2024 | MEMTECH ESG Report

Contents

About This Report

This is the fourth *Environmental, Social, and Governance (ESG) Report* published by MEMTECH International Pte. Ltd., that reports the Group's practices and performances in the areas of environment, society, and corporate governance. It aims to provide stakeholders with a cogent and transparent understanding of the Group's ESG performance.

Reporting Period

This report covers the period from January 1, 2024, to December 31, 2024. For comparability, contextual information before this period may be included, with explanations where applicable.

Reporting Scope

This report covers the following subsidiaries under Memtech International Pte. Ltd.: Dongguan Memtech Electronic Products Co., Ltd., Nantong Memtech Technology Co., Ltd., Memtech Precision Electronics (Kunshan) Co., Ltd., Ji'an Memtech Precision Electronic Co., Ltd., Memtech technology (Vietnam) Co., Ltd.

Terminology Used in This Report

For readability, "MEMTECH International Pte. Ltd." is referred to in this report as "Memtech," "the Group," "the Company," or "we." The following abbreviations are used for the Group's subsidiaries: Dongguan Memtech Electronic Products Co., Ltd. is referred to as MTD, Nantong Memtech Technology Co., Ltd. as MTN, Memtech Precision Electronics (Kunshan) Co., Ltd. as MTKS, Ji'an Memtech Precision Electronic Co., Ltd. as MTJA, Memtech technology (Vietnam) Co., Ltd. as MTVN.

Data Explanation

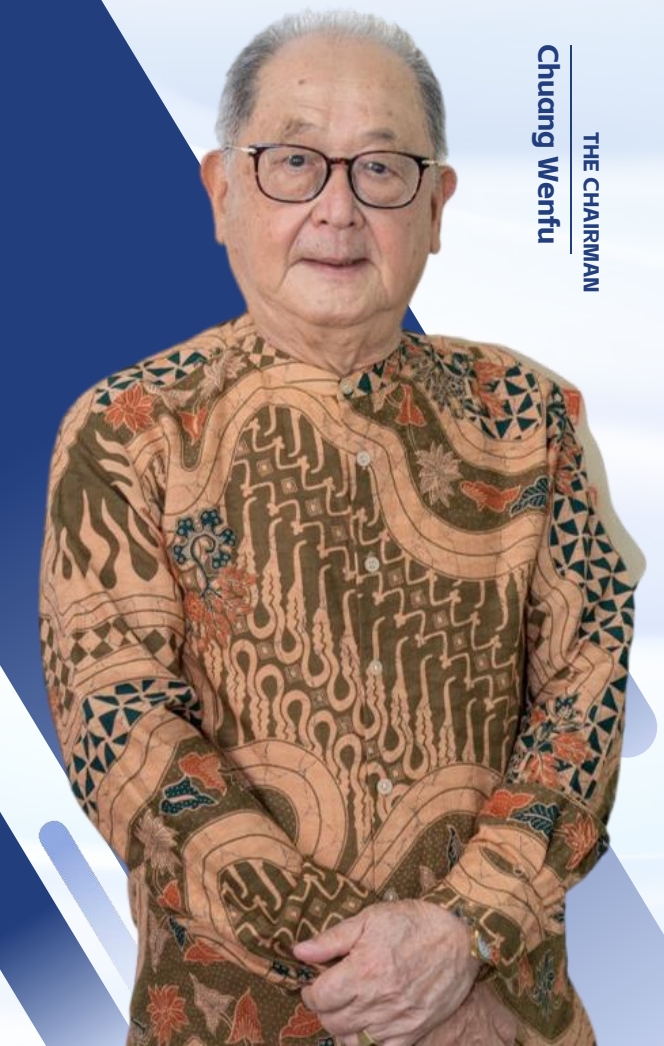
The financial data presented in this report is derived from the Company's audited financial statements. Other data was sourced from the Group's internal documents and aggregated statistical information. Unless otherwise specified, the denominated currency is Renminbi (RMB).

Reporting Standards

This report took reference from the self-regulatory guidelines for listed companies issued by China's three major stock exchanges, the *Global Reporting Initiative (GRI) Sustainability Reporting Standards (2021 version)*, the general framework under *Guidelines for Corporate Sustainability Reporting in China (CASS-ESG 6.0)* and the *United Nations Sustainable Development Goals (SDGs)*.

Message from the Chairman

Forging Resilience, Moulding the Future



Chuang Wenfu
THE CHAIRMAN

Dear Partners, Investors, Colleagues, and Friends from All Walks of Life,

In 2024, the global business ecosystem underwent a profound transformation and brought along new opportunities. Recalling the past few years, we have weathered the pandemic storm with unwavering resilience together. Memtech had achieved historic growth in the face of those adversities. This is the outcome of the unity, dedication, and fearless commitment of every member of Team Memtech for which I extend my deepest respect and heartfelt gratitude.

In the face of complex challenges brought upon by global inflation, supply-chain disruptions, and climate-action mobilisation, Memtech has always regarded resilience as the core of the company's survival and development. We firmly believe that only with a resilient team, built by a collective strength of all employees, Memtech can cultivate sustainable competitiveness amid technological evolution and market volatility. In 2023, we maintained operational resilience despite significant cost pressures, by improving production, optimising mould engineering management, and closely managing inventory turnover. In 2024, we further strengthened our risk-evaluation systems and embedded the "Resilience DNA" into our value chain, talent development and technological innovation.

As a key participant in the rubber-plastic composite industry, Memtech accepts its environmental responsibilities. We will respond proactively to China's "Dual-Carbon" goals by increasing investments in energy conservation, emissions reduction, and green manufacturing. On one hand, we will upgrade our production processes by adopting environmentally friendlier raw materials and advanced energy-efficient equipment to reduce energy consumption and waste generation during production. On the other hand, we will advance a circular-economy model by enhancing the recycling and reusing of discarded plastic products to improve resource utilisation rate. We are committed to driving green transformation across the industry by collaborating with upstream and downstream partners to build a sustainable, eco-friendlier industrial chain, in order to steer the plastic products sector toward a greener future.

Our employees are Memtech's most valuable asset. We fully recognise that every step forward relies on their dedicated contributions and wisdom. In the past year, our entire team has demonstrated remarkable perseverance and a spirit of continuous improvement by contributing significantly in their roles thereby steadily navigated the company in a volatile, uncertain, complex and ambiguous (VUCA) market. In the year ahead, we will place even greater emphases on employees' growth and development. We will provide more training opportunities to enhance professional skills and build broader platforms for career advancement — enabling capable and ambitious individuals to realise their full potential. At the same time, we will continue to improve the working environment to foster a more harmonious, inclusive, and uplifting corporate culture in order to let everyone feel a sense of belonging at work.

Currently, geopolitical tensions and the climate crisis continue to heighten uncertainty but Memtech firmly believes that true development begins with unwavering commitment to our intrinsic value. We will continue to protect the environment through technology, drive innovation through responsibility and connect with global partners through integrity. In a precarious environment, we will blaze a path that is both of developmental quality and of ecological value.

I firmly believe that as long as we stand united, the future of Memtech will be brighter. Let us work hand in hand towards our shared goals, striving not only for the success of our company but also for the realisation of your own future.

I thank all those who journey alongside us. Let us continue to pioneer the future of our industry in order to safeguard our planet with the strength of Memtech.

Chuang Wenfu
June 2025

About Memtech

Memtech was founded in 2000, listed on the Main Board of the Singapore Exchange (SGX) in 2004 then privatised in 2019. It is a precision plastic component manufacturer that can integrate component design, mould making, engineering and R&D into production.

We possess complete production facilities, which include:

- Mould making
- Injection molding
- Silicone Processing
- Painting
- Assembly
- Sputtering

The company focuses on contract manufacturing for both domestic and international markets, providing high-tech solutions to partners in the automotive components, consumer electronics, industrial medical devices and mobile communications sectors.

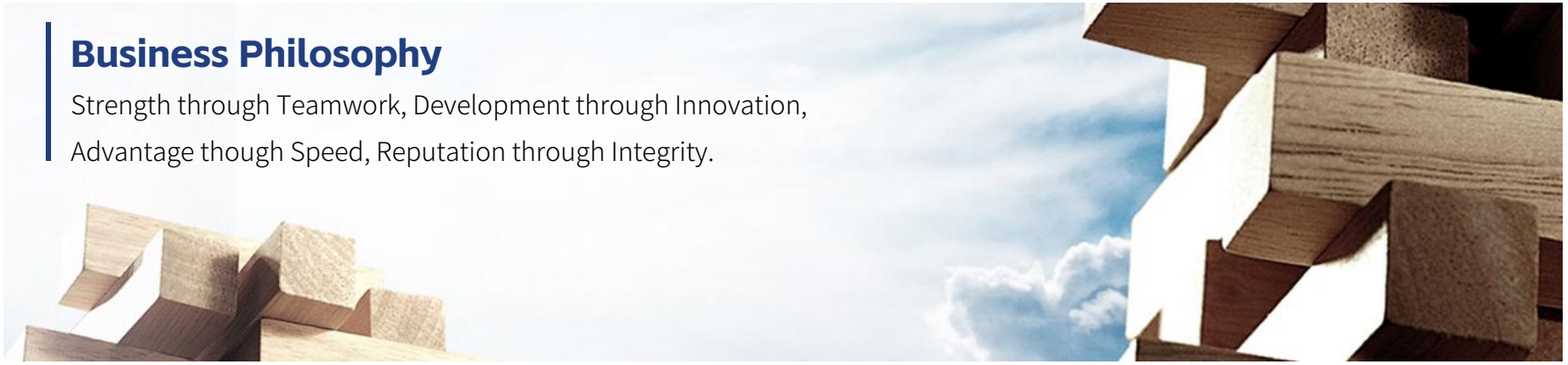
The Group's headquarters, Memtech International Pte. Ltd., is located in Singapore.

In China, it operates four manufacturing bases, namely in Dongguan, Nantong, Kunshan, and Ji'an. On top of these, it also has production facilities in Hai Duong Province, Vietnam and Selangor, Malaysia.

Beyond its extensive network of sales and engineering offices across China, it also maintains sales offices in Germany, Japan, and the United States and a trading company, Memtech Developmemnt (H.K.) Co., Limited, in Hong Kong to provide global support for its products and services.

Business Philosophy

Strength through Teamwork, Development through Innovation,
Advantage though Speed, Reputation through Integrity.



Financially

Memtech has consistently adhered to a conservative strategy, maintaining a remarkable low-gearing policy, reflecting its high degree of financial freedom. In compliance management, Memtech upholds strict standards and has established a relatively comprehensive compliance management system.

Technically

Memtech practises the Early Supplier Involvement (ESI) strategy. Through joint development and shared patent ownership, grounded in a win-win mindset, Memtech has laid a solid foundation for long-term partnership.

Memtech advances steadily through a corporate culture and business philosophy of "People Utmost, Technology Foremost" and the Group believes that this culture and philosophy will help it reach new heights in the next twenty years.

About Memtech

Memtech focuses on precision manufacturing and related integrated core technologies, continuously diversifying into fields that are relevant to these core technologies. Starting from the initial keypad sector, it has leveraged its solid technical foundation and keen sense of market insight to grow its business. Since then, it has expanded into multiple sectors, such as automotive components, consumer electronics, industrial medical devices, mobile communications and other sectors. This diversification continuously generates synergies, uncovers new market demands and enables entry into more high-end and niche segments. Dedicated to becoming a leading diversified manufacturing enterprise, Memtech provides global clients with comprehensive and high-quality product solutions.

2000-2006

2000

- In July, Dongguan Memtech Electronic Products Co., Ltd. was established as a manufacturer of mobile-phone keypads, with production capabilities for silicone rubber and in-mould decorative (IMD) keypads.

2001

- Memtech became China's first company to use a plastic-rubber (P+R) assembly jig for keypads.Though the use of single-injection process during production, Memtech was able to achieve high-quality products, while minimising rejection rates.
- Memtech has developed a proprietary mobile-phone key design in which the plastic keycap is laminated onto an underlying silicone-rubber pad. Manufacturing capabilities include second-surface printing, first-surface coating, laser engraving and electroplating.
- Memtech became China's first company to use a plastic-rubber (P+R) assembly jig for keypads. Though the use of single-injection process during production, Memtech was able to achieve high-quality products, while minimising rejection rates.
- Memtech successfully developed an injection-moulding process to enhance lens cover strength.
- Memtech also developed and commercialised the in-mould lensing (IML) technology, enabling mass production.
- Memtech completed the development of a full set of injection moulds for mobile-phone housings, laying a solid foundation for its mobile-phone housing-injection moulding business and its downstream coating processes.

2004

- In November, Memtech Precision Electronics (Kunshan) Co., Ltd. was established, focusing on high-precision mould finishing with extended capabilities in complementary injection moulding production. Its comprehensive offerings include mobile-phone housings, laptop casings, and automotive plastic parts. Owing to Memtech's exceptional quality, its products enjoy strong sales in global markets.
- Memtech established a joint venture, Raytech Ltd., in cooperation with Celestin Technology Limited, focusing on the R&D and sales of telecommunication antennas and Bluetooth antennas in mobile phones.

2006

- Memtech established a Vacuum Electrocoating Application and Technology Centre in Dongguan. The centre specialises in coating technologies for products such as keypads, decorative parts, and antennas, including Non-Conductive Vacuum Metallisation (NCVM), sputtering, and mid-frequency sputtering. Additionally, Memtech also equipped the facility with multilayer optical-grade NCVM application coating technology.

2007-2012

2007

- Memtech successfully acquired Sentehon Co., Ltd., a Taiwanese company that specialised in light-guide software architecture and luminance-measurement systems. This acquisition further strengthened Memtech's R&D capabilities in mobile keypad light-guide films, with immediate production implementation.
- Additionally, Memtech developed innovative solutions and advanced equipment for the mass production of injection-moulded light-guide panels and related key component modules used in the QWERTY keypads of Microsoft Xbox 360 game controller.

2008

- Memtech adopted thermal-transfer printing technology (TPT) to develop automated mass production equipment. In December, Memtech successfully developed the first automated thermal-transfer printer (TPT machine), enabling Memtech to meet customer demands for thinner keypads and more sophisticated decorative effects.

2009

- Memtech successfully developed a manufacturing process for TPU rubber co-moulding, capable of achieving a structural thickness as fine as 0.12 mm.
- Additionally, Memtech have applied optical-disc injection technology to the development of 3D decorative components for mobile phones.
- Through UV-curing adhesive and vacuum-lamination technologies, Memtech achieved mass production of bubble-free bonding of decorative components to the substrates.

2010

- In August, Memtech Development (H.K) Co., Ltd. was established to strengthen the strategic global reach of our products and services.
- Memtech invented and patented methods for manufacturing 3D decorative keypads and keypads using Ultra-Clear Coating (UCC) technology.

2013-2019

2018

- Establishment of Kunshan Taitech Automation Co., Ltd. as a specialised entity that focused on R&D and manufacturing of automation equipment, robots, electrical devices and other intelligent or high-tech equipment and parts and related after-sales services.

2019

- Ji'an Memtech Precision Electronic Co., Ltd. was established, focusing on the production and sales of electronic components, lenses, displays, moulds, plastic products, and rubber products. On August 22 of the same year, the company completed its privatisation process. In November, Memtech Technology (Vietnam) Co., Ltd. was founded, focusing on the production and sales of moulds and plastic products.

2022

- In September, Memtech Technology (Malaysia) SDN. BHD. was established, specialising in the production and sales of plastic products.

Main Businesses and Core Technologies

Memtech's products are widely used across multiple sectors, including automotive components, consumer electronics, industrial healthcare and mobile communications. Memtech provides high-quality solutions ranging from traditional keypads to precision electronic components, and from basic accessories to intelligent system integration, continuously expanding its business frontiers.

Automotive Components

Memtech's main automotive component products comprise technically sophisticated plastic components, such as centre consoles, keypad controllers and key fobs.

Specifically, these include precision components used in Electronic Control Units (ECUs); functional parts applied in door, seat and mirror control systems; as well as decorative components for smart keys, body control and infotainment systems.

Consumer Electronics

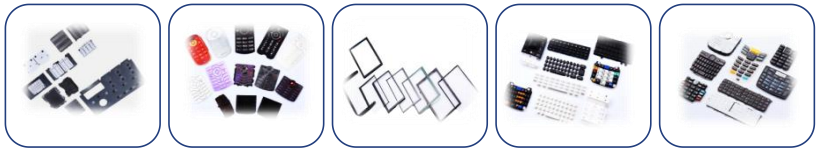
Leveraging Memtech's expertise in mould design and manufacturing processes, Memtech creates significant value for its customers in the highly competitive consumer electronics market. Its products ingeniously combined engineering technology with decorative elements and feature infrared light-guiding capabilities. These products range from computer keyboards, speakers, headphones, routers, digital set-top box housings, remote controls, as well as streaming and gaming devices.

Industrial & Medical

Memtech understands the diverse needs and expectations of enterprises across various industrial and medical sectors hence it is committed to help customers develop innovative products in their respective fields. Its customised solutions spread from basic equipment such as barcode scanners, to advanced devices such as complex medical diagnostic readers.

Mobile Communications

Memtech has extensive experience in the rapidly evolving mobile communications sector. It offers comprehensive modular services for keypads, cover panels, anti-reflective lenses, waterproof housings and enclosures for mobile devices.



Global Operations System

Memtech has a comprehensive structure that covers R&D, manufacturing, marketing and customer service. Headquartered in Singapore, the Group's business network spans Japan, Shanghai, and Taiwan, with technical support extending to the United States and Europe. Its manufacturing facilities are distributed across China — in Dongguan, Nantong, Kunshan, and Ji'an — as well as in Vietnam and Malaysia.

Memtech serves a global customer base, including several renowned automotive suppliers such as Continental, Hella, Magna, and Kostal. It also provides solutions for leading electric vehicle companies, including brands like Nio. Memtech's broader customer portfolio includes well-known enterprises such as Samsung, BOSE, Foxconn, Celestica, Netgear and Roku.

International Certifications and Industry Awards

By the end of 2024, Memtech has obtained 34 valid domestic and international certifications, demonstrating the Group's compliance with global standards in product quality, production management and environmental protection.

In addition, Memtech has received numerous accolades at the provincial, municipal, and industry levels, further validating its outstanding position and competitiveness within the industry.

Summary of System Certification for Each Factory of Memtech

MTJA	*Dun & Bradstreet Registered Certification, ISO 14064 Organisational Greenhouse Gas Emissions Verification Statement, IATF 16949 Automotive Quality Management System, ISO 9001 Quality Management System, ISO 13485 International Quality Management System for Medical Devices, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety*
MTKS	*Dun & Bradstreet Registered Certification, ISO 9001 Quality Management System, ISO 14001 Environmental Management System, IECQ QC080000 Hazardous Substance Process Management System, IATF 16949 Automotive Quality Management System, ISO 13485 International Quality Management System for Medical Devices, ISO 14064 Organisational Greenhouse Gas Emissions Verification Statement, GB/T 29490 Intellectual Property Management System*
MTN	*Dun & Bradstreet Registered Certification, IATF 16949 Automotive Quality Management System, ISO 9001 Quality Management System, ISO 13485 International Quality Management System for Medical Devices, ISO 14001 Environmental Management System, ISO 14064 Organisational Greenhouse Gas Emissions Verification Statement, ISO 45001 Occupational Health and Safety Management System*
MTD	*Dun & Bradstreet Registered Certification, IATF 16949 Automotive Quality Management System, ISO 14001 Environmental Management System, ISO 9001 Quality Management System, ISO 45001 Occupational Health and Safety Management System, ISO 13485 International Quality Management System for Medical Devices, ISO 14064 Organisational Greenhouse Gas Emissions Verification Statement*
MTVN	*IATF 16949 Automotive Quality Management System, IECQ QC080000 Hazardous Substance Process Management System, ISO 9001 Quality Management System, ISO 14001 Environmental Management System, RBA VAP Certification.*

Memtech Honors and Qualifications Statistics

	MTJA	MTKS	MTN	MTD	MTVN	Total
Awards	7	41	42	16	1	107

Memtech 2024 ESG Key Performance Indicators

Memtech Financial Performance			
	Group Operating Revenue	Group Operating Profit	Shareholders' Equity
2024 vs 2023 Growth (%)	20.84%	36.19%	4.96%
Total awards obtained by Memtech by the end of 2024			107
Total number of employees in Memtech in 2024			4,753
Percentage of employees receiving anti-commercial bribery and anti-corruption training in 2024			97.66%
Senior Management Compensation Performance			
Senior management compensation as % of total payroll	7.79%	2024 senior management compensation as % of total payroll from 2023	3.96%
2024 Greenhouse Gas Emissions Statistics			
Scope 1 Emissions	1,682.57	tCO2e	
Scope 2 Emissions	50,022.37	tCO2e	
Scope 3 Emissions	74,237.44	tCO2e	
Total Emissions	125,942.39	tCO2e	
Emission Intensity	4.63	tCO_2 e per RMB10,000 of operating profit	
2024 Memtech Energy-related Statistics			
Total Energy Consumption (tce)	11,147.14	Energy Intensity (kgce per RMB10,000 of operating profit)	409.63
Energy Expenditure (RMB10,000)	5,931.60	Percentage of Energy Expenditure to Total Operating Expenses	14.12%
2024 Memtech Water Usage Statistics			
Annual Water Usage (tons)	329,400.90	Water Usage Intensity (tons per RMB10,000 of operating profit)	12.10
2024 Memtech Solid and Hazardous Waste Statistics			
Hazardous Waste(tons)	161.39	General Solid Waste(tons)	1,116.03
2024 Memtech Packaging Material Usage Statistics			
Paper and Wood(tons)	6,129.36	Foam Plastics(tons)	10,215.35	Metal Packaging (tons)	70.60

Memtech Financial Performance			
2024 R&D Resource Investment			
R&D Funding (RMB10,000)	8,524.8	Increase in R&D Funding vs 2023 (%)	15.03%
Number of R&D Personnel	394	R&D Personnel as % of Total Employees	8.29%
Memtech Scientific Achievements			
Cumulative authorised patents in China, the US, Japan, and Germany as of December 2024:			
Valid Invention Patents	76	Utility Model Patents	104
Appearance Design Patents	6	Software Copyrights	4
The approximate male-to-female employee ratio at Memtech in 2024			5:4
Memtech Employee Training Data Statistics			
2024 Total Training Sessions	2,595	Increase in Training Sessions Compared to 2023	113
2024 Total Training Investment (RMB10,000)	14.05	Increase in Training Investment Compared to 2023 (%)	10.98%
Memtech 2024 Occupational Health and Safety Data Statistics			
Work-related fatalities	0	Workdays lost due to work injuries	540
Group work injury insurance investment (RMB10,000)	158.82	Group safety production liability insurance investment (RMB10,000)	149.75
2024 group work injury insurance coverage rate	76.57%	Increase in coverage rate compared to 2023	4.12%
Memtech 2024 Disabled and Veteran Employees Statistics			
Number of disabled employees	45	Number of veteran employees	16

Corporate Governance

Memtech maintains governance capability as the core engine of sustainable development. Guided by the principles of science in decision-making, transparency in operations, and mastery in risk management, the company has built a governance system specifically adapted to the sustainability transformation of the plastic manufacturing.

Through optimised board structure and strengthened integrity mechanisms, Memtech seeks to optimise decision-making efficiency, risk management, and stakeholders' trust.

Group Management

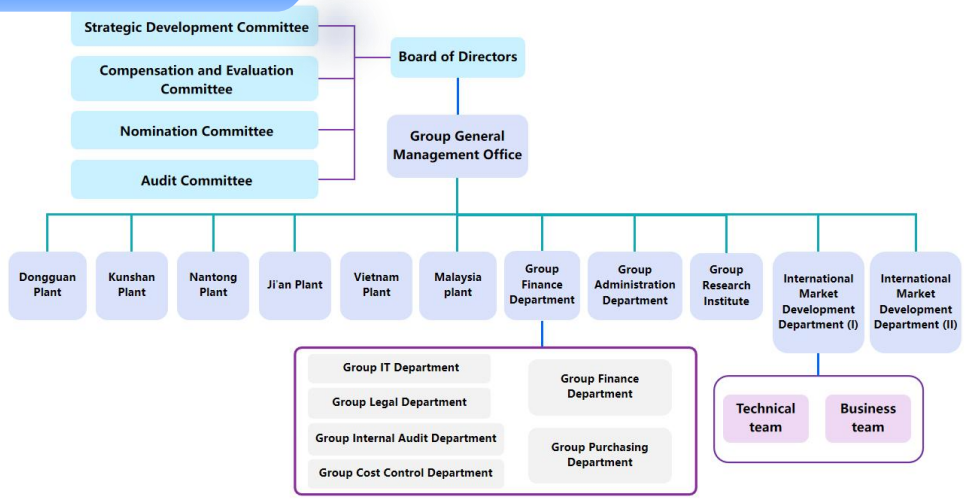
Group Organisational Structure

Memtech has a complete and efficient organisational structure.

The Chairman of the Board
The Chairman of the Board is the apex leader, overseeing overall strategic direction and major decisions to ensure steady progress of the Group.

The Vice Chairman
The Vice Chairman assists the Chairman in coordinating cross-departmental affairs and supervising strategy implementation.

CEO
The CEO is responsible for daily operations, coordinating the work of various all divisions in order to optimise business performance.



The Group's Finance Department

The Group's Finance Department ensures fiscal health through capital planning, costs control, and risk management to rejuvenate the relevance of the company.

The Group's Administration Department

The Group's Administration Department focuses on human-capital strategies in order to build professional and competitive teams to run the company.

The Group's R&D

The Group's R&D institute drives core technology breakthroughs and new product development to maintain the company's technological lead vis-à-vis its competitors.

The International Business Development Department

The International Business Development Department pioneers new markets through market expansion and customers'-insight programme to achieve brand globalisation.

The production arm

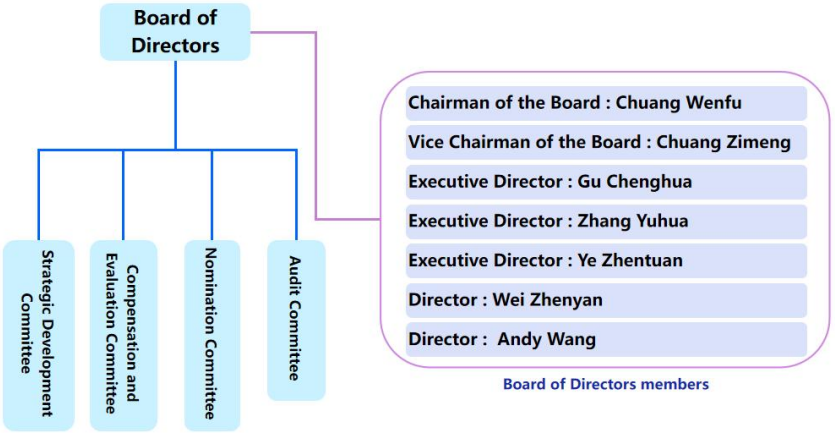
The production arm is divided into regions, with the Dongguan, Kunshan, Ji'an, and Nantong forming the domestic backbone, while the Vietnam and Malaysia factories serves overseas demands. The factories coordinate and collaborate closely to ensure reliable product supply, supporting the Group's strategic growth in the global market.

Board Management

The Board members of Memtech are nominated by the Nomination Committee then approved by the Board. Shareholders have the right to recommend candidates while the Nomination Committee screens nominees based on their professional background and work experiences.

Currently, Memtech's Board comprises seven directors, of which five are Executive Directors. In accordance with the *Articles of Association*, major company decisions must be submitted to the Board for thorough discussion before a decision is made by a majority vote. The Board meeting is held quarterly.

