

2023 ESG Report of Shenzhen Kinwong Electronic Co., Ltd.



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Preface

Report Description

Report Introduction

2023 ESG Report of Shenzhen Kinwong Electronic Co., Ltd. is the second ESG report issued by Shenzhen Kinwong Electronic Co., Ltd. (hereinafter referred to as "our Company", "we", "Kinwong Electronic" or "Kinwong") (Stock code: 603228). This report presents objective and accurate information about our company's environmental, social and governance performance in 2023. All currencies of funds involved in this report are in RMB.

Time Range

The report covers the period from January 1, 2023 to December 31, 2023 (hereinafter referred to as "reporting period"), with some parts of the report extending to earlier and later years.

Report Range

Except as otherwise stated, this report covers Shenzhen Kinwong Electronic Co., Ltd. and our subsidiaries.

Data Description

The information and cases disclosed in the report are from our official documents, statistical reports or relevant public information. Our company guarantees that there is no false record, misleading statement or material omission in this report. If the data in this report is inconsistent with the financial report, the data in the financial report shall prevail.

References of Compilation

- *Guidelines on Disclosure of Environmental Information by Listed Companies of Shanghai Stock Exchange* issued by Shanghai Stock Exchange
- Morgan Stanley Capital International (MSCI) ESG Ratings
- *GRI Sustainability Reporting Standards* (GRI standards) issued by Global Sustainability Standards Board (GSSB)
- *Sustainability Accounting Standards* by Sustainability Accounting Standards Board (SASB)
- *Recommendations of Task Force on Climate-related Financial Disclosures* by Task Force on Climate-related Financial Disclosures (TCFD)
- UN Sustainable Development Goals (SDGs)

Report Access

This report is published in electronic form. The electronic version is available on our website (<https://www.kinwong.com/>) and the website of Shanghai Stock Exchange (<http://www.sse.com.cn/>).

Management Address

Looking back on the past year, the global economy has been facing multiple pressures under the influence of inflation, trade frictions and geopolitics, while extreme weather and energy crises have continued to challenge the resilience and sustainability of our supply chains. As a responsible international circuit board manufacturer, Kinwong Electronic has always adhered to the path of sustainable development, focused on value creation, improved corporate governance, deepened partnerships with customers, employees, suppliers, shareholders, investors, communities and other stakeholders, cared for the Earth's environment, and is committed to integrating the concept and practice of sustainable development into every detail of daily business life.

Kinwong Electronic continuously improves our ESG governance and established the Strategy and ESG Committee of the Board of Directors in 2023, with an ESG Executive Group under it. It has formulated and released the *Implementation Rules of the Strategy and ESG Committee of the Board of Directors of Shenzhen Kinwong Electronic Co., Ltd.* to enhance our ESG governance in terms of system and institution.

Sustainable development is also green development. Kinwong Electronic has been persistently and orderly promoting the management of "carbon peaking and carbon neutrality". During the reporting period, all production bases of Kinwong have completed the certification of ISO14064 Greenhouse Gas Emission System, Shenzhen and Longchuan bases have completed the certification of UL2799 Zero Waste to Landfill, and the certification of the remaining bases is expected to be completed by 2024. We plan to complete the green supply chain certification led by Ministry of Industry and Information Technology in 2024 and the green manufacturing certification in 2030.

In terms of improving energy efficiency and demonstrating corporate green power, Kinwong has achieved the goal of energy saving and carbon reduction through technological transformation and innovation to improve production efficiency, promote new energy power and increase the utilization of renewable energy. In 2023, we saved about 5% of electricity consumption through refined energy consumption management and various energy-saving and carbon-reduction measures, Kinwong adopted an integrated solution of solar and storage, and by installing 1MW photovoltaic facilities at the Fushan factory and building a 2MW+2MW/4MWh integrated photovoltaic and storage facility at the Jinwan factory, it is expected to provide 3.122 million kWh of green electricity annually. By 2026, have more than 10MW of installed photovoltaic capacity across the group, which is expected to reduce carbon dioxide emissions by about 6,900 tons per year. It is expected that by 2050, the green power usage of the whole group such as hydropower and wind power and photovoltaic will account for 100%, achieving zero-carbon electricity consumption.

To achieve the goal of "carbon neutrality" by 2050, Kinwong's four mature factories have set annual emission reduction targets: a 5% annual decrease from 2023 to 2025, a 10% annual decrease from 2026 to 2035, and a 5% annual decrease from 2036 to 2045, and a projected 20% reduction by 2050. In addition, Kinwong has carried out carbon audit of corporate greenhouse gas emissions for three consecutive years, and also participated in CDP environmental information disclosure, continuously promoting the whole industry upstream and downstream to contribute to the low-carbon work together.

Adhering to the core value of "value creator-based", Kinwong identifies talents and key positions, establishes job standards and qualifications, conducts regular inventory, cultivates and evaluates talents, and provides them with a safe working environment, a globalized development platform and opportunities for continuous growth. In 2023, Kinwong was selected as the second batch of pilot units for improving the quality of life and happiness of employees in Guangdong.

Kinwong adheres to innovation to promote development, attaches importance to research and deep cultivation in core technology fields. We maintain industry-university-research cooperation with many colleges and universities, and invest greatly in the construction of technical personnel team and central laboratory. We have obtained 285 effective invention patents and 183 utility model patents, passed the scientific and technological achievements appraisal of 18 international advanced technologies and 17 domestic leading technologies, and have won the scientific and technological awards issued by the provincial, municipal and district governments for many times. Kinwong will also accelerate the globalization of intellectual property layout in the future, keep pace with the times, create high-quality products, and provide customers with one-stop solutions.

As a responsible enterprise with compassion and warmth, Kinwong adheres to the business idea of expanding enterprise and repaying society. By donating funds, materials and volunteering, we actively engage in public welfare activities such as targeted assistance, educational donations and rural revitalization, while encouraging our employees to actively engage in community activities such as blood donation, environmental protection and respect for the elderly and the young, so as to contribute to social responsibility.

Facing a complex and ever-changing future with coexisting crises, all employees of Kinwong Electronic will work together and advance with the spirit of unity and innovation to confront every new challenge bravely. We will continue to make steady progress, strengthen our core competitiveness, clarify the strategic direction of sustainable development, gather partners from upstream and downstream of the industry chain, respond positively to the demand and call for sustainable development, realize self-transcendence with solid performance and more responsible operation, and strive to return the expectations of all sectors of society.



About Kinwong Electronic

Company Profile

Shenzhen Kinwong Electronics Co., Ltd. was established in 1993 and was listed on the main board of the Shanghai Stock Exchange in 2017 (Stock code: 603228). Kinwong Electronic is a national high-tech enterprise specializing in R&D, production and sales of printed circuit boards and high-end electronic materials. We are also the vice-chairman unit of China Printed Circuit Association, the vice-chairman unit of Guangdong Printed Circuit Industry Association, and the honorary chairman unit of Shenzhen Circuit Board Industry Association.

Our products cover multi-layer boards, thick copper boards, high-frequency and high-speed boards, metal-based circuit boards, double-sided/multi-layer flexible circuit boards, high-density flexible circuit boards, HDI boards, rigid-flex boards, special material PCB, substrate-like PCB and IC substrate, etc., and is one of the few manufacturers in China with full-category and diversified circuit board manufacturing capabilities. Our products are widely used in new-generation information technology, automotive electronics, communication equipment, consumer electronics, computer and network equipment, industrial control, security and other fields. With excellent product quality and service, Kinwong has established long-term strategic cooperative relationships with many famous customers around the world.

With more than 30 years of development, our production scale has been growing day by day, our technology research and development capability and customer service level have been rapidly improved, and our core competitiveness has been continuously strengthened. We have set up 5 production bases in Shenzhen, Guangdong, Longchuan, Guangdong, Jishui, Jiangxi, Jinwan, Zhuhai, and Fushan, Zhuhai, as well as a number of offices at home and abroad, realizing an international strategic layout of cross-regional, differentiated, and sustainable supply.

Kinwong Shenzhen base is located in Bao'an District, Shenzhen, and its products are mainly small and medium-sized batches and varieties, which are mostly used in automobiles, industrial control, power supply, medical, intelligent terminals and other fields. The Shenzhen base is the headquarters center of the group, the cradle of technology and talents.

Kinwong Longchuan base is located in Baotong Industrial Park, Longchuan County, Heyuan City, Guangdong Province. Its first phase was completed and put into operation in 2008, and its products are mainly in medium and large quantities, mostly used in communications, power supply, automobiles, industrial control, intelligent terminals and other fields. Longchuan base is the production base with the most complete product line types and the highest output value of the group.

Kinwong Jiangxi base is located in Chengxi Industrial Park, Jishui County, Ji'an City, Jiangxi Province, with the first phase of investment put into operation in 2014 and the second phase of investment in 2018. The products are mainly in large quantities, and are mostly used in automotive electronics, industrial control, medical, high-end consumer goods and other fields with high traceability requirements and strict quality control.

Kinwong Zhuhai Fushan base is located in Fushan Industrial Park, Qianwu Town, Doumen District, Zhuhai City, and its products are mainly used in large quantities, mostly used in new energy power batteries, wireless charging, display modules, smart phones, network equipment and other fields.

Located in Jinwan District, Zhuhai City, Guangdong Province, Kinwong's Zhuhai Jinwan base was officially put into operation in July 2021, with the highest number of layers of mass-produced products in the high layer counts (HLC) factory exceeding 40 layers and the average number of layers exceeding 12 layers. Substrate-like PCBs (SLP) factory has any-layer interconnection and mSAP production capacity. HLC factory and SLP factory are the company's products and technology highlands, and the products are mostly used in servers, high-end consumer electronics, AR/VR, communications, automobiles and other fields.

Our company has established a strict quality management system and an advanced quality control model, and strictly implements quality management standards in line with international certifications such as ISO9001:2015, IATF16949:2016 and ISO13485:2003. By introducing ERP system, MES system, SRM system, EAP system, etc., realize optimized allocation of enterprise resources, significantly improve the level of big data processing and analysis of enterprises, and effectively enhance operational management efficiency.

Through continuous optimization of the management system, our company continues to explore the global market and diversified product layout, and has established a stable international brand image. Our company's ranking in the global printed circuit board industry has risen 6 places compared with 2022, ranking 10th, and ranking third among the top 100 domestic PCBs in China.

Our company adheres to the business idea of "people-oriented, manufacture high-quality products, expand our enterprise and give back to the society", and insists on the core values of customer-centered, value creator-based, self-criticism, integrity, responsibility, cooperation, and innovation. With big data informatization platform, advanced manufacturing system, profound technical precipitation and energetic organization and talent team, we have strengthened the core competitiveness of our enterprise, and with the mission of "link the world by routes and interconnect everything by co-construction", we are committed to be "the most reliable manufacturer of electronic circuits in the world".

Company History

- 1993

 - ◉ Kinwong Electronic was established, mainly engaged in the research and development, production and sales of printed circuit boards.
- 1995

 - ◉ Kinwong established our business philosophy: people-oriented, manufacture high-quality products, expand our enterprise and give back to the society.
- 1997

 - ◉ Kinwong passed the ISO9001 quality system certification.
- 2004

 - ◉ Shenzhen FPC factory was established to start the R&D and production of flexible circuit boards, and the ERP information system laid the foundation for information management.
- 2006

 - ◉ Kinwong passed the ISO/TS16949 certification of BSI, an international authoritative certification body.
- 2008

 - ◉ Kinwong passed the ISO14001:2004 international management system certification, and Longchuan PCB factory was put into operation.
- 2010

 - ◉ Longchuan MPCB factory was put into operation.
- 2012

 - ◉ Guangdong Metal-based Printed Circuit Board Engineering Technology Research and Development Center was established, and Longchuan Kinwong was rated as a national high-tech enterprise.
- 2013

 - ◉ Longchuan FPC factory was put into operation.
- 2014

 - ◉ Jiangxi PCB factory was put into operation..
- 2017

 - ◉ Kinwong was listed on the main board of the Shanghai Stock Exchange with the stock code 603228, and the central laboratory was awarded the national CNAS certification.
- 2018

 - ◉ Jiangxi PCB factory No. 2 was put into operation.
- 2019

 - ◉ the foundation stone of Zhuhai SLP and HLC factories were laid.
- 2021

 - ◉ the SLP factory and HLC factory in Zhuhai were put into operation.
- 2022

 - ◉ Kinwong exceeded 10 billion yuan in revenue and achieved the first goal of 10 billion yuan.
- 2023

 - ◉ Kinwong took a stake in Suzhou Aicheng Technology and entered the ceramic circuit market, Kinwong Electronics Headquarters Building was put into use, and the third Jiangxi PCB factory laid the foundation.

Company Sustainable Development Philosophy

Thematic idea

Dedication And High-Quality Product

"Meticulous", is the attitude of working wholeheartedly to get a job done, is the faith of dedicating to improving an enterprise, is the spirit of striving for excellence in a industry. The "quality goods" is the product of "meticulous", the result of management, and the cohesion of Kinwong people's hard work. The spirit of hard work and intensive efforts highlights the meticulous work attitude of Kinwong people, constructs the craftsmanship of Kinwong people to overcome difficulties, and strengthens the conviction of Kinwong people to forge ahead.

Mission

Circuit Connects the World, Internet of Everything

The industrial revolution, power revolution and IT revolution brought about three major breakthroughs in human civilization over the past 120 years, releasing a productive force that far exceeds the deposit of thousands of years of civilization. The fourth technological revolution, driven by the Internet of Everything and artificial intelligence, is leading human society towards a new era of perception, connection and intelligence of all things. PCB is the "mother of electronic products", the carrier to realize the electrical connection of electronic components. PCB is the meridian of all electronic information products, functioning as a carrier of information and a bridge to connect all things. Facing the future world, we work together to build the Internet of Everything. —This is the common mission of KINWONG people.

Vision

To be the most reliable printed circuit board manufacturer in the world

PCB is the cornerstone of the electronic information industry. With technical expertise and professional competence, KINWONG has been involved in this industry for 26 years, always adhering to scientific development, steady development, large-scale development and green development, while continuously enhancing its comprehensive competitiveness and staying at the forefront of China's electronic circuit industry. To adapt to the future smart society, we are committed to becoming the most reliable electronic circuit manufacturer in the world with the goal of creating a competitive and influential global brand.

Core Values

To better cope with the market changes, we uphold the KINWONG values, deeply analyze the main contradictions we encountered in production and operation, constantly correct our behavior to meet the standard, strengthen our mission vision, organizational talents, management systems and product services, making sure that we have a sustainable and endless interaction with our customers for a permanent survival.

Customer Oriented

Serving customers is the only reason for the existence of KINWONG. Customer demand is the driving force behind the development of KINWONG. Customer Oriented, we continue to create long-term value for our customers, help customers pursue their dreams and make sure the company has a longstanding prosperity. Creating value for our customers is the criterion to measure our work orientation and value. By helping our customers succeed, we achieve our own victory.

We must continue to have an insight into customers, markets, technologies, and business ecosystems, and grasp industry trends and opportunities to ensure that the company is developing in the right direction. We build a customer-centered organization, process, system and corporate culture, and establish an organizational customer relationship that is close to our customers. We must continue to understand customer needs, focus on the challenges and pressures facing our customers and achieve high quality, high efficiency, good service and low operating costs through cross-departmental efficient synergy, working out competitive solutions and services and putting the customer satisfaction on our top agenda.

Caring Value Creators

People-oriented, Inspiring Value Creator. "People" are the foundation of a company. We must be able to gain insight into human nature, show our respect, trust, understanding and care for people, and help them develop and serve them, fully mobilizing the initiative, enthusiasm and creativity of each employee, and ultimately realizing the common development of employees and company.

Value creation is embodied in any trivial activity that creates value for customers, and in the preparation for value creation to enrich and improve oneself. We insist on "creating value with all our strength, correctly appraising value and rationally distributing value" so that value creators and those who work hard can be benefited.

Self- Reflection

The purpose of self-reflection is to make constant improvement and progress rather than self-denial. Only by persisting in self-reflection can we heed the right voice, make the right choice and transcend ourselves, respect and cooperate with others and achieve the common development among customers, company, teams and individuals.

Integrity

"Integrity" means we must treat people, do things and operate our business in an honorable way. We can only fulfill our promises when we are honest and sincere in our hearts. The best products come from ingenuity and ingenuity helps create the best products in turn. Integrity is our most important intangible asset. KINWONG insists on winning customers with integrity.

Responsibility

"Responsibility" means the sense of responsibility and the courage to take responsibility: when you want to achieve something, you can really make it happen. Employees must be responsible for themselves and continue to learn to improve their abilities; employees must be responsible for the company, developing a sense of ownership and continuously improving their work standards; employees must be responsible for the society, avoiding behaviors that endanger society and preventing the company from exerting any negative social effects.

Cooperation

In victory, we make a toast for celebration; in failure, we try our best to help each other. Teamwork is not only a cross-cultural group collaboration spirit, but also a powerful guarantee for achieving cross-departmental collaboration and improving process efficiency.

Innovation

"Innovation" includes technology innovation, product innovation, management innovation, marketing innovation and more. Innovation, no matter small or big, or from what sector, is the driving force for eternal development of a company. To better meet the needs of customers, we must stay aggressive, open-minded and creative. Any advanced technology, product, solution, and business management can only generate value when it is transformed into commercial success. We adhere to customer demand orientation and continue to innovate around customer demand.

Business Philosophy

People foremost, manufacturing competitive products, expanding the enterprise, and repaying the society

Insisting on "people-oriented", value creator-based, allowing value creators to get benefits, not letting the strivers suffer, which is the basic law of Kinwong to get things done. Employees are the muscle of company, we should insist on respecting, understanding and cultivating people, taking people as the foundation of company. "Manufacture quality products" is the guideline of Kinwong people, and it is Kinwong's promise to customers. "Expanding our company" is the concept that Kinwong, as an excellent enterprise in the international economic system, must practice, investing year by year, progressing and developing year by year, to ensure the health and continuous growth of our company. "Give back to the society" is the manifestation of Kinwong's courage to assume social responsibility and the ultimate goal of Kinwong's business.

Corporate Strategic Planning

Kinwong clearly defined our strategic goal for the next five years is to realize the high-quality **"Double Hundred Project"**, i.e., to realize our revenue exceeding **20 billion** in 2028, and the revenue in automotive field exceeding **10 billion**, to become one of **the top five PCB suppliers in the world**, and to become the No.1 automotive board supplier in the world.



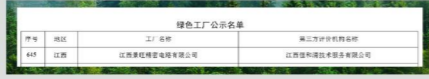





Company 2023 Milestones

Summary of Milestones and Honors for Kinwong Electronic 2023

<p>January 2023</p>	<p>Kinwong Electronic was honored to be listed as one of the Top 100 Enterprises in Shenzhen Bao'an District in five categories in 2022.</p>	
<p>April 2023</p>	<p>Kinwong Electronic Product "Industrial-grade Security Camera Metal-based Printed Circuit Board" won the title of "Guangdong Provincial Manufacturing Single Champion Product".</p>	
<p>June 2023</p>	<p>Kinwong Electronic Fushan Company New Energy Battery Processing Department Test Team Won the "Guangdong Province Workers' Vanguard".</p>	
<p>July 2023</p>	<p>Kinwong Electronic Jiangxi Company was recognized as "National Enterprise Technology Center".</p>	

Summary of Milestones and Honors for Kinwong Electronic 2023

August 2023	Kinwong Electronic's Key Technology for FPC Manufacturing of Folding Screen for Smart Terminals Awarded International Advanced Technology.	
November 2023	Kinwong Electronic Jiangxi Company Awarded 2023 National Green Factory, Jiangxi Province Manufacturing Single Champion Enterprises.	 
November 2023	Kinwong Electronic Ranked 57th among the Top 500 Manufacturing Enterprises in Guangdong Province in 2023.	
November 2023	Kinwong Electronic Added 7 Famous High-tech Products in Guangdong Province.	
December 2023	Kinwong Electronic Added Two International Advanced Level Technical Achievements in the Field of Micropower Supply and New Energy Battery.	

Respond to the UN Sustainable Development Goals (SDGs)

Summary of Kinwong Electronic Responses to SDGs

SDGS	Objectives in detail	Chapter
	End poverty in all its forms everywhere.	Intelligent Win-Win Integration With Peers
	End hungry, achieve food security and improved nutrition and promote sustainable agriculture.	Intelligent Win-Win Integration With Peers
	Ensure healthy lives and promote well-being at all ages.	Green Innovation, Environmental Pioneer Employee Oriented, Building A Shared Future
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Employee Oriented, Building A Shared Future
	Achieve gender equality and empower all women and girls.	Employee Oriented, Building A Shared Future
	Ensure availability and sustainable management of water and sanitation for all.	R&D Innovation, Excellent Production Green Innovation, Environmental Pioneer
	Ensure access to affordable, reliable, sustainable and modern energy for all.	R&D Innovation, Excellent Production Green Innovation, Environmental Pioneer
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	Employee Oriented, Building A Shared Future
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	Continuous Growth, Win-Win Collaboration
	Reduce inequalities within and among countries.	R&D Innovation, Excellent Production
	Make cities and human settlements inclusive, safe, resilient and sustainable.	Intelligent Win-Win Integration With Peers
	Ensure sustainable consumption and production patterns.	R&D Innovation, Excellent Production
	Take urgent action to combat climate change and its impacts.	Green Innovation, Environmental Pioneer
	Conserve and sustainably use the oceans, seas and marine resources for sustainable development.	Green Innovation, Environmental Pioneer
	Protect, restore and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	Green Innovation, Environmental Pioneer
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	Faith Keeping, Sustainable Business
	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.	Continuous Growth, Win-Win Collaboration

01

Sustainable Development Management



Being a leader in the field of printed circuit boards, Kinwong Electronic treats sustainable development as one of our core responsibilities, and penetrates the concept of sustainable development into our operation and management through continuous endeavors. Our board of directors has established a strategy and ESG committee to promote the deep involvement of our board of directors, management and relevant departments in ESG work. Our company actively responded to the concerns of various stakeholders on business development, identified and analyzed annual ESG material issues, and continuously improved ESG performance to better meet the requirements and expectations of our stakeholders.

1.1 Sustainable Development Strategy

Kinwong Electronic is committed to promoting sustainable operation of our company in a comprehensive manner through energy saving and carbon reduction, continuous product innovation, and expanding corporate influence. Kinwong Electronic also continues to improve our sustainability governance structure by establishing an internal strategy and ESG committee of the board of directors responsible for strategic planning and a monitoring and reporting mechanism to ensure continuous improvement on environmental, social and governance aspects of our company. By closely communicating and cooperating with stakeholders through a variety of channels, Kinwong Electronic makes positive contributions to the realization of common prosperity of economy, society and environment, and is committed to building a low-carbon sustainable future together.

1.2 Kinwong Electronic ESG Management

Kinwong Electronic has been adhering to the "people-oriented, manufacture high-quality products, expand our enterprise and give back to the society" business idea, and constantly contribute to society, showing our positive corporate image. To adapt to our company's strategic development needs, improve our corporate governance structure, enhance our ESG management level, and strengthen our core competitiveness and sustainable development capability, Kinwong Electronic changed the name of the strategy committee of the board of directors to the strategy and ESG committee of the board of directors (the "Committee") in February 2023 in accordance with *Company Law of the People's Republic of China, Code of Corporate Governance for Listed Companies, Measures for the Administration of Independent Directors of Listed Companies, Guideline for the Self-discipline of Listed Companies of Shanghai Stock Exchange No. 1 - Standardized Operation* and *Articles of Association of Shenzhen Kinwong Electronic Co., Ltd.* (hereinafter referred to as "Articles of Association") and other relevant regulations. We also revised the Implementation Rules of the Strategy and ESG Committee of the *Board of Directors of Shenzhen Kinwong Electronic Co., Ltd.* to elevate ESG management to the strategic level of our company.

The main responsibilities of Kinwong Electronic Strategy and ESG Committee are:

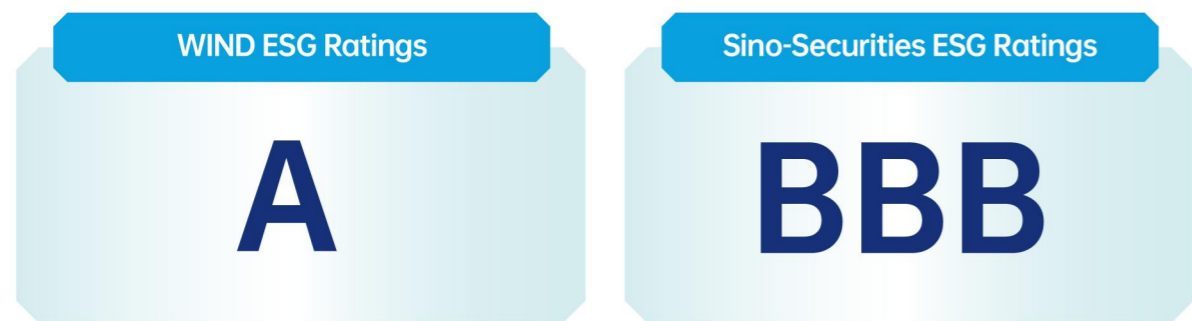
- 01 Research and make recommendations on company's long-term development strategic plan;
- 02 Formulate and review company's ESG management policy, strategy and structure on a regular basis to ensure that they are in line with company's needs and applicable legal and regulatory requirements;
- 03 Review ESG objectives of our company formulated by ESG executive team, supervise the implementation of the objectives and track the progress of their achievement;
- 04 Identify and assess our ESG risks and opportunities and their material impact on our business, and identify and prioritize the material issues involving our company;

- 05 Study and make recommendations on major investment and financing programs that are subject to the approval of the board of directors as stipulated in the *Articles of Association* of our company;
- 06 Research and make recommendations on major capital operation and asset management projects that are subject to the approval of the board of directors as stipulated in the *Articles of Association* of our company;
- 07 Review annual ESG reports and other ESG-related disclosures of our company and make recommendations to the board of directors for approval;
- 08 Study and make recommendations on other major matters affecting the development of our company;
- 09 Examine the implementation of the above matters;
- 10 Other matters authorized by the board of directors.

Kinwong Electronic ESG management performance has been widely recognized. In July 2023, Wind ESG, an authoritative domestic ESG rating agency, released the latest data, and Kinwong Electronic achieved a rating of A in 2022, and our ESG score ranked 26th among 460 participating companies in the same industry. Based on statistical data, the percentage of A-share listed companies with ratings of A and above is only 12.7%, while the percentage of companies with ratings of A and above in the electronic equipment, instruments and components industry, to which Kinwong Electronic is affiliated, is only 7.39%.

