55,000.00	27,633.92
Natural gas consumption	Cubic meter	1,463,242.00	1,791,363.00	1,976,201.20

Indicators	Unit	2022	2023	2024
Total direct energy consumption	kWh	14,539,627.60	18,001,648.36	19,504,911.29
Direct energy intensity	kWh/Million of operating revenue	6,027.07	6,764.60	5,223.20
Total indirect energy consumption	kWh	130,031,525.00	147,139,255.00	187,325,381.90
Indirect energy intensity	kWh/Million of operating revenue	53,901.61	55,291.54	50,163.66
Total electricity consumption	kWh	130,031,525.00	147,139,255.00	187,325,381.90

Water Resources Data

Indicators	Unit	2022	2023	2024
Total water consumption	Tonne	1,006,549.00	1,293,709.00	1,778,333.00
Water for production	Tonne	997,512.00	1,273,639.30	1,746,398.00
Water for domestic use	Tonne	9,037.00	20,069.70	31,935.00
Total water consumption intensity	Tonne/Million of operating revenue	417.24	486.15	476.22
Total recycled water	Tonne	24,106,711.90	25,100,566.60	100,458,144.00

Wastewater Discharge Concentration Data

Indicators	Unit	2022	2023	2024
Total copper	mg/L	Guangzhou: 0.005 Huangshi: 0.028	Guangzhou: 0.007 Huangshi: 0.028	Guangzhou: 0.145 Huangshi: 0.099
COD	mg/L	Guangzhou: 23.86 Huangshi: 52.90	Guangzhou: 46.58 Huangshi: 27.80	Guangzhou: 63.29 Huangshi: 26.60
BOD	mg/L	-	-	Guangzhou: - Huangshi: 16.50
Total nickel	mg/L	Guangzhou: 0.004 Huangshi: -	Guangzhou: 0.003 Huangshi: -	Guangzhou: 0.05 Huangshi: Not detected
Ammonia nitrogen	mg/L	Guangzhou: 4.01 Huangshi: 0.39	Guangzhou: 5.37 Huangshi: 0.30	Guangzhou: 8.47 Huangshi: 0.81
Total phosphorus	mg/L	Guangzhou: 0.18 Huangshi: 0.28	Guangzhou: 0.22 Huangshi: 0.38	Guangzhou: 0.43 Huangshi: 0.20
Total nitrogen	mg/L	-	-	Guangzhou: 16.44 Huangshi: 4.03

Packaging Data[1]

Indicators	Unit	2022	2023	2024
Total packaging weight	Tonne	192.70	236.89	2,367.60
By type				
Plastic packaging	Tonne	110.00	141.00	423.01
Paper packaging	Tonne	80.00	90.00	895.04
Metal packaging	Tonne	-	-	320.90
Wood packaging	Tonne	2.40	5.01	727.05
Other packaging	Tonne	-	0.48	1.61

[1]The significant change in packaging data is mainly due to the fact that the statistical scope in previous years only included data from the Huangshi factory. This year, data from the Guangzhou and Dongguan factories has been additionally included.

Social Performance

Employee Data[1]

Indicators	Unit	2022	2023	2024
Number of employees holding company shares	Person	67	66	280
Total number of employees	Person	2,372	2,623	3,527
By gender				
Male employees	Person	1,543	1,735	2,420
Female employees	Person	829	888	1,107
By age group				
30 years old and below	Person	546	547	1,023
31-50 years old	Person	1,784	2,025	2,432
Over 50 years old	Person	42	52	72
By education level				
Doctoral degree	Person	0	1	1
Master's degree	Person	14	23	35
Bachelor's degree	Person	263	275	426
Other qualifications	Person	2,095	2,324	3,065
By job function				
Production staff	Person	1,567	1,794	2,401
Sales staff	Person	62	77	88
Technical staff (including R&D personnel)	Person	550	566	794
Administrative and management staff	Person	193	186	244
By region				
China (including Hong Kong, Macau, and Taiwan)	Person	2,372	2,623	3,451
Asia (excluding China)	Person	0	0	76
By job function (Management)				
Number of female employees in senior management	Person	5	4	6
Number of male employees in senior management	Person	22	30	20
Number of ethnic minority employees in senior management	Person	0	1	1
Number of female employees in executive management	Person	11	13	16
Number of male employees in executive management	Person	64	70	87