The Board has four specialised committees, namely the Strategy Development Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Audit Committee.



Board of Directors members

The Strategy Development Committee

The Strategy Development Committee is responsible and reports directly to the Board, for matters related to the company's long-term strategic development. The main duties and powers of the Strategy Development Committee are:

1) Discussing, researching and making recommendations on the company's long-term development strategies and strategic planning, including sustainable development capability;
2) Researching and providing recommendations on major investment and financing decision;
3) Researching and providing recommendations on other significant matters affecting the company's development;
4)Handling of other matters related to the company's development strategy as authorised by the Board.

The Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee comprises five directors and is responsible for matters related to the evaluation, compensation and performance appraisal of the company's directors and senior management. The committee also oversees the implementation of the company's compensation system.

The Nomination Committee

The Nomination Committee comprises five directors and is responsible for matters related to size and composition of the Board as well as the senior management teams of each factory. Based on the company's equity structure, management and operational needs.

The Audit Committee

The Audit Committee comprises seven directors and is responsible for matters related to the appointment or replacement of external audit firms, supervising the implementation of the company's internal audit system, ensuring effective communication between internal and external audits, reviewing the company's financial information and its public disclosure, inspecting the company's internal-control systems and auditing significant related-party transactions.

Executive Compensation of the Group

Memtech adheres to the principle of equitable compensation and ensures a reasonable balance between executive and employee compensations through institutionalised frameworks. From 2022 to 2024, the total compensation of the Group's executive team accounted for no more than 15% of the total employee compensation (note: MTVN, being newly established with a relatively small workforce, resulted in a higher executive-to-employee compensation ratio; similarly, MTD recorded a higher ratio as most Group executives are officially registered there). Meanwhile, the ratio of the highest individual annual salary to the median annual salary of all employees remains significantly lower than the CEO-to-employee pay ratio of leading U.S. companies (344:1).

Memtech Executive Compensation Data Overview

		MTJA	MTKS	MTN	MTD	MTVN
2022	Executive Compensation as % of Total Staff Compensation	6.66%	3.94%	9.27%	9.51%	5.00%
	Highest Individual Annual Salary vs. Median Staff Salary	4.76	8.41	12.51	6.09	3.98
2023	Executive Compensation as % of Total Staff Compensation	6.47%	4.52%	7.89%	10.34%	14.00%
	Highest Individual Annual Salary vs. Median Staff Salary	7.41	8.16	11.07	8.43	3.00
2024	Executive Compensation as % of Total Staff Compensation	8.19%	7.35%	7.15%	9.66%	10.00%
	Highest Individual Annual Salary vs. Median Staff Salary	6.81	5.98	10.22	10.00	3.00

Stakeholder Engagement

Memtech believes that sustainable development requires close collaboration and communication with all stakeholders. Committed to this belief, the company prioritises open and transparent communications, actively incorporating stakeholders' insights into corporate strategy and daily operations to jointly advance sustainability goals. Memtech's structured engagement framework covers topics, methods and channels as detailed in the table below:

Stakeholders	Material Issues	Communication Methods
Investors/ Shareholders	1) 2) 5) 6) 8) 10) 11) 13) 15) 19) 20) 21)	Shareholders' meetings, financial reports, ESG reports, performance reports, company website, official WeChat disclosures, calls and emails, roadshows, surveys
Customers	1) 5) 6) 11) 13) 15) 16) 19) 20)	Company website, official WeChat disclosures, customer-satisfaction surveys, customer inquiries and complaints, customer audits, technical seminars, calls and emails
Suppliers	11) 13) 14) 15) 19) 20) 21) 22)	Phone communication, supply-chain audits, supplier conferences, online and offline supplier training, irregular visits and surveys, technical seminars, calls and emails
Employees	1) 5) 9) 10) 15) 17) 19) 22)	Internal management meetings and reports, internal communication platforms, internal emails, labour union and employee representative meetings, employee hotlines, suggestion boxes
Partners	1) 5) 10) 11) 12) 13) 15) 16) 20) 21)	Work exchanges and visits, related associations and chambers of commerce activities, strategic and industry-academia cooperation projects, industry exhibitions, industry training
Community, Public & Media	2) 3) 4) 5) 6) 7) 8) 9) 10) 17) 22)	Community exchanges and visits, press releases, social media, environmental protection and carbon reduction activities, community construction projects and public welfare activities
Government & Regulators	1) 2) 3) 4) 5) 6) 7) 10) 11) 15) 22)	Corporate disclosures, official correspondence, policy implementation and special inspections, participation in government research activities, standards and policy communication, government liaison windows, government meetings, chief government service officers

Legends: 1) Climate change response, 2) Pollutant emissions, 3) Waste management, 4) Ecosystem and biodiversity protection, 5) Environmental compliance management, 6) Energy use, 7) Water resource use, 8) Circular economy, 9) Rural revitalisation, 10) Social contribution, 11) Innovation-driven, 12) Technology ethics, 13) Supply chain security, 14) Equal treatment of SMEs, 15) Product and service safety and quality, 16) Data security and customer privacy protection, 17) Employees, 18) Due diligence, 19) Anti-commercial bribery and anti-corruption, 20) Anti-unfair competition, 21) Diverse cooperation, 22) Corporate governance

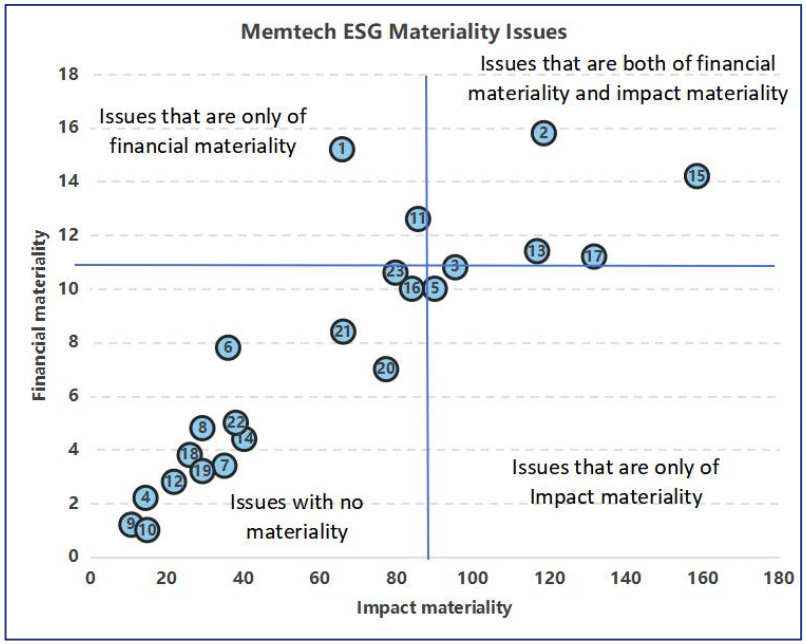
Double Materiality Analysis

Based on the characteristics of its industry and business practices, Memtech categorises short-, medium- and long-term issues that have significant impacts on its business model, operations, development strategy, financial status, operating results, cash flow, financing methods, and costs. The company also assesses whether its own performance on these issues would have significant economic, social, and environmental impacts.

The Memtech ESG Sustainability Committee maintains a comprehensive understanding of the company's activities and business relationships, staying abreast of relevant laws, regulations, and supervisory policies. By analysing industry standards and public sentiments and considering the characteristics of the industry, growth stage, business model, and position in the value chain, the committee identifies issues of financial materiality or significant impact, continuously improving its priority agenda.

The committee conducts visits to the Group's factories, working together with factory representatives to assess the materiality of each identified issue.Sustainability experts are engaged throughout the process to evaluate the impact materiality from four aspects, namely scale, scope, irremediability, and likelihood; financial materiality. The impact materiality is judged based on the likelihood of occurrence and the extent of financial impact. The committee sets reasonable thresholds for both impact materiality and financial materiality to produce an integrated result of impact and financial materiality.

Materiality Issues Analysis Results



Environmental (E) Issues:

1) Climate-Change Response, 2) Pollutant Emissions, 3) Waste Management, 4) Ecosystem and Biodiversity Protection, 5) Environmental-Compliance Management, 6) Energy Utilisation, 7) Water Resource Utilisation, 8) Circular Economy

Social (S) Issues:

9) Rural Revitalisation, 10) Social Contribution, 11) Innovation Driven, 12) Technology Ethics, 13) Supply-Chain Security, 14) Equal Treatment of SMEs, 15) Product and Service Safety and Quality, 16) Data Security and Customer-Privacy Protection, 17) Employees, 18) Due Diligence

Governance (G) Issues:

19) Anti-Bribery and Anti-Corruption, 20) Anti-Unfair Competition, 21) Diverse Collaboration, 22) Corporate Governance

Based on Memtech's 2024 double materiality assessment, "Pollutant Emissions", "Supply Chain Security", "Product and Service Safety and Quality", and "Employees" are identified as the company's top priorities (i.e., those with both financial materiality and impact materiality). The company will continue to pay attention to these issues in its sustainability management and in this report.

Sustainability Governance

Corporate Sustainability Strategy

Memtech is committed to implementing a sustainability strategy aimed at balancing economic growth, environmental protection and social responsibility. It firmly believes that the long-term development of an enterprise requires the rational use of natural resources and contributions to society.

Climate Strategy and Carbon Management

Memtech refers to the GHG (Greenhouse Gas), GRI (Global Reporting Initiative), and TCFD (Task Force on Climate-related Financial Disclosures) frameworks to review potential climate change impacts on its operations. The company develops climate strategies to drive sustainable development and continuously advances carbon management efforts.

Resource Efficient Management

From initial engineering design of new factories to facility deployment, Memtech embeds clean production and environmental stewardship into the project life cycle of each production order. The consideration factors comprises the factory site, compliance with local environmental regulations to prevent any negative impacts to the biodiversity and ecology of the environment.

Sustainable Value Chain

In a globalised world, effective value-chain management can reduce production costs and also project social and environmental impacts that arose from the company's operations. By collaborating with partners, Memtech hopes for a sustainable future.

Sustainable Development Governance Structure

In establishing its sustainability governance structure, Memtech integrates ESG goals across strategic decision-making into organisational processes and daily operations, forming a top-down systematic management cycle.

Led by the Group's Sustainability Committee, the structure clearly defines the governance responsibilities and strategic objectives that leverages a multi-layered execution network to establish standardised management tools and strengthen supervision and incentive mechanisms.

Decision Level: Group Board ESG Department

a. Chairperson of the ESG Committee of the Board (Vice Chairman of the Board):
Responsible for the overall operation of the ESG Management System Composition Committee and ensuring the resources necessary for the committee's continuous and effective functioning. Proposes the company's sustainability vision and mission, and formulates policies, systems and audit management guidelines; oversees the assessment of the group's sustainability-related impacts, risks, and opportunities; guides and reviews the company's sustainability policies, strategies, and goals; regularly monitors progress and completion of sustainability-related targets; approves the company's *ESG Sustainability Report*.

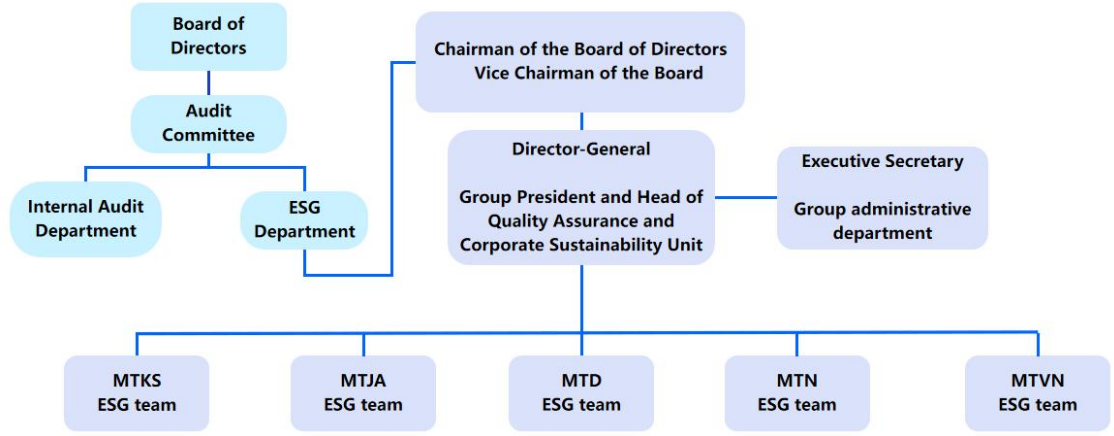
b. Board ESG Department Secretary-General and Executive Secretary:
Leads the group's sustainability action plans and drives their execution; formulates ESG work plans; completes the quantitative performance indicator manual for ESG performance management; develops work guidelines and standardised procedures to ensure the effective operation of the company's ESG management system; organises personnel to complete ESG data collection, evaluates the group's sustainable development performance, and assists in completing and successfully disclosing the ESG report.

Management Level: ESG Team Leaders of Each Production Base

At the Dongguan, Ji'an, Kunshan, Nantong, and Vietnam subsidiaries, the Administration Manager serves as the leader of the ESG working group, jointly supporting the Secretary-General in carrying out ESG operations at each site. Their responsibilities include managing material topics; identifying and managing the costs and resources (such as personnel and technology) required to identify, mitigate, manage, and monitor sustainability-related impacts, risks and opportunities; formulating sustainability work plans; establishing incentive and evaluation systems for sustainable development; and handling other sustainability-related matters.

Execution Level: Members of ESG Teams at Each Production Base

Coordinate the preparation of the sustainability report; be responsible for company-related sustainability management, data collection, and analysis; implement sustainability work plans; participate in the annual collection of data corresponding to ESG modules and ESG module management planning to ensure smooth daily data collection and supervision; regularly report sustainability results to management.



Memtech engages professionals with backgrounds in sustainable development to ensure relevant personnel possess adequate skills and capabilities. The company develops training plans to enhance the sustainability skillsets of the management staff and invites industry experts to provide training on the latest ESG policy frameworks, development trends, and best practices in the industry.

Sustainability Statement

The Group's MTJA issues an ESG Sustainability Statement, pledging commitment to the following areas:

Environmental Protection: Committed to reducing environmental impact by lowering energy consumption and greenhouse gas emissions, minimising hazardous and solid waste and controlling pollutant discharge;

Social Responsibility: Dedicated to safeguarding employee rights, providing a safe and healthy working environment and promoting employee career development; strengthening communication and cooperation with communities, actively participating in public welfare activities, and advancing community sustainability; ensuring product and service quality and safety while protecting consumers' rights;

Economic Sustainability: Committed to achieving economic growth and sustained prosperity by optimising resource allocation, improving operational efficiency and reducing costs; enhancing market competitiveness, expanding business scope and elevating brand value; promoting industrial synergy and driving collaborative progress along the industry chain to contribute to regional and national economic development.

Anti-Bribery and Anti-Corruption

Memtech strictly complies with the *Criminal Law of the People's Republic of China*, the *Interim Provisions on Prohibiting Commercial Bribery* and other national policies, laws, regulations, and guidelines. The company has established and adheres to management systems such as the *Regulations on Handling Violations and Disciplinary Actions* and the *Code of Conduct for Procurement and Related Business Activities*. Memtech is committed to anti-corruption and integrity, seriously addressing illegal and non-compliant behaviours to ensure the honesty and standardisation of corporate operations.

Memtech prohibits any form of bribery, corruption, extortion, embezzlement, and collusion. All employees (with key oversight on high-risk positions such as procurement, sales, equipment maintenance, and finance) and business partners (including suppliers, service providers, contractors, and all other business counterparts) are required to uphold the highest standards of integrity in commercial activities. Soliciting bribes, accepting bribes, or offering kickbacks is strictly forbidden. Employees are strictly prohibited from colluding with suppliers or customers to fix prices; all quotations must be reviewed by the materials supervisor, and regular price audits are conducted by the audit department. Bribery of government officials is strictly prohibited.

Prevention and Monitoring Mechanisms

Commitment Letter System

New employees will sign the *Integrity Commitment Letter* upon joining the company, while employees in key positions sign the *Anti-Bribery/Anti-Corruption Commitment Letter*. Any violations will be strictly dealt with by the company, including dismissal without compensation and referral of suspected criminal wrongdoings to the national judiciaries. Suppliers and contractors are required to sign the *Supplier Anti-Bribery Commitment Letter*, and violations may result in disqualification as a supplier/service provider or criminal liability for commercial bribery.

Daily Supervision Methods

The company's management department conducts unannounced inspections of employees across various departments on an ad hoc basis, holds interviews with personnel in high-risk positions, and monitors their behaviour.

Whistleblowing Mechanism

The company has suggestion mailboxes and whistleblowing hotlines, such as the dedicated administrative hotline 88848308 at Memtech Precision Electronics (Kunshan) Co., Ltd. To protect whistleblowers' confidentiality, the company encourages employees to report anonymously to alleviate their concerns. If a reported issue turns out to be true, the company will reward the whistleblower according to the severity of the issue, hence encouraging employees to actively participate in anti-commercial bribery and anti-corruption efforts. The company also takes strict actions against malicious reports and false accusations.

Appeal Channels:

MAIL: suggest1@memtechint.com
Mobile: 139-2686-6831
Mailing Address: Memtech Electronics Factory II, No. 2, Zaoyi Industrial First Street, Wentang Management Area, Dongcheng District, Dongguan City, Guangdong Province
Attn: Chairman Chuang

Training and Education

The company regularly organises anti-corruption training and disseminates anti-corruption laws and case studies through bulletin boards and emails, enabling employees to gain a deep understanding of the harms and consequences of commercial bribery and corruption. At the same time, targeted specialised training is conducted based on the characteristics and risk levels of positions to enhance employees' awareness and ability to prevent and respond.

Memtech Group Anti-Corruption and Anti-Bribery Training Statistics

		MTJA	MTKS	MTN	MTD	MTVN
2022	Percentage of Board Members Receiving Anti-Corruption Training (%)	100%	100%	100%	100%	100%
	Percentage of Management Receiving Anti-Corruption Training (%)	100%	100%	100%	100%	100%
	Percentage of General Employees Receiving Anti-Corruption Training (%)	96%	100%	100%	100%	100%
2023	Percentage of Board Members Receiving Anti-Corruption Training (%)	100%	100%	100%	100%	100%
	Percentage of Management Receiving Anti-Corruption Training (%)	100%	100%	100%	100%	100%
	Percentage of General Employees Receiving Anti-Corruption Training (%)	78%	100%	100%	100%	100%
2024	Percentage of Board Members Receiving Anti-Corruption Training (%)	100%	100%	100%	100%	100%
	Percentage of Management Receiving Anti-Corruption Training (%)	100%	100%	100%	100%	100%
	Percentage of General Employees Receiving Anti-Corruption Training (%)	89%	100%	100%	100%	100%

During the reporting period, Memtech neither experienced any major incident of commercial bribery or corruption, nor were there any cases of partnership termination nor investigation nor penalties by relevant authorities due to such issues.

Anti-Unfair Competition

Memtech strictly adheres to the *Anti-Unfair Competition Law of the People's Republic of China* and the principles of fair trade under international antitrust laws. The company incorporates anti-unfair competition clauses into its internal management documents, prohibiting any conduct that undermines market competition or harms the rights and interests of other operators or consumers. Acts such as false advertising, commercial bribery, monopolistic agreements, and infringement of trade secrets are explicitly forbidden. The company ensures the authenticity of advertising, transaction transparency, and information confidentiality to uphold fair competition and promote healthy development of the market economy.

Unfair Competition Practices Prohibited by Memtech

Type of Conduct	Specific Prohibited Practices
Confusion	Counterfeiting trademarks; unauthorised use of well-known product names/packaging; misappropriating company names/personal names; falsifying quality marks or origin labels.
Commercial Bribery	Off-the-books kickbacks; secretly offering monetary or material benefits (Note: aligns with anti-bribery policies).
False Advertising	Misleading advertisements regarding product quality, performance or origin.
Infringement of Trade Secrets	Obtaining trade secrets through theft or inducement; unauthorised disclosure or use of others' trade secrets.
Defamation of Competitors	Fabricating and spreading false information to damage the business reputation of competitors.
Predatory Pricing	Selling products below cost to drive competitors out of the market.
Collusive Monopoly	Colluding with other enterprises to fix prices, divide markets or otherwise suppress competition.

All public information released by the Group — including advertisements, recruitment notices and website content — must undergo legal and compliance review. False or misleading statements are strictly prohibited and subject to oversight by government authorities, consumers, and industry peers.

During the reporting period, the company had zero lawsuits or major administrative penalties resulting from unfair competition practices.

Lawful Tax Payment

Memtech has implemented a series of stringent measures to ensure compliant tax payment. The company has established a comprehensive tax-management system in accordance with relevant laws and regulations, covering various taxes including value-added tax, corporate-income tax, customs duties, stamp duty, and environmental tax, adhering to the principles of legality and compliance, comprehensive control, clear responsibilities and dynamic adjustment.

In terms of risk management

The company conducts quarterly internal audits of tax risks and performs tax-risk assessments in advance for major investments, mergers and acquisitions.

On invoice management

The sales department must verify the consistency of contracts, logistics and cashflow before issuing invoices; the procurement department is responsible for reviewing the authenticity and compliance of supplier invoices. Dedicated personnel are assigned to manage invoice stubs and deduction copies, which are regularly compiled and archived. Before tax declaration, tax officers conduct cross-checks to ensure the accuracy of reported data, avoiding errors or omissions in order to ensure the timeliness and full payment of taxes. The company has also implemented ERP and tax-management systems to automate the integration of business and tax data, with regular system maintenance to ensure data accuracy.

On tax-document management

Tax returns, tax-payment certificates, invoices, contracts, policy documents and other records are retained for at least 10 years in accordance with tax laws. Under a monthly reporting mechanism, the finance department regularly reports tax-execution status to the management and immediately reports any major issues such as tax audits or disputes. The company conducts at least one specialised tax audit annually to evaluate system compliance and promptly rectify identified issues.

Additionally, the company regularly communicates with tax authorities to obtain the latest tax policies and hires tax consultants when necessary for professional assessments to support corporate value creation and tax burden optimisation.

Green and Low-Carbon Development

Memtech upholds the philosophy of "Technology-Driven Green Future," deeply integrating environmental responsibility throughout the entire chain of product research and development, production operations and supply-chain management, continuously promoting the low-carbon transformation of the precision plastics manufacturing industry. By increasing the application of renewable energy, the company systematically reduces environmental impact. While achieving the Group's own sustainable development, it also makes positive contributions to the green transformation of society.

Climate-Change Response

Risk and Opportunity Management and Transition Plan

To actively address climate change and corporate sustainability, Memtech's factories have conducted climate-change risk and opportunity analysis, comprehensively reviewing various risks and opportunities faced by the company under the context of climate change, providing a basis for formulating scientific and effective response strategies.

Extreme weather, climate policies and regulations (such as carbon tariffs), and trends of market's increasing preference for low-carbon products will impact the demand for Memtech's production capacity, cost structure, and market competitiveness. Memtech will respond to the adverse effects of climate change by transitioning to green energy, developing low-carbon technologies, and collaborating across the supply chain to reduce carbon emissions.

Climate-Related Risk Classification		Time Horizon	Risk Description and Financial Impact	Risk Response Measures (Preliminary Transition Plan)
Transition Risk	Policy and Law	✓ Near-term	✓ Stricter greenhouse gas emission reporting obligations and increased carbon compliance costs.	✓ Monitor carbon policies and regulations in operation locations to respond timely to updates.
		✓ Mid-term	✓ Clear trend of international trade import/export carbon taxes, potentially increasing costs.	✓ Select low-energy consumption production equipment, optimise production processes, and proactively carry out energy-saving and emission-reduction projects.
		✓ Long-term	✓ Industry may be affected by carbon markets; rising greenhouse gas emission allowance prices increase operating costs.	✓ Use low-emission energy sources.
			✓ Penalties and judgments from environmental lawsuits increase product and cost expenses or reduce product demand (revenue).	✓ Enhance full-process carbon reduction in production operations, such as product carbon footprint.
			✓ Domestic climate and environmental policies continuously update and tighten, increasing corporate compliance costs. ✓ Domestic climate and environmental policies continuously update and tighten, increasing corporate compliance costs. ✓ Government environmental requirements mandate polluting industries to exit designated areas, increasing operating costs and losing orders, impacting revenue. ✓ Government environmental regulations limit expansion of polluting production lines, causing loss of expected orders.	✓ Strengthen energy-saving and carbon-reduction efforts across the supply chain and value chain.
	Technology	✓ Near-term	✓ Transition to energy-saving and low-carbon technologies:	✓ Select mature low-energy, low-emission instruments available in the market.
		✓ Mid-term	✓ Premature retirement and write-off of high-energy-consuming equipment increase operating costs.	✓ Extensively cooperate with universities and research institutes in industry-university-research projects to promote energy-saving and low-carbon technology development and share risks.
		✓ Long-term	✓ Increased expenditures on R&D and application of clean energy or innovative low-carbon technologies.	✓ Improve processes and enhance digital automation.
			✓ Cost increases from adopting/deploying new technologies, methods, and processes.	✓ Optimise material selection, choosing recyclable materials.

Climate-Related Risk Classification		Time Horizon	Risk Description and Financial Impact	Risk Response Measures (Preliminary Transition Plan)
Transition Risk	Market	✓ Near-term	✓ Uncertainty from changing consumers' behaviour and market signals.	✓ Allocate company resources appropriately to market analysis, monitor market trends in real-time, adjust business models, and seize market opportunities.
		✓ Mid-term	✓ Unable to estimate consumer willingness to pay premiums for green low-carbon products.	✓ Use digital technologies to regularly monitor and analyze energy and water consumption data during production and operation; promptly feedback and resolve anomalies; control monthly production water and energy use.
		✓ Long-term	✓ Uncertain demand volume for green low-carbon products.	✓ Implement circular economy measures such as material recycling.
			Energy and resource market price instability:	✓ Collect and organise customer requirements related to climate and environmental protection and adjust company strategies accordingly.
			✓ Increased energy usage costs.	
			✓ Increased water usage costs.	
			✓ Increased water usage costs.	
	Reputation	✓ Near-term	Public concern about company's climate and sustainability performance; stakeholders expect more -- environmental and social responsibility; failure to meet expectations may risk reputational damage, leading to:	✓ Continuously monitor social opinion and stakeholder expectations regarding company's climate and sustainability response.
		✓ Mid-term	✓ Reduced demandgoods/servicesfordecreased revenue.¥ ✓ Production capacitydecline (delays in plan approvals, supply chain interruptions), reducing revenue.	✓ Deploy workforce management and planning; focus on employee health, improve safety conditions, enhance satisfaction to reduce long-term labour costs.
		✓ Long-term	✓ Negative impacts on employee rights increase human resource costs.	✓ Strictly implement stakeholder climate and environmental requirements to avoid reputation risks from non-compliance.
Physical Risk	Acute	✓ Near-term	Frequent extreme weather events due to warming, such as heatwaves, typhoons, heavy rains, floods:	✓ Equip fire protection facilities. ✓ Relocate facilities and equipment.
			✓ Supply chain disruptions due to transport difficulties reduce production capacity and revenue.	✓ Purchase insurance for assets in high-risk areas.
			✓ Negative labour impacts from employee health, safety, absenteeism reduce revenue and increase costs.	✓ Plan multiple transport methods and schedule logistics in advance based on weather alerts. ✓ Ensure raw material inventory reserves.
			✓ Asset damage and write-offs from extreme weather events.	✓ Develop multiple suppliers for the same category across regions to ensure raw material supply.
			✓ Power supply interruptions from extreme weather indirectly affect production capacity.	✓ Conduct regular emergency drills and training for extreme weather events.
	Chronic	✓ Long-term	Average temperature rise, sea level rise, changes in precipitation patterns and climate:	✓ Continuously monitor sea level rise trends.
			✓ Operations in coastal areas may relocate inland; fixed asset damage or early write-offs increase production costs.	✓ Consider sea level rise impact in site selection.
			✓ Increased resource and energy costs raise operating expenses.	✓ Plan and install cooling facilities as needed. ✓ Upgrade protection facilities for employees working in high-temperature conditions.
			✓ Increased insurance fees increase costs.	
			✓ Supply chain or clients affected by sea level rise face logistics difficulties and increased costs.	