In addition, Kinwong Electronic also received excellent rating scores in Sino-Securities ESG ratings. Our company earned a BBB rating score in April 2023 and continues to maintain a top industry ranking, sitting in the top 7% of the electronic equipment, instruments and components industry. Our environmental, social and governance scores are also higher than the industry average.

Kinwong Electronic was awarded A grade and BBB grade in the domestic authoritative ratings respectively. This achievement not only reflects the value of steady operation and sustainable governance of our company, but also highlights our sustainable business idea of "people-oriented, manufacture high-quality products, expand our enterprise and give back to the society".



1.3 Communication with Stakeholders

Kinwong Electronic has established a regular communication mechanism to actively understand the opinions and expectations of key stakeholders, and to launch targeted exchanges and responses. Our company has established a long-term and trusting cooperative relationship with all stakeholders to ensure the inclusiveness and balance of ESG work. In the process of ESG management and disclosure, we communicate the progress with stakeholders in a timely manner and obtain their feedback so as to continuously improve the quality of ESG work.

Stakeholder Communication List

Stakeholders	Key Concerns	Communication Methods or Channels
Shareholders and Investors	<ul style="list-style-type: none"> ○ Investor relations ○ Open and transparent information disclosure ○ Sound return on investment ○ Protect the rights and interests of shareholders ○ Company performance ○ Compliance and risk management 	<ul style="list-style-type: none"> ○ Information disclosure (temporary announcements, periodic reports) ○ General meeting of shareholders, SSE e-interactive platform ○ Investor hotline, E-mail correspondence ○ Performance briefing, roadshow ○ On-site research ○ Investor public reception day activities
Government Department/Regulatory Agency	<ul style="list-style-type: none"> ○ Comply with the law ○ Compliance business, tax payment in accordance with the law ○ Corporate governance ○ Business layout development ○ Anti-corruption and integrity 	<ul style="list-style-type: none"> ○ Work report/meeting ○ On-site investigation ○ Industry exchange forum ○ Regulatory questionnaire ○ Information disclosure
Customer	<ul style="list-style-type: none"> ○ Product quality and innovation ○ Professional services ○ Protect customer privacy ○ Data security 	<ul style="list-style-type: none"> ○ Service satisfaction survey ○ Information disclosure ○ Complaint and reporting channels ○ Enterprise WeChat, official website and telephone
Employee	<ul style="list-style-type: none"> ○ Diversity, equity and inclusion ○ Employee care ○ Employee training and development ○ Health and safety ○ Employee rights and benefits ○ Career development ○ Employee working environment and conditions 	<ul style="list-style-type: none"> ○ Company labor union ○ Employee satisfaction survey ○ Employee training ○ Employee cultivation ○ Employee visit ○ Employee assistance
Value Chain Partners	<ul style="list-style-type: none"> ○ Transparent and honest cooperation ○ Fair trade ○ Win-win development ○ Supply chain sustainability 	<ul style="list-style-type: none"> ○ Public bidding ○ Field investigation ○ Supplier meeting ○ Supplier audit
Community	<ul style="list-style-type: none"> ○ Public service ○ Driving community development 	<ul style="list-style-type: none"> ○ Communication activities ○ Volunteerism and communication
Media/Public	<ul style="list-style-type: none"> ○ Transparent and open information ○ Enterprise trends 	<ul style="list-style-type: none"> ○ Press releases ○ Media interviews, feature articles ○ Enterprise official website

1.4 ESG Issue Identification

In 2023, under the guidance of the strategy and ESG committee of the board of directors, Kinwong Electronic has screened 20 issues that are critical to achieving our company's ESG goals. We constructed a matrix of ESG material issues with reference to the requirements of authoritative disclosure standards at home and abroad through the following three processes, and by fully integrating the views of our management, internal and external expert advice, media information, domestic and international peer benchmarking studies, ESG disclosure guidelines, supplier opinions and other diversified channels.

01 Identify Material Issues

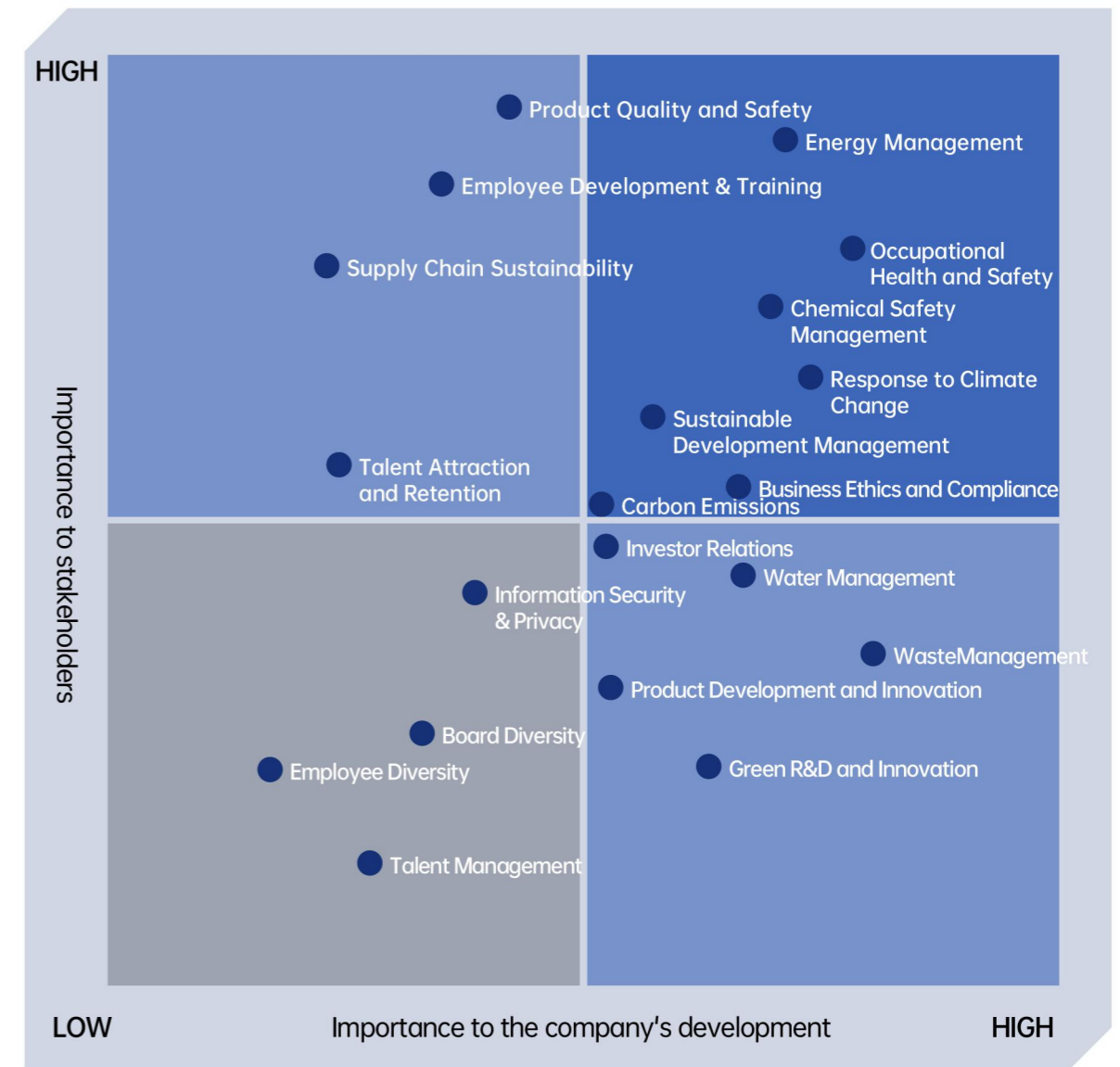
By conducting external policy research, peer benchmarking analysis, and surveys on industry development trends, and combining our company's development strategy, business characteristics, and operational planning, we identified 20 material issues that are most likely to affect our company's operation and development, or influence the assessment and decision-making of our stakeholders.

02 Conduct and Prioritize Interviews

To ensure the accuracy and comprehensiveness of the data, we engaged a third-party expert consultant to guide us in carrying out the relevant work and conducted in-depth interviews with executives, functional and business unit heads to understand the current state of our operations. After analyzing the interviews and taking into account the feedback from the stakeholders, we finally ranked 20 material issues according to their level of impact on our ESG objectives.

03 Timely Response to Issues

We formed a significant issue analysis matrix based on the issue evaluation results and made key disclosures in the report for high material issues. This not only enhances the transparency of communication between our company and stakeholders, but also highlights our strong commitment and continuous efforts in the field of ESG.



Matrix of ESG Material Issues of Kinwong Electronic 2023



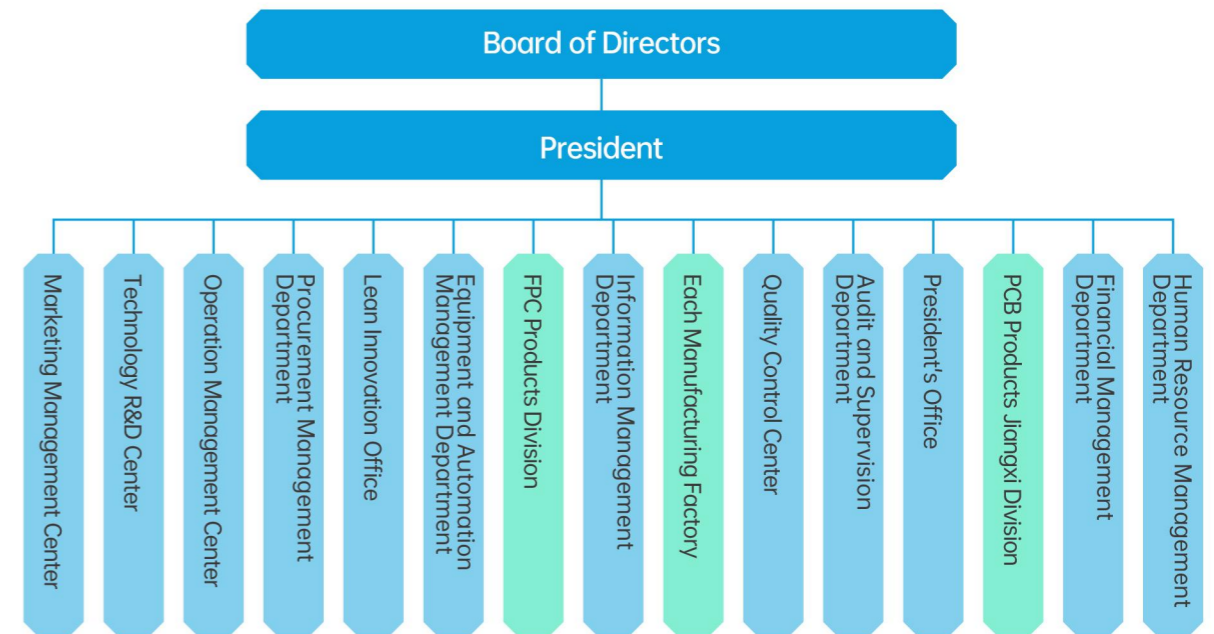
02 Faith Keeping Sustainable Business



Kinwong Electronic is committed to improving corporate governance, strengthening internal control, enhancing risk management and deepening integrity building. Our company continues to improve corporate governance and actively shares the fruits of corporate development with all parties, including investors, shareholders, customers and suppliers. We also attach great importance to intellectual property protection and digital security to ensure the safety and confidentiality of customer data and corporate information.

2.1 Corporate Governance

Kinwong Electronic Level 1 Organizational Structure



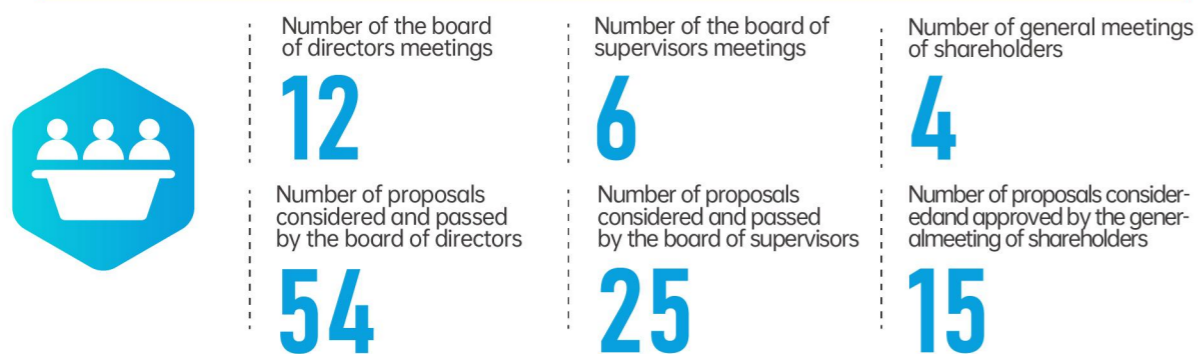
2.1.1 Functioning of Three Meetings

Directors, supervisors and members of senior management of our company regularly receive compliance training for directors and supervisors organized by regulatory bodies, Shanghai Stock Exchange and our company internally, to ensure zero violation and zero mistake in important matters, information disclosure, and related transactions, and to set an example of compliance, integrity and adherence to business ethics as a benchmark of our corporate culture.

In 2023, all meetings of the board of directors and the supervisory committee of our company were convened and held in compliance with *Company Law* and other laws and regulations and the *Articles of Association* of our company. The incumbent directors of our Company attended the meetings of the board of directors during the reporting period and diligently performed their duties.

During the reporting period, we held the annual general meeting of 2022, the first extraordinary general meeting of 2023, the second extraordinary general meeting of 2023 and the third extraordinary general meeting of 2023. In strict accordance with *Company Law* and other laws and regulations and the requirements of the *Articles of Association* and other management systems, the board of directors has fully implemented the resolutions of the general meeting of shareholders of our company, conscientiously fulfilled the duties entrusted to it by the general meeting of shareholders, and actively pushed forward the implementation of the resolutions of the board of directors, and made fruitful contributions to the scientific decision-making and effective implementation of all major matters of our company.

Three Meetings of Kinwong Electronic Held in 2023



2.1.2 Diversity on the Board of Directors

The board of directors is the highest business decision-making body of our company. The diverse backgrounds and experiences of board members can provide different perspectives and value to our corporate strategic planning, so that committees will be able to assess issues from a broader perspective, taking into account the best interests of all stakeholders.

Following international ESG governance concepts and rating standards, we continue to improve the diversity of our board of directors and board of supervisors. Our board of directors currently consists of 9 directors, of which 6 are non-independent and 3 are independent. There are 2 women on the board of directors; our board members have the highest education level of PhD, and their backgrounds cover electronic circuits, business management, finance and accounting, reflecting the diversified layout of our corporate governance structure. The board of supervisors consists of 3 supervisors, including 2 female supervisors (including employee representative supervisors).

2.1.3 Specialized Committees of the Board of Directors

Audit Committee of the Board of Directors

The audit committee of our company's fourth board of directors session comprises three directors: Cao Chunfang, Zhou Guoyun, and Zhuo Yong. Mr. Cao Chunfang, serving as an independent director, holds the position of chairman. During the reporting period, the audit committee of the board of directors held 4 meetings, and provided guidance, supervision and inspection on the preparation of regular reports, financial statements, internal audit work, use of fund-raising, and renewal of the appointment of the external audit firm in strict accordance with the relevant provisions of the *Articles of Association* of our company and the *Implementing Rules of the Audit Committee of the Board of Directors*, which effectively strengthened the communication between the internal audit of our company and the external audit. The audit committee completed the audit work for 2023 and the renewal of the accounting firm on time, which facilitated the establishment and improvement of our internal control system and the continuity of our financial auditing work, safeguarded the effective implementation of the system, and ensured the truthfulness and reliability of the information in our financial reports.

Remuneration and Assessment Committee of the Board of Directors

The remuneration and assessment committee of the fourth session of our board of directors consists of three directors, namely He Qiang, Cao Chunfang and Liu Shaobai, with Mr. He Qiang, an independent director, as the chairman. During the reporting period, the remuneration and appraisal committee of the board of directors held a total of 3 meetings to discuss and evaluate the performance of duties and remuneration matters of all directors and senior management of our company in strict accordance with the relevant provisions of the *Articles of Association* of our company and the *Implementing Rules of the Remuneration and Appraisal Committee of the Board of Directors*, as well as to verify the implementation of our share incentive scheme and adjustment of the repurchase price. During the reporting period, the directors and senior management of our Company executed their work in accordance with our long-term development strategic plan, and their remuneration was in line with our *Remuneration Management System*.

Nomination Committee of the Board of Directors

The fourth session of the nomination committee of our board of directors consists of three directors, namely Liu Yu, Cao Chunfang and He Qiang, with Mr. Cao Chunfang, an independent director, as the chairman. During the reporting period, the nomination committee of the board of directors held a total of 2 meetings and actively performed its duties in strict accordance with the relevant provisions of the *Articles of Association* of our company, *Implementing Rules of the Nomination Committee of the Board of Directors* and other systems. The committee reviewed and supervised the performance of the directors and senior management of our company in office during the reporting period, and reviewed and verified the qualifications and capability of the CFO appointed by the fourth session of our board of directors. No director or senior management personnel of our company have been found to be prohibited from acting as a director or senior management personnel of a listed company as stipulated in *Company Law* and the *Articles of Association* of our company.

Strategy and ESG Committee of the Board of Directors

The strategy committee of the board of directors of our company consists of three directors, namely Liu Shaobai, Zhuo Yong and Zhou Guoyun, with Mr. Liu Shaobai as the chairman. During the reporting period, the strategy committee of the board of directors held a total of 2 meetings and verified investment matters of our company in strict accordance with the relevant provisions of the *Articles of Association* of our company, the *Implementing Rules of the Strategy and ESG Committee of the Board of Directors*. The committee regularly summarized the implementation progress of our investment projects and prudently considered the implementation of our 2022 annual strategic plan and our 2022 annual ESG report in light of the market development and our company's strategy, and submitted the relevant motions to the board of directors of our company, which provided scientific and reliable guarantee for our long-term and sustainable development planning and strategic decision-making, and strategic support for our sustained, stable development.

2.1.4 Improvement of Company System

Time	Revised System
February 2023	<i>Implementing Rules of the Strategy and ESG Committee</i>
April 2023	<i>Articles of Association</i>
July 2023	<i>Articles of Association</i>
December 2023	<i>Articles of Association, Rules of Procedure for the General Meeting of Shareholders, Rules of Procedure for the Board of Directors, Rules for the Work of Independent Directors, Implementing Rules of the Audit Committee, Implementing Rules for the Remuneration and Appraisal Committee, Implementing Rules for the Strategy and ESG Committee, Rules for the Work of the Annual Report of Independent Directors</i>

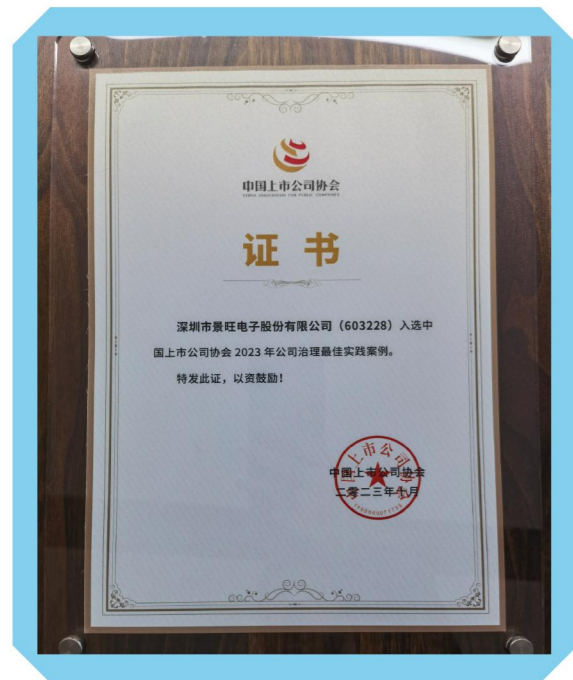
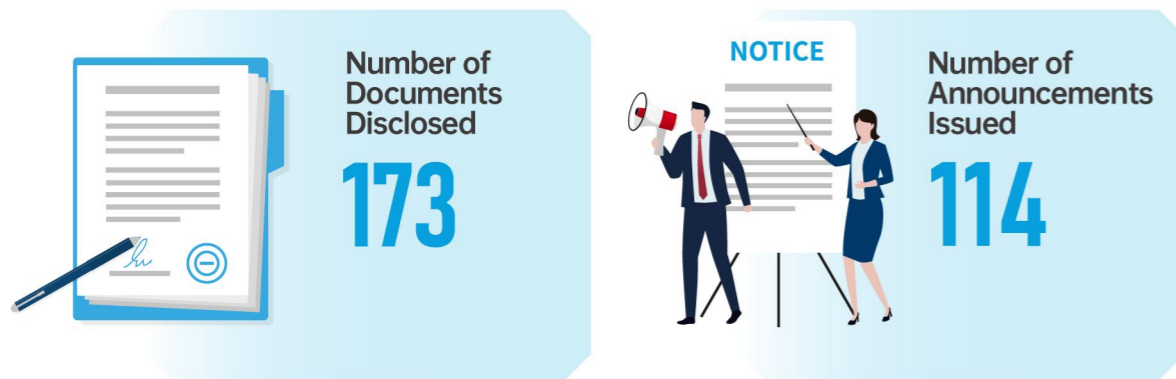
2.1.5 Investor Relationship Management

Our company has formulated *Investor Relationship Management System* in accordance with *Company Law of the People's Republic of China, Securities Law of the People's Republic of China, the Articles of Association* of our company and other relevant regulations in order to strengthen the information communication between Kinwong Electronic and investors and potential investors (hereinafter collectively referred to as "investors"), to effectively establish a good communication platform between company and investors, to protect the legitimate rights and interests of investors, to form a long-term, stable, harmonious and benign interactive relationship between the company and the investors, and to realize the maximization of the value of company and the interests of shareholders.

The methods of communication between our company and investors mainly include, but are not limited to, regular reports and ad hoc announcements; general meetings of shareholders; our company's website; analysts meetings and presentations; mailing of materials; telephone inquiries; on-site visits; roadshows; and e-mail communication and other legal and effective methods of communication.

In 2023, we held a total of 7 performance briefing sessions, participated in 17 brokerage strategy sessions, received a total of 120 online/offline investor research/counter roadshows, and held 1 large-scale investor reception day, with a cumulative total of more than 1,000 investor communications. In 2023, a total of 16 institutions issued 18 hold/buy reports on our company.

Disclosure of Information for 2023 by Kinwong Electronic



Kinwong Electronic was Selected as a Best Practice Case of Corporate Governance by China Association for Public Companies



Kinwong Electronic was Honored with the Eighth Times Finance Golden Orange Award - ESG Era Pioneer Listed Company Award.

2.2 Compliant Operation

2.2.1 Internal and External Audit

Kinwong Electronic attaches great importance to the audit work. The audit and supervision department, as a first-level department of our group, reports directly to the president and the management, and is equipped with professional auditors to ensure the effectiveness and accuracy of the audit work. In accordance with *Audit Law of the People's Republic of China, Provisions of the Audit Commission on Internal Audit Work, Rules for Listing of Stocks on Shanghai Stock Exchange* and other relevant laws, regulations, standardized documents and the *Articles of Association* of our company, we have formulated *Internal Audit System* and corresponding internal system process documents such as *Annual Audit Planning, Project Audit Plan, Audit Issues Management Suggestion Tracking Sheet*, etc., in order to standardize our economic behaviors, strengthen the internal control and audit supervision, prevent and control company risks, enhance the reliability of information disclosure, and safeguard the legitimate rights and interests of company and investors.

Our company actively conducts annual internal audits related to business ethics and anti-corruption covering all operating locations to ensure the effectiveness and implementation of policies and systems. We also conduct targeted special audits, business cycle audits, process and system audits, operation and management audits, and economic responsibility audits of relevant areas, factories, and key management personnel, and the results are reported to the audit committee of our board of directors. By assessing the potential risks associated with business activities and operating locations, our company develops an annual self-inspection and audit plan to complete the audit and inspection of each base based on the risk situation, and follows up on the *Audit Issues Management Suggestions Rectification Tracking Sheet* based on the audit results to form a closed-loop management of the audit project, thus improving our corporate governance, business processes and management system, and effectively controlling our business ethical risks. During the reporting period, there were no major litigation cases involving corruption or unfair competition in Kinwong.

Our company has improved the internal auditing procedures of our import and export business in accordance with *Internal Audit System* and relevant norms of internal control in order to standardize the work related to import and export audit of our company, increase the self-restraint of each functional department of our company, standardize the management of our company's import and export, and ensure that our company's import and export business continuously meets the requirements of customs supervision. We have formulated *Internal Audit Procedures for Import and Export Business* and constantly revised *Customs Risks and Errors Rectification Procedures* in order to deal with potential customs risks and errors found in customs audits or internal audits, review and analyze the reasons for the problems, improve the business processes, standardize the business operations, prevent the risks, and eliminate the errors.

In June 2023, we conducted an internal audit of Zhuhai Kinwong import and export business and customs AEO advanced certification of customs services and issued an audit report. Our company audited Zhuhai Kinwong import and export business and the customs management information such as import and export activities, system flow, documents and other customs management information involved in the customs AEO advanced certification standard, and inspected and evaluated its internal control. Our audit and supervision department conducted an overall evaluation of the status of import and export business management related to Zhuhai Kinwong customs advanced certification standards, and put forward suggestions for improvement based on the evaluation results of the internal control design or implementation deficiencies found, so as to enable our import and export business management to comply with the management requirements of the customs and all kinds of laws and regulations and to ensure the legal operation of our company and to safeguard the safety of our property.

Our company engages external third-party professional organizations to conduct special audits of internal control every year in order to ensure the impartiality and independence of the audits and to ensure that we comply with the relevant national laws and regulations in terms of business ethics and other aspects, and that we are in full compliance with the requirements of our *Internal Control Audit Provisions*.



2.2.2 Legal System

Kinwong Electronic has developed a series of systems that promote the rule of law and are responsible for the implementation of sustainable development in order to ensure the effective management of legal affairs and the prevention and resolution of legal risks in business operations.

Our company has formulated *Legal Affairs Management System* in order to safeguard the legitimate rights and interests of our company and promote our legal system, so as to ensure the safe operation of our company through the implementation of legal risk management. Our company has established and improved the legal affairs management system such as contract management, case management, intellectual property management, legal consultation and argumentation, legal training management, legal person authorization management, legal seal management, external lawyer management, legal documents management, laws and regulations management, etc., to build an all-round legal risk prevention and control system.