New Employee Onboarding Data

Indicators	Unit	2022	2023	2024
Total number of new employees hired	Person	570	723	1,297
By gender				
Number of male employees	Person	388	495	955
Number of female employees	Person	182	228	342
By age group				
30 years old and below	Person	185	247	590
31-50 years old	Person	379	470	692
Over 50 years old	Person	6	6	15
By region				
China (including Hong Kong, Macau, and Taiwan)	Person	570	723	1,297

[1]The Thailand factory is still in the preparation stage and has not yet officially started production. However, some employees have been recruited to participate in the preparatory work. Therefore, the employee data from Thailand is disclosed in this report. However, other performance data still only cover the operations of the Guangzhou, Huangshi, and Dongguan factories.

Employee Health and Safety Data

Indicators	Unit	2022	2023	2024
Number of fatal accidents due to work-related causes	Incident	0	0	0
Number of employees who died due to work-related causes	Person	0	0	0
Number of accidents causing serious injuries due to work-related causes	Incident	0	0	0
Number of employees with serious work-related injuries	Person	0	0	0
Percentage of serious work-related injuries	%	0	0	0
Number of accidents causing minor injuries due to work-related causes	Incident	6	13	13
Number of employees with minor work-related injuries	Person	6	13	13
Accident rate per million working hours	Incident/Million working hour	0.84	1.73	1.32
Lost working hours per million working hours	Lost hour/ Million working hour	281	844	527
Number of safety drills conducted	Time	28	36	55
Number of safety training sessions	Time	96	161	301
Employee safety training coverage rate	%	100	100	100
Supplier safety training coverage rate	%	99	99.50	100
Total expenditure on employee work injury insurance	CNY 10,000	51.07	50.82	70.40
Total expenditure on employee safety production liability insurance	CNY 10,000	4.03	4.03	8.06
Coverage rate of employee work injury insurance	%	100	100	100
Percentage of sites conducting employee health and safety risk assessments	%	100	100	100
Percentage of sites represented by formal enterprise management and labor joint health and safety committees	%	100	100	100

Employee Training and Development Data

Indicators	Unit	2022	2023	2024
Total number of training participants	Person-time	17,012	20,677	27,680
By gender				
Male employee training participants	Person-time	12,246	15,286	15,143
Female employee training participants	Person-time	4,766	5,391	5,524
Total training hours for all employees	Hour	25,743	39,327	36,239
By gender				
Total training hours for male employees	Hour	18,949	29,266	27,458
Total training hours for female employees	Hour	6,794	10,060	8,781
By employee category				
Production staff	Hour	21,949	28,722	28,373
Marketing and service staff	Hour	162	562	498
Technical staff	Hour	2,420	5,648	4,302
Administrative and management staff	Hour	1,213	3,390	3,067
Number of new employee training participants	Person-time	1,751	2,157	5,034
Number of new employee training sessions	Session	212	307	422
Total teaching hours for new employee training	Hour	5,272.50	7,390	9,549
Total expenditure on employee training	CNY 10,000	54	90	61

Labor Compliance Data

Indicators	Unit	2022	2023	2024
Percentage of sites with human rights reviews or impact assessments	%	100	100	100

Indicators	Unit	2022	2023	2024
Percentage of sites with labor and human rights certifications (SA8000, Fair Wage Network, B Corp, GEEIS, WBENC)	%	100	100	100
Number of incidents involving child labor or forced labor	Case	0	0	0
Number of reported discrimination or harassment incidents	Case	0	0	0
Number of individuals reporting discrimination or harassment incidents	Person	0	0	0

Supplier Responsibility Management Data

Indicators	Unit	2022	2023	2024
Number of material suppliers	/	102	100	142
By region				
Asian regions	/	102	100	142
Number of equipment suppliers	/	63	42	58
By region				
Asian regions	/	62	42	58
European regions	/	1	0	0
Number of CSR audits for new suppliers	/	9	5	3
Number of CSR audits for existing suppliers	/	24	33	60
Number of suppliers participating in CSR training	/	24	33	107
Number of suppliers undergoing conflict minerals audits	/	8	8	8
Percentage of products passing third-party responsible minerals sourcing certification (e.g., RMAP)	%	100	100	100
Percentage of products with raw materials traceable	%	100	100	100
Percentage of suppliers signing contracts with environmental, labor, and human rights clauses	%	-	-	100