When assessing its climate adaptability, we consider the following significant uncertainties:

Policy and regulatory changes:
Domestic CCER carbon trading regulations are constantly evolving; internationally, the EU's Carbon-Border Adjustment Mechanism (CBAM) is still in transition, and rules specific to the plastics industry remain unclear, making the company's potential additional costs unpredictable.

Market demand fluctuations:
There is a risk whether the market will widely accept the premium pricing of low-carbon products.

Technological maturity and costs:
The R&D costs for low-carbon technologies may limit the widespread application of new technologies, causing the company to be cautious in its investments in low-carbon technology development.

Physical risks from extreme climate events:
Extreme climate physical risks such as flooding, lightning, and high temperatures at factory locations are often difficult to predict.

Greenhouse Gas Emissions

In 2023, Memtech established an internal corporate carbon-emissions verification database and officially launched an annual voluntary carbon-emissions inventory mechanism covering its subsidiaries. It also commissioned third-party professional agencies to conduct independent annual carbon verifications at each production base. In 2024, the Group completed the 2023 annual carbon inventory and carbon verification certification for four production bases in China, marking a solid step forward in building the Group's carbon-management system. Entering 2025, MTVN was officially incorporated into the Group's management scope of carbon emissions for 2024. As of the time of this report's preparation, the Group has completed carbon inventories for five production bases and commissioned third-party agencies to conduct carbon verifications for four factories in China, further enhancing the completeness and accuracy of overall carbon data.

During the reporting period, Memtech continuously strengthened the collection, analysis, and management processes of carbon emissions data by integrating the U9 digital management system that significantly improving data traceability and transparency, hence laying a foundation for achieving green low-carbon transformation and sustainable development goals.

In addition, to further complete the carbon-emission accounting system and enhance the identification and quantification of Scope 3 emissions, Memtech added Category 4 emissions in the 2024 reporting boundary, specifically covering indirect emissions from upstream purchased goods (4.1), capital goods (4.2), treatment of solid or liquid waste (4.3), and emissions from the use of other services (4.5). The above classification standards refer to ISO 14064-1:2018 *Specification with Guidance at the Organisation Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals*, ensuring the scientific rigour and international consistency of the accounting methods.

▲ The ISO 14064-1 certification of Memtech Group

The total greenhouse gas emissions and intensity data for Scope 1, Scope 2, and Scope 3 at each Memtech's production base are as follows.

Year	Indicator	Unit	MTJA	MTKS	MTN	MTD	MTVN
2023	Scope 1 GHG Emissions Total	tCO_2e	134.18	205.33	379.10	190.08	-
	Scope 2 GHG Emissions Total	tCO_2e	6,503.21	7,428.88	19,652.55	5,707.21	-
	Scope 3 GHG Emissions Total	tCO_2e	10,114.89	15,063.69	13,804.79	2,764.16	-
	Total GHG Emissions	tCO_2e	16,752.28	22,697.90	33,836.44	8,661.45	-
	Operating Profit	RMB10,000	2,969.00	9,333.64	9,778.74	1,166.42	(62.64)
	GHG Emission Intensity	tCO2e/RMB10,000 (Operating Profit)	5.64	2.43	3.46	7.43	-
2024	Scope 1 GHG Emissions Total	tCO_2e	177.12	266.29	902.74	297.58	38.84
	Scope 2 GHG Emissions Total	tCO_2e	8,248.42	9,510.82	22,761.27	8,327.56	1174.30
	Scope 3 GHG Emissions	tCO_2e	92,33.81	24,268.05	19,236.00	18,824.18	2675.40
	Total GHG Emissions	tCO_2e	17,659.35	34,045.16	42,900.02	27,449.32	3888.54
	Operating Profit	RMB10,000	2,143.00	13,059.24	7,255.65	5,089.08	(334.30)
	GHG Emission Intensity	tCO2e/RMB10,000 (Operating Profit)	8.24	2.61	5.91	5.39	-

Emission-Reduction Targets and Plans

In active response to the global call for climate action, Memtech Group is committed to formulating a corporate carbon-reduction strategy aligned with the Paris Agreement's 1.5°C temperature control target. The Group has preliminarily set a goal to reduce Scope 1 and Scope 2 greenhouse gas emissions by 50% across all production sites by 2030. By the end of 2025, the company expects to complete a comprehensive analysis of greenhouse gas emissions across the Group. Based on this analysis and the Group's long-term development strategy, Memtech will establish science-based carbon reduction targets that are both ambitious and practical, along with corresponding emission-reduction plans.

Carbon-Reduction Targets and Plans for MTJA:

As part of the Group's strategic plan, MTJA has taken the lead in setting specific carbon-reduction targets:

Short-term targets

By 2026, the proportion of renewable energy usage is expected to reach 25%; by 2030, the absolute greenhouse gas emissions from Scope 1 (direct emissions) and Scope 2 (indirect emissions from electricity) will be reduced by 50% compared to 2024 levels, with Scope 1 emissions alone achieving a 50% reduction.

Long-term vision

Looking ahead to 2050, MTJA aims to achieve net-zero emissions for Scope 1, Scope 2, and Scope 3 greenhouse gas emissions (i.e., approaching net-zero emission).

▲ Memtech's MTJA has made a commitment to carbon emissions reduction

To achieve this carbon reduction target, Memtech's MTJA has formulated an implementation roadmap, which includes four key areas: technological transformation and equipment upgrades, green supply-chain management, employee-development programmes, and governance-system reorganisation.

These efforts will be supported by dedicated funding, technical support, and talent development measures, with continuous adjustments and improvements to ensure the successful realisation of the strategic goals.

Once the Group's carbon-reduction targets and plans are officially released, each production base will use them as a foundation to develop more detailed carbon-reduction goals and specific implementation plans based on their own circumstances. These goals and plans will be continuously optimised and updated during operations, establishing a top-down control and bottom-up feedback and reporting communication mechanism across the Group, thereby forming an efficient carbon-reduction management system.

Greenhouse Gas Emission-Reduction Management

Memtech Group Emission-Reduction Pathway

To ensure the scientific formulation and effective achievement of the Group's carbon-reduction targets, and to meet stakeholders' expectations regarding Memtech Group's carbon-emissions management, the Company has preliminarily developed differentiated carbon-reduction pathways for Scope 1, Scope 2, and Scope 3 greenhouse gas emissions. It is expected that by the end of 2025, the pathways will be further refined and released with more specific and actionable carbon-reduction roadmaps to ensure the high executability and practicality of all measures.

Scope 1: Direct Emissions

Energy management system optimisation

Establish a comprehensive energy management system and install advanced intelligent energy measurement devices to achieve real-time monitoring and analyses of energy consumption across all production stages. Through big data analysis and AI technology, to identify high energy-consuming areas and formulate targeted energy-saving goals and management plans to ensure efficient and transparent energy use.

Production equipment upgrades and process optimisation

Conduct comprehensive evaluation and upgrades of existing production equipment, adopting more efficient machinery and technologies to reduce energy consumption per unit of product. Through in-depth analysis of production processes, optimise workflow to minimise unnecessary energy wastage. Additionally, enhance the construction of waste-heat and energy-recovery systems to convert waste heat generated during production into reusable energy, further improving energy efficiency.

Employee training and awareness enhancement

Regularly organise internal training to improve employees' understanding and skills in energy conservation and emission reduction, encouraging full participation in energy-saving and emission-reduction activities. Establish reward mechanisms to recognise teams and individuals with outstanding performance in these efforts, fostering a positive atmosphere of collective involvement.

Scope 2: Energy Indirect Emissions

Green Energy Usage

Gradually build and expand the application of distributed-energy systems within the plant areas, including rooftop photovoltaic power generation systems. By adopting a model of on-site production and on-site consumption. This will reduce dependence on traditional grid electricity, while minimising energy loss during transmission, thereby improving the overall proportion of renewable of energy mix.

Promote Energy-Efficiency Improvement and Energy Substitution

Continuously optimise the energy-use structure, promoting the transition from high-carbon energy to low-carbon or even zero-carbon energy. For example, upgrade equipment originally powered by natural gas or diesel to highly efficient electric drive systems through technological upgrades and process improvements, thereby reducing the carbon-emission intensity per unit of output.

Energy Performance Contract Management

Consider energy-performance contracts with Energy Service Companies (ESCOs), which are responsible for evaluating the company's energy usage, proposing energy-saving retrofit plans, and managing the implementation and operation of projects. Memtech pays fees based on the achieved energy savings, thereby reducing energy costs and carbon emissions.

Signing Long-term Renewable Energy Purchase Agreements (PPA)

Actively cooperate with renewable-energy producers to sign long-term green-power purchase agreements, ensuring a stable and sustainable supply of clean energy for the company. This initiative facilitates the green transformation of the company's power consumption structure and supports the development of the renewable-energy industry from the market demand side.

Scope 3: Upstream and Downstream Value Chain Emissions

Promote intelligent and electrified transportation

Incorporate carbon management into the selection criteria for logistics-service providers. Memtech will encourage and drive partner logistics companies to optimise transportation routes, improve energy efficiency, and prioritise service providers with green transportation capabilities, jointly building an efficient, low-carbon, and sustainable logistics system.

Strengthen waste management

Continuously improve the waste-management system and promote waste reduction and recycling throughout the production process. By optimising production processes, using environmentally friendlier raw materials and advancing technological innovation, reduce waste generation at the source. At the same time, establish a systematic sorting and recycling mechanism to enhance the efficiency of waste classification and reuse. Meanwhile, the Group will also consider and evaluate the feasibility of applying recycled materials in product design and production processes, achieving synergistic development of environmental and economic benefits.

Product carbon footprint management

Strengthen the management of product carbon footprints to reduce carbon emissions throughout the product lifecycle. Actively optimise product design and initiate the preparation for carbon-footprint accounting of key products.

Strengthen supply chain management

1. Enhance supply-chain transparency: Require suppliers to provide data on their carbon emissions during production, raw-material sources, production processes and transportation methods. Establish a comprehensive carbon-information disclosure mechanism to provide a reliable basis for the company's carbon accounting and assessment.
2. Set supplier admission standards: Prioritise cooperation with enterprises that demonstrate strong environmental performance and emphasise carbon-emission management during supplier selection. Incorporate these suppliers into the long-term strategic-partner system to drive the entire supply chain toward low-carbon transformation.
3. Deepen low-carbon collaborative development: Establish carbon-reduction partnerships with key suppliers. When necessary, provide technical or financial support to assist them in formulating and implementing emission-reduction plans. Share emission-reduction achievements and best practices to jointly promote the construction of a green-manufacturing system.

The carbon-reduction actions that the Group has currently initiated are as follows:

Operational Boundary	Emission Source	Reduction Actions
Scope 1	Company-owned fuel vehicles	Gradually replace internal combustion vehicles with new-energy vehicles to reduce Scope 1 emissions
		Implement average-fuel-consumption assessments and manage transportation activities. On one hand, manage the speed of diesel vehicles on highways (fuel usage could be tracked via refuelling summary tables; after repeated self-monitoring, it's been found that 80–90km/h is the most fuel-efficient range for diesel vehicles). On the other hand, promote good-driving habits among drivers, such as turning off engines when waiting for people/loading and unloading, performing timely vehicle maintenance according to daily driving conditions, etc. The assessment is done on a monthly cycle (not by calendar month, but from the 29th of the previous month to the 28th of the current month). Fuel tanks are filled at both the beginning and end of the cycle, and mileage is recorded to calculate fuel consumption per 100km for evaluation.
Scope 2	Operational electricity use	Evaluate the feasibility of implementing a digital energy-management platform. By real-time monitoring of energy consumption and output in key workshops, improve energy efficiency and avoid unnecessary machine idling, aiming to save 10% in electricity. Implement standardised electricity management in dormitory areas to prevent losses caused by idling appliances, aiming to save 5% in electricity.
		Actively promote various energy-saving renovation projects, including equipment upgrades and process optimisation. By introducing energy-efficient equipment and optimising production processes, effectively reduce energy consumption per unit of output and carbon emissions.
		Use energy-saving lighting systems to reduce energy consumption. Install solar-powered streetlights in factory areas and replace indoor lighting with energy-saving LED lights.
Scope 3	Purchased products and services	Establish the Memtech Corporate Social Responsibility (CSR) management system. Include environmental dimensions in supplier management and audits, such as pollution prevention and resource reduction, environmental permits, hazardous-substance management, non-hazardous-waste management, wastewater management, stormwater management, air-emissions control, and boundary-noise management.
		Department heads are to strengthen employee education on saving paper and control office paper usage. Non-critical documents should be processed using the company's IT system or reused paper whenever possible.
	Waste disposal	Recycling of packaging and turnover materials such as plastic crates and blister boxes. Reclaim plastic crates and blister boxes from customers for reuse. The administration department has introduced relevant policies — e.g., drivers are rewarded based on the number of blister boxes and crates retrieved from clients, which has significantly improved their enthusiasm. Additionally, factories collect production scrap (sprue material) to manufacture plastic crates for internal logistics reuse.

Carbon Emissions Management System

To strengthen internal carbon-emissions management and clarify the specific boundaries for greenhouse gas (GHG) quantification and reporting, Memtech Group has developed a series of documents based on the *ISO14064 GHG Accounting System standard* and the *Greenhouse Gas Protocol (GHG Protocol)*, in accordance with the company's actual conditions and following the principles of relevance, consistency, completeness, transparency, and accuracy. These documents include but are not limited to the *GHG Quantification and Reporting Management Procedure*, the *GHG Data Quality Management Procedure*, and the *Internal Verification Procedure for GHG Inventory*. This initiative aims to achieve standardisation and systemisation of carbon emissions management.

In 2024, Memtech Group specifically launched an "ESG Disclosure and ISO 14064 Certification" awareness campaign, aiming to enhance employees' understanding of climate change and strengthen the foundation of the company's carbon-management practices.

In addition, to encourage employees from all departments to contribute constructive suggestions in daily operations, continuously improve production efficiency and reduce carbon emissions, Memtech Group has integrated energy-saving and carbon-reduction concepts into its routine management practices. The Group formulated the *Lean Production Assessment and Management Measures*, under which employees are encouraged to propose rational improvement suggestions based on their work scope. The lean-production team is responsible for monthly communications with departments to confirm the actual improvement plans (proposals).

The first phase

focuses on identifying and addressing issues within workshops

the second phase

involves assisting in target implementation

the third phase

supervises the execution status of these targets

Monthly review meetings are scheduled in the first half of each month to evaluate and summarise departmental or project-based lean production efforts. For lean projects deemed significantly valuable to the company's development, special rewards may be granted following collective deliberation. Outstanding team leaders and members are also eligible for recognition, with rewards and salary adjustments based on their level of contributions.

Greenhouse Gas Emission Reduction Practices

As an enterprise that is committed to environmental responsibility, Memtech is dedicated to the application and innovation of green, energy-saving, and low-carbon technologies. The Group integrates the concepts of "green and energy efficiency" into various aspects of its manufacturing and operations, aiming to reduce carbon emissions from its business activities and support both itself and its customers in fulfilling their environmental responsibilities.

Energy Conservation and Emission Reduction Measures at MTJA

Energy-Efficiency Improvement and Energy-saving Upgrades

MTJA purchased new energy-saving servo-driven hydraulic presses and injection moulding machines in 2024 to replace the high-energy-consuming hydraulic presses and injection moulding machines within the factory. Preliminary statistics after the replacement showed that, energy consumption was significantly reduced, resulting in an estimated carbon emission reduction of approximately 0.16tCO2e per hour. Additionally, MTJA implemented energy-saving retrofit projects for major energy-consuming equipment. After the retrofits of MTJA's air compressors and vacuum pumps, the estimated annual energy savings are 1,383,482.43 kWh, with an estimated carbon reduction of 858.45tCO2e and annual cost savings of approximately RMB927,000.

Rooftop Photovoltaic Energy Management

MTJA applies clean energy through an Energy Management Contracting (EMC) model. MTJA leases rooftop space on its buildings to a third-party new-energy company to build a distributed photovoltaic power station, with an operation period of 25 years. All electricity generated by the station is used by MTJA. The cost savings from electricity or revenue sharing are divided between both parties according to the contract ratio. This cooperation model not only provides MTJA with stable clean energy but also provides an alternative to the traditional power grid, resulting in an estimated reduction of approximately 89.99tCO2e in greenhouse gas emissions.

Reducing Product Defect Rate

MTJA promotes energy saving and emission reduction indirectly by reducing product defect rates. In 2023, the total weight of products scrapped due to quality issues was 348 tons, which decreased to 143 tons in 2024. It is estimated that from 2023 to 2024, the improvement in product yield has resulted in a reduction of approximately 4.36tCO2e in greenhouse gas emissions.

Material Recycling and Reuse

MTJA also implements circular economy initiatives. In 2024, the workshop used recycled materials to produce approximately 600 turnover plastic boxes to replace traditional paper turnover boxes; injection moulding used 145 tons of recycled materials, reducing carbon emissions by 449.80tCO2e.

Local Procurement and New Energy

Regarding emission reduction in transportation, in 2024 MTJA implemented a local-procurement plan, adding 16 new local suppliers compared to 2023. It is estimated that this has reduced approximately 1.34tCO2e of carbon emissions from raw material transportation. Meanwhile, MTJA purchased a new-energy vehicle for official use; assuming the annual mileage remains unchanged, this new energy vehicle is expected to reduce greenhouse gas emissions by about 2.03tCO2e per year.

Paperless Office

In addition, MTJA has implemented paperless measures by using an OA system to replace paper-based leave applications and reimbursement forms, conducting online training and exams instead of paper assessments, and utilising QR code systems for visitor registration, ESH inspection records, workplace cleanliness, and lighting records. These efforts save approximately 71 packs of paper annually, reducing carbon emissions by about 0.26tCO2e each year.

MTKS Energy Saving and Emission Reduction Measures

MTKS primarily reduces carbon emissions during production and operations through energy-saving technological upgrades. By improving chillers, injection moulding machines, and air compressors, MTKS saves approximately 800,000kWh of electricity annually, reducing carbon emissions by about 480tCO2e and saving around RMB350,000 in costs. In 2024, MTKS purchased electric-servo injection-moulding machines to replace high-energy-consuming hydraulic machines, reducing annual electricity consumption by approximately 222,040kWh, lowering carbon emissions by about 133.22tCO2e, and saving around RMB97,000. The insulation material of 40 oil temperature machine heating cylinders was upgraded from 10 mm to 20 mm thickness, reducing surface temperature from 75°C to 45°C, resulting in annual electricity savings of about 36,000kWh, a carbon reduction of 21.60tCO2e, and cost savings of approximately RMB16,000. Additionally, 600 lighting fixtures, including streetlights, work desk lamps, workshop lights, and office ceiling lights, were replaced with LED energy-efficient lamps, estimated to save 80,000kWh per year, reduce carbon emissions by 48tCO2e annually, and save about RMB35,000. Furthermore, 11 of the 24 streetlights in the entire plant area were replaced with solar streetlights, saving 2,904kWh annually, reducing carbon emissions by 1.74tCO2e, and saving about RMB1,300 in costs.

▲ Kunshan electric servo injection moulding machine

MTN Energy Saving and Emission Reduction Measures

➢ Circulating Water Pump Renovation Project

MTN has successively matched compatible water-circulation systems in Injection Moulding Areas 1, AB Area 1, and AB Area 2. Encouraged by the positive empirical data collected, MTN gradually consolidated the three systems into two, and eventually into one, transitioning from an open-loop to a closed-loop water circulation system. This not only improved water quality but also significantly reduced electricity consumption. Calculations show that this project saved approximately 497,760kWh of electricity annually, reduce carbon emissions by 308.86tCO2e, thus saving about RMB220,000.

▲ Circulating Water Pump Renovation (Before-and-After Comparison)

➢ Clean Energy Practice Project

MTN launched the solar streetlight installation project in 2024. Multiple sets of solar streetlights were installed along the main walkways and key areas of the factory. These lights store the solar power as electricity and release the electricity to illuminate at night. The system is easy to install, requires no complex cabling or connection to the traditional power grid, and offers advantages such as energy conservation, strong power independence, and low maintenance costs. Through the implementation of this project, MTN achieved clean energy substitution for lighting electricity, saving approximately 74,733.75kWh annually and reducing conventional power consumption significantly, with an annual cost saving of around RMB33,000.

▲ MTN Solar Streetlights

➢ Replaced a traditional water-heating system

To further enhance energy efficiency, MTN has replaced a traditional water-heating system used for the employee dormitory, to a solar one, providing stable hot water supply for the bathrooms. The system comprises multiple sets of solar collectors, made up of arrays of vacuum tubes, an intelligent temperature-controlled circulation pump and a large-capacity insulated water tank. Equipped with an intelligent control system, the system automatically adjusts its operating mode based on weather conditions and water usage demands — fully replacing steam heating on sunny days and using thermostatic tanks to reheat pre-warmed water on rainy days to ensure continuous hot water supply. The system performs particularly well in summer, delivering hot water at approximately 60°C daily, fully meeting all employees' showering needs while achieving both energy savings and a comfortable user experience.

▲ MTN Solar Water Heating System

➢ Factory Vehicle Fuel Consumption Reduction Plan

MTN has implemented a fuel-saving plan to reduce fuel consumption through optimising driving habits, conducting regular maintenance and servicing of its vehicles.

Through the implementation of a series of measures, in 2023, the heavy trucks travelled a total of 108,225km, consumed 17,436.85L of fuel, with an average fuel consumption of 16.11L per 100km. In 2024, the mileage increased to 124,270km, with fuel consumption at 18,732.54L, and the average fuel consumption dropped to 15.07L per 100km. Compared to 2023, in 2024 the heavy trucks travelled 16,045km more and consumed 1,295.69L more fuel, but the fuel consumption per 100km decreased by approximately 1L.

In 2023, business vehicles travelled a total of 342,859km, consumed 34,920.99L of fuel, with an average fuel consumption of 10.19L per 100km. In 2024, the mileage increased to 361,583km, fuel consumption decreased to 33,406.95L, and the average fuel consumption dropped to 9.24L per 100km. Compared to 2023, the mileage in 2024 increased by 18,724km, while fuel consumption decreased by 1,514.04L. Additionally, the fuel consumption per 100km in 2024 decreased by 0.95L compared to 2023.

➢ Replacement of High Energy-Consuming Equipment

To continuously improve the energy efficiency of the production system, MTN launched a special equipment-energy-efficiency-self-audit campaign in 2024. During this campaign, the company conducted a comprehensive assessment of existing motors and identified a total of 36 high-energy-consuming ones. In response, MTN proactively phased out these low-efficiency motors and replaced them with energy-efficient motors that meet the highest national standards. This initiative is estimated to save approximately 103,646kWh of electricity annually, reduce carbon emissions by about 64.31tCO2e per year, and save around RMB45,000 in costs annually.

In addition, MTN purchased first-level energy-efficiency air conditioners to replace the original third-level energy-efficiency air conditioners. After replacement, each air conditioner saves 0.122kWh per hour. It is estimated that 10 first-level energy-efficient air conditioners save 1,800kWh annually, reducing carbon emissions by approximately 1.11tCO2e, and saving about RMB800 per year.

▲ High-energy-consuming motor replacement (before and after comparison)

MTD Energy Saving and Emission Reduction Measures

In 2023, MTD reduced its plant area and decommissioned two 315KVA transformers and one 400KVA transformer to decrease electricity consumption.

In 2024, the factory replaced the low-efficiency liquid-silicone variable-pump-hydraulic-moulding machine with a Sodick LS100VRE liquid-silicone servo-moulding machine, estimated to save 420,000kWh annually, reducing carbon emissions by 260.61tCO2e and saving about RMB18,000 per year.

Meanwhile, the Makino mould-processing equipment will replace traditional machining equipment, expected to save 90,000kWh annually, reduce carbon emissions by 55.85tCO2e, and save approximately RMB40,000 per year.

The Haitian energy-saving servo-moulding-injection machine will replace the variable-pump-hydraulic-moulding-injection machine, with an estimated annual electrical saving of 600,000kWh, carbon-emission reduction of 372.3tCO2e, and cost savings of around RMB26,000.

Additionally, the Bestar energy-saving servo-vertical-moulding-injection machine will replace the variable-pump-hydraulic-vertical-moulding-injection machine, estimated to save 180,000kWh annually, hence reduced carbon emissions by 111.69tCO2e and save about RMB78,000 per year.

Through these measures, the Group's factories achieved higher standards of environmental performance in their own operations and also actively participated in carbon-reduction efforts across the global supply chain, endeavouring to contribute to the protection of the Earth's environment and the promotion of sustainable development for human society.

Memtech fully understands that in the current context of global climate warming, taking decisive and effective emission-reduction actions is not only a corporate social responsibility but also a key to ensuring the company's long-term and stable development. Therefore, Memtech will continue to explore innovative solutions and promote the application and development of green and low-carbon technologies, fulfilling its commitment to a sustainable future through concrete actions.

Energy Use

Memtech adheres to relevant energy regulations such as the *Energy Conservation Law of the People's Republic of China*, actively fulfils corporate social responsibilities, and strives to be a green pioneer in the industry. During the reporting period, the company's primary energy consumption included

direct energy such as gasoline, diesel, and liquefied petroleum gas

indirect energy such as purchased electricity, purchased steam, and purchased compressed air

Company-wide direct energy includes

Direct energy types		
Petrol	Diesel	liquefied petroleum gas
Indirect Energy Sources		
Purchased electricity	Purchased steam	Purchased compressed gases
Energy Usage Scenarios		
Staff canteen	Company-owned fleet operations	Company-owned truck and forklift operations
Backup diesel generator operation	Purchased electricity consumption	Purchased steam usage
Purchased compressed air consumption		

According to the data collection and statistical results, the energy consumption indicators of each Memtech factory are as follows.