For the purpose of standardizing contract management and preventing and controlling legal risks in the process of contract signing, performance and supervision, our company has formulated *Contract Management System* in accordance with *Civil Code of the People's Republic of China, Company Law of the People's Republic of China* and other relevant laws and regulations as well as the provisions of the internal control system of our company. We conduct the management of the contract-related affairs in strict accordance with the system requirements and processes.

2.3 Business Ethics

2.3.1 Anti-Fraud

In terms of system level, our company has formulated *Anti-Fraud Management Measures* in accordance with the requirements of relevant laws and regulations in order to prevent and sanction fraudulent acts, ensure the sustainable, stable and healthy development of our company, standardize our business practices and safeguard the legitimate rights and interests of our company and shareholders.

During the reporting period, our audit and supervision department conducted regular anti-fraud training to avoid fraud in our company, summarized the reasons for the occurrence of the cases and the loopholes identified in the management, and formed training materials to educate and train the relevant departments. After a series of anti-fraud trainings, our employees understood the fraud risk management system, clarified the warning line set by our company, deepened their understanding of anti-fraud, and deepened their understanding of anti-fraud and their own roles in internal control and fraud risk management measures in response to work procedures.

When screening supplier, our company strictly prohibits the recruitment or inclusion of individuals or companies blacklisted by the anti-fraud coalition in the supply pool; we reward informers who provide accurate and important evidence of fraudulent behavior; and employees whose investigations have confirmed fraudulent behavior, regardless of the severity of the case, are dealt with as a serious violation of company systems.

2.3.2 Integrity Building

To strengthen the integrity construction of suppliers in the process of supplying materials or other products to our company, Kinwong Electronic stipulates that suppliers are required to sign *Integrity Agreement* with our company. The purpose is to prevent the occurrence of illegal and disciplinary acts of seeking undue benefits and unfair competition, to ensure that the two sides abide by the code of conduct of business integrity in the process of cooperation, to stop commercial bribery, and to safeguard the legitimate rights and interests of each party and the two sides.

Recognizing that employees are the key element in integrity building, we require all employees and members of the board of directors, board of supervisors and executives to undergo relevant training and assessment, and provide regular training to employees related to procurement, sales and other related matters on business ethics policies and integrity behavior. Our company stipulates that new employees must sign *Confidentiality Agreement, Declaration of Integrity and Self-discipline Initiative and Kinwong Employee Code of Business Conduct* in line with the legal requirements of the domestic and the countries where the business is located, learn mandatory courses (including the code of business conduct, the nine red lines of honesty and integrity, etc.) and take the examination. Employees can only be transferred to full-time employment if they pass the examination. Employees who have violated the code of business conduct, misappropriated property or funds, committed commercial bribery, engaged in fraud, and other disciplinary offenses will be punished in accordance with *Reward and Punishment Management Plan*.

CASE

Anti-Corruption and Integrity Education and Training

To strengthen the integrity awareness of all employees of our company, we carried out an anti-corruption education and training for all employees in September 2023 to promote honesty and integrity. The course is divided into three parts, the first part is an overview of integrity education, recognizing the importance and main content of integrity education from the macro level; the second part is the practitioners integrity risk control points and practice regulations, introducing the integrity risk points through negative cases, warning participants not to touch the high-tension line, abide by the five prohibitions of customer service; in the third part, through warning education, we draw out the reasons and thoughts of the problems of integrity, put forward the preventive measures of the problems of integrity, etc., and discuss how to be a clean, upright and dedicated employee through positive guidance.

2.3.3 Reporting and Complaints

We have formulated *Measures for the Management of Reporting and Complaints* to standardize the management of internal and external complaint and reporting channels, effectively strengthen the supervision of our operation and management as well as legal compliance, and maintain a good relationship between company and stakeholders.



Principle of Fairness

Our company shall treat all complaints and reports equally, deal with complaints in a timely manner and give feedback to the complainant or informer on the investigation;



Principle of Importance

For serious matters, which should be prioritized for investigation and verification;



Principle of Confidentiality

Information about the complainant must be kept strictly confidential to protect the legitimate rights and interests of the complainant;

Our company provides reporting channels for employees and other stakeholders, and the reporting and complaint channels and forms are as follows:



Telephone

Our company has set up and publicized a hotline for reporting and complaining, and employees can report and complain by telephone and cell phone text message;



Letters and Emails

Our company has set up a report and complaint mailbox at the base, and has set up and publicized the complaint report and complaint email address and mailing address, so that the reporters and complainants can report or complain through express delivery, letters and emails, and so on;



In Person

Informers and complainants may report in person to the complaint management department.

Integrity Poster



Our company handles reported cases in accordance with *Measures for the Management of Reporting and Complaints*. If the reported incident is verified, we will apply for the corresponding reward for the reporter in accordance with the reward and punishment management measures. In 2023, the audit and supervision department of Kinwong Electronic received a total of 10 reports, all of which have been investigated, verified and replied in accordance with relevant regulations. There were no lawsuits and losses caused by violation of corporate governance, anti-corruption/bribery, and competition law during the year.

2.4 Intellectual Property Protection

To protect our intellectual property rights, strengthen the intellectual property management, and encourage employees' enthusiasm for invention and creation, Kinwong Electronic has formulated *Intellectual Property Management System* based on relevant laws and regulations such as *Patent Law*, *Copyright Law*, *Trademark Law*, *Anti-Unfair Competition Law* and other international trademark registrations. Our company strictly follows this system for intellectual property management and standardizes the confidentiality of intellectual property.

In 2023, Kinwong Electronic carried out 16 training sessions on patent basics and patent submission writing, covering 302 people.



Kinwong Electronic Patent Training

To implement our intellectual property strategy, improve our core competitiveness, promote technological innovation and scientific and technological research and development, and standardize our technical intellectual property rights, we formulated *Technical Intellectual Property Rights Management Provisions* in 2018 and revised based on the actual operation situation in accordance with *Patent Law* and its implementing rules, *Copyright Law of the People's Republic of China* and its implementing rules and other laws and regulations, and our *Intellectual Property Rights Management System*. In 2023, we revised the system, clarified the duties and division of authority and responsibility of the intellectual property management organization, and formulated the criteria and rules for granting intellectual property rewards, which further promoted the protection of intellectual property rights in our company.

Based on *Trademark Law* and *Implementing Rules of Trademark Law* and other laws and regulations and our *Intellectual Property Management System*, we have formulated Trademark Management Regulations, aiming to standardize the management of trademarks of our company, to establish and maintain enterprise's reputation, to protect the exclusive right of trademarks, and to promote the intangible assets of trademarks of our company to preserve and increase their value continuously. All trademark-related work of our company, including design, application for registration, renewal, transfer, use, printing, value assessment and protection, etc. must be managed in strict compliance with *Trademark Management Regulations*.



2.5 Data Security and Privacy Protection

In the era of digitalization, information security is increasingly important to the development of enterprises. Kinwong Electronic attaches great importance to the protection of customers' trade secrets, data information and personal privacy, and strictly abides by the laws, regulations, policies and industry guidelines related to the protection of customers' privacy. We have established a set of scientific and effective information security management system. We have a special information security management organization, which is responsible for formulating information security policies and ensuring the information security of information infrastructure, information application systems and products and customers. Relying on the perfect security protection management system and strict internal control process, we strive to implement the confidentiality, integrity, and availability of business information into every aspect of our service to customers.

Information security and data protection is also a top priority for our operation and development. In order to realize the standardization and unity of the information security system in our global operation sites, we have formulated a series of policies and regulations to safeguard data and information security. Our company has also formulated *IT Strategy Map V2024* and *IT Project Construction Management Measures* in order to promote our information technology innovation, standardize the management of the implementation process of our information technology projects, clarify the project organization and division of responsibilities, and regulate the project activities and delivery quality control.

In response to the market demand, to enhance the ability to serve customers, to strengthen information security control, and to ensure the security of internal and external information, Kinwong Electronic has comprehensively optimized the information security management system, formulated the information security management policy, system documents and strategies, organized and optimized the status quo of the information security management, and implemented several enhancement measures to comprehensively protect the data security of employees, enterprises, and customers. Kinwong Electronic has passed ISO27001 UKAS certification, and has possessed the dual certification of UKAS and CNAS in the field of information security.

In the future, we will adhere to the confidentiality obligations of service providers and continue to safeguard the security of user data, so that the information assets of stakeholders will be able to be properly protected under a reasonable and complete framework.



Kinwong Electronic obtained ISO27001 Certification

2.6 Party Construction

Kinwong Electronic has always insisted on the close integration of party construction with company's affairs, taking strengthening the fulfillment of social responsibility and other aspects of work as an entry point, carrying out party construction activities earnestly, giving full play to the pioneering and exemplary role of the party members, and promoting the common progress and development of enterprise and the society.

- 01 **Enhance communication and help company internal construction**

Kinwong party branch convenes branch committees, party members' meetings, democratic life meetings on a regular basis, and has formed meeting records for a total of 28 times. Our company has always attached great importance to party members' conduct construction, requiring all party members to continue to carry forward the excellent style of hard work, pragmatism and other good practices, and firmly resist and overcome all kinds of unethical practices and corruption, and take the lead in creating a clean and positive working environment.

02 Take a pioneering role and actively fulfill social responsibilities

In 2023, Kinwong party branch organized 15 volunteer service sessions for party members, and organized party members to take part in 37 pioneer activities for party members, with 68 hours of service. The party branch organized activities such as parent-child activities and red education during the summer period to provide more thematic educational activities for enterprise workers and children. Jointly with the party committee of Tiegang community and the Red Cross, the party branch carried out enterprise-level emergency rescue training activities, and trained a total of 45 employees in key positions, who obtained first-aid certificates. These activities show the pioneering and exemplary role of Kinwong party branch and party members. Since 2021, Kinwong party branch has won the title of advanced party branch in Tiegang community of Xixiang street for three consecutive years.



2023 Advanced Party Branches



CASE Tiegang Community Garbage Classification Activity

On June 2, 2023, Kinwong assisted Tiegang community to carry out garbage classification publicity activities in order to guide residents to actively participate in the action of garbage classification to protect the environment, advocate low-carbon life, create a clean and civilized social environment, and promote the street garbage classification work to the deep development.

At the scene, Kinwong employees introduced the relevant contents of garbage classification to the community residents, and increased the enthusiasm of community residents' participation through prize quiz and games, which strongly improved the residents' awareness of garbage classification and encouraged everyone to actively participate in garbage classification, so as to truly realize everyone's participation in building a better home together.

CASE "Gathering Warmth, First Aid at Hand" - Public Emergency Ambulance Training

On October 18, 2023, the party branch of Kinwong Electronic, together with Tiegang Community of Xixiang Street, Bao'an District, Shenzhen, and Red Cross Society of Bao'an District, carried out free first aid training activities at the Shenzhen base. A total of 45 personnel participated in the training. They corrected the possible wrong order and maneuvers in the process of first aid through the simulation training of theory plus practical exercises, and clearly understood the four-step first aid process - "assessment (safety assessment), identification (injury identification), call (external call for help), rescue (on-site rescue)". Participants successfully passed the examination and obtained Emergency Medical Rescue Training Certificate of Shenzhen Bao'an District.



Party Day Practical Learning Activity themed as "Gathering Warmth, First Aid at Hand" - Public Emergency Ambulance Training



03

R&D Innovation Excellent Production



Kinwong Electronic keeps the concept of green development and regards low-carbon production as the driving force and direction of continuous forward movement. We actively promote clean energy and environment-friendly materials, and continuously optimize our production process to reduce energy consumption and improve energy efficiency. Against the background of accelerated renewal of electronic materials and equipment, rapid expansion of new energy battery product markets, and national comprehensive promotion of industrial green development, Kinwong Electronic is committed to providing green solutions to meet the needs of customers for all types of applications.

3.1 Green R&D and Innovation

Kinwong Electronic owns a strong R&D team, gathered a set of material research, new product development, process design and optimization of a specialized team of personnel. We continue to improve the processing technology of multi-layer boards, HDI boards, metal substrates, flexible boards, rigid-flex boards, high-frequency boards, special PCB boards, etc., to greatly enhance our technology and lead the technological innovation and product upgrading.

We have established a multi-departmental, internal and external synergistic R&D mode by virtue of our experienced R&D team and extensive and in-depth external cooperation. We have set up the Zhuhai 5G Communication and Automotive High-end Printed Circuit Board Engineering Technology Research Center to build up a standardized, highly efficient and sustained R&D system.

Our company adheres to high-level investment in R&D, and continues to promote the construction of scientific research platforms to enhance R&D capability. During the reporting period, our R&D investment amounted to RMB **601 million**, an increase of **10.03%** year-on-year.



3.2 Green Production

3.2.1 Low-Carbon Production

Green development concept has been incorporated into our corporate culture and has become the driving force and direction for our company to keep moving forward. We actively promote the use of clean energy and environment-friendly materials to enhance the environmental attributes of our products. We are committed to pursuing a green and low-carbon production model, optimizing the production process, reducing energy consumption and improving energy efficiency.

In the production process, we seek to achieve the goal of energy saving and efficiency through the management of energy-using equipment, improvement of processes and optimization of energy structure. With reference to ISO50001 and other standards, we have established a comprehensive energy management system and formulated management systems and procedures, including Energy Management Manual, Energy Review Procedures, *Energy Performance Monitoring and Measurement Management Procedures*, *Energy Benchmarking and Energy Performance Parameter Management Procedures*, *Energy Operation Control Procedures*, *Control Proce*

dures for Evaluation of Laws, Regulations and Compliance, Control Procedures for New, Renovated and Expanded Energy Projects, and Control Procedures for Exchange of Information. By the end of the reporting period, Kinwong Electronic has realized the stable operation of each production line, and has obtained ISO50001:2018 energy management system certification.

Main Energy Types and Application

Energy management is one of the core aspects of green manufacturing and low carbon, and it is also our main focus in realizing low carbon development. Our direct energy consumption includes natural gas, gasoline and diesel, and indirect energy includes outsourced electricity.

Direct Energy Types and Application			
Direct Energy			
Energy Types	Natural gas	Gasoline	Diesel
Application	Employee welfare canteen operation	Private vehicle operation	Back-up diesel generator operation
Indirect Energy			
Energy Types	Outsourced electricity		
Application	Production and manufacturing		

Management of Energy-Consuming Equipment

Our company requires each position in the equipment and production departments to conduct regular inspections and maintenance of energy-consuming equipment, aiming to improve the energy efficiency of energy-consuming equipment. Moreover, our company carries out inspections of energy-consuming equipment and energy delivery pipelines at least once a quarter to prevent escaping, bleeding, dripping and leaking, and reduce energy wastage effectively.

To manage key energy-consuming equipment more systematically, our equipment department has set up a ledger and inspected and supervised the operation status of energy-consuming equipment. Rectification is carried out as soon as inefficiency or wasteful energy leakage is detected. We also conduct energy performance evaluation of workshop departments and the whole factory in accordance with *Energy Performance Monitoring and Measurement Management Procedures*. For equipment with low efficiency and high energy consumption, our production department will apply to the equipment department for scrapping and renewal.

In the management of energy-consuming equipment, we follow the principle of "whoever uses the equipment is responsible for it" and divide the management responsibilities according to the category of energy pipelines.

Key Energy Efficiency Projects and Progress in 2023

Our company actively carries out energy saving and efficiency improvement measures, focuses on the concept of low-carbon operation with people as the core. We adheres to the energy policy of "standardized management, energy saving and consumption reduction, and pursuing excellence", and lays the foundation for sustainable low-carbon production by improving the energy-saving and low-carbon awareness and skills of the whole staff.

We implemented consumption control on equipment such as air conditioners, elevators and lighting in office areas to encourage employees to achieve high energy efficiency in their daily work. During the reporting period, more than 10 energy saving and optimization projects were implemented across our group. The main projects are summarized in the table below.

9 Key Energy Efficiency Projects and Progress in 2023			
Key Project	Before renovation	After Renovation	Monthly Power Saving
Energy-saving renovation of elevator air conditioning	The elevator air conditioning system in our building is currently equipped with power of 800W, with a daily operating time of 24 hours and a monthly power consumption of 4,032 kWh.	After installing the air-conditioner power timing controller, the daily running hours of the air-conditioner are reduced and the monthly power consumption is about 2,184 kWh.	Not less than 1,848kWh
Headquarter building B1-B3 lane parking space lighting energy-saving renovation	The lighting tubes in the parking space of our building are 383pcs, with power of 18W, with a daily operating time of 24 hours and a monthly power consumption of 4,963.68 kWh.	After installing the timing controller in the lighting box, the daily lighting hours are reduced, and the monthly power consumption is about 2,275.02 kWh after renovation.	Not less than 2,688.7kWh
Air compressor system energy-saving renovation	Jiangxi factory area 1 air pressure system electrical ratio is more than 0.12 kWh/m ³ , with a daily power consumption of about 22,000 kWh.	The electrical ratio of the air pressure system is less than 0.105 kWh / m ³ , with a daily power consumption of about 19,000 kWh.	About 84,000kWh
Utilization of super-efficient energy-saving lamps	The original lamps of the factory are conventional 18-22 W lamps.	Ultra-efficient energy-saving lamps, 8 W under the same illuminance, more than 5,000 replaced throughout the year.	About 33,600kWh
Energy-saving renovation of high-efficiency fan	The original equipment fan adopts conventional fan, single machine configuration of about 11-18 kW.	Adopt ultra-efficient energy-saving fan, single configuration 4-7.5 kW, total installation of more than 100 sets throughout the year.	About 370,000kWh
Energy-saving transformation of high-power water pumps	The original high-power water pump adopts secondary/tertiary energy-efficient water pumps.	Adopt first-class energy-efficient high-power pumps for renovation, single energy-saving more than 20%, a total of more than 10 sets of renovation throughout the year, reducing the operating power of more than 120 kW.	About 80,000kWh

3.2.2 Intelligent Manufacturing

Our company has built an intelligent factory, Jiangxi PCB factory No. 2, which is one of the most intelligent and innovative factories in the industry. With the advantages of short production cycle, high efficiency, high yield rate and strong traceability, this factory has greatly improved production efficiency and maximized customer's delivery demand.

Kinwong Electronic has carried out product transformation, technological transformation and lean production, with the differentiated characteristics of each factory and our specific customers. By gradually building a "complete chain" of internal and external information management, we have effectively reduced the scrap rate and production costs, improved the quality of products, and promoted the significant increase in production capacity and efficiency. With the launching of Zhuhai HLC factory, substrate-like PCB and IC package substrate factory, as well as the expansion of Longchuan FPC factory No.2 and Longchuan MPCB factory No.2, our competitiveness in the field of high-end circuit boards has been further strengthened.

3.3 Product Quality and Safety

3.3.1 Quality Management

Kinwong Electronic has formulated *Quality Management Guide* to continuously improve the quality management system and enhance product quality of our company. The guide integrates our company's strategic plan, effectively standardizes quality governance, and ensures the efficient execution of quality management work.

Our company practices the quality management concept of "quality first, success by quality" continuously, and continues to strengthen the quality awareness, standardization awareness, problem awareness, vigilance awareness, risk awareness and improvement awareness of all staff, especially the management personnel. With the guiding principle of "perfecting process control and reducing the risk of quality failure", our company is committed to realizing steady state control and integrating risk control into all aspects of quality management.

We take an active role in identifying and effectively controlling risks, and rigorously execute the identification, assessment, conversion and training implementation processes required by our customers, while ensuring that the initial implementation is correct. We also pay special attention to "changes" and "exceptions" to ensure that improvement measures are actually implemented, and we take a hard line against any irregularities. We continue to implement key control project point monitoring, focusing on the dual importance of methodology and implementation, highlighting the principle of "prevention first", and strengthening detail management and implementation of measures. We also continue to improve our product traceability management capabilities, and are committed to improving the quality of organic monitoring, prevention and quality performance assessment system, and endeavor to build the quality brand into the core competitiveness of our company.

We have built a central laboratory, introduced more than 70 sets of advanced testing equipment, with the ability to test more than 40 testing items. Our laboratory scale and equipment value leading in the industry. We are also equipped with testing and verification center accredited by China National Accreditation Service for Conformity Assessment (CNAS), which is in line with ISO/IEC17025:2005 **General Requirements for the Competence of Testing and Calibration Laboratories**. It provides strong technical support for the R&D and validation of new technologies and the monitoring and validation of process products. We are able to provide credible test reports for reference of our customers. Our independent laboratory can significantly shorten the product delivery cycle, guarantee product quality, and make our company more competitive in the market.



Central Laboratory

During the reporting period, our company operated stably and passed the certification of IATF16949:2016 automotive quality management system standard, ISO13485:2016 PCB & FPC quality management system for medical devices and ISO9001:2015 quality management system, and continued to maintain the effective operation of quality system.



ISO 13485: 2016



IATF 16949: 2016



ISO 9001: 2015

Guided by the quality policy of "starting from ourselves, manufacturing quality products", our company is committed to become a benchmark of high quality in the circuit board industry and to provide customers with the most reliable products and services. Under the guidance, coordination and supervision of quality management department, we conduct annual quality management reviews to ensure the appropriateness and effectiveness of our policies. In order to achieve this goal, we place the quality department of each factory at the center of our operations, developing and implementing quality improvement activities, realizing total life-cycle quality management, and continuously improving customer satisfaction.

Kinwong Electronic Quality Management System for Whole Life Cycle

Management Process Name	Management Process Content
Pre-Quality Planning	APQP (Advance Product Quality Planning) team is responsible for pre-product planning, converting all customer needs into actionable and executable requirements and measures, and following up on the implementation of customer needs through training for the executive departments;
Process Quality Management	Our company has established a systematic quality management system, with standard work instructions as the platform, and set up a perfect training mechanism, covering standardized operation, equipment maintenance, change and abnormality management, continuous promotion and optimization of traceability management, etc. We also strictly control the process key control items to ensure the quality of our products;
Inspection Capability Improvement	Our company combines the inspection system with digitalization to realize the automation of inspection equipment. Our company also continuously implements MSA (Measurement System Analysis) requirements to ensure that the reliability and accuracy of our measurement systems are under control, and strive to improve the defect "interception" system to ensure that products can be found and solved in time during the production process;
Supplier Quality Management	SQE (Supplier Quality Engineer) department of our group is responsible for the systematic management of our suppliers, so that the whole supply chain has a common sense of responsibility and mission, and shares the fruits of rapid development, so as to achieve a win-win situation for both supply and demand;
Quality System Management	Our company draws on the idea of integrating "multiple standards" into an integrated system, taking the enterprise as a whole, and reintegrating all resources and activities of the organization into an integrated management system model in accordance with the process approach, which is used to stipulate and guide the implementation, maintenance and continuous improvement of the process or system;
Quality Training and Motivation	Our company shapes the quality culture of all staff, establishes the concept of "zero defect", and adopts the combination of "training" and "practice" to build a professional and efficient quality management team.

3.3.2 Product Safety and Testing Management

Product safety and Reliability Management

Product safety and reliability are the most important attributes of quality, and the core of quality is high reliability. In order to achieve this goal, our company has formulated and implemented *Product Safety Control Regulations*, and adopted a series of strategies and measures to standardize the management of product safety and guarantee the safety and reliability of our products.

01 Product Safety Planning

Customer demand identification and evaluation

our company organizes the identification and evaluation of product safety laws and regulations requirements of customers in accordance with *Contract Review and Change Control Procedures*, and understands in detail the product safety requirements meet customer;

Product special features evaluation

our engineering department evaluates the data provided by customers to determine the special features related to product safety, and prepare *Product and Process Special Features Matrix*, to clarify all product safety items and control requirements;

Product development

in product development and process planning, our APQP team adopts advanced process technology and testing methods, summarizes past lessons learned, and ensures product safety;

FMEA (Failure Mode and Effects Analysis) analysis and risk assessment

our APQP team conducts FMEA analysis to identify potential risks and assesses the risks through various tests to ensure timely detection and resolution of problems during product development and production;

Supply chain management

our procurement department strictly regulates the transmission and implementation of product safety requirements in the supply chain and ensures that the products have good traceability in order to maintain the quality and safety of the entire supply chain.

02 Personnel Qualification Training

Our quality department has clearly defined the person responsible for product safety and clearly stipulated their qualifications and duties and tasks to ensure that special people are dedicated to product safety. We also provide product safety training for all design, purchasing, production, and inspection personnel involved in product safety-related production, covering product liability principles, control implications, and risk analysis. Our company continues to cultivate professional product safety management personnel. During the reporting period, our employees in the quality department obtained Product Safety and Conformity Representative (PSCR) certificates.

Product Safety and Conformity Representative (PSCR) Certificate



03 Production Process Control

Safety control strategy

our APQP team formulates control plans and various operation instructions according to the special characteristics of products, and specifies the process parameters and control means that affect safety;

Safety process validation

our company conducts process capability validation that affects product safety to ensure that the process capability meets the requirements before and after mass production;

Calibration and MSA analysis of testing equipment

our company carries out accurate calibration and MSA analysis of testing equipment used for testing product safety items to ensure their reliability and accuracy.

Product Testing and Non-conformity Management

Our company has comprehensive product inspection capabilities to ensure product quality by conducting preventive inspections for product quality problems that may arise in each process. For new or possible quality problems, we prioritize error-proofing, equipment automation and other solutions for preventive inspection.

01 Key Aspects of Material and Product Inspection

Incoming material inspection management

during the process of receiving and warehousing raw materials, we strictly check whether the varieties, quantities, specifications, and shipping inspection report forms of incoming materials are consistent with the purchase orders and requirements, and automatically check the qualification of suppliers and materials in the background through ERP system. We also manage the materials received by classification;

Qualified materials routing inspection and sampling

our company monitors the procedure during the process while conducting routing inspections of the process to ensure that the process operation meets the requirements. We adopt C=0 sampling standard for sampling inspection, and carry out regular sampling plan according to the standard of AQL=0.65 to ensure the quality stability and reliability in the process.

02 Non-conforming Products Management

We have formulated *Non-conformance Control Procedures* to standardize the non-conformance management procedures through the two dimensions of business process and on-site process, to form a closed-loop operation of identification, marking, segregation, evaluation, disposal and improvement, and to clarify the responsible departments for each process, so as to strictly control the quality.

QUALITY CONTROL



03 Disposal of Non-conforming Products

Provisional approval

when a batch of products have defective conditions, if the defect has no significant impact on product quality and customer performance, or has been allowed by the customer, it will be released specially. However, for the special evaluation of medical products, our company requires that it must comply with the requirements of relevant laws and regulations, and issue functional impact test reports to ensure the safety and performance of products;

Rework/Re-inspection

we have established *Rework Operating Procedures*. All reworks must be filled in the MRB (Material Review Board) sheet and the results of the product inspection after rework are recorded according to procedural requirements. In particular, for rework of medical products, we require a functional impact test report and an impact analysis report of the rework to ensure that the quality and safety of the reworked product meets the standard requirements;

Scrap

we have established *Scrap Determination and Handling Procedures* to standardize the scrap evaluation process. We also analyze the scope and assess the risk of non-conforming products, and the whole batch of non-conforming products in high-risk category will be scrapped according to the internal MRB process to ensure the quality and safety of products. In addition, for appearance and optional defect types, we will check and rework or select for scrapping with reference to *Rework Operating Procedures*.

