SUN.KING TECHNOLOGY GROUP LIMITED
賽晶科技集團有限公司
(INCORPORATE IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)

STOCK CODE 580



2025

ENVIRONMENTAI SOCIAL & GOVERNANCE REPORT

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Message from the Chairman

Looking back on 2025, ESG has evolved from a conceptual initiative into a central pillar of global corporate strategy. The Group has consistently adhered to a systematic ESG strategic framework and has deeply embedded ESG practices into its operations.

Long-term economic growth hinges on the continuous enhancement of productivity, and the development of new quality productive forces serves as a key pathway to achieving this goal. In essence, new quality productive forces are also green productive forces. The Group consistently practices green productivity by actively promoting the development and utilization of renewable energy, building green manufacturing systems, and advancing the establishment of green factories, green industrial parks, and green supply chain management enterprises, thereby achieving sustainable development. During the reporting period, the Group delivered products for multiple transmission projects, including the "Gansu-Zhejiang ±800 kV UHVDC Transmission Project" and the "Hami-Chongqing ±800 kV UHVDC Transmission Project", facilitating the efficient transmission of clean energy across the country. UHVDC transmission is not only a strategic channel for transmitting electricity from western to eastern regions, but also a critical infrastructure supporting the achievement of the national "China's carbon peaking and carbon neutrality goals" goals. Meanwhile, the Group has continued to expand the application of its products in the new energy sector, with both the depth and breadth of applications significantly enhanced, leading to substantial growth in related revenue. In parallel, during the reporting period, the Group achieved notable progress in environmental management, including clean energy substitution, energy conservation and consumption reduction, product carbon footprint monitoring, and resource recycling and reuse. The continuous construction of photovoltaic power generation systems within the Group has accelerated the pace of clean energy substitution. The increasing number of green factories has further strengthened our confidence in advancing along this path. At the same time, the Group has continuously improved solutions for the protection of flora and fauna in its operations, actively contributing to innovative practices in biodiversity conservation. These efforts represent our steadfast commitment to the "carbon peaking and carbon neutrality goals" strategy, and reflect our dedication to writing a green chapter of "Empowered by the wind, lighting the way to the future" with craftsmanship and sustainability at its core.

We not only focus on our business performance, but also take a multi-dimensional approach to creating greater social value. We are committed to fully integrating social responsibility into our corporate strategy, major decision-making processes, and corporate culture, ensuring its organic alignment with business operations and management, thereby fulfilling our social responsibilities to a high standard. During the reporting period, we continued to foster harmonious labor relations, implemented multiple measures to strengthen workplace safety, and effectively safeguarded employees' occupational health. We remained committed to innovation-driven development by continuously increasing investment in research and development, launching innovative products, and building a portfolio of high-quality offerings. Breakthroughs were achieved in the application of innovative products such as capacitors for HVDC transmission systems and online monitoring systems. Several products were recognized as "first-of-their-kind equipment" and "manufacturing excellence", while the number of "specialized, refined, distinctive, and innovative" enterprises within the Group continued to grow, providing strong support for high-quality development. In addition, we advanced our supply chain management capabilities across multiple dimensions. Through the implementation of a supplier traceability system, ESG requirements have been extended to upstream and downstream partners, promoting a greener and more sustainable supply chain. Against the backdrop of a new era, we actively engaged in public welfare and charitable initiatives, demonstrating our corporate responsibility through sustained efforts in education support, youth development, and rural revitalization.

We are committed to empowering high-quality development through robust governance by continuously improving our corporate governance structure, leveraging the leadership role of the Board of Directors, ensuring compliant and effective operations, and enhancing governance effectiveness, thereby strengthening corporate value and rewarding shareholders' trust.

In response to evolving circumstances and emerging challenges, we have positioned ESG as a core direction for high-quality development and a key driver of competitiveness. Taking into account industry practices and trends, as well as policy developments, we actively explore the integration of AI capabilities with ESG, deepening ESG initiatives to support the development of new quality productive forces.

Xiang Jie, Chairman of the Board of Directors, Sun.King Technology Group Limited

About the Report

This report is the tenth annual Environmental, Social and Governance Report (the "Report") published by Sun.King Technology Group Limited (the "Company") and its subsidiaries (collectively, the "Group" or "We"), focusing on the Group's performance in sustainable development.