Year	Metrics	Unit	MTJA	MTKS	MTN	MTD	MTVN
2023	Total electricity consumption	Megawatt-hour (MWh)	10,944.48	13,342.09	31,724.20	9,604.86	1,689.91
	Gasoline consumption	Tons (t)	5.89	18.49	26.89	25.73	8.20
	Diesel consumption	Tons (t)	22.14	13.33	16.12	8.63	-
	Steam consumption	MJ	-	-	7,291,200.00	-	-
	Compressed air consumption	m3	-	-	-	-	-
	Comprehensive energy consumption	Tons of standard coal equivalent (tce)	1,386.00	1,686.37	3,961.96	1,230.88	219.76
	Main business profit	RMB10,000	2,969.00	9,333.64	9,778.74	1,166.42	(62.64)
	Comprehensive energy intensity	kgce per RMB10,000 main business profit	466.82	180.68	405.16	1,055.26	-
2024	Total electricity consumption	Megawatt-hour (MWh)	14,085.42	16,241.15	32,643.12	14,220.57	2,170.61
	Gasoline consumption	Tons (t)	6.05	18.95	27.95	26.32	10.96
	Diesel consumption	Tons (t)	26.14	23.73	18.06	4.82	-
	Steam consumption	MJ	-	-	9,858,900.00	-	-
	Compressed air consumption	m3	-	-	20,463,207.00	-	-
	Comprehensive energy consumption	Tons of standard coal equivalent (tce)	1,778.08	2,058.50	5,234.20	1,793.46	282.90
	Main business profit	RMB10,000	2,143.00	13,059.24	7,255.65	5,089.08	(334.30)
	Comprehensive energy intensity	kgce per RMB10,000 main business profit	829.72	157.63	721.40	352.41	-

Memtech Energy Expenditure Ratios (2022-2024)

Memtech Energy Expenditure Ratio Report

		MTJA	MTKS	MTN	MTD	MTVN
2022	Energy Expenditure (1) Amount (RMB10,000)	712.80	1,152.25	2,175.27	1,007.00	79.46
	Energy Expenditure as % of Total Factory OPEX	5.75%	14.18%	32.22%	14.82%	14.08%
2023	Energy Expenditure (1) Amount (RMB10,000)	763.82	1,007.94	2,333.20	766.50	100.40
	Energy Expenditure as % of Total Factory OPEX	6.20%	13.51%	38.50%	13.93%	18.51%
2024	Energy Expenditure (1) Amount (RMB10,000)	1,196.11	1,199.37	2,427.01	981.46	127.65
	Energy Expenditure as % of Total Factory OPEX	6.36%	13.20%	36.00%	14.39%	22.57%

Energy Management System

The company has established a systematic energy-management framework and monitoring mechanism. Through feasibility studies, set annual energy consumption targets and implement performance-evaluation systems to promote greener production and eliminate resource waste. Concurrently, the company has obsoleted its excessively wasteful and high energy-consuming equipment, transiting towards a low-carbon economy.

MTD has been implementing an Energy Management System (EnMS) since 2024, with certification expected to be completed by September 2025. The plant has established its EnMS in accordance with *GB/T 23331-2020/ISO 50001:2018 Energy Management Systems –– Requirements with Guidance for Use*, and has developed a series of management policies and procedures, including *Energy Review Management Procedures, Energy Performance Indicators (EnPIs) and Energy Baseline Management Procedures, Policy and Objectives Management Framework, as well as Energy Services, Products, Equipment, and Procurement Management Standards.* This systematic approach ensures compliance with international standards while enhancing energy efficiency and sustainability performance.

MTJA is currently implementing its Energy Management System (EnMS) development, with the ISO50001 certification process expected to commence around November 2025. The plant is planning to deploy an energy management platform in the second half of 2025, which will establish an integrated control system for water and electricity consumption. This system will utilise data analytics to promptly identify energy waste and automatically adjust equipment operating parameters to optimise energy efficiency.

Energy Conservation Initiatives

In order to further reduce energy consumption, decrease carbon emissions, and control operating costs, the group's factories in Nantong, Ji'an, and other locations have established electricity-saving management systems. These systems achieve energy efficiency through measures such as staggered electricity usage, equipment management, behavioural guidelines, and technical upgrades. Specific initiatives include:

- **Standardised electricity-usage directives:** requiring air conditioners to be switched off when the room is unoccupied, temperature setting at ⩾26°C during summer and ⩽20°C during winte), reduction of electrical devices on standby mode, and use of natural light and LED lighting when possible;
- **Production optimisation:** staggering operation of high-power equipment, shutting off power in production areas not in use and consolidate shifts to minimise electrical equipment working under no-load condition;
- **Technology upgrades:** phasing out high energy-consuming equipment, promoting energy-saving technologies (such as inverters, high-efficiency motors), and installing additional electricity meters to monitor abnormal power usage;
- **Supervision and incentives:** assigning personnel for regular inspections, collecting electricity usage data, issuing notifications for violations, and rewarding energy-saving suggestions or effective technical improvements.

MTN further proposed a goal to reduce the intensity of electricity consumption per unit output value (a reduction of 180kWh per million output value), and detailed management plans such as renovation of dormitory electrical circuits, forming an electricity-saving system comprehensively composed of "institutional constraints + technical support + full participation". After the implementation of the system, the energy-saving effect was significant. According to statistics, from January to December 2024, the electricity consumption per million output value in MTN decreased by 3,643.63kWh compared to the same period in 2023.

Water Resource Management

Memtech actively practices water conservation. The company has implemented various measures to reduce water waste and improve water-resource efficiency, contributing to the protection of the Earth's water resources.

Memtech Water Consumption by Facility (2022-2024)

Memtech's Water Consumption Statistics

		MTJA	MTKS	MTN	MTD	MTVN (1)
2022	Annual Total Water Consumption (tons)	58,485	44,586.4	127,600	82,797	12,584
	Production Water Use (tons)	49,135	700	31,195.6	68,882	12,584
	Domestic Water Use (tons)	9,350	43,886.4	9,6404.4	13,915	-
2023	Annual Total Water Consumption (tons)	67,280	53,831	145,490	54,145	11,240
	Production Water Use (tons)	57,230	600	31,195.6	44,511	11,240
	Domestic Water Use (tons)	10,050	53,231	114,294.4	9,634	-
2024	Annual Total Water Consumption (tons)	68,587	47,215	144,660	56,528	12,411
	Production Water Use (tons)	57,467	600	31,195.6	48,500	11,708
	Domestic Water Use (tons)	11,120	46,615	113,464.4	8,028	703

Note (1): Water used in MTVN for residential purposes refers to water used in employee dormitories, while water used within the plant area refers to production-related water usage. Data on residential water consumption has been disclosed starting from 2024; residential water usage from 2022 to 2023 was paid by the landlord and data is difficult to obtain.

Memtech Water Intensity by Facility (2022-2024)

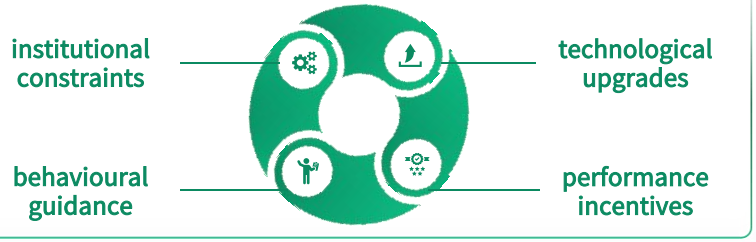
Memtech Water Intensity Statistics

		MTJA	MTKS	MTN	MTD	MTVN
2022	Annual Total Water Consumption (tons)	58,485	44,586.4	127,600	82,797	12,584
	Main Business Profit (RMB10,000)	2,654.10	13,416.24	12,610.80	34,91.47	278.56
	Water Intensity (tons/RMB10,000)	22.04	3.32	10.12	23.71	45.18
2023	Annual Total Water Consumption (tons)	67,280	53,831	145,490	54,145	11,240
	Main Business Profit (RMB10,000)	2,969.07	9,333.64	9,778.74	1,166.42	(62.64)
	Water Intensity (tons/RMB10,000)	22.66	5.77	14.88	46.42	-
2024	Annual Total Water Consumption (tons)	68,587	47,215	144,660	56,528	12,411
	Main Business Profit (RMB10,000)	2,143.02	13,059.24	7,255.65	5,089.08	(334.30)
	Water Intensity (tons/RMB10,000)	32.01	3.62	19.94	11.11	-

Water Conservation Initiatives

Water Conservation Management

Memtech Kunshan Facility has established a water-conservation management system, clarifying organisational structure and division of responsibilities, improving the core management framework, enhancing data-driven management and performance evaluation, and promoting technical improvement measures. The system adopts a four-dimensional approach combining "institutional constraints + technological upgrades + behavioural guidance + performance incentives" to achieve a transformation in the plant's water-resource management from passive compliance to proactive optimisation.



01 Accountability to individuals

- MTKS establishes a water-conservation leadership group, with the group leader being overall responsible for coordinating water-saving efforts; a full-time water conservation administrator is appointed to manage daily water usage.
- Within the factory, different departments fulfil their respective responsibilities: the General Affairs Section takes charge of promoting, organising, and coordinating water-saving initiatives;
- The maintenance section is responsible for installation, maintenance, and pipeline upgrades of the water-supply system;
- Each workshop employs part-time water-conservation administrators to implement specific operations, thus establishing a chain of responsibility for water conservation from the leadership group down to the workshop administrators.

02 Closed-loop Quantification

- MTKS is equipped water-measuring instruments in accordance with the national standard GB/T24789 (100% for primary level, 95% for secondary level), has designated personnel to read and record the meters daily and conducts monthly statistical analysis.
- A water-conservation meeting is held quarterly to analyse water-usage data, develop improvement plans, rectify general issues, and report major problems to the ESG Group's leadership for decision-making. A water balance test is conducted every 3 to 5 years.
- An annual water-efficiency evaluation system with rewards and penalties is established, providing year-end bonuses to departments that do not exceed water consumption quotas and awarding special water-conservation contributor prizes, thereby forming a quantifiable closed-loop management model of "daily statistics → monthly analysis → quarterly meetings → annual evaluations."

03 Technology-driven

- The factory prioritises the adoption of water-conservation processes to achieve recycling and reusing of production water; upgrades old pipelines to reduce leakage rates in the water distribution network; and enhances supporting infrastructure by installing sensor-activated water-saving fixtures in restrooms and public areas, promoting water conservation within the factory through advanced technological means.

04 Core management

- The factory implements comprehensive water-usage control, requiring adjustment of flow rates during water-usage processes, shortening water-usage time, and turning off valves promptly when not in use;
- Enforces daily/weekly/monthly three-level inspection work to check for leaks or spills in metering equipment and pipelines, establishes an inspection record system, ensures pipeline leakage repairs are carried out within 24 hours, and uses supervision and management means to guarantee the normal implementation of the factory's water-conservation efforts.

05 Cultural penetration

- Post water-saving slogans in public areas, regularly conduct training and lectures on water resources topics, carry out routine water-conservation publicity, and at the same time inculcate employees' habit of turning off taps, incorporating water-saving awareness into employee behavioural norms.

06 Legal coordination

- Closely align with provincial and municipal regulations, strictly follow laws and regulations such as the *Jiangsu Province Water Conservation Regulation*, submit water-usage plans on time, and ensure the factory's water usage complies with regulatory requirements.

In terms of objectives, despite Memtech has not set any group-level water conservation targets, some factories took their own initiatives and set their own annual water-conservation targets or water-usage quotas within their facilities based on actual conditions, and have developed corresponding water-conservation plans accordingly, as summarised below:

Memtech 2024 Water Conservation Targets and Implementation Plans by Factory

MTJA	Due to the factory's relatively recent establishment, significant fluctuations of factory orders, and lack of water usage data analysis, the water-conservation targets will be set at a later stage.
MTKS	According to the water consumption quota issued by the Kunshan Water Conservation Office, the annual water usage is set. Compliance with the standards is achieved by not exceeding the allocated amount. The factory has a relatively comprehensive water-conservation management in place to ensure the achievement of this goal.
MTN	MTN has set its 2024 annual water-conservation management goals, establishing an intensity target of reducing water consumption by 20 tons per RMB1 million of output value, and implemented corresponding water-conservation measures, including the use of water-efficient fixtures, closed-loop recycling of cooling water, and water-conservation-awareness campaigns.
MTD	MTD has set a water consumption quota target: the planned water consumption in 2024 shall not exceed 53,000 tons. Corresponding water-conservation measures have been put in place, specifically including regular inspections and timely repairs for leaks in pipes and valves, rational utilisation of water-consuming equipment, and posting water-conservation warning signs at water taps in all public areas.
MTVN	Due to the short establishment time of the factory, significant fluctuations of factory orders, lack of water-usage data analysis, the water-saving targets will be set subsequently.

After the targets are set, each factory has a tracking process to confirm whether the annual targets are met. For unmet targets, the root causes are identified then remedies are developed based on the circumstances of the factory, with newly adjusted water-conservation targets, forming a closed-loop tracking and control mechanism for water conservation.

Water-conservation Measures

MTJA's water-conservation actions are specifically manifested as follows

- By conducting inspections, drip and leakage problems are promptly identified and addressed to achieve water-conservation goals;
- Ordinary taps are replaced with smart sensor taps to minimise wastage;
- Ordinary water closets were replaced with water-saving ones, and experiments were carried out to reduce tank capacity from 8L to 6.5L in order to reduce water discharge.

Reclamation of greywater

At Memtech's Nantong plant, certain production processes require pristine water with extremely low levels of microorganisms and organic matter, produced using a water purifier. After treatment by the water purifier, tap water is purified into pristine water and greywater. The greywater discharged from the Nantong plant is collected in a water tank at the bottom of the building, with a water meter installed at the tank to record readings at the beginning of each month. The greywater in the tank is then pumped into the dormitory piping system for toilet flushing. Statistics show that in 2024, the Nantong plant reused a total of 11,632.9t of greywater. From January to December 2024, compared with the same period in 2023, water consumption per RMB1 million of output value decreased by 25.48 tons. The repurpose of greywater for toilet flushing has effectively mitigated the issue of wasteful discharge of greywater, generated during the purification process of tap water, reduced the demand of domestic water, and improved the efficiency of water-resource utilisation.

Water Risk Assessment

All factories of the Memtech rely entirely on municipal water supply to meet their operational and production needs.

The locations of the Group's factories are in areas where there are no known water shortages.

National government policies ensure price stability of municipal water supply, with increases that remain within the acceptable range for the factories.

The local governments where the factories are located enforce high standards for the quality of municipal water supply, guaranteeing the water quality required for the Memtech's operations.

After comprehensive evaluation, no significant risk factors regarding water resource usage have been identified for the Memtech.

Environmental Compliance Management

Memtech actively practices environmental-compliance management. Each factory commissions professional technical agencies to prepare environmental-impact assessment reports for production projects based on the actual conditions of environmental-protection facilities and equipment within the plant. After obtaining the environmental impact-assessment approval document and discharge permit from the local government, the production projects are carried out in accordance with laws and regulations.

Environmental Management System

Memtech's factories within China have sequentially obtained ISO14001 Environmental Management System certification. Using the "PDCA (Plan-Do-Check-Act) cycle", they systematically manage environmental responsibilities, reduce ecological risks, and improve sustainability performance. The ISO14001 Environmental Management System explicitly requires organisations to establish an "*Emergency Plan for Sudden Environmental Incidents*." Accordingly, Memtech's factories in China have prepared a series of documents including the *Emergency Plan for Sudden Environmental Incidents*, the *Risk Assessment Report on Sudden Environmental Incidents*, and the *Emergency Resource Investigation Report on Sudden Environmental Incidents*, meeting the requirements of the *Administrative Measures for Emergency Response to Sudden Environmental Incidents*, and have registered these with the environmental protection authorities. The formulation and strict subsequent implementation of emergency plans aim to ensure that factories can take prompt measures when facing various accidents or natural disasters, avoiding or minimising to the greatest extent possible the release of pollutants or other toxic substances into external environmental media such as ambient air, water bodies, and soil beyond the factory boundaries, thus ensuring the safety of personnel inside and outside the site and reducing environmental damage.

MTJA ISO 14001 Environmental Management System Certification

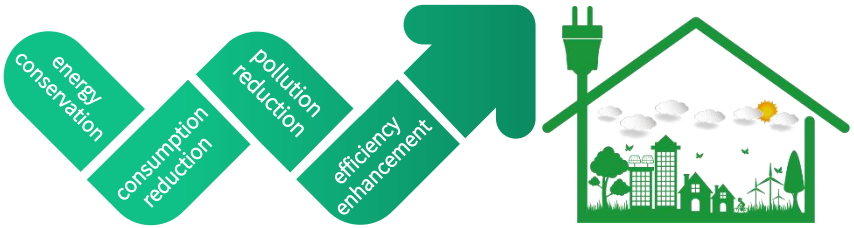
MTKS ISO 14001 Environmental Management System Certification

MTN ISO 14001 Environmental Management System Certification

MTD ISO 14001 Environmental Management System Certification

Cleaner Production

For manufacturing enterprises, conducting a cleaner production audit is a systematic and structured environmental management tool aimed at identifying resource waste and pollution sources in the production process by means of source reduction, process optimisation, and resource recycling. It proposes feasible improvement measures to ultimately achieve the goals of "energy conservation, consumption reduction, pollution reduction, and efficiency enhancement."



The factories in Kunshan and Dongguan have successively passed the cleaner production audit.

By November 2024, the Kunshan plant has implemented 11 cleaner production schemes, with a total investment of RMB7.7512 million. These initiatives have resulted in annual water savings of 3,100t, reduced hydraulic oil consumption by 0.157t, and decreased volatile organic compound (VOC) emissions by 0.705t. Additionally, general solid-waste generation was reduced by 0.101t (including 0.1t reduction in packaging-materials waste and 0.001t reduction in iron-parts waste). Hazardous waste increased by 2.7882t (including an increase of 2.8 tons of waste activated carbon and 0.0032 tons of waste catalysts, while reducing waste hydraulic oil generation by 0.015 tons). Equipment noise levels were reduced by 11.8 decibels, electricity consumption was reduced by 269,640kWh, and carbon emissions were cut by 173.9 tons. Product yield improved by 0.252%, safety risks were reduced, uncontrolled VOC emissions were minimised, dust dispersion was reduced, waste was minimised, and annual economic benefits of RMB887,800 were generated.

With the increasing calls for carbon-reduction requirements from international supply chains and the intensification of China's dual-carbon policies, cleaner production audits are gradually becoming a core strategy for enterprises. As a mandatory condition for green-manufacturing certifications (such as the Ministry of Industry and Information Technology's "National Green Factory"), they systematically diagnose the "metabolic loopholes" in production processes, aiming to achieve a win-win situation of environmental and economic benefits through technological innovation and management optimisation, ultimately building a new production system oriented toward the era of carbon neutrality.

Pollutant Emissions

The Group adheres to legal frameworks such as the *Water Pollution Prevention and Control Law of the People's Republic of China*, *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, and *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*. It also complies with national standards (e.g., *Environmental Noise Emission Standards for Industrial Enterprise Boundaries* GB12348-2008), industry norms, and other applicable regulations in its environmental management practices. The Group strictly manages and controls the generation and discharge of wastewater, exhaust gases, and noise during production and operations to minimise environmental impacts.

Memtech ensures that pollutant emissions from all operational activities strictly comply with national environmental protection laws and regulations. During the reporting period, no complaints were received from employees or local community residents regarding any adverse impacts, and no significant administrative penalties or criminal liabilities were incurred due to pollutant emissions.

Pollutant Control

All Memtech's factories have established comprehensive pollutant-management systems, including management procedures for wastewater, waste gas, and noise. These systems ensure that all emissions not only meet but exceed national and local standards, demonstrating the Group's unwavering commitment to environmental protection and social responsibility.

Wastewater treatment

Each factory strictly implements wastewater-management procedures, covering the entire process control of production and living wastewater to ensure compliance with national standards such as GB8978.

Waste Gas Treatment

A two-way mechanism for risk prevention and control is implemented for waste gas treatment. In the daily control processes, low-VOCs-emission materials are procured at the source. Waste gas is treated using processes such as "UV photolysis + activated-carbon adsorption" and/or "water spray + activated-carbon adsorption, desorption, catalytic combustion". For emergency response, all factories have established procedures for handling equipment failures and personnel poisoning incidents.

Noise control

In terms of noise control, Memtech adopts comprehensive lifecycle management measures. Early prevention includes mandatory requirements for noise detection reports when purchasing new equipment, and optimising plant layout to isolate noise sources; process control includes installing silencers on equipment and strictly following maintenance procedures.

Wastewater Treatment

The main type of wastewater discharged from the factories of Memtech is domestic sewage. In accordance with the requirements of HJ1122-2020 *Technical Specifications for Application and Issuance of Pollutant Discharge Permits -- Rubber and Plastic Products Industry*, the domestic sewage from each factory undergoes primary treatment through facilities such as oil-separation and septic tanks, before discharging into nearby wastewater treatment plants (municipal centralised wastewater treatment facilities) via municipal sewage pipelines. On the premise that the destination of discharged sewage is clearly specified, the factories are not required to conduct self-monitoring of domestic sewage. The Group strictly stipulates that oils, chemicals and waste liquids used by relevant departments are prohibited from being poured into the sewage pipe network. The discharge of domestic sewage from all factories meets the receiving requirements of wastewater-treatment plants. Details of the domestic-sewage-discharge standards of each factory and the information of the receiving wastewater treatment plants are shown in the table below.

Memtech Factories	Domestic Sewage Discharge Standard	Wastewater Treatment Plant
MTJA	Integrated Wastewater Discharge Standard (GB 8978-1996)	Ji'an Xinyuan Wastewater Treatment Plant
MTKS	Discharge Standard of Pollutants for Municipal Waste - water Treatment Plant (GB 18918 - 2002)	Jinxi Wastewater Treatment Plant
MTN	Integrated Wastewater Discharge Standard (GB 8978-1996);Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-1996)	Nantong Donggang Wastewater Treatment Plant
MTD	Grade 3 Maximum Allowable Emission Concentration Standards for the Second Time Period in Guangdong Provincial Standard for *Water Pollutant Emission Limits* (DB44/26-2001)	Dongguan Chashan Wastewater Treatment Plant
MTVN	Vietnamese Sewage Discharge Standards (TCVN5945-2005)	Da'an Industrial Zone Wastewater Treatment Plant

Among them, the actual domestic wastewater discharge standards of MTN not only comply with national standards GB 8978-1996 and GB/T 31962-2015, as verified by test reports issued by third-party institutions, but also surpassed the national and local standards of the People's Republic of China at the request of international customers.

The production wastewater from the factories in Ji'an, Kunshan, Nantong, and Vietnam has basically achieved "zero" discharge. Each factory is equipped with a wastewater treatment station to handle the entire plant's production wastewater. Pristine water is recovered from the wastewater then recirculated for production purposes, hence no water is discharged externally. Professionals regularly add water to the system to compensate for evaporation, thereby eradicating the need for wastewater discharge while ensuring production needs.

The processing techniques and equipment for production wastewater are similar across various factories. Production wastewater is first collected through pipelines into a grid pool, then undergoes treatment and purification through a pre-aeration regulating tank, coagulation sedimentation, micro-nano precipitation system, and filter tank before entering the clean-water pool for reuse in production; The treated sludge enters the sludge-thickening tank, then compressed into mud cakes by a screw-press-dewatering machine, and finally entrusted to qualified solid-waste disposal agencies for harmless treatment; During this process, all odorous gases generated from these tanks are collected via pipelines and collectively discharged through a RCO device after purification.
MTD has signed an *Agreement on Transfer of Scattered Industrial Wastewater* with a qualified treatment institution, entrusting it to conduct unified recycling and treatment. The agreement requires that the effluence after treatment complies with the Grade 3 Maximum Allowable Emission Concentration Standards for the Second Time Period in Guangdong Provincial Standard for *Water Pollutant Emission Limits* (DB44/26-2022).

Memtech Wastewater Discharge Statistics

		MTJA	MTKS	MTN	MTD(1)	MTVN(2)
2022	Production wastewater discharge (tons)	-	-	-	30	10,696
	Domestic wastewater discharge (tons)	7,974.5	3,7303.44	81,943.74	11,827.75	-
2023	Production wastewater discharge (tons)	-	-	-	90	9,554
	Domestic wastewater discharge (tons)	8,542.5	45,246.35	97,150.24	8,818.9	-
2024	Production wastewater discharge (tons)	-	-	-	40	9,952
	Domestic wastewater discharge (tons)	9,452	39,622.75	96,444.74	6,823.8	476

Note(1): The production wastewater discharged from MTD is entrusted to a professional third-party institution for treatment.
Note(2): For MTVN, domestic wastewater is defined as wastewater discharged from employee dormitories, and production wastewater is defined as wastewater discharged from the factory premises. The data on its domestic wastewater has been disclosed since 2024; for 2022-2023, domestic water expenses were borne by the landlord, making the data difficult to obtain.

All factories strictly implement the separation of stormwater from sewage and have built complete pipeline systems for stormwater and wastewater discharge within their premises to ensure that stormwater and sewage flow separately. Stormwater is directly discharged into nearby water bodies through dedicated stormwater pipelines to avoid mixing with sewage hence further the burdening on wastewater-treatment system. Each factory entrusts third-party testing agencies to test the stormwater on site regularly, inspect and maintain the pipelines of the stormwater and sewage separation system, by ensuring the pipelines remain unobstructed in order to prevent incidents such as sewage leakage or rainwater backflow.

Waste Gas Treatment

The waste gas generated in each factory comes from processes such as plastic injection moulding, spraying, printing, UV light curing, and wastewater treatment. The main types of gaseous pollutants include particulate matter (PM), VOCs, SO2, NOx, benzene, toluene, xylene, styrene, non-methane hydrocarbons, and volatile organic compounds. To comply with environmental regulations and optimise the working environment in workshops, factories across the group collectively collect and treat waste gas generated during the production process.

In the process of treating waste gas in various factories, the process steps include intensive collection, gas hood, water spray, UV-light oxidation, activated-carbon adsorption, and bag-dust removal.

Among them, the UV photolysis step utilises ultraviolet light to decompose the chemical bonds in gaseous pollutant molecules, making them into small molecular fragments or free radicals, which are then oxidised into CO2 and water. Excess hydroxyl oxygen then enters the activated-carbon purification area for adsorption and purification, completing the environmentally-friendly treatment of VOCs gases.

The activated-carbon adsorption process

- Adopts a regenerative catalytic-combustion activated-carbon adsorption and desorption system.
- It utilises the characteristics of activated carbon with a large specific surface area and high adsorption capacity to adsorb harmful substances in exhaust gas.
- When the activated carbon gets nearly saturated, the system switches to an automatic valve that sends hot air into the adsorption bed to heat the activated carbon.
- The activated carbon is heated (based on the principle that organic waste gas has a low volatility point), causing the high-concentration organic gases therein to desorb and separate out, thus enabling the activated carbon to be reused.
- The desorbed organic gases are introduced into the catalytic-combustion bed by a desorption-circulation fan.
- After catalytic combustion of the waste gas, harmless gases such as CO_2 and H_2O as well as heat are generated.
- With part of the heat being reused for the desorption and regeneration of activated carbon in the adsorption bed.
- The entire adsorption and catalytic combustion process is automatic.

This set of equipment can effectively reduce VOC emissions and prolong the usage of the activated carbon, thereby reducing carbon emissions during the end-of-life disposal of activated carbon from a life-cycle perspective. According to preliminary calculations by MTKS, this equipment reduces the on-site activated carbon usage by approximately 7.7 tons per year.

The emission standards implemented for waste-gas emissions in each factory include:

- *Emission Standards for Volatile Organic Compounds - Part 1: Printing Industry* (DB36/1101.1-2019)
- *Emission Standards for Volatile Organic Compounds - Part 4: Plastic Products Industry* (DB36/1101.4-2019)
- *Integrated Emission Standards for Air Pollutants* (GB16297-1996)
- *Emission Standards for Odor Pollutants* (GB14554-93)
- *Standards for Pollution Control on Volatile Organic Compounds from Unorganised Emissions* (GB37822-2019)
- *Emission Standard for Volatile Organic Compounds—Part 4: Plastic Products* (DB36/1101.4-2019)
- *Emission Standards for Pollutants from Synthetic Resin Industry* (GB31572-2015)
- *Integrated Emission Standards for Air Pollutants* (DB32/4041-2021)
- *Emission Standards for Air Pollutants from Industrial Coating Processes* (DB32/4439-2022)
- *Air Pollutant Emission Limits* (DB44/27-2001)
- *Emission Standards for Volatile Organic Compounds in Printing Industry* (DB44/815-2010)

Each factory entrusts third-party testing institutions to conduct regular tests on factory waste gas emissions. From 2022 to 2024, the waste gas emissions of all factories met the emission requirements of national and local environmental-protection authorities.