04 Product Recall Management

Timing

when we discover that a certain batch of products has been detected to have exceeded the standard for hazardous substances or have failed in quality, and these products are no longer within the control of our company (e.g., they have already been delivered or the property rights have been transferred), we will immediately initiate the recall procedure;

Handling of recalled products

our company will mark and segregate the recalled products. Recalled products are regarded as non-conforming products and will be handled in accordance with *Non-conformance Control Procedures* or *Environmental Substances Management Procedures*. We will also formulate a corresponding nonconformity report and specifically indicate in the report that these products are recalled products;

Corrective and remedial action

our company requires that the effectiveness of the recall process be verified by using validation tests, simulated recalls, or actual recalls, that the results be documented, and that the results be utilized to develop corrective and preventive action. We also take necessary corrective and preventive measures in accordance with Corrective and Preventive Measures Control Procedures for problems with the recall procedure and management system based on the recall report when recalls occur.

3.3.3 Company Product Quality Culture

Quality culture is crucial to our quality management and business development. We make quality management a mandatory course for our employees and strive to create a "zero-defect" quality culture. We emphasize prevention and follow the goal of "getting it right at the first time" in our quality planning and review process.

We strictly follow the product quality standards, standardize the production process and establish a quality red line. To ensure the effective control of the quality red line, we have also established a strict reward and punishment mechanism. We give recognition and rewards to the executive departments that strictly abide by the quality red line standard and maintain good product quality, in order to motivate employees to actively engage in quality management. For violating the red line of quality and affecting the quality of products, our company will seriously deal with it and take corresponding punitive measures in order to maintain our quality reputation and customer satisfaction.

We are committed to establishing and perfecting continuous improvement operation systems such as QCC (Quality Control Circle) and 6 sigma (Six Sigma Management Method), and have formulated corresponding evaluation and management systems. Our company organizes annual summary review activities within the product line, aiming at recognizing and rewarding outstanding teams and individuals, showing our affirmation of the work of our employees, as well as providing employees with opportunities for individual merit assessment, salary increase and promotion.

During the reporting period, we carried out various quality culture activities, including "Quality Month" activity, "Hands Up Culture" propaganda and "Quality Red Line" management training.

CASE "Quality Month" Activity

Every third quarter, we organize and carry out "Quality Month" activity at the product line level, aiming to promote the construction of quality culture. The activities cover a variety of forms, including the collection of quality slogans, cartoons, articles, suggestions for quality improvement, meetings between quality leaders and employees, quality knowledge training, fun games or contests on quality knowledge, operational skills competitions, and quality thematic projects for improvement.

Our company also organizes the summary and commendation meeting of "Quality Month" activity at the product line level every year to commend the employees who have made outstanding contributions to the construction of quality culture, to further stimulate the attention and participation of employees to quality management, and to promote the in-depth development of quality culture.



"Quality Month" Activity

CASE "Hands Up Culture" Propaganda

Our company actively promotes "Hands Up Culture" and integrates it into daily quality management. We require all of our factories to carry out comprehensive training and promotion work in strict accordance with the provisions of *Hands Up Culture Management Measures* to motivate employees to actively participate in the process of improving and solving the "Hands Up Feedback" problems. By continuing to promote the "Hands Up Feedback" mechanism, our company is committed to establishing an open and transparent communication channel that allows employees to express their opinions and feedback issues freely.

Our company also requires each factory to inform the corresponding "Hands Up" employees of the processing results in a timely manner, and establish a corresponding penalty reduction, penalty increase and reward mechanism to improve the enthusiasm of employees to participate in quality management and problem solving. In order to organize and classify the "Hands Up Feedback" project, we cooperated with all factories to organize review and commendation activities, and rewarded employees who actively participated in "Hands Up Feedback" to enhance the motivation of employees to participate in quality management.

CASE "Quality Red Line" Management Training

By organizing regular training activities, we actively promotes the effective implementation of "quality red line" management, aiming to create a quality culture atmosphere of "standardized operation and elimination of violations". The training content carried out by various departments includes the "quality red line" standard, operation process and quality management requirements, etc., in order to enhance the understanding and awareness of the "quality red line" of employees. The Quality Management Department and the Quality Departments of each factory are responsible for supervising and auditing the implementation of the "quality red line", ensuring that all departments fully implement the requirements of the "quality red line".



Kinwong's "Six Nos" Quality Red Line

<p>01 Not following the process card (MI) for work</p>	<p>02 Not following the requirements for inspection</p>	<p>03 Not following the requirements to make the first piece</p>
<p>04 Rework or repair without review</p>	<p>05 Unreal testing, concealment, and false reporting</p>	<p>06 Unauthorized changes without approval</p>

▲ "Quality Red Line" Management Training

3.4 Customer Service

3.4.1 Customer Relationship Management

Our company adheres to the service concept of "customer-centered", continues to strengthen the pre-sale, sale and after-sale customer service, and builds a high-quality customer service system. We have formulated customer relationship management systems such as *Customer Satisfaction Survey and Evaluation Procedures*, *Customer Returned Goods Analysis Procedures*, *Customer Complaint Handling Procedures* etc.

In terms of customer after-sales service, our company defined customer complaints in a graded manner based on factors such as the degree of harm and economics of the consequences generated by PCB boards. For different levels of complaints, we defined the responsible departments and configured a team of highly professional and capable groups to effectively deal with customer complaints. The team works closely with customer service departments to ensure that we can respond quickly to customer needs and coordinate internal resources to resolve issues. We also feedback customer complaints to the relevant units in the factory to promote the implementation of improvement measures and prevent the recurrence of similar problems in the future, which further establishes a good quality image of our company.

We have established *Customer Satisfaction Survey and Review Procedures*, which are designed to fully understand customer needs and satisfaction, measure and analyze our actual performance in satisfying customer requirements, and provide a basis for business planning and management review to ensure that we continue to satisfy the current and future needs and expectations of our customers.

3.4.2 High Quality Services

We have been committed to providing customers with high quality services and products, which have been highly recognized and praised by our customers. In 2023, we further improved product quality and ensured stability and reliability of our products by implementing measures such as digitalization of quality management. We adhere to the principle of on-time delivery and always put customers' needs first to ensure that our products are delivered on time.

Our company emphasizes on customer pre-sale, sale and after-sale service, providing customers with high quality customer service level. We have been maintaining smooth cooperation with customers, constantly listening to customer needs and feedback, and actively solve problems to provide customers with more personalized and quality services.

During the reporting period, we received a number of customer high quality service excellence awards, further demonstrating our superior performance in service quality and the trust and support of our clients. We will continue to work hard to improve our service, provide customers with higher quality products and services, and maintain a good relationship to jointly promote the development of both sides.



▲ Customer High Quality Service Excellence Award

3.4.3 Responsible Marketing

Our company insists on carrying out sales and marketing responsibly, providing accurate and comprehensive information in market development, customer sales and product labeling management. Our company carries the compliance concept through the whole process of business development and contract management, and regulates the compliance behavior of brand promotion team, sales team, and product team in the business process.

We highly emphasize brand promotion in both domestic and overseas markets, and have effectively enhanced the recognition of our brand in overseas markets through active marketing strategies. In 2023, we carried out the optimization of company's official webpage and redesigned the company profile page to provide a better visual effect and to be able to present our brand image well.

To further enhance brand recognition in overseas markets, we continuously publish our news and latest developments on globally recognized social networking sites to expand our exposure and enhance brand recognition. We released promotional articles on our technology and product information through PCB007, a famous foreign media in the industry, which demonstrated our wide range of product types and extensive application fields, showing our product advantages to overseas customers in a comprehensive manner, meeting their diversified product needs and promoting company development in overseas market.

We regularly conduct various training activities in order to enhance the professional knowledge and business etiquette of our marketing staff. The training courses include business etiquette training and insights into PCB industry dynamics. These courses are designed to help employees improve their communication skills in business situations and deepen their understanding of industry trends and market dynamics.

CASE Business Etiquette Training

On December 2, 2023, Kinwong Electronic held the first business etiquette training course, mainly explaining the key operations and precautions in business activities about self-introduction, exchange of business cards, handshake etiquette, and customer reception at the airport. Participants mastered important manners and expressions in business activities through training and on-site rehearsals, and improved their sales literacy and people handling skills.



Business Etiquette Training

CASE PCB Industry Dynamics Insight

On December 13, 2023, Kinwong Electronic invited experts from famous market research institutions in PCB industry to share the latest dynamics and technologies in PCB industry for all staff of our marketing center. By communicating and sharing, the frontline sales staff gained the latest market intelligence and development trend.



PCB Industry Dynamics Insight



04

Green Innovation Environmental Pioneer



Kinwong Electronic adheres to the concept of green development and is committed to becoming a pioneer in environmental protection. We not only integrate green innovation into the core of our corporate development strategy, but also fulfill our commitment to environmental protection with practical actions. Our company continues to innovate science and technology, promote green manufacturing, and strive to reduce the impact on the environment and contribute to building a beautiful home. Through a series of initiatives such as advocating green lifestyles, continuously improving production processes, and strictly controlling waste emissions, the company is committed to leading the industry and becoming a model of sustainable development.

Thematic Case Chemical Safety Management

For the management of hazardous chemicals, Kinwong Electronic strictly observes national policies, regulations and guidelines such as *Law on Work Safety, Regulations on Safety Management of Hazardous Chemicals* and *Opinions on Comprehensively Strengthening Work Safety of Hazardous Chemicals*. We emphasize the duties and obligations of each department in hazardous chemicals management to ensure an effective regulatory mechanism throughout the management system. We have formulated systems such as *Regulations for the Management of Hazardous Chemicals and Regulations for the Management of Chemical Warehouses* etc., with the aim of establishing a scientific and comprehensive management framework, so that the transportation, use and disposal of hazardous chemicals can be supervised and managed in a safe and orderly manner at all stages.

Management Structure and System Development

Kinwong Electronic deeply recognizes the importance of establishing a sound management structure and system for the management of hazardous chemicals. We keep improving the organizational structure of hazardous chemicals management and incorporate hazardous chemicals management into the overall management system. Managers at all levels have been given clear responsibilities and authorities. In addition, we have set up a specialized Hazardous Chemicals Management Committee, which is composed of professionals, to formulate, implement and supervise the standard requirements and measures for the management of hazardous chemicals. It effectively prevents the occurrence of safety accidents of dangerous chemicals.

Responsibility Division of Each Department

Kinwong Electronic Hazardous Chemicals Management System

Department	Responsibility Division
Safety Department	<ul style="list-style-type: none"> Responsible for carrying out safety inspections to ensure the safe operation of production sites, facilities and equipment; Responsible for the development and implementation of the filing and purchase application system for the use of hazardous chemicals, and strictly reviewing the demand for the use of hazardous chemicals in compliance with relevant safety standards and regulatory requirements.
Purchasing Department	<ul style="list-style-type: none"> Responsible for the procurement of hazardous chemicals to ensure reliable sources and qualified quality; Responsible for transportation management, including the selection of safe modes of transportation and the supervision of safety measures during transportation.

Kinwong Electronic Hazardous Chemicals Management System	
Department	Responsibility Division
Planning and Material Control Department	<ul style="list-style-type: none"> Responsible for the loading and unloading, storage and warehouse management of barrels of hazardous chemicals to ensure that the storage environment meets safety requirements; Develop and implement relevant storage management system, including categorization, zoned storage, labeling of names, hazardous characteristics and emergency handling measures.
Equipment Department	<ul style="list-style-type: none"> Responsible for the daily management of the maintenance and overhaul of equipment and facilities in the hazardous chemicals and centralized dosing area; Timely processing of equipment failures or safety hazards to ensure the normal operation of facilities and equipment to prevent accidents involving hazardous chemicals.
Utilization Department	<ul style="list-style-type: none"> Responsible for the daily management of hazardous chemicals in the process of use, including the implementation of operating procedures for use and the safety education and training of employees; Responsible for the safety management of hazardous chemicals at the production site to ensure compliance with the operational requirements and safety standards set by our company.

Requirements for the management of hazardous chemicals "easy to be used in drug manufacturing, explosives and highly toxic"

Our company has implemented the "five double" management system, i.e., double receiving and dispatching, double bookkeeping, double locking, double transportation, and double use, in order to ensure double supervision in the process of daily management of hazardous chemicals;

Compliance with Laws, Regulations and Standard Requirements

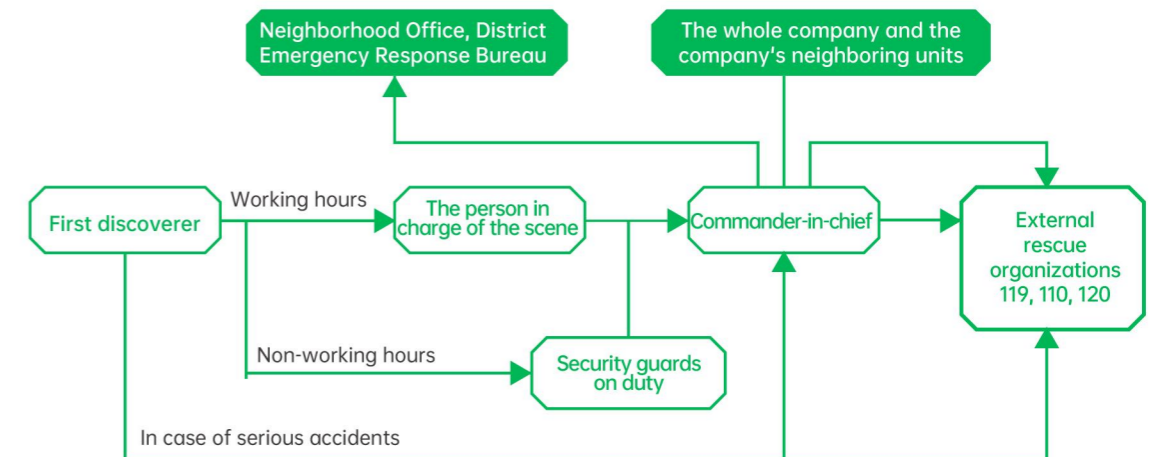
Kinwong Electronic complies with relevant national laws and regulations and standardized requirements on chemical safety management. We collect, interpret and implement relevant laws and regulations on chemical safety management on a regular basis, and update our management system and processes timely. In addition, the company also invests a lot of resources to organize all employees who come into contact with chemicals to receive training on the corresponding operation norms and standards and laws and regulations, so as to improve the safety protection ability and the awareness of compliance with regulations of all employees.

Risk Assessment and Control

Our company carries out a comprehensive safety risk assessment for each chemical used, taking into account all aspects of hazard-ousness, toxicity, flammability and explosiveness. Based on safety risk assessment, we have formulated corresponding safety risk control measures and emergency response plans to deal with potential safety risks. We have also established a regular risk assessment mechanism to firmly implement the safety management principle of "safety first, prevention oriented and comprehensive management", to ensure that the risk assessment work can be followed up and the risk control measures can be updated timely with the changes in the working environment and production process conditions, and to improve the ability to recognize the risk of emergencies.

Emergency Response and Treatments

We have established a comprehensive emergency response and disposal rescue system to ensure a rapid and effective response in case of hazardous chemical accidents. Our company has established an emergency rescue command organization, which is responsible for the emergency rescue command of safety accidents and regularly organizes emergency drills, including simulation of different types of accident scenarios, in order to test and improve the emergency response capability of our employees. We also have a professional emergency rescue team, which conducts regular training and drills to ensure that rescue operations can be carried out quickly in critical situations to minimize casualties and accident losses.



CASE Hazardous Chemical Leakage Site Disposal Drill

Kinwong Electronic hazardous chemical leakage site disposal drill aims to improve the employees' ability of emergency disposal of hazardous chemical leakage. In the drill, the emergency rescue team arrived at the scene quickly and controlled the leakage point effectively, and the daily hazardous chemical safety training results were fully demonstrated. We have strengthened the daily training and hands-on practice of our employees to improve their psychological quality and emergency response ability to deal with emergencies, and to ensure that they are proficient in how to use on-site emergency rescue equipment. Safety awareness and emergency response level of employees have also been strengthened, and they are able to respond to potential hazardous chemical leakage incidents to safeguard the lives of employees and company property.

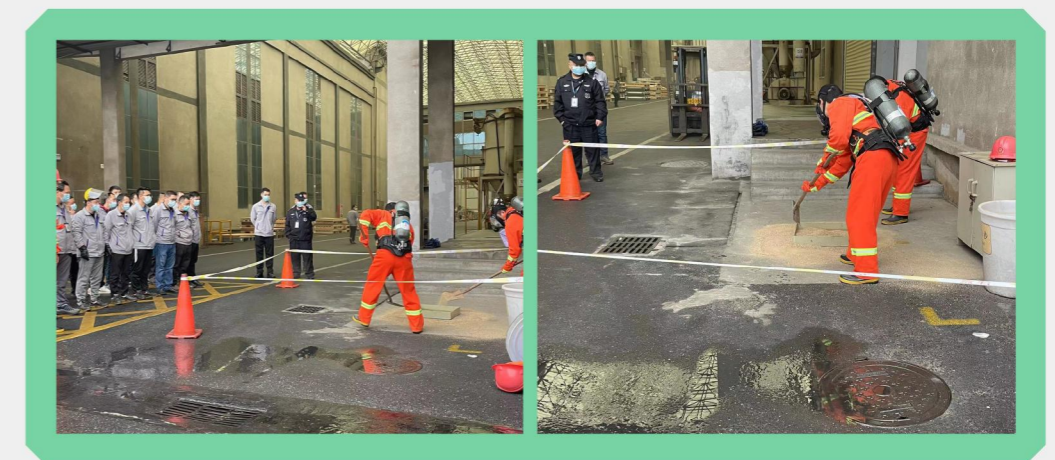


Figure: Hazardous Chemical Leakage Site Disposal Drill

Training and Education

Our company has invested significant resources in training and education as an important part of hazardous chemicals management. We popularize chemical safety knowledge to our employees in various forms, such as TV, safety bulletin boards, slogans and banners, and regularly organize all kinds of safety education and training activities to comprehensively enhance employees' awareness of safety protection and emergency response capability. These activities include dispatching chemical management personnel and operators to participate in training and assessment for certification organized by the Municipal Emergency Management Bureau, internal training on theoretical knowledge of hazardous chemical safety, operational skills training and emergency response training.

CASE Thematic Meeting on Safety Production

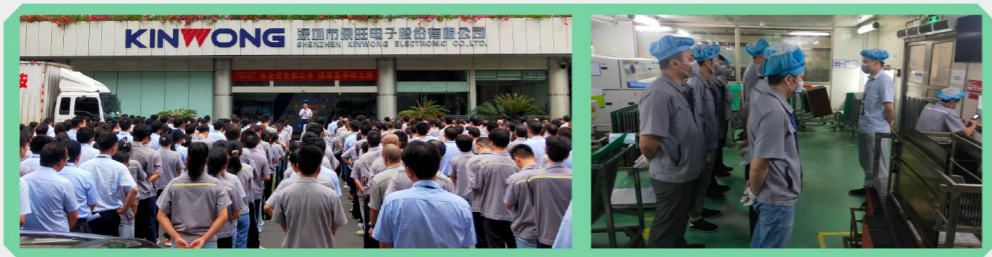
In September 2023, Kinwong Electronic held a special meeting on safety in production, organizing employees to study and research the criteria for determining major hidden danger accidents in this industry sector, and formulating stricter guidelines based on cases of safety accidents in previous years, aiming at identifying and preventing potential risks in advance. We studied and deployed the work of benchmarking and reforming, and clarified the direction of improving the safety management level by comparing with the safety management standards of other enterprises, and clarified the responsibilities of each department in order to ensure the smooth progress of safety management work. We organized various departments to focus on the notes of major accident hidden danger investigation and remediation, shared the experience of investigation and proposed solutions to ensure comprehensive, in-depth and efficient investigation and remediation work. By this meeting, our employees' awareness of production safety has been strengthened, and their ability to prevent and deal with major hidden accidents has been enhanced.



Thematic Meeting on Safety in Production

CASE Accident Safety Education

Kinwong Electronic adheres to the spirit of safety accident warning and education, which is "accident in a factory, ten thousand factories should be warned, hidden danger in a place, the whole country should be warned", and improves employees' awareness of safety and emergency response ability by various ways. In October 2023, we organized a safety accident warning and education campaign for our internal staff, covering fire, chemical leakage and electrical safety, in order to provide our staff with an understanding of the potential safety risks in the production process, and to master the disposal methods for dealing with unexpected accidents. Our company also organized various types of accident scenarios simulation drills, so that employees can learn emergency disposal skills in the actual operation, and find and remove potential safety hazards in a timely manner. By means of broadcasting safety accident warning film on TV, posting safety slogans and banners, and publicity column of safety knowledge, a safe production atmosphere of full participation and common maintenance is formed. With these safety warning and education initiatives, Kinwong Electronic has effectively enhanced the safety awareness of employees and guaranteed the safety and stability in the production process.



Accident Safety Education

4.1 Environmental Management

4.1.1 Environmental Performance Objectives

Since General Secretary Xi Jinping put forward the "3060 Carbon Peaking and Carbon Neutrality Goals" in 2020, Kinwong Electronic has actively responded to the national carbon neutrality initiative, demonstrating our high level of concern and positive action on climate change. In 2023, we have announced that we will peak our carbon emissions in 2025 and push our key supply chain to achieve carbon neutrality in 2050 in tandem with Kinwong (Scope I and Scope II).

To implement this commitment, we have set environmental performance targets, including short-, medium- and long-term targets, and ensure their realization by continuously tracking and evaluating the achievement of the targets. The setting of these goals not only reflects our commitment to environmental protection, but also demonstrates our proactive role in the new era of carbon reduction.

Kinwong Electronic "Carbon Peaking and Carbon Neutrality" Goals

Goal Setting	Short-, Medium- and Long-Term Planning	Content
General Goal		
Carbon Emissions Peaking	2025	Peak corporate carbon emissions (Scope I and Scope II).
Carbon Emission Neutrality	2050	Company carbon emission neutrality (Scope I and Scope II).
Sub Goal		
SBTi Science Carbon Target Setting Completed	2024	Company completes setting science-based carbon targets by 2024.
Green Supply Chain Certification Completed	2024	Company completes Green Supply Chain certification in 2024.
Energy Management System Certification Completed	2025	Company completes Energy Management System certification in 2025.
Supply Chain Carbon Neutrality	2050	Company promotes the key supply chain to achieve carbon neutrality by 2050 in tandem with Kinwong (Scope I and Scope II).
Specific Actions Goal		
Carbon Peaking	2023-2025	Expanding capacity and achieving carbon peak by 2025
Carbon Reduction Milestones	2026-2035	40% decrease in carbon emissions
	2036-2040	7% decrease in real carbon emissions per year
	2041-2045	13% reduction in real carbon emissions per year
	2046-2050	20% reduction per year, with 2045 as base year

Factory Green Power Ratio Program

Factory Name	2024	2025	2030	2035	2040	2045	2050
Fushan FPC	15%	16.50%	26.57%	42.80%	62.80%	80.15%	100%
Shenzhen FPC	15%	16.50%	26.57%	42.80%	62.80%	80.15%	100%
Longchuan FPC Factory No.1	20%	22.00%	35.43%	57.06%	83.73%	100%	100%
Longchuan FPC Factory No.2	20%	22.00%	35.43%	57.06%	83.73%	100%	100%
Shenzhen PCB	15%	16.50%	26.57%	42.80%	62.80%	80.15%	100%
Longchuan PCB	20%	22.00%	35.43%	57.06%	83.73%	100%	100%
Longchuan MPCB	20%	22.00%	35.43%	57.06%	83.73%	100%	100%
Jiangxi Factory No.1	20%	22.00%	35.43%	57.06%	83.73%	100%	100%
Jiangxi Factory No.2	20%	22.00%	35.43%	57.06%	83.73%	100%	100%
Jiangxi Factory No.3	-	20.00%	32.21%	51.87%	76.12%	100%	100%
Ganzhou PCB	-	20.00%	32.21%	51.87%	76.12%	100%	100%
Zhuhai HLC	15%	16.50%	26.57%	42.80%	62.80%	80.15%	100%
Zhuhai SLP	15%	16.50%	26.57%	42.80%	62.80%	80.15%	100%
Total in Our Group	17.70%	19.58%	31.53%	50.78%	74.51%	92.37%	100%

Note:
 1.Jiangxi Factory No. 3 and Ganzhou Factory are under construction.
 2.The above definition of green power includes power generation from self-built (including contract energy management) photovoltaic system, international green power certificates, domestic green power certificates, green power from power market-oriented trading, and power generation from renewable energy plants under the control of our group.

In the implementation of energy saving and carbon reduction, Kinwong Electronic spares no effort and continuously takes measures to improve energy utilization efficiency and reduce carbon emissions. Meanwhile, our company gives full play to corporate influence and actively cooperates with stakeholders to jointly carry out actions to address climate change. By working together with suppliers, customers, communities and governments, Kinwong Electronic is committed to promoting a green, low-carbon and sustainable development model and contributing to the creation of a more environmental friendly and sustainable society. These positive initiatives will not only help our company achieve carbon neutrality, but also help to promote the progress of the global climate governance cause, and together we will move towards a low-carbon and sustainable future.

4.1.2 Climate Risks and Opportunities Identification

Kinwong Electronic has deeply recognized the importance and urgency of climate risk management for enterprises. To better adapt to climate change and achieve sustainable development, we have comprehensively assessed the impacts of climate change in terms of both risks and opportunities by disclosing the current status of Kinwong's key climate risk management in a transparent manner.

Climate-related Risk Identification

In planning the carbon management system, Kinwong Electronic takes into account internal and external factors as well as the needs and expectations of the meteorological and environment aspects in order to ensure the realization of expected results and continuous improvement. In terms of risk categorization, our company focuses on strategic planning, operational, financial, market, legal and credit risks, including challenges in the policy environment, supply chain management, financing channels and market competition. In response to these risks, Kinwong Electronic is committed to preventing adverse impacts, improving carbon management performance, and continuously improving its carbon management system to meet the challenges posed by climate change.