Basis of Preparation

The Report is prepared and discloses information in accordance with the *Environmental, Social and Governance Reporting Code* (the "Code") set out in Appendix C2 of the Securities Listing Rules of the Hong Kong Stock Exchange ("HKEX"). Climate-related disclosures are aligned with the framework of the Task Force on Climate-related Financial Disclosures (TCFD).

Reporting Scope

The Group is principally engaged in the production and sales of power electronic components and systems, with products mainly applied in power grid transmission and distribution, electrified transportation, industry, and other sectors and fields. The Group's main businesses and non-current assets are concentrated in the Chinese mainland, and over 95% of its revenue is derived from the mainland. Therefore, unless otherwise specified, this Report covers all subsidiaries in the Chinese mainland.

The Company's main subsidiaries in the Chinese mainland are as follows

- Beijing Sunking Power Electronics Technology Co., Ltd.* (Beijing Sunking)
- Jiashan Sunking Power Electronic Capacitor Co., Ltd.* (Jiashan Capacitor)
- Jiashan Sunking Power Equipment Technology Co., Ltd.* (Jiashan Sunking)
- Sunking Pacific Semiconductor Technology (Zhejiang) Co., Ltd.* (SwissSEM China)
- Wuhan LandPower Co., Ltd.* (Wuhan LandPower)
- Wuxi Sichuang Power Electronic Technology Co., Ltd.* (Wuxi Sichuang)
- Wuxi Sunking Power Capacitor Co., Ltd.* (Wuxi Sunking)
- Zhejiang Jiashan Keneng Power Equipment Technology Co., Ltd.* (Zhejiang Jiashan Keneng)
- Zhejiang Sine Power Technology Co., Ltd.* (Zhejiang Sine)
- SunKing New Energy Technology (Jiaxing) Co., Ltd.* (SunKing New Energy)
- Jiaxing Sunking Engineering Management Service Co., Ltd.* (SunKing Engineering)
- Ningbo Hairong Electric Co., Ltd.* (Ningbo Hairong)

**Notes:*
1.The organizational boundary of this report has been expanded compared with the previous year to include an additional company, namely Ningbo Hairong.
2.During the reporting period, the Group acquired equity in Hunan Hong'an Microelectronics Co., Ltd. (Hong'an Microelectronics). Since the acquisition took place in the third quarter, only the headcount of Hong'an Microelectronics is included in the Group's total number of employees in this Report; other performance metrics are not covered.

In addition, the Group has subsidiaries in Hong Kong (China), Germany, the Netherlands, and Switzerland, and conducts its operations in strict compliance with applicable local laws and regulations. As overseas operations have an insignificant impact on the Group's environmental and social performance, matters other than the number of employees have not been included in the ESG report, except where detailed explanations are deemed necessary.

For details regarding the Group's corporate governance, please refer to the "Corporate Governance Report" section in the 2025 Annual Report.

Reporting Period

Unless otherwise specified, this Report details the Group's ESG management and practices from January 1, 2025, to December 31, 2025 (the "Reporting Period").

Reporting Principles

This Report is prepared in accordance with the Code issued by the HKEX. The content follows the "comply or explain" provisions and adheres to the four fundamental reporting principles: Materiality, Quantitativeness, Balance, and Consistency.

Materiality	Through materiality assessments, we identify environmental and social issues that have a significant impact on investors and other stakeholders. The "Stakeholder Communication and Materiality Assessment" section of this Report presents our key stakeholders, assessment procedures, and consultation results.
Quantitati-veness	We disclose Key Performance Indicators (KPIs) to allow for effective measurement and comparison. Where applicable, we disclose the standards, methodologies, assumptions, calculation tools, and sources of conversion factors used for these quantitative indicators.
Balance	This Report provides an unbiased presentation of the Group's performance during the Reporting Period.
Consistency	We employ consistent statistical methodologies to track and calculate KPIs, ensuring that data can be meaningfully compared over time.

Stakeholder Feedback

The Group welcomes feedback from all stakeholders regarding our ESG performance. Please share your valuable comments through the following contact channels:

Address: 9-A, Konggang Ronghui Park, Yuhua Road, Area B, Konggang Industrial Zone, Shunyi District, Beijing

Email: **info@sunking-tech.com**

Website: **http://www.sunking-tech.com**



Sustainable Development Governance

Our Sustainable Development Commitment

Sustainable development is an inevitable outcome of the advancement of social productivity and technological progress. The ESG philosophy is increasingly becoming a key driver guiding corporate sustainable development. Amid growing attention and dialogue on ESG issues from global capital markets, governments, regulators, and the media, the Group will actively seize development opportunities and continuously adjust its strategic planning in response to market dynamics. It will effectively identify and proactively address ESG risks associated with its operations, uphold the principles of integrity in business conduct, fulfill its social responsibilities to a high standard, and promote sustainable development.