Noise Prevention and Control

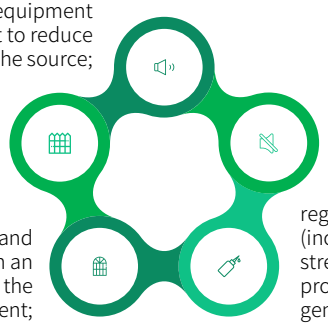
Each factory entrusts third-party testing institutions to conduct regular noise testing on the factory premises in accordance with *Emission Standards for Industrial Enterprise Boundary Environmental Noise* (GB12348-2008) and issue test reports. All results are within the limit values and meet the standard requirements.

Within the standard limits, in order to further reduce plant noise, some factories of Memtech have implemented a series of comprehensive measures, specifically including:

prioritising advanced, low-noise production equipment during equipment selection and procurement to reduce noise generation at the source;

using partitions, vibration damping pads and other methods for sound insulation on high-noise vibration equipment to reduce the impact of vibration on equipment and personnel;

setting up soundproof rooms inside the plant and controlling the density of equipment layout within an appropriate range to reduce the impact of noise on the working environment;



optimising the layout of noise-generating facilities and logistics transportation routes, giving priority to low-noise equipment and transportation tools;

regularly inspecting equipment operation (including wear of moving parts) and strengthening equipment maintenance to ensure proper operation and reduce noise and vibration generation.

In addition, factories strictly implement employee protection measures, providing high-quality earplugs/earmuffs to staff working in high-noise areas and implementing shift rotation control of noise exposure time, effectively preventing hearing damage and ensuring employee health.

Waste Management

Waste Identification and Statistics

The waste from each factory is mainly classified into three categories: general solid waste (including scrapped fixed assets and rejected products), hazardous waste, and kitchen waste. The main generating links and types of waste are as follows:

General solid waste

Includes solid waste generated during the production process, scrapped fixed assets, and rejected products produced. The solid wastes in the production process comprises worn-out metal moulds (generated when self-made moulds in the factory can no longer be used), packaging materials of raw and auxiliary materials, excess silicone rubber generated in the cutting process, and other waste miscellaneous materials; scrapped (rejected) products are defective products from various processes in each workshop; scrapped fixed assets involve equipment and assets from multiple departments.

Hazardous waste

Hazardous waste is generated in different production processes, comprising waste mineral oil, worn-out packaging barrels, damaged UV lamps, waste lubricating oil, worn-out activated carbon, sludge, waste ink, waste organic solvents, worn-out filter cotton, etc.

Kitchen waste

Kitchen waste is generated in the factory canteen, mainly consisting of perishable non-recyclable food waste.

From 2022 to 2024, statistics on solid and hazardous waste from various Memtech factories are as shown in the table below:

		MTJA	MTKS	MTN	MTD	MTVN
2022	Hazardous Waste (tons)	8.94	48.01	97.03	18.43	0.11
	General Solid Waste (tons)	275.08	216.68	318.47	76.45	4.10
2023	Hazardous Waste (tons)	12.98	18.98	93.45	11.48	0.11
	General Solid Waste (tons)	348.53	204.50	389.27	63.69	8.67
2024	Hazardous Waste (tons)	13.98	22.13	98.85	26.29	0.14
	General Solid Waste (tons)	179.27	240.00	460.82	227.02	8.92

Note: The statistics of general solid waste in the table include industrial solid waste.

Waste Disposal Methods

All factories of Memtech within the territory of China handle wastes in strict accordance with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* and other environmental protection laws and regulations. The compliance rate of waste disposal of the Group is 100% between 2022 and 2024.

➢ Classified Collection

Each factory has waste-disposal procedures to collect and handle hazardous waste and general solid waste separately. Hazardous waste is strictly classified in accordance with the national directory, stored in designated leak-proof areas, and the containers must be labelled with names, dates and hazard signs; general waste is put into designated trash bins, or stored separately by departments and regularly purchased by recyclers.

➢ Storage Specifications

All wastes are stored in separate zones. Hazardous wastes are protected against rain, seepage and fire. Fire extinguishers are equipped in flammable material zones where smoking is prohibited.

➢ Emergency Response and Supervision

The *Chemical Management and Control Procedure* will be activated in case of hazardous waste leakage; storage conditions are inspected monthly, and any irregularities will be corrected in a timely manner with traceable accountability.

Memtech Solid and Hazardous Waste Disposal Methods

	MTJA	MTKS	MTN	MTD	MTVN
Kitchen Waste	Kitchen waste in the factory area are regularly recycled by nearby farmers for livestock breeding.	It is collected and collectively disposed of daily by a third-party processing agency.			
Hazardous Waste	In accordance with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, qualified professional institutions for collecting/treating, hazardous wastes are entrusted to regularly receive and treat hazardous wastes generated during the factory's production process. Compliance measures are taken during the transfer of hazardous wastes to prevent leakage of hazardous wastes and related chemicals.				In accordance with the relevant laws of the Socialist Republic of Vietnam, qualified professional institutions to collect/treat hazardous wastes are entrusted to regularly receive and treat hazardous wastes generated during the factory's production process.
General solid waste	General solid wastes and rejections generated during the production process are collectively stored in designated areas within the plant. Recyclable solid wastes are consolidated and put up for auction when they accumulated to a certain quantity, and the winning bidder acquires it at the agreed price. Non-recyclable solid waste is collected and treated by external processing agencies. The scrapping of fixed assets is applied online by the department which is the inventory owner of the fixed assets. After approval, the administrative department will provide disposal suggestions (either selling together with other general solid wastes or recycling some materials and parts for reuse in the production process). The finance department will apply accounting rules according to the approved and actual disposal outcomes.				

Waste Reduction

The amount of wastes generated by each factory is affected by factors such as order volume, process requirements, and customer requirements for raw and auxiliary materials, with many uncertainties. Based on their own actual situations, some factories identify opportunities for waste reduction in production and operations.

- MTN recycles and reuses diluent for cleaning gun tips, and the manufacturer recovers packaging materials of curing agents, inks, etc., thereby reducing the generation of hazardous waste.

- MTKS can directly use the well-preserved excess materials from the edges of the final product as raw materials for the next batch of production, on the condition that it does not affect the product quality of the next production.
- Excess materials that cannot be used in the next production can be used as auxiliary materials for factory production, thereby reducing the amount of general waste generated.

- Each factory continuously optimises its processes to improve product yield and reduce the generation of solid waste caused by rejected products at the source.

Circular Economy

On circular economy, the company does not have strategic policy and top-down implementation of circularity yet. Despite this, at the operational level, some plants of Memtech have already taken the lead in applying and practicing circularity in certain scenarios.

Resource Recycling Practices

- In 2024, MTN shipped a total of 163,589 plastic crates to a certain customer. After implementing the plastic-crate-recycling programme, the crates were recovered and reused, and only 3,600 new crates were purchased, resulting in a saving of 159,989 crates (equivalent to 348,776 kg). This programme reduced purchasing costs and also promoted the circular economy, helped to reduce solid waste at the customer's site, and decreased Scope 3 carbon emissions of the factory.
- MTKS uses waste materials from the injection nozzle to produce reusable plastic boxes. By repurposing the wastes generated during the production process into useful resources, it reduces the amount of general solid wastes produced within the plant while also lowering the procurement cost of reusable plastic boxes.
- MTJA collaborates with local farmers, using food waste from the factory as livestock feed for nearby villagers. The food waste is transformed into animal feed, turning waste into a valuable resource and practicing a circular economy.
- MTN implemented a cleanroom-wipes-recycling programme. In 2024, the recycling quantity of two types of cleanroom wipes was statistically recorded, with a total saving of 175,210 pieces (including 138,790 regular cleanroom wipes and 36,420 thickened cleanroom wipes). This programme amounted to a saving 1,148.41kg of wipes. After implementing this measure, the purchasing cost of cleanroom wipes was significantly reduced, while also decreasing the amount of general solid waste generated within the plant.
- The mould department of MTKS replaces old copper with new copper. The factory selects a copper scrap recycler through an auction. The recycler transports and processes the old copper, and in return, the factory receives new copper or a cash discount equivalent to the cost of purchasing new copper.
- MTN implemented a policy of recycling blister packs. In 2024, statistics showed that a total of 481,303 blister packs (totaling 63,532 kg) were recycled from shipments to two customers. Since the implementation of this measure, the factory has reduced its purchasing costs for blister packaging boxes, while also decreasing the amount of general solid waste generated at the customer's site.
- Some factories of Memtech, upon request from some European and American clients, use raw materials containing a certain proportion of recycled materials to produce specific product models, reducing resource consumption and practicing circular economy at the full lifecycle level.

The statistics on the usage of product packaging materials in each factory of Memtech are as shown in the following table:

Memtech Statistics on Packaging Material Usage

		MTJA	MTKS	MTN	MTD	MTVN
2022	Paper and Wood (tons) (1)	51.29	596.63	336.72	81.10	4.21
	Foam Plastics (tons) (2)	64.28	293.50	336.67	47.93	3.52
	Metal Packaging Materials (tons) (3)	3.47	-	40.00	2.16	-
2023	Paper and Wood (tons)	35.61	399.54	334.30	14.30	8.58
	Foam Plastics (tons)	41.82	243.20	349.30	16.50	8.74
	Metal Packaging Materials (tons)	5.44	-	62.40	0.76	-
2024	Paper and Wood (tons)	74.88	586.89	417.54	48.5	9.68
	Foam Plastics (tons)	63.53	251.50	369.50	33.97	14.39
	Metal Packaging Materials (tons)	8.64	-	59.3	2.66	-

Note (1): Including wooden boxes, corrugated cardboard, cardboard paper, greyboard, copy paper, etc.

Note (2): Including polyethylene (PE), polypropylene (PP), polyvinyl chloride (PVC), polyester (PET), expanded polystyrene (EPS), polyethylene foam (EPE, pearl cotton), etc.

Note (3): Including aluminum foil bags, anti-static bags, etc.

None of the factories in the Group currently use recycled packaging materials certified by GRS, EN15343, or FSC, or biodegradable packaging materials certified by BPI, EN13432, or FSC. Against the backdrop of the Chinese government's promotion of green-packaging materials, all factories of Memtech will actively respond to the call in the future and lay out the procurement of recycled-packaging materials and biodegradable-packaging materials.

Ecosystem and Biodiversity Protection

Memtech continues to pay attention to the impact of its own activities on ecosystems and biodiversity, and strictly complies with relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, *the Soil Pollution Prevention and Control Law of the People's Republic of China*, and the *Opinions on Further Strengthening Biodiversity Protection* issued by the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council. The surrounding areas of the company's existing production and operation sites do not involve key terrestrial or marine ecological functional zones, ecological protection red lines, or other nature reserves. In the site selection process for new projects, ecological impacts will be taken into consideration to avoid risks and identify hidden dangers in advance.

In terms of specific measures, MTJA, together with multiple relevant departments such as Ji'an Municipal Bureau of Ecology and Environment and Jizhou District Bureau of Ecology and Environment, jointly planned and organised a publicity quiz with prizes aimed at enhancing the public's awareness of biodiversity conservation. This activity not only effectively disseminated the importance of biodiversity conservation but also stimulated the enthusiasm of the majority of participants to actively engage in environmental protection actions, further promoting the in-depth development of local ecological environmental protection and sustainable development work.

As of the end of the reporting period, no significant impacts on biodiversity have been identified from all production and operation activities, products, and services of the company.

Trust and Win-Win

Memtech regards technological innovation as the core engine for green transformation, value R&D of green and low-carbon technologies to enhance product performance and safety.

- ✓ We implement full-process quality control to ensure product safety and reliability and have established an efficient and transparent customer service system.
- ✓ We attach great importance to data and information security to protect the rights and interests of customers and partners.
- ✓ Meanwhile, we are committed to building a responsible and resilient supply chain and promoting the sustainable development of upstream and downstream through strict screening and empowerment.
- ✓ We actively carry out industrial cooperation and collaborative innovation to jointly drive the plastic industry towards a more efficient and environmentally friendly future and realise the sustainable development of the value chain.

Innovation-Driven Development

Innovation is the core engine for the sustainable development of Memtech. The company will continue to deepen the "technology + market" dual-drive strategy, strengthen cooperation with universities and other research institutions, accelerate global layout, adhere to the mission of "Intelligent Manufacturing for a Green Future", help achieve the goals of "dual carbon" and the Paris Agreement, and drive the sustainable development of the industry through innovation.

Technological Innovation System

As a world-leading manufacturer of plastic products, Memtech has always regarded innovation-driven development as its core strategy. Guided by laws and regulations such as the *Product Quality Law of the People's Republic of China*, the *Environmental Protection Law of the People's Republic of China*, and the Patent Law of the People's Republic of China, and based on national standards, industry standards and customer needs, the Group focuses on key areas including new material applications, precision mould development, green manufacturing technologies, and digital transformation, and has built a three-dimensional innovation system covering material R&D, process innovation, product design, production optimisation, and quality control.

The Group has established a research institute at its MTN, which is responsible for the research and development of new materials, new processes, and new products for all factories across the Group. The research objectives can be summarised into three themes: energy conservation, material conservation, and environmental protection. The specific research and development contents involve adhesives and related additives for plastics, silicone rubber and metal materials.

The Group's Research Institute has established management standards for R&D projects.

Memtech's R&D projects originate from strategic pre-research of each factory, market demands, and customer commissions. The company actively promotes cross-departmental collaboration in research: the marketing department or engineering department puts forward R&D requirements, which are reviewed by the factory technical director and approved for project initiation by company leadership. The Research Institute implements process control through a project leader system, with daily R&D records archived to prevent leakage. In terms of R&D cost control, refined management is applied: project leaders organise cost data, which is jointly statistically by multiple departments (technology/production/mould manufacturing) before being submitted to the Research Institute director for cost estimation. Cost control follows the principle of efficiency, emphasising "spend within means, spend frugally."

In terms of intellectual property management, each factory of Memtech has formulated the *Regulations on R&D Intellectual Property Management*, which clarify the management entities, terms of reference, and coverage of patent types, stipulate standardised procedures for patent applications, control key nodes, and maintain patent assets.

R&D Resource Input

To ensure the smooth implementation of scientific and technological innovation, the group has adopted a series of measures to support financial investment and talent development in key areas such as technological R&D, product innovation, digital transformation, resource optimisation, promote continuous innovation and development within the company, and maintain a competitive advantage within the industry.

The Group uses its own funds for continuous investment in R&D and innovation projects.

It increases cashflow by optimising operational efficiency and reducing costs.

- ✓ A detailed financial budget is formulated to ensure the rationality and effectiveness of fund utilisation;
- ✓ regular financial audits are conducted to ensure transparency and compliance in fund usage.

From 2022 to 2024, the Group invested a total of **RMB 240.45 million in R&D**

The company has implemented talent-guarantee measures to attract R&D talents. During the reporting period of 2024

nearly 400 people
the scale of the company's R&D team reached

8.3%
accounting the total employees

Statistics Table of Scientific Research Resource Input of Memtech

		MTJA	MTKS	MTN	MTD	MTVN
2022	Scientific research fund input (RMB'0,000)	868.27	2,488.80	2,506.01	2,229.55	16.89
	Proportion of factory's scientific research investment in main business income (%)	6.15	5.04	4.79	5.84	0.60
	Number of R&D personnel	29	133	89	100	3
	Proportion of factory's R&D personnel in total number of employees (%)	4.06	11.04	4.53	12.02	5.00
2023	Scientific research fund input (RMB'0,000)	900.91	1,856.83	2,622	1,972.18	58.77
	Proportion of factory's scientific research investment in main business income (%)	6.08	4.58	5.27	7.25	2.00
	Number of R&D personnel	37	130	103	90	5
	Proportion of factory's R&D personnel in total number of employees (%)	5.05	12.65	5.19	12.97	7.60
2024年	Scientific research fund input (RMB'0,000)	958.48	2,291.40	2,685.00	2,403.22	186.7
	Proportion of factory's scientific research investment in main business income (%)	4.11	4.79	5.06	6.71	8.60
	Number of R&D personnel	45	124	105	105	15
	Proportion of factory's R&D personnel in total number of employees (%)	5.39	13.05	4.98	14.25	11.40

Memtech has established a Group R&D Centre (Memtech Research Institute) with a team of high-calibre R&D personnel, including several doctors, masters, and technical staff with over 10 years of R&D experience. The R&D Centre engages in the R&D of new materials, new processes, and new products mainly focusing on plastics, rubber, and metals, with a focus on surface and bulk modification of polymer materials, bonding and compounding between various materials, and environmentally friendly processes and materials.

The R&D Centre has collaborated with well-known domestic institutions of higher learning, jointly committing to the R&D of new material technologies. A few R&D products have been recognised as national high-tech products and have entered into the international automotive electronics and consumer electronics supply chains. It has been identified as the Jiangsu Provincial Foreign Expert Workstation, Jiangsu Provincial Enterprise Technology Centre, Jiangsu Provincial Engineering Technology Centre for Automotive Electronics Human-Computer Interaction Control Modules, and Jiangsu Provincial Key Enterprise R&D Institution.

Dr. Han Huisheng / director of the Group's R&D Centre

Has been with memtech since 2010. He obtained a Doctor of Science degree from the Institute of Chemistry, Chinese Academy of Sciences in 1996, and conducted postdoctoral research in the department of chemical engineering and department of physics at the National University of Singapore from 1997 to 1999. During these two years, he published 9 research papers in authoritative international journals in the fields of chemistry and materials, all of which were included in SCI. Dr. Han currently holds 35 valid Chinese invention patents, 5 US invention patents, as well as 1 Japanese and 1 German invention patent respectively. Due to his outstanding contributions, dr. Han has received many honours, including "double innovation talent" of Jiangsu province (2011), "Jianghai talent" of Nantong city (2012), "Nantong science and technology progress award" (2012), "Nantong inventor award" (2018), "Nantong returned overseas scholars achievement award" (2020), "second prize of Jiangsu provincial enterprise management modernisation innovation achievements" (2020), and "Jiangsu provincial science and technology award (Jiangsu provincial international science and technology cooperation award)" (2024).

Scientific and Technological Innovation Achievements

As of the end of December 2024, the factories have accumulated 22 science and innovation-related honorary awards in total, including high-tech enterprises, "specialised, sophisticated, distinctive and novel" small and medium-sized enterprises, and provincial science and technology awards, etc.

Statistics Table of Memtech's Science and Technology Innovation-related Awards

	Award Name	Time of Acquisition	Issuing Authority
MTJA	High-Tech Enterprise	2022	Jiangxi Provincial Department of Science and Technology, Jiangxi Provincial Department of Finance, State Taxation Administration Jiangxi Provincial Taxation Bureau
	"Specialised, Refined, Peculiar and Innovative" Small and Medium-sized Enterprise in Jiangxi Province	2022	Jiangxi Provincial Department of Industry and Information Technology
MTKS	Advanced Unit for Key Construction Projects in Jizhou District	2022	CPC Jizhou District Committee of Ji'an City and Jizhou District People's Government of Ji'an City
	Provincial Enterprise Technology Centre	2024	Jiangxi Provincial Department of Industry and Information Technology, Jiangxi Provincial Department of Finance, State Taxation Administration, Jiangxi Provincial Taxation Bureau
	Foreign-invested R&D Institution in Suzhou City	2012	Suzhou Bureau of Science and Technology
	Suzhou Municipal Enterprise Technology Centre	2016	Suzhou Municipal People's Government
	Jiangsu Provincial Enterprise Technology Centre	2020	Jiangsu Provincial Department of Industry and Information Technology
	Jiangsu Provincial High-Tech Enterprise	2021	Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, Jiangsu Provincial Tax Service
	Suzhou Engineering Technology Research Centre for High-Precision Automotive Electronic Injection Moulding Components	2022	Suzhou Science and Technology Bureau
	Specialised, Refined, Unique, and Innovative Small and Medium-sized Enterprises	2024	Jiangsu Provincial Department of Industry and Information Technology
	Jiangsu Provincial High-Tech Enterprise	2024	Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, Jiangsu Provincial Tax Service
MTN	Suzhou Foreign-funded R&D Institution	2012	Suzhou Bureau of Science and Technology
	Suzhou Enterprise Technology Centre	2016	Suzhou Municipal People's Government
	Jiangsu Provincial Science and Technology Award (Jiangsu Provincial International Science and Technology Cooperation Award)	2024	Jiangsu Provincial Department of Industry and Information Technology
	Jiangsu Provincial Enterprise Technology Centre	2021	Jiangsu Provincial Department of Industry and Information Technology, Jiangsu Provincial Development and Reform Commission, Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, State Taxation Administration Jiangsu Tax Service
	Jiangsu Engineering Technology Research Centre	2017	Jiangsu Provincial Enterprise Technology Centre
	Jiangsu Key Enterprise R&D Institution	-	Jiangsu Provincial Enterprise Technology Centre
	Jiangsu Science and Technology-based Small and Medium-sized Enterprises	-	Jiangsu Small and Medium-sized Enterprise Development Centre
	Nantong Innovative Small and Medium-sized Enterprises	2022	Nantong Bureau of Industry and Information Technology
MTD	High-tech Enterprise	2023	Guangdong Provincial Department of Science and Technology, Guangdong Provincial Department of Finance, State Taxation Administration Guangdong Provincial Tax Service
	Dongguan Patent - advantageous Enterprises	2016	Dongguan Bureau of Science and Technology, Dongguan Intellectual Property Bureau
	Dongguan Municipal Government Quality Award	2019	Dongguan Municipal People's Government

The Group's R&D Centre has filed patent applications in the name of Nantong Memtech Technology Co., Ltd., Ji'an Memtech Precision Electronic Co., Ltd., and Dongguan Memtech Electronics Products Co., Ltd. As of the end of December 2024, the Group has accumulatively obtained 76 valid invention patents, 104 utility model patents, 6 design patents, and 4 computer software copyrights authorised in China, the United States, Japan, and Germany. From 2022 to 2024, the Group filed 15 invention patent applications, and a total of 19 patents were granted during these three years.

Memtech Intellectual Property Information Statistics Table (1)

	MTJA	MTKS	MTN	MTD	MTVN
Invention Patent	3	28	35	10	-
Utility Model Patent	17	36	8	43	-
Design Patent	-	-	5	1	-
Computer Software Copyright	4	-	-	-	-

Note (1): Statistics on valid intellectual property information of all factories under Memtech as of December 31, 2024.

Memtech Statistical Table of Newly Added Intellectual Property Information (2022-2024)

	MTJA	MTKS	MTN	MTD	MTVN
Number of Invention Patent Applications from 2022 to 2024	3	2	2	8	-
Number of Authorised Invention Patents from 2022 to 2024	3	2	8	6	-

Memtech boasts a rich and focused patent portfolio, covering three core fields: material modification, mould innovation, and composite materials. These patents not only reflect the company's technological strength but also have a significant impact on its own development, industrial progress, as well as the country's economic and social development.

Memtech's patent portfolio is an embodiment of its technological and innovative prowess, from basic materials to core process equipment (moulds). For the Group itself, these patents have built a strong competitive barrier, enhancing product performance, production efficiency and profitability. For the industry, they have promoted the progress of materials and mould technologies, improved the overall manufacturing standard and efficiency, facilitated product innovation, raised the production level of domestic electronic control modules, and met the increasingly stringent requirements of consumers for automotive-electronic products. For the country's economic and social development, they have strengthened the independence of key materials and high-end equipment (precision moulds), broken the foreign technological blockade in the field of electronic-control modules, directly empowered strategic emerging industries such as electronic information, new-energy vehicles and high-end equipment, helped improve the resilience of the industrial and supply chain and the added value of export products, and reflected the essential requirements of innovation-driven development (breakthroughs in core technologies), intelligentisation (automated moulds), greenisation (efficiency improvement and consumption reduction), and high efficiency and high quality, which is a vivid practice in developing new productive forces.

Technology Application

As an industry leader, Memtech deeply recognises the importance of intelligent manufacturing and has vigorously promoted the application of digital and intelligent technology equipment in its factories, achieving precise monitoring and efficient operation of the production process. These smart equipment not only improve production efficiency but also reduce labour costs and effectively decrease energy consumption.

自动化O-RING组装

机械手用于注塑成型

自动化双层保护膜黏贴

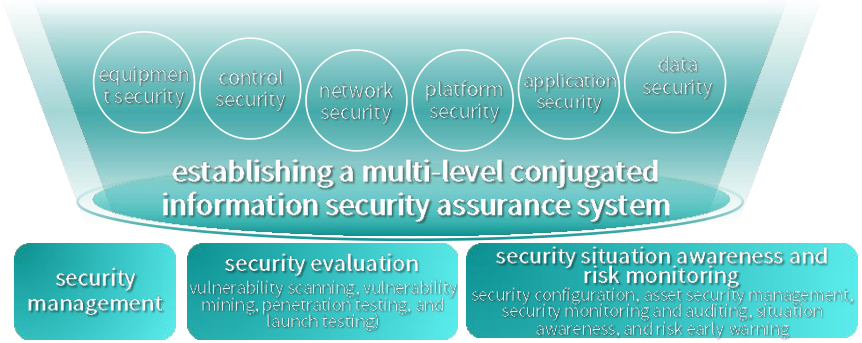
自动化双枪点胶

机械手用于金属埋入成型

Digital infrastructure

- Each factory is equipped with dynamically configurable industrial networks such as Huawei switches and network storage devices, enabling high-speed and stable transmission relying on fibre-optic backbones.
- A China Mobile private-cloud platform has been deployed to host core systems including ERP, PLM, and OA, establishing data interconnectivity across the Group.
- A multi-layer industrial information-security system has been built, which comprehensively covers equipment, network, platform, and data security through firewalls, intrusion detection, VPN, and data encryption technologies, thus laying a solid foundation for digitalisation.

With the assistance of third-party technology companies, MTD has built a multi-level industrial information security assurance system



- ✓ Since its completion, no data leakage incidents have occurred, and the number of unauthorised access attempts has decreased by 98%, significantly improving the level of information security.
- ✓ Business downtime caused by system failures has been reduced from 5 hours per year to less than 0.3 hours, effectively ensuring business continuity.
- ✓ Compared with the deployment of physical hosts, security costs have been reduced by 60%, avoiding high expenses for the procurement and maintenance of security hardware.

On data management and analysis

Each factory has established a comprehensive data governance platform through in-depth cooperation with Yonyou and Zhishikai, covering master data management, asset cataloguing and the formulation of data standards, thus laying a solid foundation for the standardisation and efficient utilisation of data. Meanwhile, leveraging the powerful functions of the Yonyou BIP platform, data-driven intelligent decision-making has been realised, covering key areas such as sales forecasting, production scheduling, and quality analysis, which effectively improves operational efficiency and the scientific nature of decision-making. In addition, the factories also actively apply big-data technology to conduct in-depth mining and analysis of data in the fields of supplier management, market forecasting, and quality traceability, further optimising supply chain management, accurately grasping market dynamics, ensuring full-process controllability of product quality, and comprehensively supporting the enterprise's digital transformation and high-quality development.

MTKS closely integrates the objectives of lean transformation with its business strategy. Building on standardised operation management, visual management, on-site improvement, lean 5S, and other practices, it has carried out in-depth practices in digital and intelligent lean management by leveraging advanced information systems such as the U9 ERP provided by Yonyou Network Technology Co., Ltd. Through ERP and MES systems, it comprehensively collects various production data, including equipment operation, material consumption, procurement, and on-site operations, and initiates a series of improvement actions based on data analysis results.