Customer Service Data

Indicators	Unit	2022	2023	2024
Total number of complaints	Item	212	176	166
Product return rate	%	0	0	0
Number of product recall events	Item	0	0	0
Total number of products recalled	Item	0	0	0
Proportion of customer complaints handled promptly and closed on schedule	%	91.23	93.26	95.88
Customer satisfaction	%	95.63	95.29	95.65

Product Quality Data

Indicators	Unit	2022	2023	2024
Number of external quality system audits accepted annually	Time	82	223	171
Number of external quality system audits passed annually	Time	82	223	171
First-time pass rate for external quality system audits	%	100	100	99.49
Product pass rate	%	92.35	93.86	95.17

Innovation and R&D Data

Indicators	Unit	2022	2023	2024
Cumulative number of global patent applications	Piece	266	346	434
Cumulative number of global authorized patents	Piece	131	172	210
Number of valid patents during the reporting period	Piece	-	-	380
Total annual R&D investment	CNY 10,000	11,509.51	12,058.87	17,919.75

Indicators	Unit	2022	2023	2024
Number of invention patents applied to core business (authorized)	Piece	28	47	68

Public Welfare and Charity Data

Indicators	Unit	2022	2023	2024
Number of public welfare projects	Piece	2	2	2
Number of public welfare activities organized	Session	2	4	2
Annual investment in public welfare projects	CNY 10,000	4.08	6.13	1.91
Other public welfare project donations	CNY 10,000	2.69	9.75	300.00

Rural Revitalization Data

Indicators	Unit	2022	2023	2024
Investment in rural revitalization	CNY 10,000	4.61	8.80	18.91

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

Terms and Disclosure Contents			Issues	Location
Chapter 1 General Provisions				
Chapter 2 Framework for Sustainable Development Information Disclosure				
	Article 11	The Four Pillars of Sustainable Development Information Disclosure		ESG Governance
	Article 12 (1)	Sustainable Development Governance Structure		
	Article 12 (2)	Diversity and Skills of Sustainable Development Governance		
	Article 12 (3)	Information Reporting Mechanism		
	Article 12 (4)	Supervision and Management Mechanism for Sustainable Development		
	Article 12 (5)	Integration of Sustainable Development into Corporate Governance and Decision-Making		
	Article 13	Formulation and Implementation of Sustainable Development Strategy		
	Article 14 (1)	Identification of Sustainable Development Risks and Opportunities		
	Article 14 (2)	Definition and Matching of Timeframes		
	Article 15 (1)	Methods for Strategic Formulation		
	Article 15 (2)	Strategic Objectives and Implementation		
	Article 15 (3)	Evaluation, Judgment, and Management of Identified Risks and Opportunities		
	Article 16 (1)	Trends in Financial Conditions		
	Article 16 (2)	Short, Medium, and Long-Term Trends in Business Results and Cash Flows		
	Article 17	Adaptability of Strategy and Business Model to Sustainable Development-Related Risks		
	Article 18 (1)	Methods for Identifying Risks and Opportunities for Sustainable Development		
	Article 18 (2)	Prioritization and Prioritization Criteria of Identified Risks and Opportunities		
	Article 18 (3)	Supervision Process and Mechanism for Identifying Risks and Opportunities		
	Article 18 (4)	Integration of Sustainable Development Risk and Opportunity Management into Internal Management (if any)		
	Article 19	Setting and Implementation Progress of Sustainable Development Goals		