HUAZHONG ZHILIAN CERTIFICATION GROUP CO. LTD

CERTIFICATE OF SOCIAL RESPONSIBILITY MANAGEMENT SYSTEM CERTIFICATION

Certificate No.:109226SR00191R000

Wuhan LandPower Co., Ltd.

Registered address: Room 02, 5th Floor, Building 10, Gezhouba Taiyangcheng, No. 40 Gaoxin 4th Road, East Lake High-Tech Development Zone, Wuhan City

Business address: NO. 20-1, Liufangyuan South Road,East Lake High-Tech Development Zone,Wuhan City, Hubei Province, China

Unified social credit code: 91420100763406044

Certification compliance:

GB/T 39604-2020Standard

Certificate coverage:

Development, production of online monitoring systems for power transmission, transformation and distribution; computer information system integration and software development for online monitoring systems; social responsibility management activities involved in the production of infrared thermal imagers and partial discharge testers

Issued on:2026-3-6 Valid until:2029-3-5

Issued by:

华中智联认证（集团）有限公司



Wuhan LandPower obtained the Social Responsibility Management System Certification

Governance Structure

The Group consistently adheres to its core objective of creating long-term and sustainable value for shareholders, and systematically integrates ESG principles into its business decision-making. To ensure that ESG-related work is effectively coordinated and continuously advanced, the Group has established a three-tier ESG governance structure consisting of the Board of Directors, the Strategy and Sustainable Development Committee, and the ESG Working Group, providing a solid guarantee for the formulation, execution, and supervision of ESG strategies.

ESG Governance Structure and Responsibilities

Board of Directors	Committed to integrating ESG principles into its operations, the Group exercises comprehensive oversight and decision-making on ESG matters, including formulating ESG strategies, monitoring ESG risks and opportunities, and incorporating them into its overall strategic planning. It also guides and supervises the Strategy and Sustainable Development Committee and the ESG Working Group in implementing ESG regulatory requirements, policies, and related initiatives, and conducts annual reviews of the ESG report and other disclosure documents.
Strategy and Sustainable Development Committee	Provides recommendations to the Board on ESG strategies, including ESG vision, short-, medium- and long-term targets, and advice on ESG matters across governance, strategy, risk management, metrics and targets; oversees the implementation of regulatory requirements and the execution of sustainable development strategies; reviews ESG-related reports; and undertakes other ESG-related work.
ESG Working Group	Comprising heads of subsidiaries and senior executives from functional departments, the ESG Working Group assists the Strategy and Sustainable Development Committee and the Board in overseeing ESG-related matters. It is primarily responsible for collecting and analyzing ESG data, monitoring and evaluating ESG performance, ensuring compliance with applicable ESG laws and regulations, and preparing the ESG report. The ESG Working Group convenes meetings on a regular basis, during which it discusses current and future plans, formulates ESG-related targets and metrics, and reports regularly to the Board to support the identification and assessment of the Group's ESG risks and opportunities. It also evaluates the implementation and effectiveness of existing policies and procedures, and reviews progress against established targets and metrics, in order to develop appropriate solutions to enhance ESG performance and mitigate potential risks.

With the support of the Strategy and Sustainable Development Committee and the ESG Working Group, the Board actively responds to stakeholder feedback and conducts annual materiality assessments and prioritization to effectively identify potential ESG risks and manage ESG performance.

The Group evaluates materiality in the ESG field through the following steps:

- Identify ESG-related issues;
- Consult stakeholders such as investors, regulators, and employees to rank key ESG issues;
- Review and determine material ESG issues based on the results of stakeholder communication.

Through these processes, the Board gains a better understanding of the expectations and concerns of key stakeholders—such as investors, regulators, and employees—regarding various ESG issues, enabling it to proactively respond to sustainability-related risks and opportunities. This, in turn, provides a basis for determining the direction of sustainable development and for adjusting sustainability plans as appropriate.



Stakeholder Communication

The Group places great importance on communication and collaboration with stakeholders and is committed to establishing an open, transparent, and trust-based stakeholder relationship management mechanism. To fully identify, understand, and respond to the key concerns of different stakeholders, the Group maintains regular communication and engagement with major stakeholders, including employees, investors, customers, suppliers, government and regulatory bodies, and the communities in which it operates. It actively listens to their views and requests, and incorporates the feedback into business management and sustainable development decision-making processes.