➢ Since the deployment of the system, production efficiency has been enhanced

reduced by **15%**
the production takt time

reduced by **3.5%**
the overall production efficiency

➢ Product quality has also been improved

decreased by **5.4%**
the defective rate

The information system standardises process operations and enforces strict quality control, reducing product quality issues caused by improper operations.

➢ Improved equipment precision and optimised processes have enhanced product consistency and stability.

In terms of production and quality control

Each factory has actively introduced advanced technologies and equipment to build an intelligent production system

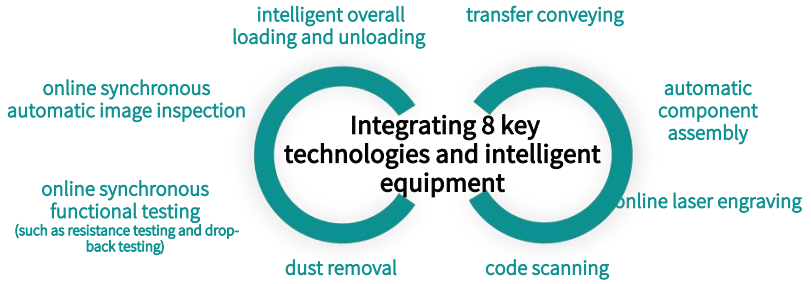
In terms of intelligent equipment

- The factories are equipped with industrial robots such as epson four-axis robots, spray-painting robots and inserts-embedding robots, realising automation and high efficiency in the production process.
- Meanwhile, intelligent testing equipment such as CCD-vision systems, VOC detectors and coordinates-measuring machines have been introduced to ensure accurate and reliable quality control in the production process.

In terms of system integration

- The factories have realised real-time collection of production data and compliance monitoring of processes through the MES system, ensuring the orderly progress of production.
- The equipment cloud-maintenance system has realised the lifecycle management of equipment by using equipment QR codes, improving the efficiency of equipment maintenance.
- In addition, the application of mouldflow simulation software has provided strong support for the simulation and optimisation of injection moulding processes, further improving production efficiency and product quality.

MTKS has built an automated assembly and intelligent online inspection production line for car keys



During the production process, the production line can flexibly switch and adjust assembly steps according to the assembly process requirements of car keys, realising modular reconstruction and on-demand configuration of production resources to meet the production needs of multiple products.

- Since the implementation of the project, inspection efficiency has been enhanced. The production line enables simultaneous assembly and inspection, eliminating the need for dedicated inspectors and significantly.

Significantly increased
inspection efficiency

- Compared with traditional inspection methods, the inspection speed has increased by 50%, which can meet the inspection needs of mass production.

increased by 50%
the inspection speed

- Product quality has been improved: through online intelligent inspection, defective products are detected and rejected in a timely manner, reducing the defective rate by 5.4%. This effectively prevents defective products from flowing out, improves the overall quality of products, and enhances the enterprise's market competitiveness.

Reducing 5.4%
the defective rate

- Production costs have been reduced by 8% by cutting rework costs and raw material waste caused by defective products.

reduced by 8%
Production costs

- The labour cost of inspectors has been saved, further improving the enterprise's economic efficiency.

Case: Fully Automated Assembly Line of Taidexing Precision Electronics (Kunshan) Co., Ltd.

The investment in automated equipment has significantly reduced the need for manual labour. For the production line that originally required 39 operators, the use of a fully automated assembly line has resulted in an annual labour cost saving of RMB2 million. In addition, the automated production line can greatly reduce the product-defect rate while ensuring production efficiency.

R&D and design

Factories actively introduce advanced digital tools and systems to enhance R&D efficiency and innovation capabilities. The factories utilise professional simulation software such as CATIA, UG NX, and Solidworks to conduct structural and stress analysis, ensuring the scientific rigor and reliability of product designs. At the same time, the introduction of the yonyou PLM system enables integrated management of design data, covering functions such as BOM management, collaborative design, and knowledge base reuse. This has effectively improved collaboration efficiency among R&D teams, accelerated product development cycles, and provided strong support for the company's continuous innovation and high-quality development.

In the R&D and design process of car keys in various factories, the company conducts design for manufacturability by leveraging Yonyou's PLM system, combined with Dassault Systemes' CATIA, SolidWorks Simulation, as well as UG NX and CADCAM software.

- The initial design time has been shortened from 3 months to 1 month, accelerating the design progress by 67%.

progress by 67%
The initial design time

- The design time for fixed-point evaluation schemes has been reduced to 2 months from the previously longer cycle without data reference, significantly improving design efficiency and shortening the development cycle, with the overall product development cycle shortened by 30%, enabling faster launch of new products to the market.

shortened by 30%
The design time for fixed-point

- Meanwhile, product quality has been improved: through optimising the buckle design, issues such as buckle breakage and difficulties in assembly line assembly have been reduced, significantly enhancing product quality and lowering the defective rate.

- In terms of knowledge-reuse achievements, in the process of new product development, the reuse rate of design parameters has reached 60%, reducing repetitive design work and improving design efficiency and product consistency.

reached 60%
the reuse rate of design parameters

Supply chain and warehouse management

Each factory has achieved efficient operations through intelligent means.

On warehousing, the factories have introduced the warehouse-location management function of the U9 ERP system and combined it with PDA code-scanning technology to ensure the accuracy of inventory management, with the inventory-accuracy rate reaching as high as 95%, which has effectively improved warehousing-operation efficiency. On supplier management, the factories have adopted the Yonyou supplier system to establish a scientific quantitative-evaluation model and realise real-time information interaction with suppliers. This has further optimised the collaborative cooperation in the supply chain, ensured the stability and reliability of raw material supply, and provided solid backend support for the enterprise's production and operation.

The company has established a sound qualified supplier management mechanism and leverages information technology to achieve full-process control of suppliers. In the supplier sourcing phase, big-data analysis and intelligent search tools are used to screen target suppliers from a massive pool of potential vendors that meet the company's requirements, covering suppliers of raw materials, components, and other materials. Preliminary evaluations are conducted on these potential suppliers' basic information, production capabilities, product quality, and industry reputation. In the evaluation phase, a supplier management system is employed to carry out quantitative evaluations from multiple dimensions, including supply quality, technical capabilities, response speed, delivery timeliness, and cost-effectiveness. The successful practice of supplier digital intelligence management scenarios has achieved a 35% improvement in procurement efficiency, a 12% reduction in procurement costs, and a 4% increase in supplier on-time delivery rate, providing an efficient work model for the company's procurement department. This practice has now been promoted and applied across relevant procurement business teams.

Ethical Issues in Science and Technology

Each factory manufactures silicone and plastic products and is not engaged in scientific research or technological development in ethically sensitive fields of science and technology such as life sciences and artificial intelligence. Based on the current nature of its business, Memtech focuses its management of scientific and technological ethics on compliant operations in the field of industrial manufacturing:

(一) Fields of scientific and technological activities and ethical norms: It mainly engages in the R&D and production of automotive-electronic modules, injection-moulded parts, and other products. It strictly complies with laws and regulations in the industrial manufacturing sector, such as the *Product Quality Law* and the *Work Safety Law*, and does not involve technologies requiring special ethical review, such as gene editing and AI algorithms.

(二) Internal management systems and institutional setup: Requirements related to scientific and technological ethics have been incorporated into the *R&D Management System* and *Production Safety Specifications*, which explicitly prohibit the use of prohibited materials and illegal processes. Since the business does not involve sensitive scientific and technological fields, no separate scientific and technological ethics review committee has been established, and the relevant responsibilities are undertaken by the quality and safety department.

(三) Violations and rectifications: During the reporting period, there were no incidents of violating scientific and technological ethics, and there are no records of relevant administrative penalties or internal accountability.

Memtech will continue to monitor developments in scientific and technological ethics policies to ensure that business expansion complies with ethical norms.

Product Quality and Safety

Memtech regards product safety and quality as the core pillars of the enterprise's sustainable development. Through a strict control system covering the entire chain of design, production, and after-sales service, it ensures that every product meets international standards and satisfies customers' stringent requirements. Under the guidance of the Group's unified quality framework, the five factories in Dongguan, Ji'an, Kunshan, Nantong, and Vietnam have formed differentiated practices in combination with their respective business contexts, collectively consolidating the foundation of responsibility. This strategy of "taking standards as the outline and scenarios as the application" has not only supported the Group in achieving three years of zero quality violation records but also established technical barriers in highly regulated fields such as automotive electronics and medical devices.

Product Recall and Quality Traceability

Memtech has established a quality-traceability mechanism covering the entire product lifecycle. All factories strictly adhere to the *Procedure for Handling Customer Complaints and Returns*, forming a closed-loop management chain of "complaint reception - cause analysis - corrective measures - follow-up verification".

Among them, MTJA took the lead in establishing a hierarchical recall system, clearly classifying product defects into two categories:

- For general rejected products with functional flaws, the first-type recall is initiated, and they are repaired through rework;
- For products with serious defects involving health and safety (such as excessive environmental protection indicators), the second-type recall is triggered immediately.

A cross-departmental team led by the general manager implements the market recall, synchronously isolates and destroys the problematic products, and updates the FMEA risk documents. According to data from 2022 to 2024, the return rate of MTJA has remained stable between 0.7% and 1.2%, and no high-level recall incidents have occurred.

0.7%-1.2%
the return rate of MTJA has remained stable

MTVN, focusing on environmental compliance, has specifically embedded HSF (Hazardous Substance Free) control clauses into its return procedures. It clearly stipulates that when excessive heavy metals or restricted chemical substances are detected, an active recall must be initiated, and the handling records of each batch must be signed and confirmed by the general manager.

While MTD, MTKS, and MTN mainly focus on passive return handling, they have achieved fundamental improvements by deeply strengthening the 8D report mechanism. Taking MTKS as an example, it mandates the submission of 8D reports for complaints related to functional defects and implements an incentive mechanism for teams that complete the reports on schedule.

Memtech Product Return Data Statistics Table

		MTJA	MTKS	MTN	MTD	MTVN
The percentage of returned products relative to the total number of products sold (%)	2022	0.79	0.14	0.0016	0.72	0.02
	2023	1.16	0.04	0.0018	0.46	0.25
	2024	0.81	0.01	0.0016	0.59	0.37%

Quality Compliance and Risk Prevention and Control

Memtech had no incidents of violating product health and safety regulations in 2024. This "zero-accident" achievement stems from the synergistic effect of three lines of defence.

At the certification-system level

The company not only strengthens quality control during product design, production, and delivery but also emphasises quality management throughout the entire product lifecycle to ensure that high-quality and reliable products are delivered to customers. The Group strictly adheres to the ISO9000 quality management standards and has established, implemented, and obtained certifications for multiple quality management systems tailored to specific industries and special requirements, including the ISO13485 Medical Device *Quality Management System* and IATF16949 Automotive Industry *Quality Management System*. All four factories of Memtech in China (Dongguan, Ji'an, Kunshan, and Nantong) have built risk moats in highly regulated fields by virtue of IATF16949 automotive industry certification, ISO13485 medical device certification, and ISO9001 quality management system certification. MTVN has also recently obtained ISO9001 and IATF16949 certification certificates.

On preventive control

MTN implements full-process inspection control for all products. In accordance with the requirements of the *Quality Management System*, strict inspections are conducted during raw material incoming; first article inspections, self-inspections, and patrol inspections are carried out during production; and final products are stored in warehouses only after full appearance and sampling inspections. MTJA standardises the first article inspection process through the *Process Inspection Control Procedure*. Before mass production, it is required to complete first article inspection items such as mould modifications and parameter changes and conduct full or sampling inspections on processes such as material preparation, oil pressure, and printing to ensure that production conditions and product quality meet the requirements.

On data-driven management

All factories have established data-based quality control mechanisms. In accordance with the *Procedure for Handling Customer Complaints and Returns*, MTVN discusses customer complaints and their handling at weekly quality meetings. Every month, quality engineers generate outgoing quality reports covering core indicators such as complaint rate, return PPM (parts per million), and monetary-return rate. For example, through statistical analysis of return data, it implements stricter sampling inspections on complained products and tracks the effectiveness of corrective measures to ensure closed-loop management of problems. MTKS specifies in the *Procedure for Handling Customer Complaints and Returns* that quality engineers count indicators such as return PPM and customer complaint closure timeliness monthly to form outgoing quality reports. Among them, 8D reports are required for major defect complaints. At the same time, it predicts risks through trend analysis (e.G., Updating FMEA documents for repeated complaint issues).

ISO9001 Certification Certificates of the Group's Five Production Bases

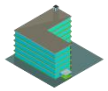
IATF16949 Certification Certificates of the Group's Five Production Bases

ISO13485 Certification Certificates of the Group's Four Factories in Mainland China

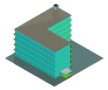
Lean Quality System and Intelligent Upgrade

Memtech takes ISO9001 as the foundation, and its five factories have built a strict quality control network according to their respective industry characteristics, covering the whole process management from raw material procurement to finished product delivery.

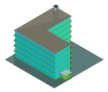
At the process-control level



MTD establishes exclusive files for the moulds provided to customers, clearly marking the ownership and formulating maintenance procedures;



MTJA implements "first and last inspection closed-loop" management, covering key processes from material preparation to assembly, and the first and last inspection samples need to be checked against the standard samples in terms of structure, appearance, etc.;



MTN enforces strict quality control on medical accessories, and the related products comply with the requirements of the ISO 13485 system.

Industry-specific customised practices have become the key to competitive differentiation

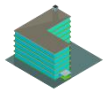
❖ In the automotive-electronics sector

MTKS has established an 8D report mechanism for customer complaints, with cross-departmental teams implementing improvement measures. MTD, in response to the needs of automotive mould customers, clearly stipulates in the *Control Procedure for Products Provided by Customers and Affiliated Factories* that exclusive files must be established for customer-provided moulds, with ownership codes marked.

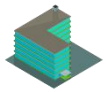
❖ In the medical-device field

MTJA and MTN strictly control the production process of medical-device components, and the relevant products comply with the requirements for sterilisation processes specified in ISO 13485.

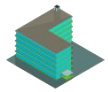
In quality-control practices, each factory implements differentiated management based on standardised procedure documents.



MTKS discusses customer complaints and their handling in weekly quality meetings and conducts statistical analysis of quality costs;



MTD enforces strict acceptance, inspection, and non-conforming product-handling processes for products provided by customers;



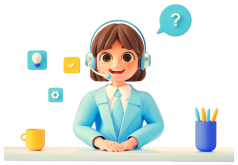
MTVN introduces the definition of severity in customer complaint handling and activates corresponding reporting mechanisms for issues of different levels.

Customer Service Management

Memtech's after-sales-service system is customer centric, committed to enhancing customer experience and loyalty through efficient complaint handling and regular satisfaction surveys. On complaint handling, the Group has established a rapid-response mechanism to ensure timely resolution of customer issues and promotes continuous quality improvement through standardised processes and cross-departmental collaboration. Meanwhile, through regular customer satisfaction surveys, the Group gains in-depth insights into customer needs and expectations, conducts comprehensive analysis combined with data such as complaints and returns, identifies key areas requiring improvement, and takes targeted corrective measures. In addition, the Group uses the results of customer satisfaction surveys as an important input for management reviews, providing data support for the optimisation of the quality-management system. This closed-loop management after-sales service model not only strengthens customers' trust in the brand but also lays a solid foundation for the long-term development of the enterprise.

Customer Complaint Management

Each factory has formulated detailed *Procedure Documents for Handling Customer Complaints and Returns* to clearly define the core processes and respective responsibilities for handling customer complaints and returns. Upon receiving a complaint, the Quality Engineer (QE) will be responsible for logging into the system and initiating the tracking process, ensuring that preliminary analysis is completed within 3 to 8 hours and necessary containment measures are taken, such as freezing inventory. Subsequently, a cross-departmental team will be formed to delve into the root cause of the problem using various analytical tools, formulate corrective and preventive actions, and ensure clear requirements for feedback and reporting timeliness. Return handling follows a strict RMA (Return Material Authorisation) management process and offers multiple processing options, with special handling measures implemented especially for returns containing substances of high concern (HSF).



In addition, the Group attaches importance to effect verification and closed-loop management, continuously tracking subsequent shipment status and updating technical documents in a timely manner. The documents also emphasise key management requirements such as timeliness, data statistics, and handling of special scenarios. All factories use standardised tools and clarify responsibility allocation.

All complaint contents will be incorporated into the technical database to facilitate continuous improvement. Through the rapid response mechanism centred on Quality Engineers (QE), the Group aims to achieve closed-loop management of problems, while taking into account customers' personalised needs and regulatory requirements, so as to promote the continuous optimisation of the quality system.

Statistics on the Number of Complaints of Memtech from 2022 to 2024

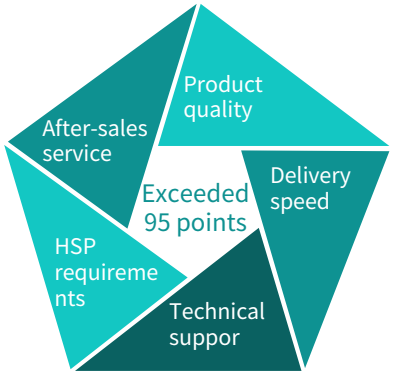
		MTJA	MTKS	MTN	MTD	MTVN
Annual Complaint Quantity Statistics (1) (Unit: Times)	2022	12	31	33	32	9
	2023	86	26	33	15	15
	2024	90	26	42	19	14

Note (1): In view of the characteristics of the products manufactured by the company, the customer complaints received by various factories of the Group mainly involve product appearance, such as product colour, surface scratches, etc.

Customer Satisfaction Management

Memtech has always adhered to a customer-oriented approach, continuously improving customer satisfaction. It has formulated the *Customer Satisfaction Survey Control Procedure* to collect customer opinions through questionnaires, visits, phone calls, emails, and other means. Surveys are conducted semi-annually, and analysis is performed in conjunction with data such as customer complaints and returns. The survey covers multiple aspects including product quality, delivery, and services, and conducts quantitative evaluation of customer satisfaction in accordance with scoring criteria. For items with dissatisfaction, root cause analysis is carried out, and corrective and preventive actions are taken. Meanwhile, the survey results are used as input for management reviews to continuously improve the quality management system and better meet customer needs.

In the second half of 2024, all factories of the Group conducted satisfaction surveys on key customers, covering multiple aspects such as after-sales service, technical support, product quality, delivery speed, and HSP requirements. The comprehensive scores of the satisfaction surveys all exceeded 95 points. By analysing and evaluating the information obtained from customer satisfaction surveys, the company identifies its own shortcomings and customers' focuses, continuously improves product and service quality, and ultimately assists customers in achieving mutual development.



Customer Service Performance Indicators

To better serve customers and ensure the on-time delivery rate of products, MTJA has formulated the *Control Procedure for On-Time Delivery Rate* and takes the on-time delivery rate as an important indicator of the Customer Service Department's work performance. To guarantee service quality, MTN assigns the Customer Service Department to monitor multiple indicators such as order-review rate, customers' property-damage rate, additional freight-occupancy rate, customer satisfaction, and business plan target achievement rate. These indicators are regularly analysed and evaluated, and service strategies are adjusted in a timely manner based on the evaluation results.

Customer Collaborative Management

Memtech actively carries out collaborative management with customers, accepts customers' questionnaires, and responds to the collaborative goals related to supply chain ESG sustainability put forward by customers.

MTKS

- MTKS has received *Supply Chain ESG Questionnaires* from customers such as Amphenol and Radiant Optoelectronics;
- In response to the request of luxshare precision, it has signed the *Green and Low-Carbon Commitment Letter*, committing that from 2024 to 2032, the annual emissions of businesses related to luxshare precision will decrease by 6% in absolute value compared with 2023;
- In response to the requirements of magna international, it discloses environmental performance through M2030 and actively participates in magna's ESG rating for its direct material suppliers.

MTN

- MTN, in response to the request of its customer GSCM, fills in carbon emission data online on the designated portal website;
- In response to the requirements of customers such as apple, nidec, and NMB, it strictly abides by CSR guidelines and clean-energy specifications;
- It responds to esg-related questionnaires from customers such as FIT, merry, LG, continental, valeo, and delta, and formulates corresponding emission-reduction targets in accordance with the specified requirements of some customers.

Data and Information Security

Data Security Management

Memtech has formulated a relatively complete information-security management system and formed a systematic system and procedure documents.

The system documents cover various aspects such as computer equipment, electronic data, software and information systems, ensuring the confidentiality, integrity and authenticity of information during transmission, exchange and storage.

All employees must strictly abide by equipment usage specifications, must not disassemble or replace equipment without authorisation, and must back up important documents regularly.

Secondly, the Group has strict regulations on file sharing, computer security, email security, etc. For example, it restricts external network access by default, isolates wireless networks, installs anti-virus software, disables USB ports, etc. At the same time, it implements hierarchical management of file sharing and strictly controls access permissions.

In addition, all factories of the Group also attach importance to the secure backup and recovery of data, requiring daily backup of server data and formulating an application process for data recovery.

In terms of password management, it stipulates the complexity requirements of passwords and a regular replacement system.

The Group has also clarified prohibited behaviours related to information security and established an information security response mechanism. The Information Technology Department is responsible for daily management and maintenance to ensure the stable operation of information systems.

Customer Privacy Protection

To protect the privacy of the company's customers and prevent the leakage of customers' information, each factory has formulated a data-usage permission system, accompanied by rigid measures for Internet-access permissions. Only designated personnel in designated positions are allowed to access important customers' information, defining the scope of control and preventing customer information leakage caused by employees' operational errors. In addition, each factory signs confidentiality agreements with customers, clarifying the rights and obligations of both parties in protecting customer privacy, and restricting the behaviours of both parties through legal means to ensure that customer information is not illegally obtained, used, or disclosed.

Supply Chain Management

Memtech integrates the sustainability of the supply chain into its core strategy and has built a comprehensive and sound management system covering all links from supplier access, evaluation, risk control to collaborative development. By implementing strict environmental protection regulations (such as RoHS, REACH), social responsibility standards (such as RBA guidelines) and integrity clauses, combined with hierarchical audit and dynamic monitoring mechanisms, the Group ensures that supply chain responsibilities are implemented at all levels. Each factory implements differentiated management strategies within a unified framework according to regional industrial characteristics and customer needs, forming a management ecosystem of "unified bottom line, regional deep cultivation".

New Supplier Admission and Screening

Memtech has established a scientific four-dimensional admission system, which includes qualification compliance (such as business license, ISO system certification), environmental protection standards (such as hazardous substance control, pollutant discharge), social responsibility (such as prohibition of child labour/forced labour) and integrity commitment.

Memtech has implemented a comprehensive process control framework

Under the guidance of this framework, each factory has deepened its practices based on its own business characteristics:

MTD

focusing on meeting the needs of automotive electronics customers, requires suppliers to obtain IATF16949 certification.

MTJA

has innovated a three-level classification mechanism for material risks, conducting annual on-site audits on electroplating and glue suppliers, and mandatory requiring conflict minerals to be traced back to compliant smelters.

MTKS

implements hierarchical management according to different categories such as raw material manufacturers (Category A) and traders (Category B), and integrates the RBA social responsibility system into the audit standards. For international brand suppliers, although on-site audits can be exempted, they must provide audit reports issued by authoritative third parties.

MTN

has pioneered combining environmental protection with Social Responsibility audits.

MTVN

implements RoHS standards stricter than those of the European Union (lead ⩽ 70ppm, cadmium ⩽ 50ppm) and ensures continuous compliance through annual updates of HSF test reports.

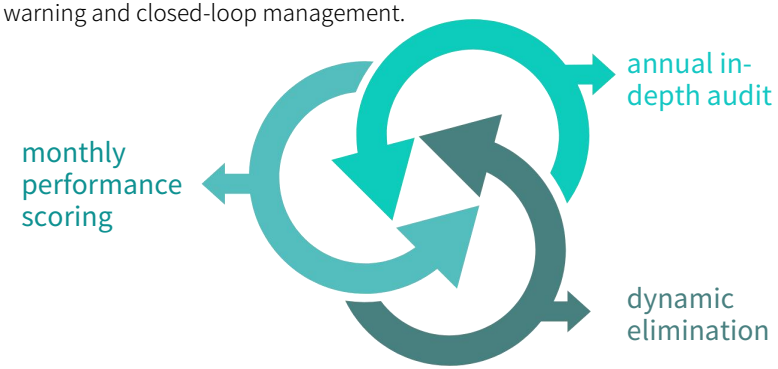
Statistics on the Distribution of Memtech's Suppliers

	MTJA	MTKS	MTN	MTD	MTVN
Top Three Administrative Regions for Supplier Locations in 2024	Guangdong Province, Jiangxi Province, Jiangsu Province	Jiangsu Province, Guangdong Province, Zhejiang Province	Jiangsu Province, Shanghai, Guangdong Province	Guangdong Province, Jiangsu Province, Fujian Province	Hai Duong City, Vietnam; China; Bac Ninh City, Vietnam

Each factory of the Group follows the principle of procurement from nearby sources, purchasing raw materials and auxiliary materials from suppliers in the vicinity with the factory location as the centre. Considering that the Group initially developed from MT D in Guangdong Province, to ensure a stable supply of goods, subsequent newly-built factories such as MTJA, MTKS, and MTN still continue to use some of the original suppliers of the former MTD.

Dynamic Assessment and Management of Suppliers

Memtech has established a dynamic management system covering the entire life cycle of suppliers, with the mechanism of "monthly performance scoring + annual in-depth audit + dynamic elimination" at its core, to achieve real-time risk early warning and closed-loop management.



MTD implements monthly dynamic assessments (on quality, delivery time, and cooperation) and annual comprehensive evaluations. Based on risk assessment results, suppliers are classified into three levels: high, medium, and low risk, with differentiated management measures adopted (e.g., 100% inspection + annual review for high-risk suppliers, and reduced sampling frequency for low-risk suppliers) to ensure supply chain compliance and stability.

MTKS

Conducts hierarchical dynamic management of suppliers, taking the RBA audit rating (retaining Grade A/B and eliminating Grade C) as the bottom line. Combined with dynamic assessment of monthly performance (such as delivery and quality), suppliers with consecutive failures are eliminated.

MTJA

In terms of supplier assessment and risk management, MTJA implements new supplier audits (covering quality systems, environmental protection, etc.) and annual audits (on-site audits of key suppliers selected based on delivery quality, hazardous substance risks, etc.). It addresses production and delivery risks by establishing safety stocks and alternative suppliers, conducts environmental testing on materials and controls conflict minerals, clarifies the liabilities for supply quality and environmental breaches through procurement agreements and environmental agreements, and signs integrity commitments to prevent improper transfer of benefits.

Supply Chain Risk Management

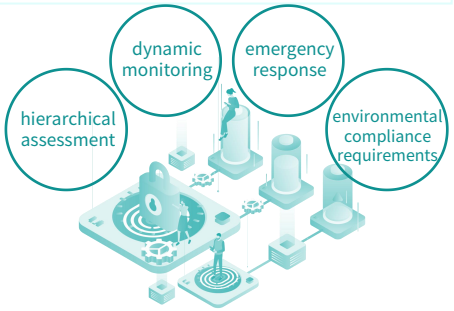
In terms of supplier risk management, each factory has adopted a series of comprehensive measures.

Firstly, based on material types (such as high-risk materials like inks and electroplated products) and suppliers' performance in aspects like on-time delivery rate, batch qualification rate, and environmental compliance, suppliers are subject to detailed risk classification, assessment, and hierarchical management, with strict control over high-risk materials. Meanwhile, to respond to emergencies such as supply disruptions and equipment failures, the Group has formulated a sound emergency mechanism, covering multiple measures including activating safety stocks, seeking alternative suppliers, and flexibly adjusting production plans.