Terms and Disclosure Contents			Issues	Location
Chapter 3 Environmental Information Disclosure				
Section 1 Tackle Climate Change	Article 20	Actively implement green and low-carbon development by improving processes, upgrading production equipment, optimizing energy structures, improving production efficiency, researching and developing green products and services, and improving and strengthening management, to support the construction of a beautiful China.		Green Development to Tackle Climate Change
	Article 21	Information Disclosure on Addressing Climate Change	Tackling Climate Change	Comprehensive Tackling of Climate Change
	Article 22 (1)	Assessment of the Impact of Climate Change on the Company's Strategy and Business Model		
	Article 22 (2)	Uncertainty Factors in Climate Change Adaptation Assessment		
	Article 22 (3)	Ability to Adjust to Climate Change Adaptation		
	Article 23 (1)	Climate-Adaptive Adjustments to Strategy, Business Model, and Resource Allocation		
	Article 23 (2)	Process Improvement and Equipment Update Measures to Address Climate Risks		
	Article 23 (3)	Transformation Plan and Assumptions for Climate-Related Risks and Opportunities		
	Article 23 (4)	Resource Support for Transformation Plans		
	Article 23 (5)	Implementation Progress of Transformation Plans		
	Article 24	Requirements for accounting and disclosure of greenhouse gas emissions		
		Carbon credit line and carbon emission trading		
		Third-party verification or authentication		
	Article 25 (1)	Greenhouse Gas Emissions by Business Unit or Facility		/
	Article 25 (2)	Greenhouse Gas Emissions by Country or Region		
	Article 25 (3)	Greenhouse Gas Emissions by Source Type		
	Article 26	Greenhouse Gas Emission Accounting Standards and Methods		

Terms and Disclosure Contents			Issues	Location
	Article 27	Greenhouse Gas Emission Reduction Practices and Achievements		Building Green Business Operations
		Greenhouse gas emissions directly reduced by emission reduction measures	Tackling Climate Change	Building Green Business Operations
		Participation and transaction of greenhouse gas emission reduction projects (if any)		Building Green Business Operations
	Article 28	Progress in Research and Development of Carbon Emission Reduction Technologies and Products		Building Green Business Operations
Section 2 Pollution Prevention and Ecosystem Protection	Article 29	Integrate the construction of a beautiful China and ecological environment protection into the company's development strategy and corporate governance process. Based on the actual situation of the company's production and operation characteristics, ecological environment management requirements, the impact on the environment, and the consistent demands of the affected public, implement relevant environmental management systems, take effective measures to fulfill ecological environment protection responsibilities, prevent and control environmental pollution, and protect biodiversity.		Green Development to Tackle Climate Change
	Article 30 (1)	Pollution Discharge Information	Pollutant Emissions	Green Development to Tackle Climate Change
	Article 30 (2)	Operation of Pollution Treatment Technology and Facilities		
	Article 30 (3)	Pollution Reduction Goals and Measures		
	Article 30 (4)	Impact of Pollution Emissions on Stakeholders		
	Article 30 (5)	Major Pollution Emission Incidents		
	Article 31 (1)	Total Amount and Density of Waste	Waste Management	Green Development to Tackle Climate Change
	Article 31 (2)	Waste Treatment Methods and Disposal		
	Article 31 (3)	Waste Reduction Goals and Specific Measures		
	Article 32 (1)	Withdrawal and Disposal Activities within the Ecological Conservation Red Line	Ecosystem and Biodiversity Conservation	/
	Article 32 (2)	Protection and Restoration Measures for Ecological Function Areas		
	Article 32 (3)	Measures for the Protection of Wild Animals and Plants and Their Natural Habitats		
	Article 32 (4)	Measures for the Protection and Management of Biodiversity Resources		
	Article 32 (5)	Actions and Effects of Reducing the Impact of Products on Ecosystems		