Climate-related Risk Identification

Climate Change Risks		Response Measures
Physical Risk	Acute Risk: extreme weather such as typhoons and heavy rains	<ul style="list-style-type: none"> ○ Develop emergency response plans for natural disasters and continually improve emergency response mechanisms for natural disasters; ○ Identify possible asset damage and purchase the necessary insurance.
	Chronic Risk: persistent high temperatures, drought, etc.	<ul style="list-style-type: none"> ○ Research and development and application of higher energy-efficiency refrigeration equipment; ○ Scientific arrangement of production plans, careful deployment of production organization, improve operational efficiency; ○ Avoid building factories in areas with high water supply risks and continuously promote water conservation.
	<ul style="list-style-type: none"> ○ Damage to factory and office buildings and equipment, resulting in loss of assets; ○ Stable production is affected by damage to equipment, inability of employees to work normally, and disruption of transportation. 	
	<ul style="list-style-type: none"> ○ Rising temperatures cause companies to equip more cooling equipment, increasing operating costs; ○ Employees may not be able to work outdoors for long periods of time during the hot season, affecting operational efficiency; ○ Prolonged drought may result in insufficient water supply, affecting operational stability. 	

Climate Change Risks		Response Measures	
Transformation Risk	Policy & Legal Risks	<ul style="list-style-type: none"> ○ The introduction of stricter government policies and regulations to mitigate climate change has increased compliance efforts for business operations and may result in an increase in related litigation or claims; ○ The implementation of carbon pricing mechanisms in China's carbon emissions trading, which increases business operating costs. 	<ul style="list-style-type: none"> ○ Closely monitor changes in environmental laws, regulations and policies and respond to them in a timely manner; ○ Actively work on energy conservation and emission reduction and increase the proportion of clean energy.
	Technology Risk	<ul style="list-style-type: none"> ○ Failure to invest in low-carbon technology research and development; ○ Failure to identify and apply low-carbon technologies in a timely manner, resulting in products lagging behind peers in the low-carbon transition. 	<ul style="list-style-type: none"> ○ Enhance our R&D capability through talent training and retention and other measures; ○ Research and apply low-carbon technologies and actively engage in industry cooperation.
	Market Risk	<ul style="list-style-type: none"> ○ Failure to effectively meet consumer demand for green and low-carbon products; ○ Rising raw material and energy costs. 	<ul style="list-style-type: none"> ○ Actively develop green and low-carbon products to meet consumer demand; ○ Promote resource conservation; ○ Build an intelligent energy cloud platform to implement price forecasting, energy consumption monitoring and analysis, and enhance energy control capabilities.
	Reputation Risk	<ul style="list-style-type: none"> ○ Negative stakeholder feedback due to poor performance in the area of climate change response and sustainability. 	<ul style="list-style-type: none"> ○ Enhance our sustainable development capability and actively respond to climate change; ○ Enhance the transparency of relevant management and respond to the concerns of stakeholders.

Identification of Climate-related Opportunities

Kinwong Electronic faces multiple opportunities related to climate change that can provide new impetus and direction for our sustainable development.

01 New Opportunities for Market Demand

With the increasing demand for renewable energy and energy efficient products in the society, it is an opportunity for our company to develop environment-friendly products that are in line with the market demand. By launching products in line with environmental trends, we can expand our market share and meet consumer demand for environment-friendly products, thereby gaining a greater competitive advantage in market.

02 Technological Innovation Opportunities

The challenge of climate change has prompted Kinwong Electronic to invest more resources in the research and development of environment-friendly technologies. With continuous innovation, our company can develop new environment-friendly technologies and solutions to enhance the competitiveness of our products. These technological innovations will not only meet market demands, but also help our company better adapt to the challenges posed by climate change in the future.

03 New Business Model Opportunities

Climate change has fueled the emergence of new business models, such as the circular economy and the sharing economy. Kinwong Electronic explores these new business models in order to provide more environment-friendly and sustainable products and services. By adopting these new business models, we can achieve sustainable growth by reducing resource consumption, minimizing carbon emissions, and meeting the growing consumer demand for environmental protection. By identifying risks and opportunities, we can make a better response to the challenges posed by climate change and find new opportunities for development in the midst of change. By managing risks and seizing opportunities effectively, our company can achieve sustainable development, enhance competitiveness, and lay a solid foundation for future growth.

4.1.3 Environmental Management Concept and System

Kinwong Electronic upholds the principle of prioritizing environmental protection. To protect the global environment and contribute to the sustainable development of human society, we have formulated clear environmental management policy, namely:



Environmental Protection Measures and Management System

In 2023, Kinwong Electronic set up an energy-saving and carbon reduction team and established an internal assessment system in order to comply with national and local environmental protection laws and regulations. Meanwhile, we initiated related environmental protection facility projects, including energy-saving motor replacement, energy-saving lamps and lanterns renovation, and green factory construction.

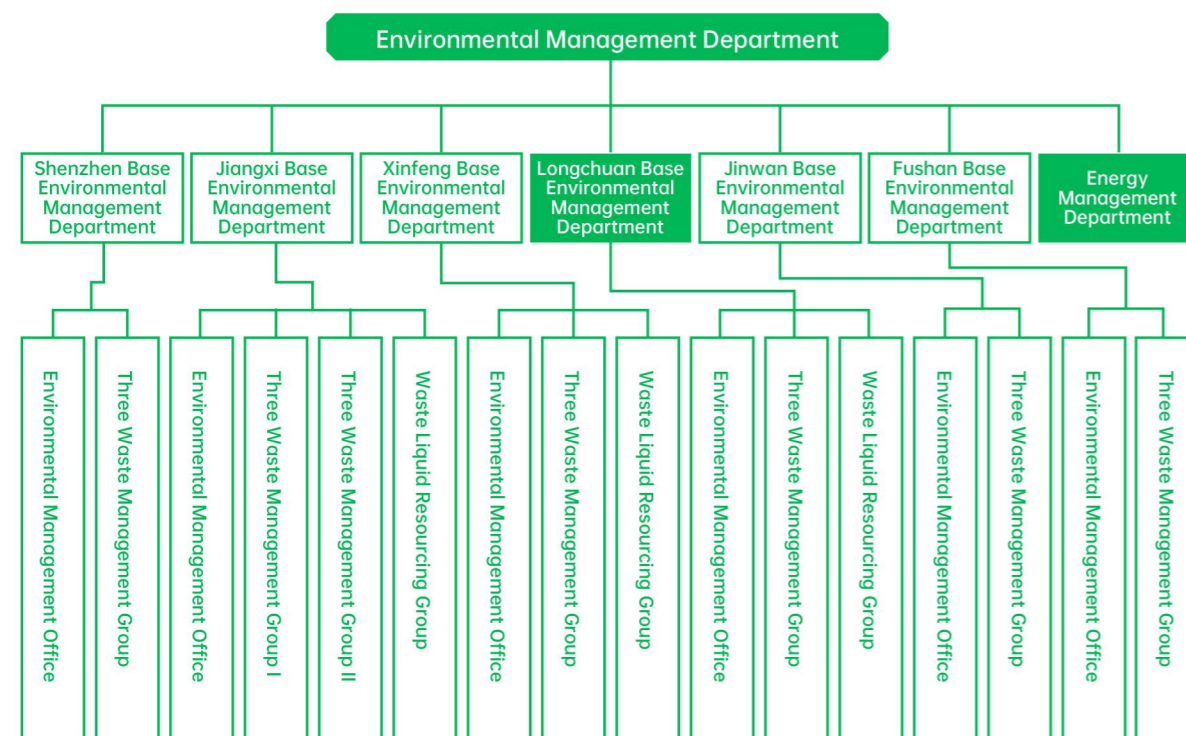
Our company and subsidiaries have introduced and validated the ISO14001 environmental management system, and have adopted the Plan-Do-Check-Act (P-D-C-A) model to promote continuous improvement. Our environmental management system includes regulations and documents such as *Regulations on Abnormal Emergency Handling in Water Treatment Workshop*, *Regulations on Handling of Hazardous Waste Liquids in Production Workshop*, *Regulations on Environmental Inspection in Factory Area*, *Regulations on Handling of Wastewater, Waste Liquids, Solid and Hazardous Wastes*, and *Code of Practice for Environmental Protection and Safety Daily Inspection and Monitoring*.

Kinwong Electronic has established a perfect environmental management system, including environmental management organization structure, division of responsibilities and workflow. Our environmental management system enables us to identify the environmental impacts of the organization's production, activities and services, and to comprehensively assess the severity of each environmental impact factor. The management system focuses on identifying significant potential factors in advance and developing improvement measures and operating procedures to reduce the risk of preventing the occurrence of significant potential impacts. Our environmental treatment facilities operate in tandem with factory production to ensure that the emissions of wastewater, waste gas and solid waste meet local regulatory requirements.



Zhuhai Kinwong ISO14001 Certificate

Kinwong Electronic Environmental Management Department Organization



In 2023, there were no major violations of environmental protection regulations in Kinwong Electronic, and we have achieved remarkable results in environmental protection. By continuous improvement and strict implementation of the environmental management system, we have actively promoted the realization of environmental performance objectives and made positive contributions to the protection of the environment and the reduction of resource consumption.

Initiatives and Achievements in Production Energy Saving and Consumption Reduction

Kinwong Electronic has taken a series of production energy saving and consumption reduction initiatives, such as energy-saving motor replacement and energy-saving lamps and lanterns renovation. These initiatives not only help reduce energy consumption and carbon emissions, but also improve production efficiency and product quality. As of the end of the reporting period, our company has implemented the relevant projects and achieved certain energy-saving results.

Initiatives to Advance Energy Transformation

To promote energy transformation, Kinwong Electronic continuously explores and promotes new technologies and processes, improves energy utilization efficiency in the production process, and reduces dependence on traditional energy sources. We will continue to increase our investment in energy conservation and environmental protection, and keep pushing forward the energy transformation, so as to make greater contribution to the realization of sustainable development.

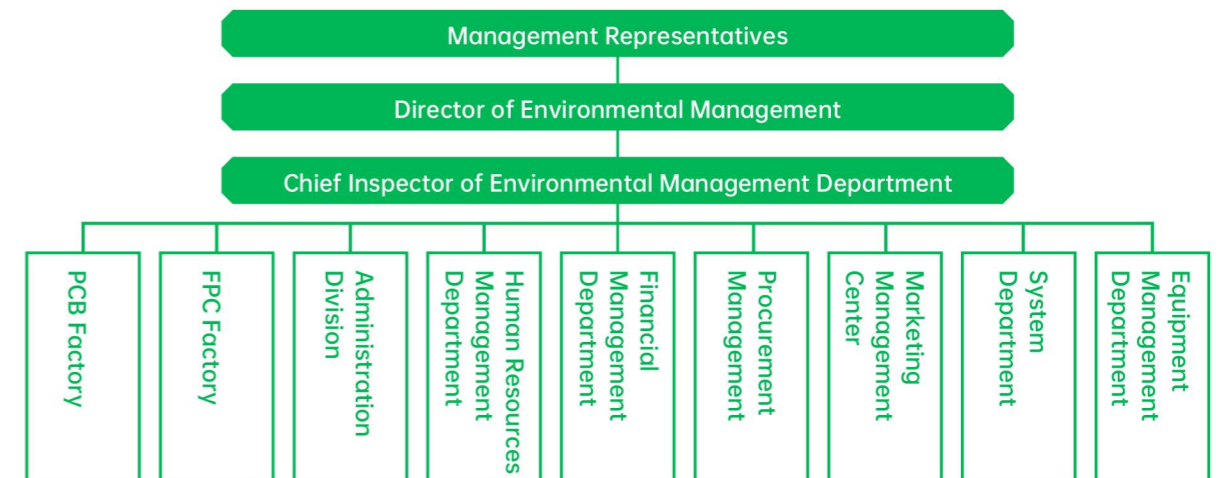
4.2 Response to Climate Change

We understand that climate change is one of the most pressing challenges globally today. As a technology leader, our company is fully aware of our significant responsibility in promoting sustainable development and reducing greenhouse gas emissions. Therefore, we have taken a series of positive measures to combat climate change and contribute to promoting sustainable development around the world.

Greenhouse Gas Carbon Emission Management System

In order to effectively respond to the energy policy requirements of carbon peaking, carbon neutrality and dual control, our company set up a special working group on energy saving and consumption reduction in March 2023, to supervise the implementation of the development, evaluation and assessment of indicators related to energy conservation and consumption reduction, and promote all factories to adhere to the priority of conservation, constantly reduce energy resource consumption and carbon emissions per unit output, and form effective carbon emission control from the source and inlet, so as to promote waste reduction and improve resource utilization efficiency. While guiding the factories to promote green manufacturing and cleaner production activities, the working group focused on green and low-carbon key core technologies and promoted the ability to transform innovation achievements.

Organization Chart of Greenhouse Gas Emission Management System



Each of our bases has carried out carbon audit of corporate greenhouse gas emissions for three consecutive years respectively in accordance with *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Enterprises in Other Industries (Trial)* issued by National Development and Reform Commission (NDRC), and ISO14064-2019 standard. We also participated in CDP environmental disclosure. Our company is committed to reducing our own greenhouse gas emissions. We have reduced our carbon emissions by improving the energy efficiency of our production processes, adopting environmentally friendly materials, and optimizing our logistics and transportation methods. Moreover, we are also promoting the use of clean energy sources, such as solar and wind power, to reduce our dependence on traditional energy sources and further lower our emissions.

Greenhouse Gas Emissions of Kinwong Electronic in Recent Three Years

Operation Scope	Greenhouse Gas Emissions (tCO ₂ e)		
	2021	2022	2023
Direct Greenhouse Gas Emissions(Scope I)	8,784.97	16,593.63	11,200.52
Indirect Greenhouse Gas Emissions(Scope II)	547,911	530,080	648,396
Value Chain Indirect GHG Emissions(Scope III)	-	315,530	-

Note:

1. Southern Regional Grid Electricity Emission Factor (tCO₂/MWh): 0.9489;
2. In 2023, we accounted for the total Scope III GHG emissions in 2022, which amounted to 315,530 tons of carbon dioxide. In the future, we will work with more partners to continue to improve and optimize the statistics and standardization of Scope III data.
3. The data for 2023 are self-verified data, and the data for 2023 are finalized based on the third-party verified GHG emission validation statement.

Determination of Carbon Intensity Targets by Factory

Factory	Base Carbon Intensity 2022	Carbon Intensity Target		
		2025	2030	2035
Shenzhen PCB	0.4841	0.4619	0.4272	0.3951
Longchuan PCB	0.5553	0.5212	0.4794	0.4434
Longchuan MPCB	0.390	0.3721	0.3442	0.3252
Jiangxi Factory No.1	0.4890	0.4666	0.4316	0.3991
Jiangxi Factory No.2	0.6672	0.6262	0.5635	0.5070
Zhuhai HLC	1.36	1.1898	0.9876	0.8394
Zhuhai SLP	2.7799	2.0785	1.4952	1.1812
Shenzhen FPC	0.2544	0.2467	0.2344	0.2227
Longchuan FPC Factory No.1	0.3455	0.3332	0.3166	0.3008
Longchuan FPC Factory No.2	0.8447	0.7796	0.6819	0.6136
Fushan FPC	0.6916	0.6455	0.5808	0.5226

Note: Carbon intensity refers to the carbon dioxide emissions generated by ten thousand yuan of output value, carbon intensity = total carbon emissions ÷ output value, unit tCO₂ / ten thousand yuan.

Energy Planning and Energy Carbon Management

Kinwong Electronic is actively committed to building a sustainable energy planning system and promoting carbon emission management. By establishing and improving various certification systems, we are committed to achieving carbon neutrality and sustainable development goals, and making greater contributions to environmental protection and climate change response.

01 Establishment of ISO14064 Greenhouse Gas Emission System

We have completed ISO 14064 certification in 2023 and have established a greenhouse gas emissions system at all sites, based on which emissions are fully quantified. This initiative not only helps our company to fully understand and manage its corporate carbon emissions, but also provides an important basis for setting and implementing future emission reduction targets.



Longchuan Kinwong 2022 Greenhouse Gas Emission Verification ISO14064 Certificate

02 Promote Green Manufacturing Certification and Green Supply Chain Certification

Our company is actively promoting the green manufacturing certification and green supply chain certification led by Ministry of Industry and Information Technology of the People's Republic of China, and has initiated the green supply chain certification in 2023 and plans to complete the certification in 2024. The advancement of these certifications will help establish a more environment-friendly and efficient manufacturing and supply chain system internally, further reducing resource consumption and environmental load.

03 Promote UL2799 Zero Waste to Landfill Certification

We have completed UL2799 zero waste to landfill certification for our Shenzhen and Longchuan bases in 2023 and expect to complete certification for all bases in 2024. With this certification, our company is committed to minimizing the negative impact of waste on the environment by combining the treatment and utilization of waste with environmental protection.



UL Waste Zero to Landfill Certification of Shenzhen Kinwong Electronic Co., Ltd.

Green Energy

In 2023, Kinwong Electronic has been actively working on the use of green energy. We have effectively reduced the emission of greenhouse gases such as carbon dioxide through our PV power generation program and green power cooperation. This behavior is in line with the principle of sustainable development, contributes to the protection of natural resources and improvement of environmental quality, and also demonstrates and leads the sustainable development of the industry and society.

CASE Integrated PV and Storage Solutions

Kinwong Electronic has adopted integrated PV and storage solutions, and is expected to provide 3,122,000 kWh of green power annually through the installation of a 1MW PV facility at Fushan factory, and a 2MW+2MW/4MWh integrated PV and storage facility (under construction) at Jinwan factory. This initiative will not only provide renewable energy for our company, but will also effectively reduce CO₂ emissions. By 2026, we plan to have 10MW of installed PV capacity across the group, which is expected to reduce CO₂ emissions by 6,900 tons per year.



Figure: PV facilities at Fushan Base and Jinwan Base

Measures and Pathways for Energy Conservation and Carbon Reduction

With energy efficiency as our core strategy, Kinwong Electronic adopts various energy-saving technologies and measures to reduce the use of fossil fuels and greenhouse gas emissions, and continues to carry out energy-saving technological reforms, including the optimization of design processes, energy-saving modifications of air-conditioning and chilled-water systems, the optimization of lighting systems, as well as the introduction of energy management systems. Kinwong Electronic has implemented more than 10 energy-saving measures and equipment modifications in 2023. These initiatives, with a total capital investment of about RMB 29 million, have reduced electricity consumption by about 29.22 million kWh and reduced carbon emissions by 17,363 tons accordingly.

The energy-saving technology of Kinwong Electronic not only improves production efficiency and product quality, but also lays a solid foundation for realizing the goal of carbon emission reduction. We will continue to work to promote the application of energy-saving technologies to reduce greenhouse gas emissions, while actively contributing to the goal of sustainable development. With continuous and sustained energy-saving technological reforms, our company will realize more than 15% carbon emission reduction on the basis of carbon peaking, such as high-efficiency chilled water units + AI control, high-efficiency air compressor sets, high-efficiency permanent magnet motors, high-efficiency permanent magnet fans, energy-saving lighting, and air-energy heat pumps to replace electric heating.

Our emission reduction measures have already achieved remarkable results. For the remaining part of emission reduction, our company intends to purchase a certain percentage of carbon sinks or green certificates to make it a reality. We expect to develop more emission reduction pathways as our technology continues to evolve. Our long-term goal is to achieve carbon neutrality by 2050, and we will continue our efforts to take more effective measures to reduce carbon emissions and contribute to environment protection and sustainable development.

4.3 Water Resources Management

Kinwong Electronic recognizes the importance of water resource management, and has specially set up environmental management department to be responsible for the monitoring and data management of water resources in each base. The center conducts monthly tests on water and electricity consumption, as well as incoming and outgoing water data management, in order to ensure the rational use and protection of water resources.

During the reporting period, our company and subsidiaries commissioned a third-party testing organization to conduct wastewater pollutant discharge tests on a monthly basis in strict accordance with *Electroplating Water Pollutant Emission Standards* (DB44/1597-2015), and sewage wastewater treated by our factories on their own will be introduced into municipal wastewater or industrial wastewater treatment systems for treatment after meeting the standards.

Our water resource management idea and objective is to realize the efficient use of water resources and environmental protection in order to promote the sustainable development of our company. As of the end of the reporting period, our water resource usage status is to ensure the reasonable utilization of water resources through regular testing and management.

In terms of water conservation measures, Kinwong Electronic has already achieved certain results. By optimizing the process flow and introducing water-saving equipments, we have reduced water consumption successfully and controlled the wastewater discharge in compliance with the national standards. These efforts not only help to reduce the production costs of our company, but also effectively reduce the pressure generated by water use, while also protecting the water quality of the surrounding environment.



CASE Water Conservation Month Activity

In order to respond to the environmental protection requirements of our President's Office and to reduce factory operating costs as well, our Fushan base launched a 30-day "Water Conservation Month" activity from September 15 to October 15, 2023. This activity aims to raise employees' awareness of water conservation, reduce factory water costs through various measures, and achieve the win-win goal of environmental protection and economic benefits. During the activity period, our environmental management department and equipment department will audit the production line every day and keep records, giving points, rewards and penalties accordingly. Relevant departments emphasize the awareness of water conservation while checking water consumption of each process in the water-using workshop. The equipment department counts water consumption and monitors water usage, and the person in charge of each process emphasizes the concept of water conservation.

The activity managed to reduce water unit consumption by 13.95% and no escaping, bleeding, dripping and leaking were found. The environmental protection department supplied the recycled water to the cooling tower, reducing the use of tap water and improving the efficiency of water utilization. It was a complete success and provided experience for other bases of our company, demonstrating the positive attitude and action of our company towards environmental protection responsibility.



Water Conservation Month Activity

4.4 Emission and Waste Management

Kinwong Electronic attaches great importance to emission and waste management to ensure minimal impact on the environment during the production process. We have set up strict management standards and taken various measures to deal with wastewater, exhaust gas, hazardous waste and general industrial solid waste in order to comply with national environmental regulations and our company's sustainable development goals.

For wastewater treatment, Kinwong Electronic monitors water consumption on a monthly basis and introduces wastewater treated by factories into the municipal sewage/industrial wastewater treatment system for treatment to ensure that the discharge meets the standards and reduces the pollution of the surrounding water bodies. In terms of waste gas treatment, we use advanced purification equipment and technology to treat the waste gas effectively, and monitor the emissions regularly to ensure compliance with the relevant emission standards.

For hazardous wastes, Kinwong Electronic classifies, stores and disposes the wastes in strict compliance with relevant regulations and entrusts professional treatment companies or facilities to dispose of the wastes in a safe manner in order to avoid damages to the environment and human health. For general industrial solid waste, we classify, store and dispose of the wastes, encouraging waste minimization, resourcing and recycling in order to minimize the negative impact on the environment.

Analysis of "Three Waste" Pollutants of Our Company

Type of Pollution Source	Pollution Source	Pollution Factor	Environmental Protection Equipment/Measures Adopted	Sewage Draining Exit Setting
Gas-based Pollution Sources	Acidic and alkaline exhaust gas	Sulfuric acid mist, hydrogen chloride, odor, hydrogen sulfide, nitrogen oxides, hydrogen cyanide, ammonia	Acid and alkali spray washing tower	Installation of 60 exhaust gas outlets
	VOCs exhaust gas	Total VOCs, tin and its compounds	Zeolite rotor + RTO	
	Dust	Particulate matter	Bag dust collector	
	Boiler	Sulfur dioxide, nitrogen oxides, dust	-	Installation of 2 exhaust gas outlets
Water-based Pollution Sources	Domestic wastewater	pH, COD _{Cr} , BOD ₅ , SS, ammonia nitrogen, animal and vegetable oils	Discharged into Nanshui Water Quality Purification Factory through municipal sewage network after being treated by tertiary septic tank to meet the standards	Rainwater and sewage diversion. Installation of 1 stormwater outfall and 3 sewage outfalls
	General cleaning wastewater	pH, COD _{Cr} , SS, ammonia, total copper, total phosphorus	Chemical coagulation + precipitation into the water reuse treatment system, a small amount of concentrated water discharged to the integrated wastewater tanks	
	Organic wastewater	pH, COD _{Cr} , SS, ammonia nitrogen, total copper, total phosphorus	The reusable part enters the chemical coagulation + precipitation into the reuse water treatment system, and the non-reusable part adopts "chemical precipitation + anaerobic + contact oxidation + secondary sedimentation" into the comprehensive wastewater treatment system.	Rainwater and sewage diversion. Installation of 1 stormwater outfall and 3 sewage outfalls
	Complexing wastewater	pH, COD _{Cr} , SS, ammonia, total copper, total phosphorus	Chemical coagulation + first sedimentation + AAO + second sedimentation + BAF + third sedimentation discharge	
	Wastewater from de-filming and developing	pH, COD _{Cr} , SS, total copper	Treatment of developing and de-filming wastewater, high concentration acidic wastewater, acidification + flocculation and precipitation into the integrated wastewater treatment system	
	Nickel-containing wastewater	pH, COD _{Cr} , SS, total nickel, total copper, total phosphorus	Breaking the complex + chemical coagulation + precipitation + two-stage tandem nickel / silver ion exchange treatment into a comprehensive treatment tank	
	Cyanide-containing wastewater	pH, COD _{Cr} , SS, total cyanide	Two-stage chlorine oxidation to break cyanide and then enter the general cleaning wastewater treatment system	
	Waste acid	pH, SS, ammonia nitrogen, total copper	Treatment of developing and de-filming wastewater, high concentration acidic wastewater, acidification + flocculation and precipitation into the comprehensive wastewater treatment system	
Solid Waste	General solid waste		General solid waste, classified and collected centrally and then handed over to the relevant recycling unit for recycling and treatment.	
	Employee office living garbage		Handed over to the local sanitation department for treatment	
	Hazardous waste		Handed over to qualified units for hazardous waste treatment.	
Noise	Various types of machinery and equipment		Noise reduction measures such as sound insulation, vibration damping, sound absorption, noise reduction, etc.	

Note: The number of sewage draining exit in this table is based on Jinwan base for example, and each base is set up as required.

Adhering to the principles of comprehensive and effective emissions and waste management, Kinwong Electronic continues to optimize management practices to ensure that the goals of environmental protection and sustainable development are achieved.

05

Continuous Growth Win-Win Collaboration



Bearing in mind the vision of "becoming the most reliable electronic circuit manufacturer in the world", Kinwong Electronic has been following the requirements of sustainable development and refined management of our company, and is committed to building a fair and just, open and inclusive cooperation environment, and to promoting the industrial chain cooperation to be more efficient and transparent. Our company continues to lead the industry in a more sustainable direction through a series of measures such as responsible supplier screening, green supplier management, promotion of sustainable supply chain development, responsible sourcing and conflict minerals control.

5.1 Supplier Selection

Kinwong Electronic follows strict criteria and rigorous procedures in supplier selection to ensure that our partners fully meet our high standards in terms of product quality, environmental protection and social responsibility.