In addition, through a combined monthly and annual evaluation system, including KPI scoring and on-site audits, suppliers' performance is closely monitored. For non-compliant suppliers, measures such as guidance, suspension of cooperation, or even elimination are taken according to specific circumstances, while key suppliers are ensured to be covered by audits every year.

The Group also attaches great importance to environmental protection and compliance, requiring suppliers to provide hazardous substance testing reports, especially for high-risk materials which need batch testing, and regularly update environmental protection reduction plans. In dynamic management, a supplier elimination system has been established to promptly remove suppliers that have long-term non-cooperation or poor performance, while actively assisting suppliers in upgrading their system certifications, such as ISO9001 and IATF16949.

Through multi-dimensional means including hierarchical assessment, dynamic monitoring, emergency response, and environmental compliance requirements, Memtech has carefully built a risk management system covering the entire life cycle of suppliers, striving to ensure the stability of the supply chain, effectively reduce potential risks, and lay a solid foundation for the sustained and stable development of the enterprise.



Suppliers' Social Impact

To identify and mitigate environmental and human rights risks in the supply chain, Memtech adheres to a "zero-tolerance" policy, with each factory actively conducting due diligence for sustainable development.

MTN

Implements SR (social responsibility) audit management for external suppliers to assess the alignment and effectiveness of their SR systems, aiming to optimise external supplier resources and foster long-term cooperative partnerships.

The factory designates a dedicated external supplier SR annual audit specialist, who is responsible for formulating the *Annual SR Audit Plan for External Suppliers* in accordance with the *SR Social Responsibility –– Supplier Audit Management Procedure* and conducting audits as scheduled. Based on the risk levels of suppliers, the audit specialist adopts corresponding audit methods: on-site audits for high-risk suppliers and remote audits through self-assessment questionnaires for medium-risk suppliers. The audit covers areas such as labour rights and human rights, management of hazardous environmental substances, professional ethics, and health and safety.

MTN also requires external suppliers to sign the *Supplier's Assurance and Statement on Conflict-Free Minerals Compliance* to ensure that metals such as gold, tin, tantalum, tungsten, and cobalt, as well as their derivatives, used in raw materials do not originate from conflict-affected areas.

Technically, biometric attendance systems have been fully deployed in Dongguan and Nantong factories to effectively prevent the risk of underage workers taking shifts;

The "voluntary overtime declaration" system implemented by MTKS explicitly stipulates that monthly overtime shall not exceed 36 hours, fundamentally safeguarding workers' autonomy.

MTKS

MTKS is committed to fully implementing the *Responsible Business Alliance* (RBA) management system in the electronics industry, requiring all subcontractors/suppliers to strictly comply with RBA regulations and sign the *Supplier Social Responsibility Commitment*. This initiative aims to ensure that all enterprises in the supply chain provide a safe working environment for employees, respect their human rights, assume environmental protection responsibilities in business activities, and abide by ethical norms. MTKS adopts a "zero-tolerance" policy for suppliers, strictly prohibiting the following behaviours:

- Employment of child labour;
- Forced labour or use of prison labour;
- Discharge of untreated toxic and hazardous substances or materials;
- Existence of health and safety issues that may immediately endanger employees' lives or cause serious injuries;
- Provision of false information;
- Retaliation against employees who provide true information to auditors.

In addition, MTKS requires external suppliers to sign the *Supplier Conflict Minerals Declaration* to ensure that metals used in products or components delivered to MTKS do not originate from "conflict minerals" produced in the Democratic Republic of the Congo, its neighbouring countries, or areas controlled by military forces. Suppliers must take active measures to avoid economic and reputational losses to MTKS due to breaches of this commitment.

MTD requires suppliers to sign a series of important documents, including the *Environmental, Health and Safety/Social Responsibility –– Commitment*, *Supplier Environmental Protection Agreement*, *Guarantee Letter for Non-Use of PFOS*, *Guarantee Letter for REACH Regulation Compliance*, *Guarantee Letter for Compliance with 5 PBTs Specified in TSCA Regulations*, and *Commitment to Non-Use of Conflict Minerals*. These measures have significantly reduced potential risks and negative impacts on MTD from external suppliers in terms of environment and human rights.

MTJA

MTJA requires suppliers to sign a series of important documents, including the *Environmental, Health and Safety/Social Responsibility –– Commitment, Supplier Environmental Protection Agreement, RoHS 2.0 Supplier Guarantee Letter*, *Guarantee Letter for Non-Use of PFOS*, *Guarantee Letter for REACH Regulation Compliance*, *Chuangde (MTJA) Controlled/Prohibited Substances List, and Commitment to Non-Use of Conflict Minerals*. These measures have significantly reduced potential risks and negative impacts on MTJA from external suppliers in terms of environment and human rights. Meanwhile, the factory has formulated a supplier-audit plan, conducting on-site audits and remote video audits on suppliers in batches to better communicate with suppliers, promptly address social responsibility issues in cooperation, and ensure compliance with laws and regulations.

MTVN

Strictly follows the RBA guidelines in supplier management and has formulated the *RBA Compliance Supplier Management Process*. Based on expectations for safe working conditions in the supply chain, responsible business conduct, respect for human rights, and environmental-protection responsibilities, the factory actively urges external suppliers to sign the *Supplier Social Responsibility Commitment*, *Supplier Environmental/Safety Requirements Notification*, and *Supplier Conflict Minerals Declaration*.

Supplier Collaborative Development

Memtech has built an open and win-win supply-chain ecosystem through knowledge sharing, technical empowerment, and circular practices.

In terms of knowledge sharing

MTJA conducts supply chain quality management training in accordance with the *Supplier Audit Work Instructions* and disseminates the "8D Problem Analysis Method" to core suppliers through case workshops, promoting the establishment of suppliers' quality improvement mechanisms.

In terms of technical empowerment

the technical team of MTD promotes raw material substitution to reduce environmental impact in line with the VOCs-control requirements specified in the *Supplier Environmental Protection Agreement*; MTVN, through RBA-compliance management, requires suppliers to optimise equipment processes to improve environmental performance.

In circular-economy practices, these practices have enhanced the sustainable development capabilities of the supply chain.

MTKS

Promotes pollution control in high-risk processes such as electroplating in accordance with the *Environmental Safety Requirements Notification*;

MTN

Supervises suppliers' waste recycling management and the implementation of environmental compliance measures with reference to the *External Supplier Management Control Procedure*.

In 2024, Memtech's supply-chain responsibility management achieved a leap from compliance to value creation. 100% of the Group's suppliers have signed documents such as the *Commitment to Non-Use of Conflict Minerals*. MTJA has realised traceability management of metal raw materials through the *Conflict Minerals Control and Management Measures*, and MTKS has promoted the construction of a supply chain audit system in accordance with the RBA supplier management procedures. These measures have not only strengthened supply chain resilience but also created business value through responsibility management. Memtech has set an example for responsible supply chain management in the manufacturing industry with its "compliance control + value co-creation" model.

Equal Treatment of Small and Medium-sized Enterprises

As of the report's end date, the Group's accounts payable balance is no more than (far less than) RMB30 billion, and its proportion of the company's total assets is also far less than 50%. There are no non-compliant practices regarding overdue payments to suppliers.

Industrial Collaboration and Development

Industry-University-Research Collaboration

Memtech has engaged in industry-university-research collaboration projects with universities. Between 2016–2018 and 2021–2024, MTN collaborated with Southeast University to carry out research on key technical issues in the production process. The research topics included *Failure Analysis and Process Improvement Measures for Arc-Erosion-Resistant Contact Components* and *R&D of Intelligent Manufacturing Systems for Automotive Electronic Control Modules*. Taidexing Precision Electronics (Kunshan) Co., Ltd. signed a *Service Contract* with Suzhou University of Science and Technology from June 10, 2023, to June 10, 2026, on *R&D of Injection Moulding Products and Mould Forming Processes for High-Precision Automotive Electronic Components*, during which it has successively achieved relevant patents and technological improvements.

Through industry-university-research collaborations, Memtech has not only solved technical challenges in production but also cultivated a team of high-quality research talents, injecting new vitality into industrial upgrading and development. In future, the Group will continue to strengthen cooperation with universities, expand collaboration areas, deepen partnership levels, and jointly promote technological progress and innovative development in the industry.

Association Participation and Exhibition Involvement

Memtech actively joins industry associations and participates in peer-exchange exhibitions, benchmarking against industry-leading enterprises and collaborating with outstanding small and medium-sized enterprises (SMEs) in the industry and supply chain to pursue sustainable development. Through technological innovation and market expansion, the Group continuously strengthens its core competitiveness and contributes to the prosperity of the plastic manufacturing industry.

Upholding the philosophy of proactive advancement and win-win cooperation, Memtech deeply engages in industry associations and other membership-based association activities. Its factories have successively joined multiple associations and alliances, such as the Foreign Enterprises Association, Taiwan Business Association, and Chongchuan District Industrial Talent Cultivation Alliance, gaining more opportunities for exchange and learning with peers, and promptly staying informed about industry trends and the latest technological developments.

In 2024, MTN participated in the Nantong Workers' Scientific and Technological Innovation Achievements Exhibition, showcasing the company's multiple innovative achievements in the plastic manufacturing field, which attracted numerous visitors. Through this exhibition, MTN conducted in-depth exchanges with other enterprises and research institutions, further enhancing the company's visibility and influence within the industry, and laying a solid foundation for future industrial cooperation and technological innovation.

Harmonious Humanistic Environment

Memtech deeply understands that employees are the core driving force for development, and communities are the solid foundation for growth.

- ✓ We adhere to the principle of fair employment, placing employees' occupational health and safety at the top of our priorities, and particularly building a strong protective barrier in key links such as injection moulding.
- ✓ We continuously invest in employees' career growth and capability building to empower them to adapt to industrial changes.
- ✓ On the basis of legal protection, the company provides a comprehensive and competitive welfare system to reflect humanistic care.
- ✓ At the same time, the company actively fulfils its responsibilities as a corporate citizen, give back to the community through social-welfare projects, and explore the integration of supply chains, employment, and rural development, taking practical actions to contribute to rural revitalisation and build a shared and sustainable development ecosystem.

Employment Practices

Memtech has always regarded employees as the most valuable asset of the enterprise, upholding the core values of "People Utmost, Technology Foremost" in its global operations. In 2024, taking MTD, MTJA, MTKS, MTN, and MTVN as practice bases, the Group established a full-chain management system covering recruitment, career development, and health and safety. Through the organic integration of institutional unity and regional innovation, the company has not only protected the basic rights and interests of over 10,000 employees but also achieved breakthroughs in areas such as skill empowerment and well- being enhancement, injecting humanistic momentum into sustainable development.

Statistics Table of Employee Turnover in Memtech

		Total number of factory employees	Total number of newly recruited employees during the year [1]	Total number of employees who left during the year [2]	Employee Inflow Ratio	Employee Outflow Ratio
MTJA	2022	714	312	234	43.70%	32.77%
	2023	733	211	187	28.79%	25.51%
	2024	835	365	217	43.71%	25.99%
MTKS	2022	1,205	664	637	55.10%	52.86%
	2023	1,028	335	530	32.59%	51.56%
	2024	950	411	370	43.26%	38.95%
MTN	2022	1,964	2,335	686	118.89%	34.93%
	2023	1,984	1,939	802	97.73%	40.42%
	2024	2,108	2,045	843	97.01%	39.99%
MTD	2022	704	137	236	19.46%	33.52%
	2023	526	129	291	24.52%	55.32%
	2024	728	536	293	73.63%	40.25%
MTVN	2022	60	30	40	50.00%	66.67%
	2023	66	46	40	69.70%	60.60%
	2024	132	136	70	103.03%	50.03%

Note: Employees who have been employed for less than 3 months are not included in the statistics.

Affected by the nature of traditional manufacturing industry, repetitive and labourious work, the employee-turnover rate of all factories in the Group remains high, mainly due to the following reasons:

The frontline employees in the current manufacturing industry are mainly "post-90s" and "post-00s", who generally show the "three highs and one low" characteristics: higher education level, higher career expectations, higher material and spiritual needs, but lower work tolerance. They may resign suddenly once the work intensity is slightly higher or the interpersonal environment is uncomfortable.

China's family planning policy has led to a reduction in the number of working-age labourers, with a decrease of about 29 million from 2010 to 2020. At the same time, the rapid development of the tertiary industry has provided a large number of alternative jobs (such as food delivery and express delivery), and their flexible working modality have attracted manufacturing employees to switch careers.

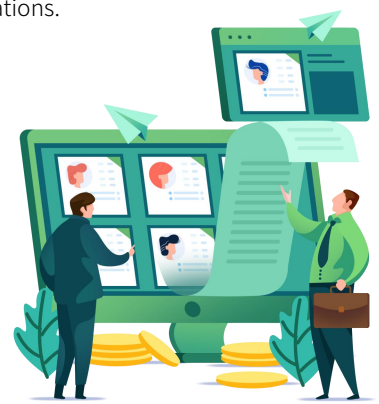
With the proliferation of information from the Internet, employees can easily compare corporate benefits through social media, which exacerbated the turnover.

Affected by the nature of contract manufacturing, which are mainly subject to customer orders, the output value of each quarter is unstable, making it impossible to provide some employees with stable salaries, which is also an important reason for the high employee turnover rate.

Compliant Employment

Memtech has established a full-cycle recruitment management system, centred on a four-dimensional framework comprising legal and compliant frameworks, standardised processes, strict risk prevention and control, and rights protection. This system efficiently supplements human resources while effectively avoiding legal and moral risks, strongly supporting sustainable operations.

All factories of the Group adhere to unified recruitment principles, strictly comply with laws and regulations such as the *Labour Contract Law*, *Employment Promotion Law*, and RBA standards, and strictly prohibit acts such as withholding workers' deposits and legal documents. The recruitment process is standardised, from the department initiating demand, to strict identity verification, multi-level screening, and then to the handling of entry procedures, with each process being rigorous and detailed. For example, general workers are required to go through written tests, vision tests, etc., while technical/management positions require two levels of interviews and background checks.



In terms of risk prevention and control

- The group sets bottom lines, does not hire wanted former criminals, etc. And strictly disproves of those who have left their jobs in the company within a year or who have been dismissed by the company for disciplinary violations;
- Pays attention to privacy protection, strictly keeps salary and other information confidential;
- focuses on employee health and safety, and high-risk positions require signing an informed-consent form, and underaged workers are prohibited from night shifts and high-risk operations.

Among them, MTJA has established a dynamic management mechanism, with test questions updated quarterly and the recruitment system regularly optimised.

Memtech's employee's resignation-management process covers multiple aspects such as resignation types, procedure handling, salary and liquidated-damages settlement, and relationship transfer. Resignation types are subdivided into contract termination, voluntary resignation, resignation without stated reasons, dismissal, and contract expiration. If an employee intends to resign or be dismissed, they must submit a written application in advance, and the relevant handling procedures and handover requirements are clearly stipulated. During the resignation process, employees must ensure that there must be proper handing and taking over. The settlement of salaries and liquidated damages will be carried out after the completion of the handover procedures, which need to be confirmed by the signature of the relevant managers, and jointly calculated by the financial department and the administrative and human resources department, including wages, liquidated damages, and compensation. Finally, the relationship transfer will be carried out after the completion of the handover and settlement work, involving the formal termination of labour relations and social-security relations.

Each factory has formulated detailed regulations to standardise employee working hour management.

MTJA	MTKS	MTN	MTD	GROUP'S FACTORIES
As formulated the Employee Handbook which stipulates that employees work 8 hours a day on working days, 40 hours a week, with a weekly working hour limit of 60 hours. Overtime work is voluntary, and the leave adjustment system is flexible, with a working hour early warning and questioning mechanism.	The *Working Time Management Procedure* of MTKS clearly states that employees shall have at least 1 rest day every 6 days, and the weekly working hours including overtime shall not exceed 60 hours. Special personnel such as underage workers and pregnant women who are more than 7 months pregnant are not allowed to work night shifts.	The *Working Time Management Regulations* of MTN emphasise that the daily normal working hours shall not exceed 8 hours, and no more than 5 days a week. Overtime work shall not exceed 3 hours per day, and the total working hours shall not exceed 11 hours, and overtime arrangements shall be voluntary.	In accordance with national regulations, ensures that employees under the standard working hour system work no more than 8 hours a day, with corresponding requirements for overtime applications and attendance records.	These regulations of the Group's factories jointly ensure that employees' working hours comply with laws and regulations, and protect employees' health and work efficiency.

In dealing with labour disputes, MTKS has formulated the *Labour Dispute Management Procedure* aiming to effectively resolve all labour disputes among employees in the factory and prevent such incidents from recurring. The procedure specifies the responsibilities of all parties in detail: the company's senior management is responsible for reviewing and approving dispute resolutions for middle and senior employees; the human resources department is responsible for collecting information, putting forward suggestions and filing records; and the labour union is responsible for communication and making suggestions. Once a dispute occurs, the labour union will communicate with the employee within three days, the human resources department will provide necessary information, and both parties will jointly formulate a resolution and submit it for approval. If the dispute involves arbitration or judicial procedures, the human resources department will cooperate with legal counsel to handle it. After the dispute is resolved, experience and lessons will be summarised and formed into cases for future reference.

Statistics on the Ratio of Male to Female Employees in Each Factory of Memtech

		MTJA	MTKS	MTN	MTD	MTVN
Ratio of Male to Female Employees in Each Factory of the Group (Male: Female)	2022	9:16	59:41	53:47	29:21	2:3
	2023	41:59	61:39	56:44	33:17	12:13
	2024	12:13	64:36	56:44	61:39	13:12

The Group adheres to the principles of fairness and equality in employee recruitment and employment, and there is no gender discrimination. The ratio of male to female employees in each factory of the Group is close to 1:1. Among them, the number of female employees in MTJA and MTVN even exceeded that of male employees from 2022 to 2023. Such a reasonable gender ratio distribution helps to create a diverse and inclusive working environment, where employees of different genders can give full play to their respective advantages, collaborate with each other, and enhance the creativity and work efficiency of the team.

The ratio of male to female employees is close to 1:1

Statistics on the Proportion of Employees Aged 35 and Above in Each Factory of Memtech

		MTJA	MTKS	MTN	MTD	MTVN
Percentage of Employees Aged 35 and Above in the Total Number of Employees in Each Factory of the Group (%)	2022	73.25%	33.44%	45.82%	77.56%	33.33%
	2023	69.99%	33.37%	46.82%	80.99%	37.88%
	2024	70.06%	30%	47.63%	70.05%	46.97%

In each factory, the proportion of employees aged 35 and above is relatively high, especially in MTJA and MTD, where the proportion of employees over 35 even exceeds 70%. This means that Memtech is free from the so-called "35-year-old crisis".

The Group adheres to the principles of legality and compliance in recruitment and human resource management, does not take age as a condition to restrict employees' career growth, and provides equal employment and career development opportunities for employees of all age groups.

The Group's inclusiveness and emphasis on employees aged 35 and above help maintain the stability of the workforce, make employees feel a sense of career security, and thereby enhance their loyalty and sense of belonging to the enterprise.

In addition, these senior employees can pass on their professional knowledge and rich experience to the younger generation, promoting the inheritance of internal knowledge and the improvement of skills, and building a positive enterprise talent training environment.

Employee Rights Protection

Legal Leave

Memtech's factories have adopted comprehensive measures regarding employee leave to safeguard employees' rights and benefits. MTJA provides various types of leave including statutory holidays, annual leave, marriage leave, and maternity leave. Among them, annual leave ranges from 5 to 15 days depending on the length of service; marriage leave can be up to 18 days; and maternity leave is 188 days. MTKS and MTN offer similar types of leave, though the specific number of days varies. MTD also provides home leave and transportation expense reimbursement for employees at or above the deputy manager level.

Employee Physical Examinations and Social Security

In terms of employee physical examinations, MTJA provides employees with free annual physical examinations and special post physical examinations. MTD has a medical room and a medical mutual aid fund to provide employees with basic medical security. In terms of social security, both MTJAand MTKS pay five insurances for employees in accordance with national standards and provide housing provident funds. MTN also handles social security for eligible employees, with the personal portion borne by the employees themselves.

Talent Preferential Measures

MTJAand MTN have implemented various talent preferential initiatives. In terms of salary and benefits, MTJAfollows the company's salary grading standards and provides multiple subsidies including housing, meal, and transportation allowances; MTN has formulated a special salary scheme to enhance competitiveness. Regarding housing security, MTJAoffers rental subsidies or staff dormitories for employees without housing, while MTN provides 4-person dormitories for undergraduates. Both factories attach great importance to talent cultivation and development: MTJA provides career planning and promotion mechanisms, and MTN conducts technical and management training. Additionally, MTN actively responds to government subsidy policies, publicises housing purchase preferential policies, and encourages talents to settle locally.

Anti-Discrimination and Religious Beliefs

All factories are committed to eliminating employment discrimination and safeguarding employees' rights and interests by formulating anti-discrimination policies and religious belief management measures. They adhere to the principle of fairness in recruitment, promotion, and compensation, prohibit discriminatory behaviors based on factors such as race, gender, and religion, and establish complaint handling mechanisms. Meanwhile, they respect employees' freedom of religious belief, provide necessary venues for activities, and ensure that religious activities are conducted legally and in an orderly manner.

Prohibition of Child labour and Forced labour

All factories have taken a series of specific measures to prohibit the use of child labour and forced labour.

In terms of prohibiting child labour, all companies clearly stipulate that they shall not recruit children under the age of 16, strictly verify identity cards and other documents during recruitment, and strictly check ages. If a child labourer is found, salaries will be settled immediately and remedial measures will be taken, such as sending them back to their original residence, bearing relevant expenses, and providing financial assistance. At the same time, they strengthen training and communication to ensure that employees understand relevant regulations.

In terms of prohibiting forced labour, all companies emphasise that employees' work must be voluntary, no form of forced labour shall be imposed on employees, and no employee's documents shall be detained or deposits collected. During recruitment, candidates must be clearly informed of the company's situation and working conditions, and a labour contract for voluntary employment shall be signed. In the production process, production tasks and overtime are arranged reasonably to ensure that employees have reasonable freedom and rest time during working hours. If forced labour is found, relevant personnel will be dealt with in accordance with factory rules and regulations, and employees can also appeal through multiple channels. In addition, each company has established relevant records and documents to ensure the effective implementation of these regulations.

Freedom of Association and Collective Bargaining

The Group attaches importance to employees' freedom of association and collective bargaining rights, respects employees' freedom to form and join trade unions and enjoy collective bargaining rights, and is committed to creating a fair and harmonious working environment.

MTKS

Safeguards employees' freedom of association and collective bargaining rights by promoting trade unions, organising the election of employee representatives, and holding employee representative congresses, and has established appeal and complaint procedures to handle employee opinions and complaints in a timely manner.

MTD

Promotes communication and exchanges between employees and the company and protects employees' legitimate rights and interests by establishing a trade union system, holding regular dialogues, and supporting the activities of employee representatives.

Protection of Temporary Workers' Rights and Interests

All factories have taken a number of specific measures to protect the rights and interests of temporary workers. Among them, *MTJA's Temporary Workers (labour Dispatch) Operation Guidelines* emphasises that the management of temporary workers is the same as that of regular employees, and those who violate the regulations will be punished in accordance with the company's system to ensure fair treatment.

First, it requires dispatched workers to sign a *Service Contract* with qualified labour service companies, specifying employment conditions, benefits, salary payment methods, contract terms, management methods and other clauses, and conduct identity verification and physical examinations before the contract takes effect.

Second, it stipulates that dispatch companies must handle insurance for temporary workers and submit insurance policies and invoices to the company within one month.

In addition, in terms of salaries, the salary settlement date and payment process are clarified to ensure that temporary workers receive their remuneration on time. When resigning, temporary workers must give written notice 10 working days in advance and go through relevant procedures to protect their legitimate rights and interests.

Compensation Management

Memtech formulates its compensation management system in accordance with the *Labour Law of the People's Republic of China*, ensuring employees' rights and interests and motivating them in compliance with laws and regulations. Overall, the compensation management of all factories in the Group adheres to the principles of equal pay for equal work and distribution according to work. It clarifies the composition of wages, the payroll period, the calculation of overtime pay, etc., and determines the minimum wage standard, social security contributions, and withholding of individual income tax in accordance with local regulations.

MTJA

Stipulates that the salary structure includes basic salary, various allowances, and bonuses. The salary is calculated from the date of reporting to the date of termination. It provides high-temperature allowances, and employees are paid as usual during annual physical examinations. Employees can apply for salary verification if they have doubts about their salary, and salary information is kept confidential.

MTKS

Insists on paying wages and compensation in accordance with the law, and clearly defines the meanings of wages and benefits. The personnel department is responsible for attendance and financial accounting to ensure accurate payment of salaries. At the same time, the factory specifies in detail the calculation method of overtime pay, as well as matters such as paid leave and wages during work stoppages. In addition, the factory provides working meals and bears work-related injury medical expenses, strictly abiding by the labour law and other relevant laws and regulations.

MTN

Sets salaries based on employees' educational background and job grades, combines basic salary with performance-based salary, and adjusts them with reference to the wage guideline. In addition, employees are entitled to heatstroke prevention allowances and various welfare allowances. The company also clarifies the verification process for salary payment and the regulations on withholding payments under special circumstances.

MTD

MTD is committed to ensuring the legality of employees' remuneration to motivate talents. The personnel department is responsible for formulating relevant policies and calculating and distributing salaries, while various departments are responsible for communicating these policies and recording employees' attendance. The salary structure includes basic salary, performance bonuses (KPI), etc., and overtime pay is calculated based on multiples of the basic salary. In addition, employees are entitled to benefits such as high-temperature allowances and social security withholding. The salary payment process, doubt handling mechanism, and confidentiality requirements are all clearly stipulated.

Statistics on the Ratio of Average Compensation Between Male and Female Employees of Memtech

		MTJA	MTKS	MTN	MTD	MTVN
Male employees' average salary: Female employees' average salary	2022	2.08	1.22	1.48	1.26	1.14
	2023	2.34	1.62	1.43	1.33	0.87
	2024	3.66	1.46	1.39	1.21	1.02

All factories strictly adhere to the principle of equal pay for equal work, with consistent compensation for men and women in the same positions across all factories. In some factories, due to the fact that male employees are generally in higher-level positions overall, the average salary of male employees is higher than that of female employees.

Occupational Health and Safety

Occupational Health and Safety Management System

Memtech attaches great importance to the occupational health and safety management of each factory. It has formulated comprehensive systems and measures at the overall level, covering management policies, responsibility allocation, risk prevention, emergency handling, employee training, equipment maintenance, as well as accident investigation and reporting. These are aimed at safeguarding employees' health and safety, reducing risks, and ensuring compliant operations. Based on these general specifications, each factory has developed more targeted and operable management measures in light of its own actual situation. Among them, MTN, MTD and MTJA obtained the ISO 45001 Occupational Health and Safety Management System certification for the first time in 2014, 2020 and 2023 respectively.

ISO 45001 Occupational Health and Safety Management System Certification Certificates of MTJA, MTN and MTD

MTJA has formulated an environmental safety management manual in accordance with international standards, emphasising employee participation and consultation. MTKS's occupational health management system specifies the specific responsibilities of each department in detail, and elaborates on the arrangement of occupationally hazardous positions and the implementation of physical examinations. MTN has adopted a series of specific measures to prevent and mitigate occupational health and safety risks, and has strengthened employee training and equipment transformation. MTD has established a "zero" safety accident bonus assessment system, and formulated detailed occupational health and safety physical examination systems and work-related injury management systems. MTVN has formulated regulations on the investigation and declaration of work accidents, clarified the accident handling procedures, and emphasised the appointment of safety directors and safety training for employees.