Terms and Disclosure Contents			Issues	Location
	Article 33 (1)	Environmental Risk Assessment and Emergency Management Measures	Environmental Compliance Management	Green Development to Tackle Climate Change
	Article 33 (2)	Details and Impact of Major Environmental Incidents During the Reporting Period		Green Development to Tackle Climate Change
	Article 33 (3)	Administrative Penalties and Criminal Liability for Environmental Incidents		
Section 3 Resource Utilization and Circular Economy	Article 34	Intensive and efficient utilization of energy, water, raw materials, and other resources, strengthening resource saving management during the resource use process, and promoting the reduction, reuse, and recycling of production and circulation processes.		Green Development to Tackle Climate Change
	Article 35 (1)	Basic Information on Energy Use	Energy Utilization	Green Development to Tackle Climate Change
	Article 35 (2)	Use of Clean Energy		
	Article 35 (3)	Energy Saving Goals and Specific Measures		
	Article 36 (1)	Water Resource Use	Water Resource Utilization	Green Development to Tackle Climate Change
	Article 36 (2)	Water Resource Saving Goals and Specific Measures		
	Article 37 (1)	Goals and Plans for Circular Economy	Circular Economy	Green Development to Tackle Climate Change
	Article 37 (2)	Specific Measures for Circular Economy		
	Article 37 (3)	Progress and Achievements of Circular Economy		
Chapter 4 Social Information Disclosure				
Section 1 Rural Revitalization and Social Contributions	Article 38	Combine the company's main business with the implementation of rural revitalization and social public welfare, while ensuring the healthy development of the company and sustainable returns to investors, promote the sustainable development of the economy and society.		Actively contribute to charity
	Article 39 (1)	Integration of Rural Revitalization and Poverty Alleviation Strategies into the Company's Strategy	Rural Revitalization	Actively contribute to charity
	Article 39 (2)	Rural Revitalization Support Measures		
	Article 39 (3)	Achievements of Rural Revitalization Work		
	Article 40	Public and Social Contributions	Social Contribution	Actively contribute to charity
Section 2 Innovation-Driven and Scientific Ethics	Article 41	Actively implement the innovation-driven development strategy, continuously enhance innovation capabilities and competitiveness, comply with scientific ethics norms in innovation decision-making and practice, respect the spirit of science, and give full play to the positive effects of science and technology.		Strengthening Corporate Innovation Capabilities

Terms and Disclosure Contents			Issues	Location
Section 2 Innovation-Driven and Scientific Ethics	Article 42 (1)	Strategy and Goals for Technology Innovation	Innovation-Driven	Strengthening Corporate Innovation Capabilities
	Article 42 (2)	Specific Situations of Technology Innovation		
	Article 42 (3)	Research and Development Progress and Achievements of Technology Innovation		
	Article 43 (1)	Scientific Ethics Norms	Technology Ethics	/
	Article 43 (2)	System, Governance Structure, and Operation of Scientific Ethics		
	Article 43 (3)	Behaviors Violating Scientific Ethics (if any)	Technology Ethics	/
	Article 43 (4)	Internal and External Training and Science Popularization of Scientific Ethics		/
Section 3 Suppliers and Customers	Article 44	While pursuing economic benefits and protecting the interests of shareholders, protect the interests of creditors, treat suppliers, customers, and consumers with integrity.		Standardize governance to ensure sustainable development
	Article 45 (1)	Supply Chain Risk Management	Supply Chain Security	Ethical Procurement Delivers Corporate Value
	Article 45 (2)	Measures to Ensure Supply Chain Security		
	Article 46	Amount of overdue payment and its solution	Fair Treatment of SMEs	Ensuring supply chain security
		Disclosure requirements and solutions of overdue payment for small and medium-sized enterprises		
	Article 47 (1)	Construction and Implementation of Product and Service Quality Management System	Product and Service Safety and Quality	Ensuring Product Safety and Compliance Continuous Optimization of Product Quality
	Article 47 (2)	Quality Management and Product and Service Quality Certification		
	Article 47 (3)	Handling and Impact of Product and Service Quality Incidents During the Reporting Period		
	Article 47 (4)	Implementation of After-Sales Service and Product Recall System, and Customer Complaint Handling		
	Article 48 (1)	Data Security Management and Certification (if any)	Data Security and Privacy Protection	Build a strong information security barrier
	Article 48 (2)	Handling of Data Security Incidents (if any)		
	Article 48 (3)	Customer Privacy Protection System		
	Article 48 (4)	Handling of Customer Privacy Leakage Incidents (if any)		
Section 4 Employees	Article 49	Legally protect the legitimate rights and interests of employees, provide employees with healthy and safe working conditions, pay employee salaries and social security on time, strengthen employee training, and establish a reasonable and effective employee grievance system		Building Corporate Citizenship with People-oriented Approach
	Article 50 (1)	Policies and Implementation in Employee Employment, Treatment, and Other Aspects	Employees	Building a Satisfying Workplace
	Article 50 (2)	Basic Situation of Occupational Health and Safety		Pay attention to workplace health and safety
	Article 50 (3)	Basic Situation of Employee Career Development and Training		Fully Support Talent Development
Chapter 5 Information Disclosure Related to Sustainable Development Governance				
Section 1 Sustainable Development Governance Mechanisms	Article 51	Actively integrate the concept of sustainable development into the company's governance systems and processes in combination with the company's actual situation and the requirements of this Guideline, further improve and perfect the company's governance mechanisms, and promote the company's sustainable development.		ESG Governance
	Article 52	Due Diligence on Identification and Response to Sustainable Development Risks	Due Diligence	ESG Governance
	Article 53 (1)	Construction and Implementation of Stakeholder Engagement System	Stakeholder and Engagement	Stakeholder Engagement
	Article 53 (2)	Channels and Implementation of Feedback from Stakeholders		
Section 2 Business Conduct	Article 54	In business activities, it shall follow the principles of voluntariness, fairness, equality, and mutual benefit, observe social ethics and business ethics, shall not seek illegal interests through bribery and other illegal activities, shall not infringe upon others' trademarks, patents, and copyrights and other intellectual property rights, and shall not engage in unfair competition.		Build a business trust system
	Article 55 (1)	Anti-Bribery and Anti-Corruption Management System	Anti-Bribery and Anti-Corruption	Build a business trust system
	Article 55 (2)	Anti-Bribery and Anti-Corruption Risk Assessment		
	Article 55 (3)	Number of Employees Trained in Anti-Bribery and Anti-Corruption		
	Article 55 (4)	Handling of Bribery and Corruption Incidents (if any)		
	Article 56 (1)	Anti-Unfair Competition System and Construction	Anti-Unfair Competition	Build a business trust system
	Article 56 (2)	Litigation (if caused by unfair competition)		
Chapter 6 Supplementary Provisions and Interpretations				
	Article 57	Index table		Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation) Index
	Article 58	Report Attestation or Audit		/