To identify the issues most material to the Group and disclose them in this ESG report, the Group regularly collects opinions through various channels and communicates with stakeholders on ESG-related matters.

Stakeholder Category	Communication Channels	Expectations
Employees	• Regular performance evaluations and appraisal meetings • Training and seminars • Internal newsletters • Employee satisfaction surveys • Employee activities • Labor union	• Salary and benefits • Equal opportunities • Career promotion • Occupational health and safety
Investors	• Annual General Meeting • Announcements and circulars • Periodic reports (including financial reports) • Earnings release briefings and roadshow activities • On-site investigations	• Financial performance • Information transparency • Safeguarding investor interests • Compliant operations
Customers	• Customer service hotline and email • Company website • Customer satisfaction surveys • Customer visits	• Product safety and quality • Customer service • Protection of customer privacy
Suppliers	• Field visits • Written or electronic communications • Supplier meetings	• Supply chain management • Responsible procurement • Long-term partnership
Government and Regulatory Authorities	• Regular performance monitoring and evaluation • Written or electronic correspondence • Government press releases	• Compliance with laws and regulations • Improving governance
Local Communities	• ESG reports • Community service activities	• Environmental protection • Corporate social responsibility • Community activities • Employment opportunities

Materiality Assessment

Based on the Group's business development and by benchmarking against domestic and international ESG policies as well as industry practices, we have engaged with stakeholders through multiple channels, including industry conferences, results briefings and roadshows, and public disclosures. Taking into account the outcomes of these communications, we conducted an annual materiality assessment to identify the ESG areas deemed material by the Group and the potential challenges they may pose. The Group places high importance on the identified material topics, actively responds to them, and incorporates them into internal discussions and decision-making processes. Corresponding management measures and improvement plans are formulated accordingly. The results of the materiality assessment, following review and approval, are presented below:



The Group maintains close communication with stakeholders regarding material issues and continuously improves its ESG performance. Meanwhile, the Group is committed to effectively managing ESG-related risks and seizing ESG-related opportunities to support future business development. To align with our sustainable development vision, the Group will operate in accordance with high ethical standards and provide sustainable returns to stakeholders.

According to the assessment, the top five issues most material to the Group are:

- Product/Service Quality
- Supply Chain Management
- Energy
- Occupational Health and Safety
- Customer Service

Green Development and Ecological Protection

Environmental Management

Currently, environmental protection supervision is becoming increasingly stringent and dynamic, leading to heightened compliance risks. Therefore, strengthening environmental management has become an "must-answer question" for enterprises to achieve sustainable development. The Group's environmental management is progressively transitioning from passive compliance to proactive planning. We are committed to building environmental management capabilities with strategic value to achieve corporate compliance and value reconstruction in an era of transformation, thereby enhancing corporate competitiveness.

Environmental Management: From Compliance to Competitiveness

- Comprehensiveness and Systematization of environmental management scope.
- Standardization and Timeliness of the environmental management system.
- Refinement and Digital Intelligence of environmental management measures.
- Specificity of goals and Quantization of indicators for environmental management.

Efficient Environmental Management System

The Group continuously improves its environmental governance system and strengthens the management and supervision of environmental matters to enhance the effectiveness of environmental management and promote green development.

The identification and evaluation of environmental factors are prerequisites and keys to improving the environmental governance system. The Group regularly identifies and evaluates environmental factors, summarizing environmental topics such as exhaust emission management, hazardous and non-hazardous waste management, climate change response, and resource usage management. During the Reporting Period, the Group strictly complied with applicable laws and regulations and comprehensively reviewed the management systems and measures for relevant environmental topics, as well as the preliminary targets set previously and their progress. Meanwhile, the Group has kept pace with international and domestic standards and, in light of its actual conditions, further refined relevant management systems and measures.

During the Reporting Period, the GB/T 24001-2016 / ISO 14001:2015 Environmental Management System certifications of the Group's major subsidiaries (covering environmental management activities for the following products) remained valid.