MTN arranges on-site services by medical institutions to conduct annual occupational health examinations for employees in positions with occupational hazards.

Statistics on Occupational Health and Safety Data of Memtech

		MTJA	MTKS	MTN	MTD	MTVN
2022	Number of work-related fatalities	-	-	-	-	-
	Number of workdays lost due to work-related injuries	-	73.5	13	372	-
	Coverage rate of work-related injury insurance (%)	100%	67%	63%	100%	100%
2023	Number of work-related fatalities	-	-	-	-	-
	Number of workdays lost due to work-related injuries	255	167	25	264	-
	Coverage rate of work-related injury insurance (%)	87%	71%	62%	100%	100%
2024	Number of work-related fatalities	-	-	-	-	-
	Number of workdays lost due to work-related injuries	49	160	71	260	-
	Coverage rate of work-related injury insurance (%)	89%	79%	61%	100%	100%

Although there are certain fluctuations and differences in the number of workdays lost due to work-related injuries and the coverage rate of work-related injury insurance among various factories, overall, the company did not experience any major safety accidents from 2022 to 2024, and the number of work-related fatalities in Memtech was 0.

Memtech made multiple updates and optimisations in occupational health and safety management in 2024.

MTJA

Fully transformed hidden danger investigation and management, fire-fighting facility inspection, and other aspects in work safety into QR code-based processing, improving accuracy and efficiency, and facilitating data search and storage.

MTKS

Strengthened training efforts to popularise occupational health knowledge, so as to better protect employees' physical health.

MTN

- Revised and approved the *Full-staff Work Safety Responsibility System* to clarify work safety responsibilities of personnel at all levels;
- Meanwhile, it invited third-party safety technical service institutions to conduct a comprehensive investigation of potential safety hazards, formulated rectification measures after identifying problems, and clarified responsible persons and timelines to achieve closed-loop management of hidden dangers;
- In addition, it organised nearly 100 management personnel to participate in the "first aider certificate" training held by the red cross society, improving their emergency response capabilities such as cardiopulmonary resuscitation and hemostatic bandaging.

These measures reflect the Group's high attention to occupational health and safety management and its determination to make continuous improvements.

Occupational Safety Risk Identification and Assessment

Memtech's factories have implemented specific measures for occupational safety and health risk identification:

MTJA takes process decomposition as the core, conducting detailed breakdowns according to departments and operational activities to identify various accident types and potential hazards within the factory.

Risks identified include "vision deterioration" caused by excessive proximity to computer screens during office computer operations and "electric shock" due to aging wires;

in the injection moulding workshop's material drying operations, potential hazards such as "high-temperature scalds" from lacking necessary protective measures were identified.

The factory uses the LEC risk assessment method to calculate risk values and implements corresponding engineering controls (e.g., installing exhaust systems), administrative measures (e.g., regular patrols), and personal protective equipment (e.g., wearing earplugs).

MTD

Commissions third-party professional institutions to conduct comprehensive testing of occupational hazard factors in the factory. Driven by both testing data and process analysis, these institutions regularly detect chemical and physical factors in production premises. They analyze chemical concentrations using gas chromatography technology, measure sound intensity with noise meters, and identify volatile hazards in raw and auxiliary materials across plastic product manufacturing processes (including injection moulding, cleaning, and printing). Final rectification suggestions are proposed based on test results.

MTN

Employs a dual-track model of "accident statistics + systematic framework." On one hand, it combs through historical work-related injury data to identify major types such as "mechanical injuries" and "slips/collisions"; on the other hand, it uses the EHS management process as a framework to cover hazard identification, high-risk operations, and other links, adopting a "severity × frequency" scoring method. Supporting measures include administrative measures (formulating the *Hazard Identification Procedure*), technical measures (installing mechanical protections), and a supervision mechanism (emergency drills), forming a systematic control system.

Emergency Response Plans and Accident Drills

Each factory has developed multiple types of emergency response plans and drill scenarios to ensure occupational safety and health:

- MTJA has designed detailed drill plans for risks such as fire, mechanical injury, and object strike. In fire drills, responsibilities of the chief commander, deputy commander, and each team are clarified, simulating processes such as fire alarm, evacuation, and fire extinguishing, with emphasis on escape postures and order. For mechanical injury drills, a scenario of a hook injury during injection moulding machine operation is simulated, involving emergency measures such as power shutdown and cardiopulmonary resuscitation (CPR).
- MTN covers accidents including electric shock, burns, fire, and explosion. For electric shock handling, insulated tools must be used to separate the injured person, followed by AED (Automated External Defibrillator) application. Burn accidents are treated separately for physical and chemical burns. Fire and explosion plans define response levels, specifying that foam fire extinguishers are prohibited for electrical fires in switchgear rooms, and hazardous chemical leaks require containment with sand and site isolation.
- MTKS has established a comprehensive emergency response system comprising general plans, special plans, and on-site disposal protocols, with three-tiered responses categorised by accident impact.
- MTD has developed emergency response plans for hazardous waste leaks, including classified disposal, isolation and recovery, and coordination with qualified units for disposal.

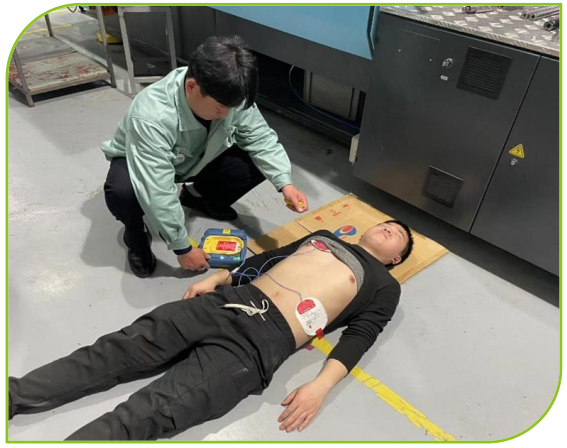
All factories conduct drills across multiple accident scenarios to validate plan effectiveness and enhance emergency response capabilities:

- MTJA's drills cover mechanical injury, fire, and object strike scenarios. In a mechanical injury drill, the rescue team completed casualty transfer within 10 minutes using measures like pressure hemostasis and splint fixation.
- A 2023 fire drill simulated a workshop fire, with standardised procedures from alarm to evacuation, fire extinguishing, and first-aid training; The entire workforce evacuated within 6 minutes and participated in practical fire extinguisher training.
- Object strike drills, simulating a hook detachment causing a head injury, validated emergency response procedures through on-site first aid and 120 medical dispatch.
- Additionally, tabletop drills simulated fire evacuation and fire extinguisher use during natural disasters to confirm plan applicability.

MTJA Fire Drill

MTD conducted a hazardous waste leakage drill in 2022. After a leakage in the oil mixing room, it was handled by containment with absorbent sand and cloth, and the leakage was controlled within 25 minutes. The participation rate of employees in the 2024 fire drill at MTVN reached 100%. The assembly time for Factory 1 and Factory 2 was 2 minutes and 30 seconds, and 4 minutes respectively. Subsequently, a goal to shorten the assembly time was set to address the slow evacuation issue.

In the 2024 electric-shock drill at MTN, the person in electric shock was dragged away with dry cardboard, and cardiopulmonary resuscitation and AED defibrillation were performed, with the first aid completed within 15 minutes. In the burn drill, the injured were sent to the hospital after cold water flushing, disinfection and bandaging, and suggestions to strengthen cardiopulmonary resuscitation training were put forward.



▲ MTN Electric Shock Drill

In the 2022 hazardous chemical leakage drill at MTKS, absorbent cotton was used to collect the leaked substances, and personnel evacuation and on-site cleaning were completed within 5 minutes, verifying the previously planned disposal process. All drills achieved the expected results, providing practical basis for the subsequent optimisation of emergency plans.

Occupational Health and Safety Education

Factories under Memtech actively carry out occupational health and safety education and training to enhance employees' safety awareness and operational skills.

MTJA provides pre-employment three-level safety education for new employees, and after employment, conducts annual training through various forms such as remote videos, PPT sharing, and QR code-based training exams. Meanwhile, the factory also invites experts to give lectures to improve employees' safety awareness and operational skills. The training content covers laws and regulations, the company's safety management system, occupational health, fire safety, environmental protection knowledge, quality control, first-aid knowledge, process flows, safety operating procedures, and other aspects, aiming to comprehensively enhance employees' self-protection ability and professional quality.

MTN organises workshop safety officers and team leaders to participate in training courses on fire knowledge, hazardous chemicals, and occupational health to strengthen their safety management capabilities. To improve employees' self-rescue and mutual rescue abilities in emergencies, MTN invites Red Cross experts to carry out emergency rescue training for employees. In addition, the factory held a Safety Month activity in June 2024, launching the "National Online Knowledge Quiz Activity" and awarding bonuses to the top 20 employees with the highest scores to stimulate employees' enthusiasm for participating in safety training.
These measures reflect the Group's high attention to employees' occupational health and safety. Through diversified training methods, a good safety culture atmosphere has been created, laying a foundation for preventing accidents and ensuring employees' health and safety.

MTD's 2022 Occupational Health and Safety Education and Training

MTN's 2024 Safety Month Activities

Career Development and Capacity Building

Employee Training

Memtech is dedicated to enhancing its employee training system to elevate workforce quality and align with the company's strategic development objectives. Across all facilities, standardised training management protocols have been established, encompassing new employee orientation, on-the-job training, promotion-focused development, and specialised role-specific programmes. Notably: MTJA prioritises scientific and standardised training methodologies to ensure systematic skill enhancement. MTN emphasises rigorous evaluation of training outcomes and meticulous documentation management to measure impact and maintain accountability. MTD places strategic focus on cultivating environmental, health, and safety (EHS) awareness to integrate sustainability into daily operations. MTKS has defined clear implementation procedures and disciplinary guidelines for training initiatives to guarantee consistency and compliance. Through structured training frameworks and robust effectiveness assessments, employees across the Group have demonstrated tangible improvements in professional competencies and holistic capabilities, reinforcing a culture of continuous learning. These efforts underscore the Group's commitment to investing in human capital, fostering a skilled and resilient workforce that drives long-term operational excellence and sustainable growth.

▲ MTJA Employee Training

▲ MTN Employee Training

Memtech Employee Training Data Statistics Table

		MTJA	MTKS	MTN	MTD	MTVN
2022	Total number of training sessions	534	668	224	400	734
	Total training amount (RMB'0,000)	1.7	2.2	5.7	-	0.97
2023	Total number of training sessions	559	627	182	378	736
	Total training amount (RMB'0,000)	-	1.9	10.5	-	0.26
2024	Total number of training sessions	604	613	188	266	924
	Total training amount (RMB'0,000)	3.87	4.9	4.2	-	1.08

Note 1: The training content of each factory includes social responsibility, trade safety, work safety, management skills, engineering technology, quality system, comprehensive quality, and induction training.
Note 2: The training amount only includes the fees paid to external experts or institutions, and no additional expenses are incurred for internal training in each factory.

Performance Management

Adhering to the principles of "objectivity, fairness and openness", Memtech balances internal fairness and market competitiveness in performance appraisal and setting, combines guarantee and incentive, and adopts diversified performance evaluation methods to motivate employees to achieve individual and team goals.

MTJA

Focuses on front-line production, with meeting production capacity targets as the core goal. The daily operation reports are used to record production details in detail, which are entered into the performance system after being reviewed by supervisors. Performance calculation is based on the formula "performance points = actual output / standard quota", with each point worth RMB10, while deducting the impact of non-production time. For new employees, their performance in the first two months is calculated in proportion to their entry time. The production quota is set by the workshop and approved by the production management department, revised according to factors such as technological improvements, and publicly posted on the bulletin board every month.

MTKS

Assessment covers all positions, combining monthly assessment with promotion assessment, comprehensively considering factors such as morality and ability, and the assessment results are used to guide personnel adjustments. Compensation is closely linked to performance, and the assessment standards for business personnel and non-business personnel are different. The reward and punishment system is clear, with rewards including circular praise and bonuses, etc., While punishments range from verbal warnings to contract termination, and are linked to management measures such as attendance and training.

Memtech Employee Performance Appraisal Data Statistics

		Assessment coverage rate of management staff	Assessment coverage rate of sales staff	Assessment coverage rate of R&D staff	Assessment coverage rate of indirect labour	Assessment coverage rate of direct labour
MTJA	2022	100%	86%	52%	45%	65%
	2023	100%	75%	49%	52%	63%
	2024	100%	56%	49%	54%	65%
MTKS	2022	74%	100%	83%	97%	66%
	2023	68%	100%	80%	98%	70%
	2024	73%	100%	89%	98%	72%
MTN	2022	100%	71%	83%	71%	70%
	2023	100%	69%	81%	70%	89%
	2024	100%	69%	93%	70%	86%
MTD	2022	100%	100%	100%	100%	100%
	2023	100%	100%	100%	100%	100%
	2024	100%	100%	100%	100%	100%
MTVN	2022	100%	100%	100%	100%	100%
	2023	100%	100%	100%	100%	100%
	2024	100%	100%	100%	100%	100%

Promotion Channels

Memtech regards human resource management as a core component of its ESG governance system. Three factories have built a promotion management system based on the principles of "fair empowerment and value co-creation", and promoted the synergy between employee development and organisational strategy through institutionalised design.

MTJA

Focuses on institutional standardisation, establishing a full-cycle management process of "submission-assessment-approval":

The personnel team coordinates the design of the rank system; department supervisors submit candidates based on annual business goals;

Ability assessment is conducted through a quantitative model of "public exam scores + special bonus points"; assessment grades are graded with those scoring over 90 points classified as "Grade A".

Approval authority is managed hierarchically, with the personnel department interpreting and supervising the system throughout the process. Through refined management of attendance rewards/punishments and training points, it promotes the improvement of human resource efficiency.

MTKS

Focuses on the sustainability of employee development, building a three-dimensional promotion system:

Diversification: including three paths—dual promotion of grade and position, single promotion of rank (applicable to annual adjustments and probationary assessments), and exceptional promotion (for those with special contributions);

Flexible timing: three mechanisms are set up—regular year-end promotions, irregular promotions for special contributions, and early promotions during probation;

Comprehensive assessment: based on KPIs, combined with evaluation of skillsets, qualifications, experiences, and future potential, with salary adjustment pegged to performance. It also stipulates requirements such as a two-year promotion ban for those with major demerits and a minimum promotion cycle of six months. Through the transition mechanism of "acting position-formal appointment", it ensures talent development and organisational adaptability.

MTD

Adheres to the performance-based principle, building a promotion management system with both precision and compliance:

attendance, rewards/punishments, and training results are refined into quantitative indicators of "special bonus points", which are combined with KPIs to form a comprehensive assessment score. It also sets dynamic management rules, such as annual adjustments requiring at least one year of service or an interval of one year from the last promotion, and exceptional promotions requiring submission of deeds to the general manager for approval. Compliance requirements include a three-month promotion ban for those with warnings and a six-month promotion ban for those demoted. The whole process from submission to approval is tracked through the *Employee Promotion Evaluation Application Form*, and promotions above Grade 7 are simultaneously publicised within the Group, thereby enhancing the accuracy of the assessment system and the transparency of the governance process.

Through differentiated promotion practices across its factories, the Group realises symbiosis between employees' career development and organisational capability improvement in the social (S) dimension, and builds a human resource management system with clear authorities and responsibilities and standardised processes in the governance (G) dimension, providing the talent pool needed for the Group's sustainable development.

Employee Care and Well-being

Memtech regards care for employee as an important undertaking, demonstrating care and support for employees through a series of specific initiatives, thereby enhancing employees' sense of happiness and work motivation.

Harmonious Workplace Atmosphere

Memtech is committed to fostering a caring and dynamic work environment.

In 2024, MTKS distributed rice dumplings and mooncakes, symbolising reunion and blessings, as part the Dragon Boat Festival and Mid-Autumn Festival celebrations. These initiatives made the employees felt loved by company's familial warmth. Additionally, the factory organised a vibrant fun sports meet with individual and team events, offering prizes ranging from practical household items to high-end digital products and exquisite outdoor gear. These activities aimed to cultivate teamwork, competitive spirit, and physical fitness while strengthening cohesion among employees. That same year, the factory arranged vacations to destinations such as Xiamen (China), Vietnam, and Zhangjiajie (China), enabling employees to explore diverse cultures, relax, broaden their horizons, and enhance collaboration. This further deepened their sense of belonging and happiness.

MTN also spared no effort in employee well-being. On International Working Women's Day, it organised a women's team skill competition to showcase female employees' talents and improve their professional skills. Monthly birthday celebrations created a warm "family-like" cultural atmosphere, while the annual year-end gala recognised outstanding employees with rewards such as paid study tours and salary increments. These incentives motivated all staff to continuously improve themselves, and contribute to the company's high-quality development.

Assistance for Needy Employees

During the Spring Festival every year, MTKS's trade union actively organises care-for-employees activity to provide targeted assistance to needy employees. During the activity, supplementary funds and gifts-in-kind such as rice and cooking oil are provided to offer material support. In addition, house visits are conducted to understand their family situations, work challenges and New Year plans. Such thoughtful engagements effectively narrows the distance between leaders and employees. Needy employees truly feel the warmth and strength of the company's collective through such activities, a testament to the company's caring corporate culture and sense of social responsibility.

Attention to Employee Health

To enhance the general well-being and work-life balance of female employees, MTKS invited Professor Cheng Haiyan to give share on basic healthcare and the prevention of common female diseases for the company's female employees on March 24, 2024. The sharing covered personal care during menstruation, pregnancy, and menopause, and shared healthy lifestyle practices. Many health-related myths raised by female employees were dispelled, and educational brochures were distributed. The sharing was well received and complimenting that the sharing elevated their knowledge on women's health.

▲ Female Employees' Carnation Empowerment Class

The Group pays for the commercial insurance of management personnel, which comprises life insurance, accident insurance, medical insurance, etc. In 2024, the total premium for the entire Group within China was about RMB190,000. This measure further reflects the Group's emphasis on management personnel's hygiene factors. These insurances provide comprehensive risk protection for management personnel's dependents, thereby enabling them to focus themselves to their work.

In MTN, employees enjoy an added layer of financial protection, beyond the baseline coverage of social security and commercial insurance. This company-initiated benevolent fund is raised by the company with the voluntary participation of employees to provide mutual financial assistance against unforeseen circumstances, usually major risks not covered or insufficiently covered by social security and commercial insurance. Through this care afforded by this benevolent fund, employees know that that they are not alone, thereby strengthening their sense of belonging and loyalty to the company.

Social Contribution

- ✓ Through its social programmes, Memtech has made positive impacts to the society's and people's well-being, through the conveyance of its positive corporate culture and values.
- ✓ The good corporate image is recognised by the society.

Social Welfare

Memtech Precision Electronics (Kunshan) Co., Ltd. donated a total of RMB220,000 to the Kunshan Charity Federation on September 13, 2016, September 30, 2017, July 12, 2018, November 30, 2019, March 30, 2022, and January 10, 2024. The donations were used for helping the poor, providing disaster relief, assisting the disabled and vulnerable groups, and promoting humanitarianism. Through these practical actions, the company has lived up to its corporate social responsibility, promoted the development of social charity and public welfare , and recognised as a "responsible corporate citizen".

On November 27, 2024, during its 20th anniversary celebration, MTKS donated RMB200,000 to Jinxi Senior High School through the Kunshan Charity Federation in a targeted manner, aiming to promote the development of education in Jinxi and help cultivate more outstanding talents. Through this donation, the company has demonstrated its corporate responsibility, enhanced its social reputation in Kunshan, and strengthened its brand label of "valuing education and emphasising responsibility".

In 2023, MTJA responded to local hospital call to replenish its blood bank by organising a blood-donation drive within the factory compound, and 40 employees responded to the drive. This blood-donation drive not only provided support for public blood bank but also enhanced employees' sense of social responsibility and team cohesion, demonstrating the spirit of Memtech's employees caring for society and dedicating love. Through this practice, Memtech has continuously strengthened its social responsibility brand image and contributed to promoting the high-quality development of its business.

Rural Revitalisation

From 2023 to 2024, MTN invested approximately RMB240,000 to purchase pears from local farmers to distribute as Mid-Autumn Festival gifts to employees in the factory.

In 2024, MTJA incorporated agricultural products from 7 surrounding farmers into its breakfast programme to support farmers. From 2022 to 2024, it spent a total of about RMB6,000,000 on purchasing ingredients from local farmers, giving a boost to the local rural economy.

In response to the national government's call, Memtech voluntarily recruits and employs people with disabilities and veterans, providing them with stable jobs and career opportunities.

- Memtech's factories have respectfully redesigned the jobs to accommodate their physical conditions, affording them to realise their self-worth through their own abilities.
- Memtech also recruits veterans for their relevant professional skills and tenacious quality to enrich the factories' talent pool.

Statistics on the Number of Disabled Persons/Retired Military Personnel in Memtech in 2024

	MTJA	MTKS	MTN	MTD	MTVN
Number of disabled employees	13	1	25	6	-
Number of retired military personnel employees	-	6	-	5	5

Such recruitment policy not only reflects Memtech's social responsibility through its care for special groups but also its contribution to the country's employment security and social stability.

Appendix I: Reporting Standards Index Table

Chapters of this report	Disclosure items of GRI topics referenced	Guidance provisions of the three domestic exchanges in China (Shenzhen, Shanghai, and Beijing)
0-3 About Memtech	GRI 2-1 Organisational Details GRI 2-2 Entities included in the organisation's sustainability reporting GRI 2-6 Activities, Value Chain, and Other Business Relationships	/
G-1 Group Management	GRI 2-9 Governance Structure and Composition GRI 2-10 Nomination and selection of the highest governance body GRI 2-11 Chair of the highest governance body GRI 2-21 Annual total compensation ratio	/
G-2 Stakeholder Engagement	GRI 2-29 Approach to stakeholder engagement	Stakeholder Communication (Article 53)
G-3 Double Materiality Analysis	GRI 3-1 Process to determine material topics GRI 3-2 List of material topics	(Article 5)
G-4 Sustainability Governance	GRI 2-12 Role of the highest governance body in overseeing the management of impacts GRI 2-14 Role of the highest governance body in sustainability reporting GRI 2-17 Collective knowledge of the highest governance body GRI 2-22 Statement on sustainable development strategy GRI 2-23 Policy commitments	(Article 12)
G-5 Anti-Bribery and Anti-Corruption	GRI 205-1 Operations assessed for risks related to corruption GRI 205-2 Communication and training about anti-corruption policies and procedures GRI 205-3 Confirmed incidents of corruption and actions taken	Anti-commercial Bribery and Anti-Corruption (Article 55)
G-6 Fair Competition	GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Anti-Unfair Competition (Article 56)
G-7 Lawful Tax Payment	GRI 207-1 Approach to tax GRI 207-2 Tax governance, control, and risk management	/
E-1 Climate Change Response	GRI 201-2 Financial implications and other risks and opportunities due to climate change GRI 305-1 Direct (Scope 1) GHG emissions GRI 305-2 Energy indirect (Scope 2) GHG emissions GRI 305-3 Other indirect (Scope 3) GHG emissions GRI 305-4 GHG emissions intensity	Address Climate Change (Articles 22 - 28)
E-2 Energy Use	GRI 302-1 Energy consumption within the organisation GRI 302-2 Energy consumption outside of the organisation GRI 302-3 Energy intensity GRI 302-4 Reduction of energy consumption	Energy Use (Article 35)

Chapters of this report	Disclosure items of GRI topics referenced	Guidance provisions of the three domestic exchanges in China (Shenzhen, Shanghai, and Beijing)
E-3 Water Resource Management	GRI 303-3 Water withdrawal GRI 303-5 Water consumption	Water Resource Utilisation (Article 36)
E-4 Environmental Compliance Management	GRI 306-3 Significant spills	Environmental Compliance Management (Article 33)
E-5 Pollutant Emissions	GRI 303-4 Water discharge GRI 306-1 Water discharges by quality and destination GRI 306-2 Waste by type and disposal method GRI 303-2 Management of water discharge-related impacts GRI 306-2 Waste types and disposal methods	Pollutant Emissions (Article 30)
E-6 Waste Management	GRI 306-3 Waste generated GRI 306-2 Management of significant waste-related impacts GRI 306-2 Waste by type and disposal method GRI 306-4 Transportation of hazardous waste	Waste Disposal (Article 31)
E-7 Circular Economy	GRI 301-1 Materials used by weight or volume GRI 301-2 Recycled input materials used	Circular Economy (Article 37)
E-8 Ecosystem and Biodiversity Protection	GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas GRI 304-2 Significant impacts of activities, products and services on biodiversity GRI 304-3 Habitats protected or restored GRI 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Ecosystem and Biodiversity Conservation (Article 32)
S-1 Innovation-Driven Development	/	Innovation-Driven (Article 42)
S-2 Product Quality and Safety	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product and Service Safety and Quality (Article 47)
S-3 Customer Service Management	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Product and Service Safety and Quality (Article 47) Data Security and Customer Privacy Protection (Article 48)
S-4 Data and Information Security	/	Data Security and Customer Privacy Protection (Article 48)

Chapters of this report	Disclosure items of GRI topics referenced	Guidance provisions of the three domestic exchanges in China (Shenzhen, Shanghai, and Beijing)
S-5 Supply Chain Management	GRI 308-1 New suppliers that were screened using environmental criteria GRI 414-1 New suppliers that were screened using social criteria GRI 308-2 Negative environmental impacts in the supply chain and actions taken GRI 414-2 Negative social impacts in the supply chain and actions taken GRI 408-1 Operations and suppliers at significant risk for incidents of child labour GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Supply Chain Security (Article 45) Due Diligence (Article 52)
S-6 Industrial Cooperation and Development	GRI 2-28 Membership associations	/
S-7 Employment Practices	GRI 2-7 Employees GRI 2-8 Workers who are not employees GRI 405-1 Diversity of governance bodies and employees GRI 401-1 New employee hires and employee turnover GRI 406-1 Incidents of discrimination and corrective actions taken GRI 2-19 Remuneration policies GRI 2-20 Process to determine remuneration GRI 405-2 Ratio of basic salary and remuneration of women to men	Employees (Article 50)
S-8 Occupational Health and Safety	GRI 403-9 Work-related injuries GRI 403-1 Occupational health and safety management system GRI 403-2 Hazard identification, risk assessment, and incident investigation GRI 403-5 Worker training on occupational health and safety GRI 403-6 Promotion of worker health GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships GRI 403-8 Workers covered by an occupational health and safety management system	Employees (Article 50)
S-9 Career Development and Capacity Building	GRI 404-1 Average hours of training per year per employee GRI 404-3 Percentage of employees receiving regular performance and career development reviews	Employees (Article 50)
S-10 Employee Care and Well-being	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	/
S-11 Social Contribution	/	Rural Revitalisation (Article 39) Social Contribution (Article 40)

Appendix II: Glossary

Glossary Item		Definition Content
MTJA	Refers to	Ji'an Memtech Precision Electronic Co., Ltd.
MTKS	Refers to	Memtech Precision Electronics (Kunshan) Co., Ltd.
MTN	Refers to	Nantong Memtech Technology Co., Ltd.
MTD	Refers to	Dongguan Memtech Electronic Products Co., Ltd.
MTVN	Refers to	Memtech technology (Vietnam) Co., Ltd.

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