GRI Standards Index

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 2: General Disclosures 2021	2-1	Organizational details	About Delton Technology
	2-2	Entities included in the organization's sustainability reporting	About this Report About Delton Technology
	2-3	Reporting period, frequency and contact point	About this Report
	2-4	Restatements of information	2024 Performance Indicators
	2-5	External assurance	/
	2-6	Activities, value chain and other business relationships	About Delton Technology
	2-7	Employees	2024 Performance Indicators
	2-8	Workers who are not employees	2024 Performance Indicators
	2-9	Governance structure and composition	Create modern compliance governance
	2-10	Nomination and selection of the highest governance body	Create modern compliance governance
	2-11	Chair of the highest governance body	Create modern compliance governance
	2-12	Role of the highest governance body in overseeing the management of impacts	ESG Governance
	2-13	Delegation of responsibility for managing impacts	ESG Governance
	2-14	Role of the highest governance body in sustainability reporting	ESG Governance
	2-15	Conflicts of interest	Create modern compliance governance
	2-16	Communication of critical concerns	ESG Governance
	2-17	Collective knowledge of the highest governance body	ESG Governance
	2-18	Evaluation of the performance of the highest governance body	ESG Governance
	2-19	Remuneration policies	Improve employee benefits
	2-20	Process to determine remuneration	Improve employee benefits
	2-21	Annual total compensation ratio	/
	2-22	Statement on sustainable development strategy	ESG Governance
GRI 2: General Disclosures 2021	2-23	Policy commitments	Building a Satisfying Workplace Create modern compliance governance Build a business trust system
	2-24	Embedding policy commitments	Building a Satisfying Workplace Create modern compliance governance Build a business trust system
	2-25	Processes to remediate negative impacts	Create modern compliance governance
	2-26	Mechanisms for seeking advice and raising concerns	Build a business trust system
	2-27	Compliance with laws and regulations	Create modern compliance governance
	2-28	Membership associations	Create modern compliance governance
	2-29	Approach to stakeholder engagement	Stakeholder Engagement
	2-30	Collective bargaining agreements	Building a Satisfying Workplace
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Double Materiality Assessment
	3-2	List of material topics	Double Materiality Assessment
	3-3	Management of material topics	Double Materiality Assessment
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	/
	201-2	Financial implications and other risks and opportunities due to climate change	Comprehensive Tackling of Climate Change
	201-3	Defined benefit plan obligations and other retirement plans	Improve employee benefits
	201-4	Financial assistance received from government	/