We conduct strict audits on the qualified qualifications of our suppliers and examine the quality of their products through quality assessment mechanisms to ensure that they meet our quality standards. We verify the actual ESG situation of our suppliers through on-site inspections and monitor the environmental performance scores of our suppliers. Moreover, we assess the performance of suppliers in terms of labor rights and safety in production through a social responsibility assessment mechanism to ensure that our partners are in line with our social values.

Kinwong emphasizes supplier management and has built a set of scientific and standardized, fair and transparent supplier performance evaluation mechanism. With strict auditing and performance evaluation, Kinwong strives to ensure that each partner fully understands and practices our values and business idea, thus realizing our common goals. This management mechanism not only promotes the efficient operation of the supply chain, but also enhances mutual trust and cooperation with suppliers, jointly promoting the healthy development of the industry chain.

Procurement goal of Kinwong is to provide cost-effective support and services for procurement projects such as materials and equipment engineering for the healthy, stable, and sustainable development of the company. While growing together with many partners, Kinwong is also looking forward to more excellent suppliers to join us for sincere cooperation and a bright future.

5.2 Supplier Management

Kinwong Electronic has established a management system centered on a sustainable supply chain, aiming to promote the vigorous development of supplier relationships, strengthen the supplier credit evaluation system, and improve the efficacy and sustainability of the supply chain continuously. We have formulated *Supplier Management System* to ensure a solid partnership between our company and suppliers so as to realize the stability and sustainable development of the supply chain. Under this system, our company actively promotes positive interaction with suppliers, establishes effective communication mechanisms and cooperation frameworks, and continuously strengthens cooperation and collaboration with suppliers to jointly respond to market changes and challenges.

Kinwong has compiled *(GRP-OP-07-N) Supplier Quality Management Procedures and GRP-OP-02-O Procurement Management Procedures*, which serve as the guiding basis for the procurement department to manage suppliers. New suppliers are required to pass risk assessments on social and environmental responsibility to confirm their compliance with Kinwong Supplier Social and Environmental Responsibility Code of Conduct, Supplier Green Management Requirements, and other specifications.

New suppliers are required to fill in *Supplier Basic Information Questionnaire* before engaging in cooperation with Kinwong, so that Kinwong can collect information on supplier basic information, registration qualification, production capacity, quality management system, environment and social responsibility, etc. This will enable Kinwong to have a comprehensive understanding of the strength and reliability of our suppliers so that we can make appropriate choices. This information also provides support for Kinwong to establish and maintain a supplier database, provides a basis for future supplier management and evaluation, and lays the foundation for building trust and cooperation between the two parties to ensure the smooth performance of the contract.

5.3 Contribute to Sustainable Supply Chain Development

The enhancement of supply chain sustainability has become one of the key strategies for the development of Kinwong. Kinwong Electronic has always been committed to helping the sustainable development of supply chains and establishing sustainability-focused procurement policies and processes. The purpose is to build a procurement ecosystem that promotes economic, environmental, and social prosperity, and jointly promote the development of the entire supply chain towards a more sustainable direction.

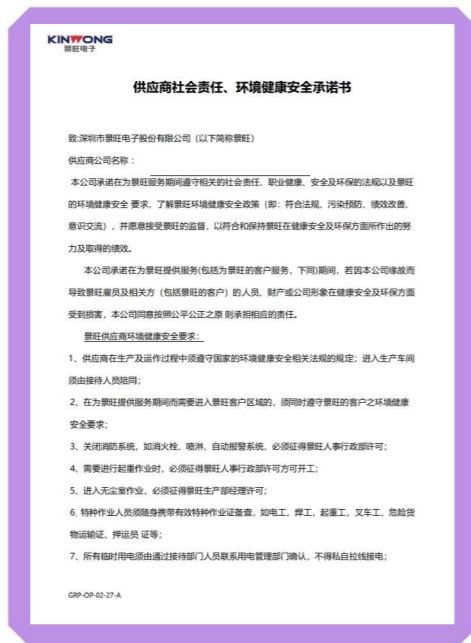
In procurement activities, Kinwong Electronic takes social responsibility and environmental benefits into full consideration, requiring suppliers to comply with local laws and norms and company's code of conduct on corporate social responsibility, prioritizing the procurement of environment-friendly products and services, and taking into account both economic and environmental benefits. We continue to optimize and improve our green procurement standards and management system, and practice the management principles of environmental protection, energy saving and carbon reduction, zero-waste and green products with upstream and downstream manufacturers to create a sustainable green supply chain.

Kinwong Electronic has signed *Supplier Environmental Protection Agreement* as a necessary condition for the cooperation between the two parties, which means that Kinwong requires suppliers to provide high-quality products and services and take active environmental protection measures to minimize the impact on the environment. By signing this agreement, both parties will be able to have a clearer understanding of each other's expectations and work together to achieve the goals of environmental protection and sustainable development. In addition, Kinwong Electronic has added the application of environmental protection to *Supplier Performance Evaluation*, prioritized the realization of carbon neutrality, and promoted the use of environment-friendly material substitution, the reduction of energy and resource consumption, greenhouse gas emissions and hazardous substance reduction plans with suppliers, prompting suppliers to attach more importance to environmental protection work. We promote environmental awareness and practices throughout the supply chain with our suppliers, and also better promote green supply chain management between our company and our suppliers to achieve sustainable economic, environmental and social development.

5.4 Responsible Purchasing

In the context of today's global economic interconnectivity, companies bear increasingly important social responsibilities in the procurement process. Kinwong Electronic is committed to building a procurement system with a sense of social responsibility and sustainable development awareness, and establishing a procurement mechanism that emphasizes compliance, transparency, and ethics. In cooperation with suppliers, Kinwong requires suppliers to sign *Supplier Social Responsibility, Environment, Health and Safety Commitment* to ensure that they comply with relevant social responsibility, occupational health, safety and environmental protection regulations as well as the environmental health and safety requirements of Kinwong during the service period. This initiative serves to enhance the social image and reputation of suppliers, and strengthens the trust of cooperation with Kinwong Electronic. Signing the commitment also means that suppliers are willing to be monitored and evaluated by Kinwong Electronic to ensure that their behaviors are in line with the requirements of Kinwong Electronic, which in turn improves the overall sustainability of supply chain.

In addition, signing a commitment letter from suppliers can effectively promote the implementation of company's social responsibility and environmental policies. By requiring suppliers to comply with relevant regulations and Kinwong's EHS requirements, we can reduce supply chain risks, safeguard the health and safety of our employees and customers, and avoid environmental pollution or other damages caused by supplier behavior. Signing the commitment also contributes to building a closer and stronger partnership and promotes mutual commitment to the goals of social responsibility and environmental protection.



Supplier Social Responsibility, Environment Health and Safety Commitment

5.5 Conflict Mineral Control

Kinwong takes conflict minerals control as an important part of the sustainable development of our supply chain. We are committed to ensuring that our products are free of conflict minerals through the establishment of a rigorous supplier evaluation mechanism and supply chain traceability system, as well as promoting the fulfillment of relevant social responsibilities by our suppliers.

To avoid human rights disasters caused by minerals from conflict zones in The Democratic Republic of the Congo and its neighboring countries, as well as other high-risk areas, and to mitigate supply chain management risks, we have released *Declaration of Metal Conflict-Free and Declaration of Not Using Prohibited Substances* and have established a process for the management of responsible mineral procurement by our suppliers.



Declaration of Metal Conflict-Free



06

Employee Oriented Building A Shared Future



Talent is the most valuable asset of a company. Kinwong Electronic is a platform driven by innovation and a commitment to prioritizing our customers. We select talents globally, showing respect and value to each and every employee. We prioritize the occupational health and safety of our employees, and actively foster a diversified and inclusive cultural atmosphere that promotes continuous growth among them. Our company ensures that every employee receives comprehensive care and support from our company.

Thematic Case Occupational Health and Safety

Occupational Health and Safety Management

To enhance our Occupational Health and Safety (OHS) management practices, Kinwong Electronic has taken proactive measures to improve our OHS management system, standardize our OHS management procedures, enhance product quality, promote energy efficiency and clean production, reduce costs, and meet the needs of both domestic and international customers as well as relevant stakeholders. Kinwong Electronic has formulated a series of programmatic system documents in strict accordance with *Production Safety Law of the People's Republic of China, Prevention and Control of Occupational Diseases Law of the People's Republic of China, Production Safety Regulations* and ISO45001 standard requirements and other laws and regulations. This includes *Group Safety Manual, Occupational Health and Safety Management Manual and Safety Management Manual*, which are used to standardize and guide the management of production safety and occupational health within our company.

The company have formulated systematic documents such as *Emergency Response Plan for Production Safety Accidents (2023), Safety Manual, Safety Management Objective System and Management Regulations, Safety Production Responsibility Regulations, Safety Hidden Trouble Investigation and Management Regulations*, etc., which have further strengthened the standardization and systematization of the safety management work. Shenzhen base, Longchuan base, Jiangxi base and Jinwan base have all passed the certification of ISO45001:2018 Occupational Health and Safety Management System.

Kinwong Electronic Occupational Health and Safety Policy

01

Establish a healthy and safe working environment, complying with legal and regulatory requirements and norms;



02

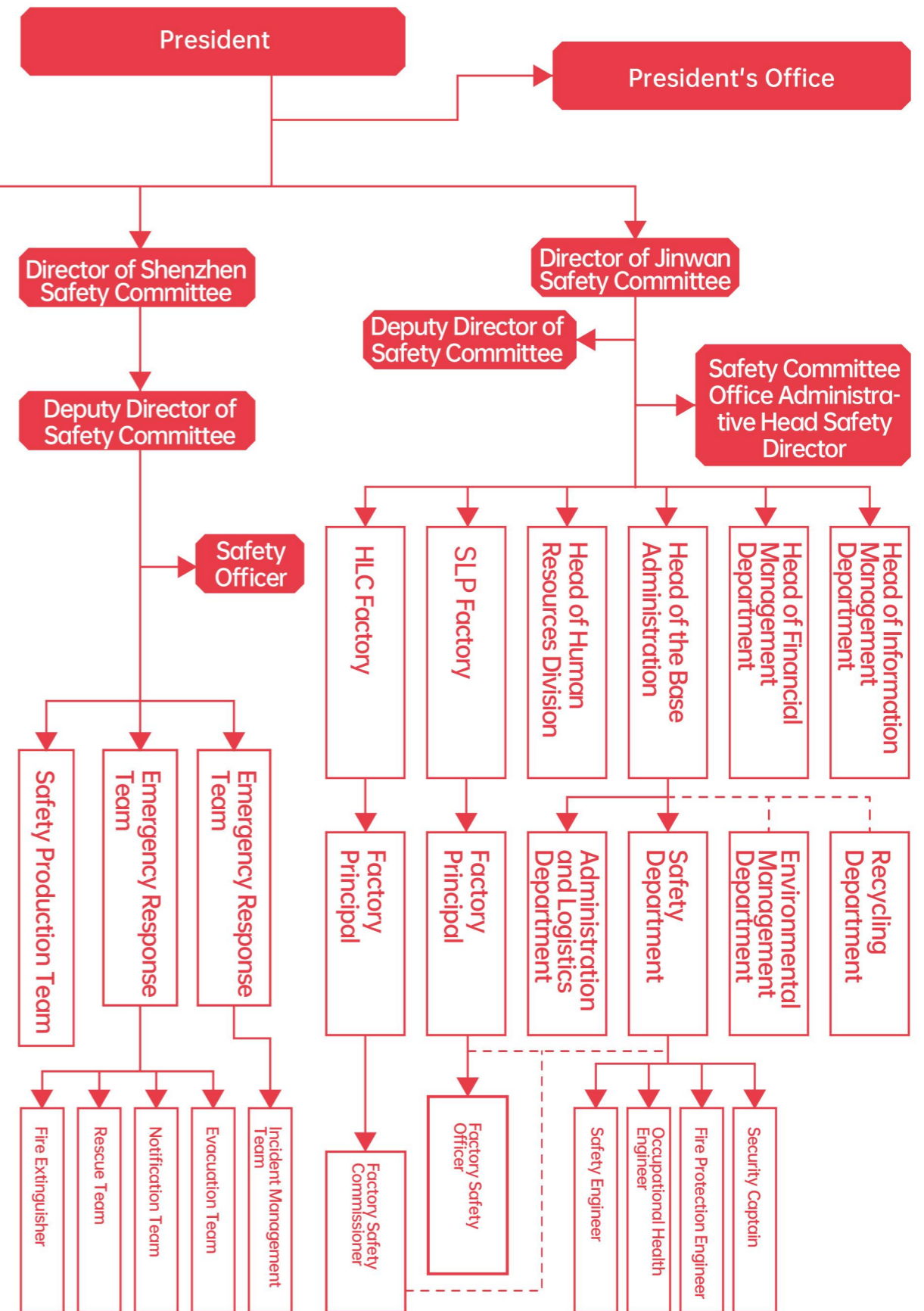
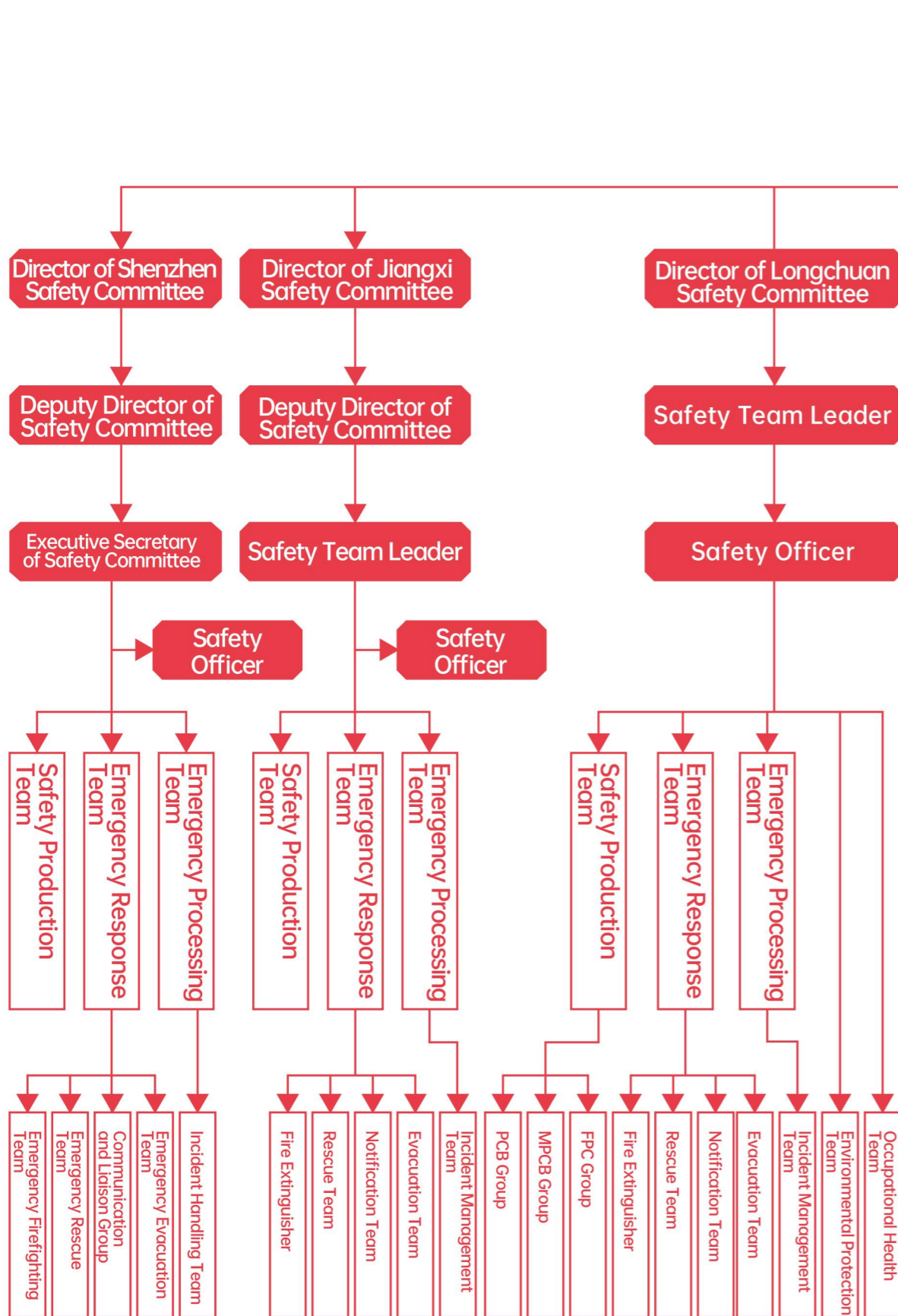
Continuous improvement of health and safety risks, health and safety training and publicity;

03

Regular review to ensure effective implementation.

The president and the president's office of our company constitute the highest decision-making and coordinating body for occupational health, production safety, public security, and fire safety management. Within our company, there are five safety production committees serving as the foundational units, while the Safety Management Office acts as the executive department responsible for safety production. The Safety Management Office conducts comprehensive supervision and management of safety production activities across our production bases.

Group Safety Management Organizational Structure



Adhering to the principle of "Safety First, Prevention Oriented, Comprehensive Management, and Harmonious Development", our company strengthens the supervisory function of safety production, and prevents and reduces the occurrence of various safety accidents. In order to realize this policy, we have set the following objectives:

- 01 Implement the responsibility system for work safety at all levels, reduce the number of accidents and eliminate serious accidents;
- 02 No fire or explosion accidents throughout the year;
- 03 Complete the rectification rate of hidden safety hazards up to 100%;
- 04 100% of all employees receive safety education;
- 05 Control the number of accidents in the year within 2 times, 0 deaths, the number of injuries under 2 people, economic losses control within 30,000 yuan.

Our company has clearly formulated control objectives related to the reduction of general accidents, control of larger accidents, and elimination of serious accidents, and has set a number of production safety management measures:

- 01 Fully implement the full production safety responsibility system, and sign the production safety responsibility letter with general manager of factory, managers of each department, and operators of each position at each level, and give rewards and punishments according to the safety performance assessment reward and punishment methods;
- 02 Communicate with relevant departments actively to strengthen the management of equipment and facilities, and explore the establishment of equipment fool-proofing joint control mechanism to achieve intrinsic safety and prevent safety accidents;
- 03 Identify various types of hazardous sources, develop control measures, and establish registration and archiving systems. Implement the fixed person, fixed post, fixed responsibility for monitoring and control to ensure the elimination of hidden safety hazards;
- 04 Implement the system of production safety investment security, to ensure that emergency rescue teams, emergency equipment and materials, firefighting equipment and facilities and other personnel and materials are in place;
- 05 Strengthen occupational health management, create an excellent working environment and ensure safe production;
- 06 Employ dedicated full-time production safety management personnel, improve the implementation of full production safety responsibility system and accountability system for safety accidents;
- 07 Strengthen the publicity and education on work safety, as well as provide ongoing training for all staff members. Foster a corporate culture that prioritizes safety and values the well-being of every individual.

We will continue to prioritize the safety and health of our employees, improve our overall safety management level, and further consolidate and strengthen our leading position in safety production. During the reporting period, we invested an aggregate amount of RMB25.43 million in production safety expenses, which were mainly used for the construction of production safety standardization, management of hidden safety hazards, safety education and training, occupational health check-ups and testing of occupational hazards at workplaces.

Safety Production Data

Indicator	Unit	Statistical Data		
		2021	2022	2023
Work Safety Inputs	Ten thousand yuan (RMB)	1,829.20	1,925.36	2,542.85
Employee OHS Investment	Ten thousand yuan (RMB)	164.17	182.97	207.14
Number of Safety Training Participants	Person	12,862	13,579	14,209
Length of Safety Training	Hour	38,434	32,170	37,548

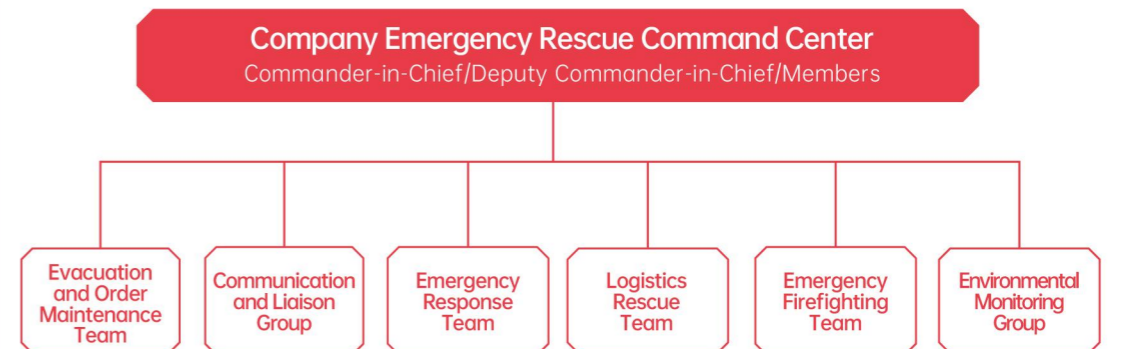
Preventive Measures

01 Emergency Management System Construction

Kinwong Electronic commits to improving the emergency response speed and the level of rescue capability in the event of production safety accidents to ensure timely and effective response to minimize losses and impacts in case of emergencies. Our company has formulated *Emergency Response Plan for Production Safety Accidents of Shenzhen Kinwong Electronic Co., Ltd.*, which was filed and registered in August 2023. The plan aims to improve the disposal ability and efficiency in response to safety emergencies, as well as to safeguard the safety and stability of production and business activities. The administrative divisions of each base within our company have also formulated corresponding emergency plans for production safety accidents and registered for record, forming a comprehensive emergency management system.

The emergency response plan for production safety accidents formulated by our company covers multifaceted types of accidents and corresponding disposal plans, including possible fire, hazardous chemicals and finite space accidents, and formulates specialized emergency rescue work plans. We have also formulated on-site disposal plans for production safety accidents based on various accidents, covering situations such as fire and explosion, electrocution accidents, mechanical injury accidents and fall from height accidents, to ensure timely and effective disposal in the event of accidents, and to maximize the protection of employee safety and production stability.

Our company established a specialized emergency rescue command organization, which is responsible for the emergency rescue command work of safety accidents. We also set up emergency working groups according to the types of accidents and actual needs, such as liaison and communication group, emergency rescue group, emergency fire-fighting group, evacuation and order maintenance group, logistic and rescue group, and environmental monitoring group. Following an accident, it is crucial for the relevant personnel to promptly implement emergency measures and report the incident truthfully, adhering to the prescribed information receiving process. Based on the severity and progression of the accident, the command, actions, or resource mobilization must be determined accordingly.



02 Emergency Response Classification

In the comprehensive emergency response plan for production safety accidents, we classify the safety accidents that may occur in the course of production and operation activities according to different levels, including emergency preparation for all levels of response, pre-disposal and emergency disposal measures for all levels of response. Level III response is for accidents at the department or workshop level, which utilizes the emergency resources and employee rescue capabilities of a department or workshop of company to dispose of the accident. Level II response is for company-level accidents. When an accident exceeds the emergency response capability of a department or workshop, our emergency commander will organize staff on duty to initiate a company-level response. Level I response is for serious accidents or accidents that may affect the surrounding areas of our company. The emergency command of our company will activate Level I response and report to the local government departments and their related departments to support or suggest to activate the government special emergency response.

03 Emergency Response Process

- 1 **Incident Discovery and Reporting**
The person who discovers the incident is required to take emergency measures immediately and report the incident in accordance with the prescribed information receiving process;
- 2 **Emergency Response Initiation**
After receiving the accident report, our emergency response command immediately start the appropriate level of emergency response, analyze and judge the development of the accident situation, and organize the deployment of emergency response teams, materials, equipment, etc. for emergency rescue;
- 3 **Principles of Emergency Response**
save people first and then make disposal, control the source of danger and then extinguish the fire, blockade the dangerous place, scientific rescue, ensure the safety of rescuers, and prevent expanding of the situation.

04 Emergency Follow-up

- 1 **Environmental Clean-up and Restoration**
Collect and classify and dispose of pollutants and wastes from the accident site properly, and organize clean-up and restoration work;
- 2 **Production Order Restoration**
After cleaning up, decontamination, ensure that safety precautions are in place, equipment and facilities testing meets the requirements, acceptance and agreement to resume production;
- 3 **Personnel Settlement and Relief**
Accounting for property damage, appeasing injured employees and their families, and recognizing work-related injuries and dealing with the aftermath of the incident.

05 Emergency Drills

Safety is the cornerstone of enterprise development. Kinwong Electronic always puts safety in the first place and regards emergency drill as an important measure to ensure the safety of employees and guarantee the stability of production. In 2023, we conducted two semi-annual environmental emergency hazardous chemical leakage and fire drills. During the drills, we emphasized the cultivation of preventive awareness and the enhancement of the ability to respond to emergencies, so that employees could understand the response methods in advance, thus reducing the possibility of accidents.

CASE Kinwong Electronic 2023 Semi-Annual Environmental Emergency Hazardous Material Leakage and Fire Drill

In 2023, Kinwong Electronic conducted semi-annual environmental emergency, hazardous material spillage, evacuation and fire drills. The drill included emergency safety knowledge training, environmental emergency drill, hazardous chemical leakage drill, personnel first aid, fire drill, anti-terrorism emergency drill, gas leakage emergency drill and many other aspects, covering all aspects of company safety management. The drill further strengthened employees' safety awareness, tested the feasibility of the emergency plan and employees' emergency response ability, and laid a solid foundation for efficient and orderly emergency response work in the future.



Kinwong Electronic 2023 Semi-Annual Environmental Emergency Hazardous Material Leakage and Fire Drill

CASE Kinwong Electronic Jinwan Base Conducts Emergency Drill Against Typhoons and Rainstorms

On June 14, 2023, Kinwong Electronic Jinwan base carried out an emergency drill against typhoon and rainstorm. The purpose of this drill is to test the feasibility of the emergency plan against typhoons and rainstorms, to find out the shortcomings of each link in the process of the drill, and to enhance the employees' awareness of the pre-emptive prevention of typhoons, rainstorms, and other self-safety disasters and the ability to rescue in case of emergencies through the drill of the typhoon and rainstorms emergency plan.



Kinwong Electronic Jinwan Base Conducts Emergency Drill Against Typhoons and Rainstorms

Security Training and Education

Kinwong Electronic attaches great importance to the construction of safety culture and has formulated *Safety Culture Construction Management Regulations* to ensure the production safety of our company and the health and safety of our employees. Our company has a safety culture bulletin board in factory, which is updated every two months to reflect our continuous attention and efforts to build safety culture. Our safety department plans and installs various safety banners and safety warning signs in factory, which cover production safety management policies and objectives, safety instructions, danger warnings and prohibitions, etc., providing employees with intuitive and clear safety guidance.

CASE Safety Month Activity in 2023

To further strengthen safety culture construction, our company has carried out diversified safety culture activities according to the hierarchical division of company, department, workshop and team. These activities cover study visits, safety theme speeches, safety knowledge competitions, safety skills competitions and safety culture works displays, etc. They are aimed at conveying safety knowledge and skills to the employees in different ways, and improving their safety awareness and their ability to deal with emergencies.

From June 1, 2023 to June 30, 2023, we carried out the activity of Work Safety Month with the theme of "everyone stresses safety, everyone knows how to respond to emergencies" in the whole company, in order to sustain a firm awareness of the red line of safety for all staff, promote the implementation of the responsibility of production safety at all levels, improve the quality of Kinwong Electronic's safety risks and hidden dangers investigation, management and rectification, and enhance the strong willingness and ability to find and solve problems

During safety production month, Kinwong Electronic organized a dedicated safety production meeting to discuss and implement the requirements of safety activities while emphasizing the importance and necessity of prioritizing safety in the workplace. Additionally, we displayed safety banners and themed posters across the premises, including the park, and organized engaging activities such as safety knowledge quizzes with prizes. These initiatives collectively fostered a strong culture of work safety and significantly heightened awareness of safety among all staff members.

Our company has also carried out safety training and identification of safety hazards for the risks of each position, requiring all employees to take risk identification as the source to realize safety and high-quality development, strengthen the front-line safety risk supervision and management of safety production in an all-round way, investigate and eliminate the hidden dangers of safety production, and improve the level of safety management at the production site. Based on prevention, our company promotes safety through drills and exercises to enhance the emergency response capability of all staff. Our drills are aimed at fire, electric shock, hazardous chemical leakage, poisoning and asphyxiation and other types of accidents to carry out practical exercises. These drills tested the scientific and operability of our emergency plan, improved the emergency plan in time, and provided a strong guarantee for building a safe and orderly production environment.

CASE Kinwong Electronic Fushan Base Conducts Job Safety Risk Training in Q1 2023

In 2023, Kinwong Electronic Fushan base carried out the first quarter job safety risk training. Through the post safety risk training, our employees can understand their own post safety risks and emergency measures, use labor protection equipment correctly to protect their own safety, and familiarize with the knowledge of fire evacuation and initial fire extinguishing. Staff training pass rate of 100% after assessment.



Kinwong Electronic Fushan Base Conducts Job Safety Risk Training in Q1 2023

CASE Kinwong Electronic Jiangxi Base Conducts On-site Emergency Disposal Drill for Drowning Accidents

Kinwong Jiangxi base organized a drowning accident scene emergency response drill on February 20, 2023 in order to improve employees' ability to deal with emergency response to drowning accidents, and to enhance the awareness of safety protection and emergency response capability. Employees who participated in the drill familiarized with job operation risk factors, demonstrated strong self-rescue and mutual rescue and emergency response capabilities, and did not appear in a chaotic situation of blind rescue. The emergency rescue team composed of security guards was able to arrive at the drill site quickly and launched an effective rescue operation, completing the rescue mission quickly.



Kinwong Electronic Jiangxi Base Conducts On-site Emergency Disposal Drill for Drowning Accidents

CASE Kinwong Electronic Jinwan Base Conducts Several Safety Training Activities in 2023

In 2023, Kinwong Electronic Jinwan base carried out training activities in many aspects, such as safety training on explosion-related dust operation, safety training on hazardous operation, safety training on pyrotechnic operation, radiation protection training, first-aider training, fire safety training and so on. These activities laid a solid foundation for safeguarding employees' lives and production safety.



Kinwong Electronic Jinwan Base Conducts Several Safety Training Activities in 2023

Occupational Health Promotion Activities

Kinwong Electronic and administrative offices of each base regularly carry out occupational health management in order to implement national laws, regulations, rules and standards on occupational health, effectively prevent and control occupational diseases, and protect the health of employees and their related rights and interests.

Our company prioritizes the health and well-being of our employees by conducting regular occupational health checkups. These checkups are conducted in collaboration with professional medical institutions to detect and prevent the occurrence of occupational diseases promptly. By proactively addressing potential health issues, we aim to safeguard the overall health and well-being of our workforce.

We have commissioned a third party to conduct testing and evaluation of occupational disease hazards in our workplaces, including but not limited to air quality, chemical concentration, noise and vibration, to ensure that the working environment complies with the relevant occupational health standards and regulatory requirements and to reduce the risk of occupational diseases.

In addition, we conduct regular occupational health publicity and education activities to popularize occupational health knowledge and protection skills among employees, enhance their awareness of occupational diseases and prevention, and improve their self-protection ability.



Kinwong Electronic Workplace Occupational Disease Hazard Factors Detection Report

6.1 Talent Management

Based on our core values, Kinwong Electronic emphasizes the talent concept of "everyone takes responsibility", and is committed to building a more powerful, dynamic and diversified talent team.

As of the end of the reporting period, the total number by Kinwong Electronic worldwide:



We provide the disabled with some jobs that are easy to operate, so that they can obtain financial resources through their own labor income and enhance their self-worth. We provided veterans with better-suited positions and subsidized the related benefits.



At the end of 2023, we employed more than **160+** people with disabilities and army men transferred to civilian work

Talent Management Core Values and Concepts

- Customer-Centered**
 - Our company puts the needs of customers in the first place and continuously optimizes our services to improve customer satisfaction;
- Self-Criticism**
 - Insisting on addressing one's own and the organization's shortcomings, and constantly engaging in self-criticism and improvement to maintain progress;
- Seek Truth from Facts**
 - Tell the truth, do the practical things, adopt various means to achieve the goals, and refrain from false propaganda and deception;
- Prepare For Danger in Times of Safety**
 - Keep crisis awareness at all times, persist in hard work for a long time, maintain competitiveness, and guard against all kinds of risks;
- Integrity and Self-discipline**
 - Lead by example, strictly require themselves and their employees integrity and self-discipline, to maintain a good image of the enterprise;
- Strengthen Organization Building**
 - lead subordinates to grow in their work, focus on team building, and build the organization while engaging in operations;
- Strategic Awareness**
 - Possessing strategic awareness and structural thinking, viewing scientific decision-making objectively, and opposing quick success and quick profit behavior;
- Big Picture**
 - Avoiding individual selfishness, focusing on teamwork, and refraining from individualized behavior.

We have established a comprehensive talent development system in order to build a more capable talent team. The system is oriented to strategic and business objectives to identify and develop talents and key positions. Our company has formulated job standards and qualifications, and conducts regular inventory, training and evaluation of employees to ensure that they have the required abilities and qualities. We benchmark the competency model with the corporate culture to guide the development direction of employees and help them realize the win-win situation of personal value and corporate goals.

6.2 Talent Development and Motivation

Kinwong Electronic is committed to establishing and improving a comprehensive talent management system in order to motivate and develop employees and enhance their performance and career development. We provide employees with a clear career advancement path, setting up clear promotion channels and conditions from junior positions to intermediate management positions to senior management positions, and encouraging employees to achieve their personal career goals through learning and hard work. We focus on the comprehensive quality and professional skills training of our employees, and carry out a variety of training programs, including job training, skills training, leadership training, etc., to help our employees continuously improve their abilities and levels.

Employee Development

The promotion path of our employees is mainly divided into two development channels for managerial and professional talents, and internal deployment, regular selection, regular assessment, and sporadic additions are taken to continuously improve the career development channels of the employees, among which:

Internal Deployment

In 2023, our company focused on the implementation of internal deployment of staff, employees can apply for vacant positions within the company on their own, internal deployment effectively opens up the career development channel for employees;

Promotion of Managerial Talents

Based on the standards for key positions, conduct job-matching assessment around the four dimensions of core job responsibilities, key competencies, professional competencies and value contribution;

Promotion of Professional Talents

Based on the professional qualifications, conduct job-matching assessment around the five dimensions of responsibility, professional feedback, expertise, communication and influence, and problem solving.

Talent Training System

Kinwong Electronic staff training focuses on 4 main groups of people - managers, professionals, new recruits, and trainers.

Management Training

Based on the different levels of personnel, our company has set up separate training programs. By providing targeted training in a hierarchical manner, we help new managers to make a quick turnaround in their roles and help established managers to further improve their management skills;

Professional Training

From 2023, Kinwong constructed the course system of each professional line according to the division of professional families, organized the growth path of employees systematically, and hauled the batch reproduction of professional talents training;

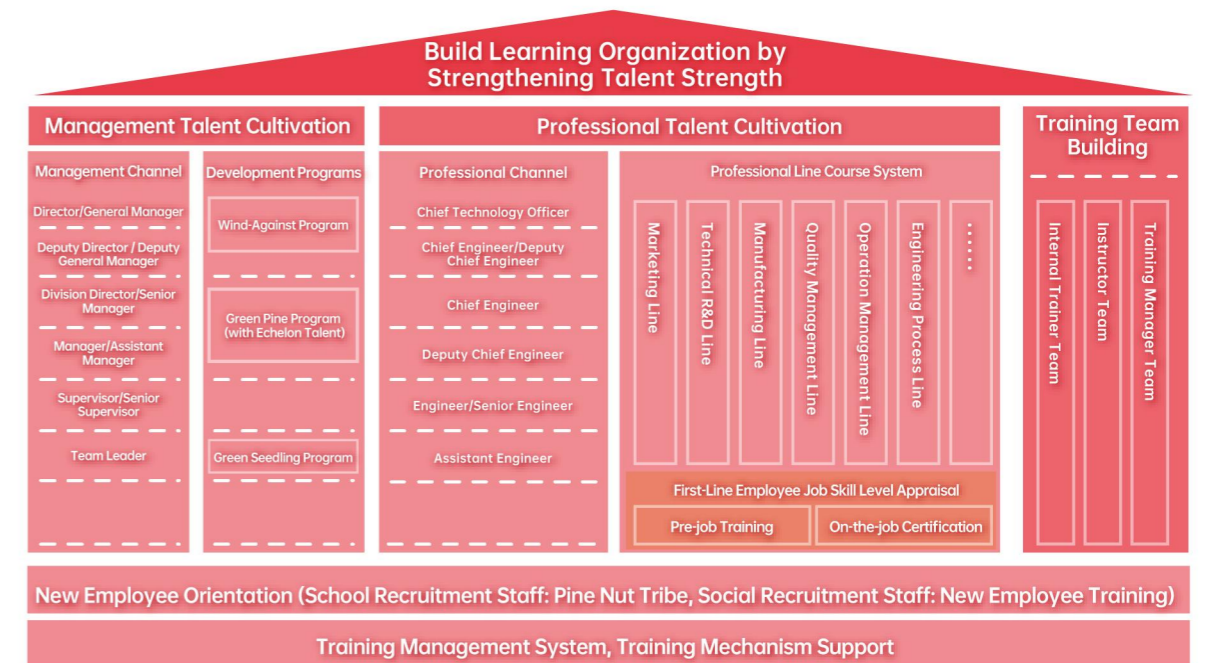
New Employee Training

We have tailored training programs to suit different types of recruits. For fresh graduates from schools (Pine Nut Tribe), we offer a specialized training program. Additionally, we have a separate training program for new hires recruited from the general workforce. These initiatives are designed to expedite the onboarding process and ensure that new employees quickly become proficient in their roles through comprehensive and systematic training;

Training of Trainers

To expedite talent development and foster a culture of continuous learning, we have intensified our efforts in training internal trainers, instructors, and training managers. Additionally, we have implemented a robust management system to provide comprehensive support to our training initiatives.

Kinwong Electronic Talent Training System



Direction: First-line employees are mainly to meet customer and system requirements, improve efficiency and quality, consistent with what they say, write and do; non-first-line employees are mainly given the opportunity to train in practice.

We have formulated Regulations on External Training Management in order to meet the demand for external training for the development and construction of organizational capacity of each department and to enhance the working skills and qualities of employees. Employees may apply for external training based on job needs or personal career development. The scope of application includes, but is not limited to, training on induction knowledge, skills and professional qualifications.

Remuneration and Performance Incentives

We have formulated *Regulations on External Training Management* in order to meet the demand for external training for the development and construction of organizational capacity of each department and to enhance the working skills and qualities of employees. Employees may apply for external training based on job needs or personal career development. The scope of application includes, but is not limited to, training on induction knowledge, skills and professional qualifications.

Performance-oriented and Quantitative Management

Employee performance appraisal adheres to performance orientation, focuses on realizing company business objectives and strategies, and evaluates employee's work performance and contribution through quantitative indicators and data;

Combination of Duties and Rights and Fairness and Impartiality

Our company combines duties and rights, clarifies employees' work duties and rights, ensures fair distribution of work tasks and impartiality of evaluation standards, and avoids arbitrary and subjective evaluation;

Positive Incentives and Constraints

In performance management, we adopt positive incentives and constraints to motivate employees to be active by rewarding outstanding employees and providing promotion opportunities, and also provide guidance and training for employees with poor performance, so as to encourage them to make improvements and enhancements;

Communication and Collaboration and Continuous Improvement

We focus on communication and collaboration between employees and management to establish a good working atmosphere and teamwork spirit, while continuously improving the performance appraisal system to adapt to changes in company development and employee needs.

We also conduct regular performance appraisals for our employees, including annual, quarterly and monthly appraisals, and ensure that the coverage rate reaches more than 90%. According to performance appraisal results, we will make appropriate job adjustments and promotions for employees and provide corresponding development opportunities; the results of annual performance appraisal are linked to employee appointments and growth, such as cadre appointments, promotions, and qualification upgrades.

Employee Training

Our company has formulated relevant systems such as *Training Management Measures, Internal Instructor Management Measures, Employee Mentor Management Measures, External Training Management Measures, Training Points Management Measures, and Young Talent Cultivation and Development Management Provisions*, in order to help our employees to optimize their job competency continuously, so as to satisfy and promote our sustainable operation and development, and to encourage them to learn and grow.

In 2023, we focused on optimizing *Internal Lecturer Management Measures*, setting up four levels of lecturers: trainee lecturer, junior lecturer, intermediate lecturer and senior lecturer. We also clarified the application requirements for the certification of lecturers at all levels to establish a "easy-in, limited-out" management mechanism for the lecturer pool, which will help us to extract organizational experience and facilitate knowledge management and transfer.

2023 Training Course System Construction

To provide strong talent protection to support the rapid development of our business and to cultivate internal talents, we have built management line and professional line course system, aiming to create a united, efficient and professional management team and a team of professionals with excellent expertise, among them:

- **Management Line Course System**
covering five modules, namely, self-management, interpersonal management, team management, business management and general management, with a total of 18 courses. We plan to complete course development in phases year by year, and certify base instructors and improve course quality to form a training course system and management mechanism covering all levels of in-service and promoted managers;
- **Professional Line Course System**
combining the professional sequence of positions must be trained in the knowledge and skills, continuous training to enhance the growth speed and quality of internal professionals, and link the application of training results and promotion, performance appraisal, leading employees to continuously improve their capabilities.

2023 Training Outcomes

In 2023, with the rising demand for managerial and professional expertise, we have made remarkable progress and achieved notable outcomes through our dedicated efforts and training initiatives including:

- **Management Line Course System Construction**
The framework construction has been completed, and 2 specialized and general training sessions and 4 best internal practice sharing sessions have been successfully carried out, including: *Internal Trainer Training - Curriculum Development, Process Management, Internationalized Talent Cultivation, and Factory Management Experience Sharing*;
- **Professional Line Course System**
We have initially completed five lines of marketing, production, quality, operations, R&D course system framework, in which the technical research and development line and the marketing line has been implemented in the technical marketing newcomers to the training program "technical commissioning class", and 36 trainings and 8 assessments have been implemented;
- **Training Management System**
In 2023, we took the strategy of emergency first, developing while improving, and now we have developed and launched 8 modules: training plan management, training assessment management, training demand research, instructor management, tutor management, staff induction card management, training operation management and data report center;
- **Internal Lecturer Management Training**
In 2023, we focused on optimizing *Internal Lecturer Management Measures* and certifying 301 lecturers across our Group, including 260 junior, 37 intermediate and 4 senior lecturers;
- **Training Management System**
In 2023, we further revised the training management system and process according to the past implementation of the system, among which, we have optimized *External Training Management Measures, Internal Instructor Management Measures, Training Management Measures, Employee Mentor Management Measures, Young Talent Cultivation and Development Management Provisions*, and newly designed *Training Points Management Measures*, and *Kinwong Electronic Fresh College Student Training Management Measures*;
- **Annual Training Program Completion Level of Each Department**
In 2023, the training courses of each department mainly focused on management ability, job professional skills, operating procedures, quality knowledge, production safety, and so on. The group-level training program covers four major directions, including 14 training sessions for middle and senior management officials, corresponding to 8 courses; 20 courses for fresh graduates; 48 training sessions for new employees recruiting from the society; as well as training for other professional categories (quality, equipment, and technology); and 212 online micro-courses are developed at the same time.

CASE Fresh Graduate Development - Pine nut Tribe

Pine Nut Tribe is an important part of Kinwong Electronic's training for fresh college students. The program adopts "669" training model, which combines three promotion and salary increase opportunities to train fresh students for a period of 21 months. The program starts from the four links of quality development - centralized training - production line internship - job practice, helping fresh graduates to absorb corporate culture, understand business content, be competent in job requirements, and improve professionalism, so that they can be fully integrated into Kinwong, improve their work ability and professionalism, and become stable high-performing employees.



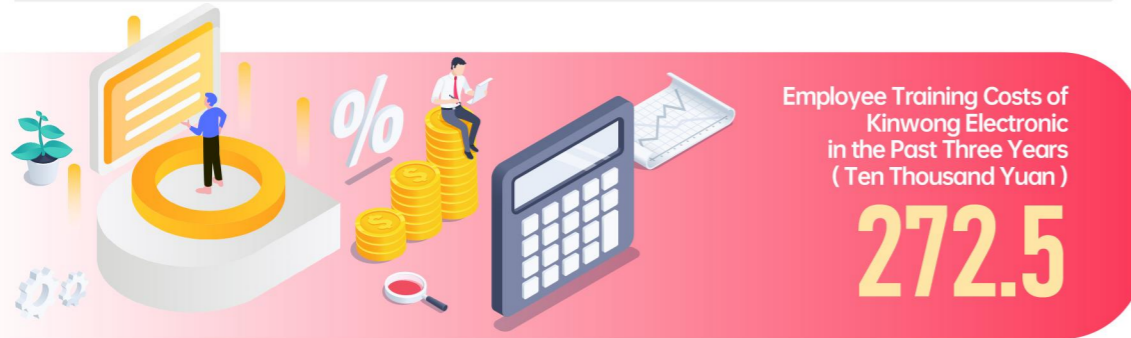
Fresh Graduate Development - Pine nut Tribe

CASE Kinwong Electronic Data Analysis Visualization (BI) Empowerment Camp

In 2023, our informationization management department, together with the human resources management department, launched Data Analysis Visualization (BI) Empowerment Camp, aiming at improving the data analysis ability of business departments and cultivating data analysis talents. The training adopts the methods of "combining training and practice" and "group system", so that the trainees bring their actual data analysis topics in the work scene into the group when they enter the camp, and they combine the operation and practice of the big data decision-making and analysis platform (BI system) with the training and guidance of instructors, and complete the training by presenting the results of the project. This empowerment camp effectively helps the backbone of each business department to improve their data analysis ability and apply the data analysis results to project management, business management and other related aspects to improve the effectiveness of company management.



Kinwong Electronic Data Analysis Visualization (BI) Empowerment Camp



Employee Training of Kinwong Electronic 2023

Classification type		Trained
Number of trainees by gender	Male employees	63,007
	Female employees	47,352
Number of hours of training by gender (hours)	Male employees	90,337.5
	Female employees	68,149.4
Number of trainees by employee type	Senior management employees	2,437
	Middle management employees	29,307
	Grass-roots employees	78,615
Number of hours of training by employee type (hours)	Senior management employees	2,679.7
	Middle management employees	36,499.2
	Grass-roots employees	119,308

6.3 Employee Care

Kinwong Electronic commits to provide comprehensive welfare benefits for employees, improve their quality of life and job satisfaction, and meet their needs and expectations in different aspects.

Social Insurance and Housing Provident Fund
Our company purchases social insurance and pays housing provident fund for employees according to the law, so as to protect the social security rights and interests of employees;

Commercial Insurance
Our company purchases commercial insurance for our employees to provide more comprehensive protection, including accidental injury insurance and health insurance;

Annual Activity Fund
Our company sets up a special activity fund for employees every year, and organizes colorful annual activities to enhance employee cohesion and sense of belonging;

Holidays
Our company provides paid annual leave, holiday leave and other vacation arrangements, so that employees have enough rest time after work;

Physical Examination
Our company organizes regular physical examination for employees, pays attention to their health condition and provides health management services;

Commuter Shuttle
Our company provides employees with convenient commuter shuttle service to solve the transportation problem of employees commuting to and from work;

Staff Dormitory and Electricity Subsidies
Our company provides accommodation benefits for employees who need it and electricity subsidies.

Employee Activities

Kinwong Electronic has been committed to caring for employees and stimulating their passion for work and enjoyment of life. We organize rich and colorful staff activities on a regular basis to create a harmonious and warm working atmosphere and enhance the sense of belonging and happiness of employees.

CASE Women's Day Activity of Kinwong Electronic 2023

On the occasion of International Women's Day in 2023, Kinwong Electronic organized the theme activity of "Charming March, Thanksgiving For You", aiming at caring for all female employees and giving them a wonderful, pleasant and meaningful holiday. This activity was carried out in Shenzhen base, Longchuan base, Jiangxi base, Zhuhai Jinwan base and Zhuhai Fushan base, etc. Our bases were well-designed in activity planning, combined with the characteristics and culture of local employees, which were colorful and full of warmth.



Women's Day Activity of Kinwong Electronic 2023

CASE Group Basketball Tournament Activity of Kinwong Electronic 2023

In 2023, Kinwong Electronic held an exciting Group Basketball Match activity, in which all departments and teams showed a high degree of teamwork and fighting spirit, presenting a splendid competition.



Group Basketball Tournament Activity of Kinwong Electronic 2023

CASE Kinwong Electronic Longchuan MPCB Factory Pine Nut Tribe Students Team Building Activity

In 2023, Kinwong Electronic Longchuan MPCB factory carried out a unique group building activity for pine nut tribe students. The activity enhanced team cohesion and sense of cooperation and cultivated teamwork spirit through teamwork games and outreach training.



Kinwong Electronic Longchuan MPCB Factory Pine Nut College Students Team Building Activity



07

Intelligent Win-Win Integration With Peers



Kinwong Electronic begins from our heart, always keeping in mind the business concept of "return to the society" which was put forward at the beginning of our company. While creating value for various stakeholders, we give back to the society with a sincere heart, promote the development of the industry, actively participate in various public welfare and charitable actions, organize voluntary activities, build quality communities, take on the responsibility of developing people's livelihood, and strive to create a harmonious society.

7.1 Industry Development

Kinwong Electronic takes an active part in the formulation of industry, national and international standards, and has participated in the formulation of 14 industry standards such as IPC2223 *Flex Board Design Sub-Standard* and IPC6018 *Identification and Performance Specification of High Frequency Microwave Printed Boards*, which have made important contributions to the technological development and standardization work of the industry.

We attach great importance to technological innovation and have achieved remarkable results in R&D field. The production method of multi-layer PCB board and multi-layer PCB board won the 23rd China Patent Award of Excellence. The project "Key Technology Research and Application of High Thermal Conductivity Substrate and High-end Printed Circuit Board for Automotive Applications" won the Second Prize of Guangdong Science and Technology Award Certificate issued by the People's Government of Guangdong Province. In addition, our project "Key Technology Development and Industrialization of High-Density Flex and Rigid-Flex Combined Printed Boards for Intelligent Terminals" won the First Prize of Shenzhen Scientific and Technological Progress. We attach importance to the cultivation and incentive of scientific research talents, and have especially formulated relevant incentive mechanisms to enhance the innovation consciousness of the personnel in the technology center and the enthusiasm of intellectual property rights declaration. For those who have obtained national invention patent authorization, national utility model patent and software copyright authorization, our company will give corresponding cash rewards according to *Intellectual Property Rights Management System*; for those who have published papers, passed the appraisal of scientific and technological achievements, or participated in the formulation and implementation of standards, our company will also give corresponding rewards.

During the reporting period, we successfully organized the 5th Global Supplier Partner Conference and encouraged our employees to actively participate in the activities of China Printed Circuit Association, to proactively take responsibility for industry development and to promote cooperation among all parties in the supply chain.

CASE The 5th Global Business Partner Conference 2023 was Held

On November 15, 2023, our company held the 5th Global Business Partner Conference. With the theme of "Moving Forward Together, Developing Together", the conference invited a total of 150 partners. At the conference, our company honored the outstanding partners and expected to start a brand-new journey with the suppliers as we look forward to the future.

At the conference, Kinwong emphasized our determination to face global challenges together with our partners, as well as the transformation from manufacturing to intelligent manufacturing by taking suggestions for improvement and strengthening cooperation. We also emphasized the high quality requirements for our suppliers in terms of quality, delivery, service, technological innovation and price, which help drive our company's product development and technological innovation. In addition, the conference also arranged for the heads of our departments to give speeches on the five themes of establishing an agile, transparent and efficient digital supply chain, building a high-quality delivery collaboration system, technology-driven, cooperation and innovation, and winning with quality.



The 5th Global Business Partner Conference 2023 was Held

CASE China Printed Circuit Association

In 2023, we were invited to participate in several major events organized by China Printed Circuit Association, including CPCA Standards Committee Annual Meeting, CPCA Spring International PCB Technology Information Forum, and International Printed Circuit (Shenzhen) Exhibition-International Technical Conference Presentations. The topics of the activities include *Research on Algorithm for Compensation Prediction of Rising and Shrinking of Multi-layer PCB Substrate* and *Application and Research on Artificial Intelligence in PCB Plating Process*, which demonstrates our strengths in the field of technological innovation and design.