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	/
	202-2	Proportion of senior management hired from the local community	/
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	/
	203-2	Significant indirect economic impacts	/
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	/
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Build a business trust system
	205-2	Communication and training about anti-corruption policies and procedures	Build a business trust system
	205-3	Confirmed incidents of corruption and actions taken	Build a business trust system
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Build a business trust system
GRI 207: Tax 2019	207-1	Approach to tax	Create modern compliance governance
	207-2	Tax governance, control, and risk management	Create modern compliance governance
	207-3	Stakeholder engagement and management of concerns related to tax	Create modern compliance governance
	207-4	Country-by-country reporting	/
GRI 301: Materials 2016	301-1	Materials used by weight or volume	2024 Performance Indicators
	301-2	Recycled input materials used	Systematically Advancing the Circular Economy
	301-3	Reclaimed products and their packaging materials	Systematically Advancing the Circular Economy
GRI 302: Energy 2016	302-1	Energy consumption within the organization	2024 Performance Indicators
	302-2	Energy consumption outside of the organization	2024 Performance Indicators
	302-3	Energy intensity	2024 Performance Indicators
	302-4	Reduction of energy consumption	Building Green Business Operations
	302-5	Reductions in energy requirements of products and services	Building Green Business Operations

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Building Green Business Operations
	303-2	Management of water discharge-related impacts	Building Green Business Operations
	303-3	Water withdrawal	2024 Performance Indicators
	303-4	Water discharge	2024 Performance Indicators
	303-5	Water consumption	2024 Performance Indicators
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	/
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products and services on biodiversity	/
	304-3	Habitats protected or restored	/
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	/
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	2024 Performance Indicators
	305-2	305-2 Energy indirect (Scope 2) GHG emissions	2024 Performance Indicators
	305-3	305-3 Other indirect (Scope 3) GHG emissions	/
	305-4	GHG emissions intensity	2024 Performance Indicators
	305-5	Reduction of GHG emissions	Building Green Business Operations
	305-6	Emissions of ozone-depleting substances (ODS)	/
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2024 Performance Indicators
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Building Green Business Operations
	306-2	Management of significant waste-related impacts	Building Green Business Operations
	306-3	Waste generated	Building Green Business Operations
	306-4	Waste diverted from disposal	Building Green Business Operations
	306-5	Waste directed to disposal	Building Green Business Operations
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Strengthen supply chain supervision
	308-2	Negative environmental impacts in the supply chain and actions taken	Strengthen supply chain supervision

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	2024 Performance Indicators
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Improve employee benefits
	401-3	Parental leave	Improve employee benefits
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	/
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Pay attention to workplace health and safety
	403-2	Hazard identification, risk assessment, and incident investigation	Pay attention to workplace health and safety
	403-3	Occupational health services	Pay attention to workplace health and safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	Pay attention to workplace health and safety
	403-5	Worker training on occupational health and safety	Pay attention to workplace health and safety
	403-6	Promotion of worker health	Pay attention to workplace health and safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pay attention to workplace health and safety
	403-8	Workers covered by an occupational health and safety management system	Pay attention to workplace health and safety
	403-9	Work-related injuries	2024 Performance Indicators
	403-10	Work-related ill health	Pay attention to workplace health and safety
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	2024 Performance Indicators
	404-2	Programs for upgrading employee skills and transition assistance programs	Fully Support Talent Development
	404-3	Percentage of employees receiving regular performance and career development reviews	Fully Support Talent Development
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Create modern compliance governance 2024 Performance Indicators
	405-2	Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Building a Satisfying Workplace

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 407: Freedom of Association and Collective Bargaining 20166	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Building a Satisfying Workplace
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Building a Satisfying Workplace
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Building a Satisfying Workplace
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Fully Support Talent Development
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	/
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Improve employee benefits
	413-2	Operations with significant actual and potential negative impacts on local communities	/
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Strengthen supply chain supervision
	414-2	Negative social impacts in the supply chain and actions taken	Strengthen supply chain supervision
GRI 415: Public Policy 2016	415-1	Political contributions	/
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Ensuring Product Safety and Compliance
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Ensuring Product Safety and Compliance
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Ensuring Product Safety and Compliance Continuous Optimization of Product Quality
	417-2	Incidents of non-compliance concerning product and service information and labeling	Ensuring Product Safety and Compliance Continuous Optimization of Product Quality
	417-3	Incidents of non-compliance concerning marketing communications	Build a business trust system
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of	Build a strong information security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