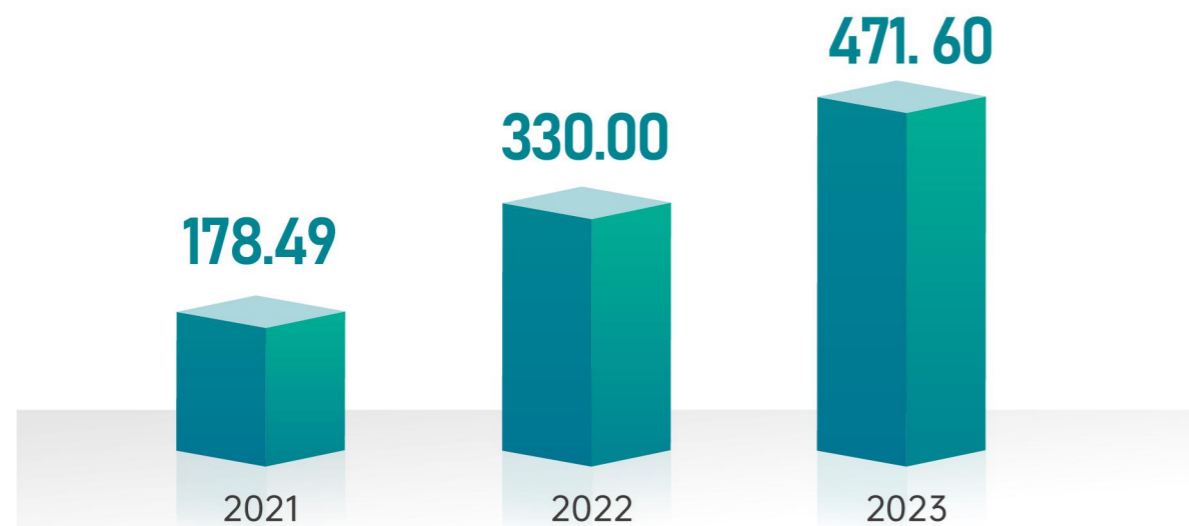
China Printed Circuit Association Activity

7.2 Contribute to Community Building

7.2.1 Social Welfare

Our company has always been adhering to the business concept of "people-oriented, manufacture high-quality products, expand our enterprise and give back to the society", and closely combining enterprise development with social responsibility. Being an enterprise full of compassion and warmth, Kinwong Electronic has been actively involved in public welfare, focusing on the fields of disaster relief, poverty alleviation, helping the disabled, culture and education, environmental protection and community building.

Kinwong Electronic Public Welfare Donation Amounts in the Past Three Years (ten thousand yuan)



CASE "Helping Others Will Benefit Yourself As Well" Activity

On January 16, 2023, Kinwong party volunteer team took the responsibility of practicing the social core values, adhering to the spirit of "helping others will benefit yourself as well", and took the initiative to join the ranks of serving the people. Working together with our cleaning unit, we organized an environmental clean-up operation to maintain the cleanliness and tidiness of the surrounding environment.

The volunteers collected and organized the scattered bicycles on the roadside and returned them to the designated bicycle storage area, which effectively reduced the chaos on the road. They also cleaned up the garbage on both sides of the road and carried the garbage to the garbage station, contributing to the cleanliness and improvement of the surrounding environment.



"Helping Others Will Benefit Yourself As Well" Activity

CASE Build a Beautiful Hometown

On April 15, 2023, Kinwong party branch and Tongqu government jointly carried out the volunteer tree planting activity of "promoting the construction of green and beautiful Tongqu, and planting a tree for my hometown". The activity aims to contribute to the greening and ecological environment of hometown by planting trees. Party members and cadres of our company are sweating profusely and contributing their efforts to the green and beautiful construction of their hometown. With joint efforts, small saplings stood against the wind on the hillside, adding new vitality to the land.

This tree planting activity is not only an environmental protection action, but also a vivid patriotic education. It also enhanced the environmental awareness and teamwork spirit of our employees, and gave them a deeper understanding of the significance and value of greening.



Build a Beautiful Hometown

CASE Kinwong Electronic Technology (Longchuan) Co., Ltd. Donated 200,000 RMB to Longchuan County Disabled Persons' Federation

On May 19, 2023, Longchuan County Disabled Persons' Federation held a donation activity with the theme of "improving social security system and care service system for disabled persons and promoting comprehensive development of disabled persons' cause" on the occasion of the 33rd "National Disabled Day". Kinwong Electronic Technology (Longchuan) Co., Ltd. responded positively and donated 200,000 RMB to Longchuan County Disabled Persons' Federation. In the activity, Longchuan County leaders presented our company with a plaque of "Caring Enterprise Helping the Disabled", and expressed their gratitude to our company for the contribution to the disabled in Longchuan.



△ Kinwong Electronic Technology (Longchuan) Co., Ltd. Donated 200,000 RMB to Longchuan County Disabled Persons' Federation

CASE "Explore the Secrets of Soil and Experience the Power of Science and Technology" Activity

Our company is committed to education and public welfare, and actively carries out science and technology education and popularization activities. On July 16, 2023, Kinwong Electronic held an activity named "explore the secret of soil, experience the power of science and technology". Volunteers in the activity to maintain order all the way, leading and guiding the children to visit, patiently answering children's questions, to protect the safety of children and parents, and enhance the children's desire for science.



△ "Explore the Secrets of Soil and Experience the Power of Science and Technology" Activity

CASE Kinwong Electronic Technology (Longchuan) Co., Ltd. Visited Longchuan County Children's Welfare Institution

We pay attention to the elderly and children groups and provide them with help through practical actions. On July 29, 2023, Kinwong employees went to Yidu Town to offer condolences to children and the elderly at the welfare home and delivered comfort supplies. During the visit, our employees not only gave material help, but also listened to the voices of each child and the elderly. Such care and companionship made the children and old people feel the warmth and care of the society. Kinwong employees practiced the responsibility and bearing to the social disadvantaged groups with practical actions, transmitted a warm power to the society, and showed favorable image of party members.



△ Visited Longchuan County Children's Welfare Institution

CASE Roll Up Your Sleeves and Give a Hand

On September 18, 2023, the labor union of Zhuhai Kinwong Flexible Circuit Co., Ltd. organized a blood donation activity. Volunteers cooperated with the staff and answered questions patiently to ease the nervousness of colleagues, so that employees could face the blood collection process in a relaxed mindset. After the blood donation, the staff of the blood station printed the blood donation cards for our employees and presented them with gifts. To enable the workers who just donated blood to get sufficient rest, our labor union arranged a special lounge and emphasized the precautions to be taken after donating blood, paying constant attention to the physical state of employees. A total of 51 employees participated in this blood donation activity and donated 16,300ml of blood. After the activity, Zhuhai Central Blood Station highly praised our company for actively organizing the blood donation activity, and sent the highest respect to our company on behalf of the beneficiaries. At present, blood donation activity has become an important part of our public welfare, and has gained wide support and participation from our employees.



Roll Up Your Sleeves and Give a Hand

In the future, we will continue to encourage and guide our employees to actively participate in public welfare activities and contribute more strength and love to the development and progress of the society.

7.2.2 Contribute to Rural Revitalization

Our company has always paid close attention to and deeply understood the poverty alleviation issues of concern to the government and the society, and carried out educational assistance and poverty relief, etc. We have been actively involved in social welfare by providing scholarships, empowering education, and donating funds and goods. Our company will also continue to fulfill corporate social responsibility while seeking development, and continue to expand and contribute to high-quality economic development.

On June 30, 2023, Kinwong Electronic Technology (Longchuan) Co., Ltd. donated another 2 million RMB to support the cause of rural revitalization. This donation will be invested in rural education, medical care and infrastructure construction respectively, contributing to the improvement of local education environment, upgrading the level of medical services, and promoting the overall development of rural revitalization.

In July 2023, Bao'an District of Shenzhen launched a rural revitalization campaign with the theme of "consolidating the results of poverty alleviation and helping to revitalize the countryside", focusing on supporting rural revitalization in Longchuan County of Heyuan, Chenghai District, Chaonan District of Shantou, Chishi Town of the Shenzhen-Shantou Special Co-operation Zone, as well as Huanjiang, Du'an, and Dahua Counties of the Guangxi Zhuang Autonomous Region. Our company took a positive response and donated 300,000 RMB in the donation activity of "boosting rural revitalization in Bao'an District" in 2023 to inject more energy for rural revitalization.



Kinwong Electronic Technology (Longchuan) Co., Ltd. Boosts Rural Revitalization



Conclusion

Future Prospect

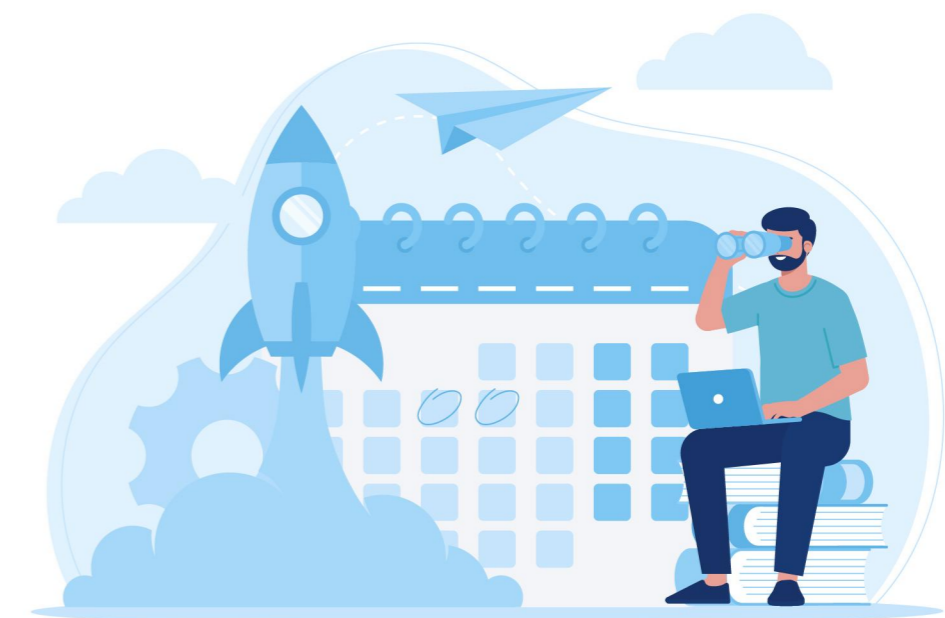
Recalling the past thirty years, Kinwong Electronic has established a good reputation and leadership position in the industry. Innovation, sustainability and global cooperation, these keywords will run through the future development blueprint of Kinwong Electronic. In the tide of global sustainable development, Kinwong Electronic will seize the opportunity and continue to explore innovative modes to lead the development direction of the industry.

In terms of strengthening environmental protection, Kinwong Electronic will continue to play a leading role in the field of environmental protection and clean technology development, continuously deepen our understanding and practice of green production, and through unremitting efforts in technological innovation and energy management, further reduce waste emissions and energy consumption to ensure that the impact of our production activities on the environment is minimized. We will continue to increase capital and manpower investment, actively promote the development and application of cleaner production technology, and strive to create a more environment-friendly and efficient production mode. We will further enhance our ability to identify and manage environmental risks, and respond to different types of climate risk challenges in a timely manner.

In terms of fulfilling our social responsibility, we will establish long-term and stable cooperative relations with our suppliers and work together to promote the sustainable development of the supply chain. We will continue to provide comprehensive safety training and health protection, pay attention to employees' physical and mental health and career development, and improve their job satisfaction and happiness. We will also keep on participating in social welfare activities, giving back to the society with practical actions, and contributing our part to community building and public welfare through donations and volunteer services.

In terms of optimizing corporate governance, we will further improve our internal control system and strengthen our corporate governance structure to ensure the scientific and rational nature of our decision-making. We will strengthen the supervision and management of all aspects of our operations by establishing a sound internal control and auditing system in order to improve our operational efficiency and risk control capability. Meanwhile, we will maintain good communication and cooperation with stakeholders to enhance our ability to respond to the external environment.

In the future, we believe that with our unremitting efforts and continuous innovation, Kinwong Electronic will continue to use ESG management and practice as a powerful tool, firmly moving towards the path of sustainable development, and contributing our efforts to achieving a more sustainable and prosperous future.



ESG Key Performance

Kinwong Electronic 2023 ESG Key Performance Table

Social Scope					
Indicator name	Unit	2021	2022	2023	
Public Welfare Donation					
Total amount of public welfare donations	10 thousand yuan	178.49	330.00	471.60	
Employee Employment					
Percentage of labor contracts signed	%	100	100	100	
Total number of employees	Person	14,469	14,480	15,298	
By gender	Male	Person	7,823	7,956	8,527
	Female	Person	6,646	6,524	6,771
By nationality	Ethnic minority employees	Person	855	959	979
By age	51 years old and above	Person	202	204	245
	41 to 50 years old	Person	2,572	3,060	3,635
	30 to 40 years old	Person	7,254	7,345	7,275
	30 years old and below	Person	4,441	3,871	4,143
By region	Employees working in Mainland China	Person	14,439	14,455	15,273
	Employees working in Hong Kong, Macao and Taiwan	Person	21	19	17
	In other countries and regions	Person	9	6	8
By degree	Master and above	Person	60	52	54
	Undergraduate	Person	1,186	1,220	1,514
	College	Person	2,665	2,498	2,994
	Below College	Person	10,558	10,710	10,736
By type of employee	Number of grassroots employees	Person	14,074	14,069	14,852
	Number of employees at middle management level	Person	346	360	387
	Number of female employees in middle management	Person	66	69	75
	Number of employees at senior management level	Person	49	51	59
By employee professional composition category	Number of female employees in senior management	Person	4	5	6
	Production staff	%	61.08	66.33	63.74
	Sales staff	%	1.71	1.66	1.18
	Technical staff	%	28.05	24.09	25.15
	Financial staff	%	0.48	0.49	0.52
	Administrative staff	%	8.67	7.44	9.41

Note: Employees in grassroots, middle management and senior management levels are classified in accordance with our internal grading standards.

Employee Employment

Total number of employees separated	Person	4,583	4,780	4,498	
By gender	Number of male employees separated	Person	2,787	2,990	2,863
	Number of female employees separated	Person	1,796	1,790	1,635
By age	Number of employees separated at age 51 and over	Person	44	60	50
	Number of employees separated at age 41 to 50	Person	652	665	582
	Number of employees separated at age 31 to 40	Person	2,042	2,107	1,977
	Number of employees separated at age 30 below	Person	1,845	1,948	1,889
Employee turnover rate	%	34.48	33.02	30.21	
By region	Number of employees separated who worked in Mainland China	Person	4,580	4,773	4,494
	Number of employees separated who worked in Hong Kong, Macao and Taiwan	Person	2	3	3
	Number of employees separated who worked in other countries and regions	Person	1	4	1

Employee Training

Total number of employees trained	Person	-	-	110,359
By gender	Number of male employees trained	Person	-	63,007
	Number of female employees trained	Person	-	47,352
By employee type	Number of grassroots employees trained	Person	-	78,615
	Number of middle management employees trained	Person	-	29,307
	Number of senior management employees trained	Person	-	2,437
Total hours of training received by employees	Hour	-	-	158,486.88
Hours of training per capita	Hour	-	-	1.44
By region	Total hours of training received by male employees	Hour	-	90,337.52
	Total hours of training received by female employees	Hour	-	68,149.36
By employee type	Total hours of training received by grassroots employees	Hour	-	119,308
	Total hours of training received by middle management employees	Hour	-	36,499.17
	Total hours of training received by senior management staff	Hour	-	2,679.71
Professional training investment	Yuan	-	-	2,724,584

Note:
 1. Separated employees do not include dispatched workers and those who leave during the probation period.
 2. Employee turnover rate = The number of resignations in this category for the current year ÷ ((The number of employees in this category at the beginning of the current year + The number of employees in the type at the end of the current year) ÷ 2) × 100%.
 3. No employee training data has been compiled by our company for the years 2021 and 2022.

R&D innovation

Number of R&D personnel	Person	1,497	1,703	1,598
Number of R&D personnel as a percentage of company's total headcount	%	10.34	11.76	10.45
Amount of R&D investment	Hundred million yuan (RMB)	4.58	5.46	6.01
Proportion of R&D investment to operating income	%	4.80	5.19	5.58
Number of patents held	PCS	374	452	468

Supply chain management

Total number of suppliers	Unit	614	651	617
By region	Number of suppliers in China	Unit	572	609
	Number of suppliers in Hong Kong, Macao, Taiwan and overseas	Unit	42	44
Total number of new suppliers	Unit	109	132	109

Employee health and safety

Safety accidents and personnel	Number of work-related injuries	Person	29	17	20
	Number of workplace accidents	PCS	26	17	20
	Number of occupational diseases	Person	0	0	0
Health and safety investment	Employee investment in occupational health and safety	Ten thousand yuan (RMB)	164.17	182.97	207.14
	Investment in production safety	Ten thousand yuan (RMB)	1,829.20	1,925.36	2,542.85
Safety production training performance	Number of people trained in safety	Person	13,847	14,746	15,365
	Hours of safety training	Hour	38,434	32,170	37,548
	Safety training coverage	%	100	100	100

Environmental scope

Indicator name	Unit	2021	2022	2023
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Energy use

Natural gas	Cubic meter	3,739,111	4,622,352	4,818,327
Diesel	Liter	205,442	356,650	224,046
Gasoline	Liter	5,298	1,325	1,365
Outsourced electricity	Degrees (kWh)	577,416,917	558,625,777	683,313,449

Gas emissions

Total exhaust gas emissions	Cubic meter	17,328,800,620	20,709,790,594	22,731,620,810	
Greenhouse gas emissions	Scope I	Tonnes of carbon dioxide equivalent	8,784.97	16,593.63	11,200.52
	Scope II	Tonnes of carbon dioxide equivalent	547,911	530,080	648,396
	Scope III	Tonnes of carbon dioxide equivalent	-	315,530	-

Water pollution emissions

Total wastewater emissions	Cubic meter	2,961,458.50	3,293,061.00	3,741,400.50
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Water utilization

Municipal water purchased	Cubic meter	5,156,043	5,824,241.00	6,550,148.00
Total recycled/recycled water	Cubic meter	2,284,779	2,705,979	3,049,993

Waste management and pollutant prevention

Total recyclable waste	Ton	7,956.82	7,122.28	7,834.68
Total general solid waste	Ton	5,830.39	6,765.94	6,417.48
Total hazardous waste recycling	Ton	51,263.61	57,312.77	52,655.68
Total hazardous waste	Ton	73,155.65	88,505.30	84,939.65

Environmental investment

Environmental investment	Ten thousand yuan (RMB)	22,231.37	10,857.07	16,060.54
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Governance scope

Indicator name	Unit	2021	2022	2023
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Company governance data

Number of disclosure announcements	PCS	100	92	114	
Number of the board of directors' meetings	Times	12	7	12	
Number of the board of supervisors' meetings	Times	7	5	6	
Number of strategic development committee meetings	Times	2	3	2	
Number of audit committee meetings	Times	3	4	4	
Number of nomination committee meetings	Times	3	3	2	
Number of remuneration and appraisal committee meetings	Times	2	2	3	
Number of board members	Person	9	9	9	
Percentage of executives hired from the local community	%	54.72	51.72	53.13	
Disclosure by gender	Male directors	Person	7	7	7
	Female directors	Person	2	2	2
Disclosure by type	Independent directors	Person	3	3	3
	Non-independent directors	Person	6	6	6
Remuneration policy	Average remuneration of directors	Ten thousand yuan (RMB)	93.20	102.11	108.93

Economic indicator

Operation revenue	Hundred million yuan (RMB)	95.32	105.14	107.57
Total asset	Hundred million yuan (RMB)	143.42	154.92	172.31
Net profit	Hundred million yuan (RMB)	9.31	10.81	9.11
Cash dividend per 10 shares	yuan (RMB)	3.00	5.00	5.00(proposed)

Index Table of Reporting Criteria

Index of GRI Sustainability Reporting Standard Indicators

Usage Note: Kinwong Electronic reported the information cited in this GRI Content Index from January 2023 through December 2023 by reference to the GRI Standard.

GRI Standard Number	GRI Standard Content	Chapter
GRI2: General Disclosure		
Organization and its reporting practices		
2-1	Organization details	About Kinwong Electronic
2-2	Entities included in the organization's sustainability reporting	About Kinwong Electronic
2-3	Reporting period, frequency and contact point	Report Introduction
2-4	Restatements of information	Refer to report chapters for details
Activities and workers		
2-6	Activities, value chain and other business relationships	About Kinwong Electronic Customer Service Industry Development
2-7	Employees	Talent Management
2-8	Workers who are not employees	Supplier Selection
Governance		
2-9	Governance structure and composition	Corporate Governance
2-10	Nomination and selection of the highest governance body	Corporate Governance
2-11	Chair of the highest governance body	Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance
2-13	Delegation of responsibility for management impacts	Sustainable Development Strategy Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	Sustainable Development Strategy Corporate Governance
2-15	Conflicts of interest	Stakeholder Communication
2-16	Communication of critical concerns	Stakeholder Communication Corporate Governance
2-17	Collective knowledge of the highest governance body	Corporate Governance
2-18	Evaluation of the performance of the highest governance body	Corporate Governance
2-19	Remuneration policies	Talent Development and Motivation
2-20	Process to determine remuneration	Corporate Governance
2-21	Annual total remuneration ratio	ESG Key Performance

GRI Standard Number	GRI Standard Content	Chapter
Strategy, policy and practice		
2-22	Statement on sustainable development strategy	Company Sustainable Development Philosophy Sustainable Development Strategy
2-23	Policy commitment	Corporate Governance
2-24	Embedding policy commitments	Supplier Selection
2-26	Mechanisms for seeking advice and raising concerns	Business Ethics
2-27	Compliance with laws and regulations	Refer to report chapters for details
2-28	Membership in associations	Industry Development
Stakeholder involvement		
2-29	Approach to stakeholder engagement	Stakeholder Communication Corporate Governance
GRI 3: Substantive Issues 2021		
3-1	Process to determine material topics	Kinwong Electronic ESG Management
3-2	List of material topics	Kinwong Electronic ESG Management
3-3	Management of material topics	Kinwong Electronic ESG Management
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Talent Development and Motivation Contribute to Community Building
201-2	Financial implications and other risks and opportunities due to climate change	Environmental Management
201-3	Defined benefit plan obligations and other retirement plans	Employee Care
GRI 202: Market Performance 2016		
202-2	Proportion of senior management hired from the local community	ESG Key Performance
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Contribute to Community Building
203-2	Significant indirect economic impacts	Contribute to Sustainable Supply Chain Development Industry Development Contribute to Community Building
GRI 205: Anti-Corruption 2016		
205-1	Operations assessed for risks related to corruption	ESG Key Performance
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics
205-3	Confirmed incidents of corruption and actions taken	Business Ethics

GRI Standard Number	GRI Standard Content	Chapter
GRI 207: Taxation 2019		
207-3	Stakeholder engagement and management of concerns related to tax	Stakeholder Communication
GRI 301: Material 2016		
301-1	Materials used by weight or volume	ESG Key Performance
301-2	Recycled input material used	ESG Key Performance
301-3	Reclaimed products and their packaging materials	ESG Key Performance
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	ESG Key Performance
302-2	Energy consumption within the organization	ESG Key Performance
302-3	Energy intensity	Response to Climate Change
302-4	Reduction of energy consumption	Response to Climate Change Contribute to Sustainable Supply Chain Development
302-5	Reductions in energy requirements of products and services	Response to Climate Change
GRI 303: Water Resources and Wastewater 2018		
303-1	Interaction with water as a shared resource	Water Resources Management
303-2	Management of water discharge-related impacts	Water Resources Management
303-5	Water consumption	ESG Key Performance
GRI 305: Emissions 2016		
305-1	Direct (Scope I) GHG emissions	ESG Key Performance
305-2	Energy indirect (Scope II) GHG emissions	ESG Key Performance
305-3	Other indirect (Scope III) GHG emissions	ESG Key Performance
305-4	GHG emissions intensity	ESG Key Performance
305-5	Reduction of GHG emissions	ESG Key Performance
305-6	Emissions of ozone-depleting substances(ODS)	ESG Key Performance
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant gas emissions	ESG Key Performance
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Emission and Waste Management
306-2	Management of significantwaste-related impacts	Emission and Waste Management
306-3	Waste generated	Emission and Waste Management
306-4	Waste diverted from disposal	Emission and Waste Management
306-5	Waste directed to disposal	Emission and Waste Management

GRI Standard Number	GRI Standard Content	Chapter
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	ESG Key Performance
308-2	Negative environmental impacts in the supply chain and actions taken	Responsible Purchasing
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	ESG Key Performance
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESG Key Performance
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Occupational Health and Safety
403-2	Hazard identification, risk assessment and incident investigation	Occupational Health and Safety
403-3	Occupational health services	Occupational Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
403-5	Worker training on occupational health and safety	Occupational Health and Safety
403-6	Promotion of worker health	Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety
403-9	Work-related injuries	Occupational Health and Safety
403-10	Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education 2016		
404-1	Average number of hours of training per employee per year	ESG Key Performance Talent Development and Motivation
404-2	Employee skills upgrading programs and transition assistance programs	Talent Development and Motivation
404-3	Percentage of employees receiving regular performance and career development appraisals	ESG Key Performance
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Staff Management
GRI 413: Local Community 2016		
413-1	Operations with local community engagement, impact assessments, and development plans	ESG Key Performance
413-2	Operations with significant actual and potential negative impacts on local communities	ESG Key Performance
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	ESG Key Performance
414-2	Negative social impacts in the supply chain and actions taken	Responsible Purchasing

GRI Standard Number	GRI Standard Content	Chapter
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Product Quality and Safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Quality and Safety
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Product Quality and Safety
417-2	Incidents of non-compliance concerning product and service information and labeling	Product Quality and Safety
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints complains concerning breaches of customer privacy and losses of customer data	Data Security and Privacy Protection



Suggestions & Feedback

Dear Reader:

Greetings! Thank you very much for reading 2023 ESG Report of Shenzhen Kinwong Electronic Co., Ltd.! In order to continuously improve the management of ESG reporting, we are particularly interested in your comments and suggestions, and we would appreciate your assistance in completing the relevant questions in the feedback form and returning them to us:

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Your information

NAME: _____ TEL: _____
 WORK UNIT: _____ FAX: _____
 POSITION: _____ E-MAIL: _____

Feedback Form

Selective questions: (please check "✓" the appropriate box)

1. Please evaluate the extent to which this report reflects the significant economic, social and environmental impacts of Kinwong Electronic:

Very good
 Good
 Fair
 Poor
 Very poor

2. Please evaluate the responsiveness and disclosure of this report to stakeholder concerns:

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 Good
 Fair
 Poor
 Very poor

3. Please evaluate the clarity, accuracy and completeness of the information, indicators and data disclosed in this report:

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 Good
 Fair
 Poor
 Very poor

4. Please evaluate the readability of this report:

Very good
 Good
 Fair
 Poor
 Very poor

5. Please provide your comprehensive evaluation of 2023 ESG Report of Shenzhen Kinwong Electronic Co., Ltd.:

Very good
 Good
 Fair
 Poor
 Very poor



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