Anode saturated reactors	Power electronic capacitors and complete sets of devices
Busbar	Capacitors for flexible DC power transmission
IGBT chips, FRD chips, and IGBT module composite busbars	Online monitoring and control systems for power transmission, transformation, and distribution, Computer information system integration and Online monitoring system software, Partial discharge tester

Remarkable Achievements in Environmental Management

The Group strictly implements pollutant discharge management requirements. For pollution sources involving emissions, we handle procedures such as pollutant discharge permits or registration filings with government authorities in accordance with laws and regulations. In the event of a business closure, the relevant subsidiary will promptly deregister its discharge permits. If production and operations continue after the expiration of such permits, we will handle renewal procedures according to the law to ensure that all emission activities continuously comply with regulatory requirements. Meanwhile, the Group continuously improves the standardized management of pollution sources and strengthens source control and full-process management mechanisms. Starting from industry maintenance and our actual situation, we combine the digital and intelligent transformation process with refined management for emission reduction to achieve compliance and efficiency enhancement. The Group has achieved significant results in pollution control and environmental risk management. In response to the latest regulatory requirements, Wuxi Sunking applied to downgrade its pollutant discharge management category from a *Pollutant Discharge Permit* to pollutant discharge registration filing; the application was approved, and the registration filing receipt was obtained. Wuhan LandPower obtained the Digital and Intelligent Green and Low-carbon Management System Certification.

The Group continuously promotes the development of Green Factories, Green Parks, and Green Supply Chain Management Enterprises. By advancing green manufacturing, we aim to achieve a win-win outcome for economic, environmental, and social benefits. As of the end of 2025, the Group had three municipal-level Green Factories and one provincial-level Green Factory. Among them, the "Jiaxing Municipal Green Factory" titles held by Jiashan Sunking and SwissSEM China, as well as the "Jiangsu Provincial Green Factory" honor awarded to Wuxi Sunking in 2024, all remain within their valid certification periods and have passed supervisory assessments. During the Reporting Period, Zhejiang Sine was awarded the honorary title of the first batch of "Jiaxing Municipal Green Factory" for 2025. The Green Factory certification is not only a reflection of the Group's achievements in environmental management but also injects new green competitive advantages into the Group.



- SwissSEM China was recognized as a Municipal Green Factory.
- Wuxi Sunking was recognized as a Provincial Green Factory.
- Jiashan Sunking was recognized as a Municipal Green Factory.
- Zhejiang Sine was recognized as a Municipal-Level Green Factory.



Emissions Management

The Group identifies emissions that may be generated in various stages of its business activities, including but not limited to the generation of wastewater, exhaust gas, and waste. It systematically controls these from the source and promotes the implementation of various emission reduction measures to minimize the generation and discharge of pollutants and protect the ecological environment.
The Group strictly complies with national and local laws and regulations, including but not limited to:

- *Environmental Protection Law of the People's Republic of China*
- *Regulation on the Administration of Permitting of Pollutant Discharges*
- *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*
- *Integrated Emission Standard of Air Pollutants (GB 16297-1996)*
- *Water Pollution Prevention and Control Law of the People's Republic of China*
- *Discharge Standard of Water Pollutants for Electronic Industry (GB 39731-2020)*
- *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*
- *Standard for Pollution Control on Hazardous Waste Storage (GB 18597-2023)*

In 2025, the administrative status of pollutant discharge for our production subsidiaries was as follows:

Emission Category	Subsidiary Name
Pollutant Discharge Permit	Jiashan Sunking
Pollutant Discharge Registration	SwissSEM China, Wuxi Sunking, Wuhan LandPower, Ningbo Hairong

Exhaust Gas Management

The Group's exhaust gas sources primarily consist of fixed sources (production processes) and mobile sources (vehicle usage and workshop forklifts). The Group has formulated relevant systems to implement systematic management based on these sources.

Fixed Source Exhaust Gas Management

The Group has formulated the *Pollutant Discharge Control Procedure* and the *Environmental Pollution Treatment Facilities Control Procedure*. These systems specify the treatment procedures for various types of air emissions generated during production.
For exhaust gas generated during production (including those from workshops and warehouses), the Group adopts the following treatment measures: We continuously monitor every stage of the exhaust gas disposal process and regularly inspect and maintain environmental protection equipment. We insist on using high-adsorption activated carbon and other consumables, ensuring they are replaced regularly to maintain the normal operation of disposal units and effective adsorption. Meanwhile, the Group conducts real-time monitoring, regular testing, supervision, and improvement of emission status and disposal measures to effectively control exhaust gas.
During the Reporting Period, the Group focused on two dimensions: upgrading production automation and informatization. By adding automated welding production lines and assembly lines, and expanding the

implementation of the MES system, we reduced exhaust gas at the source. We consistently upgrade environmental protection equipment, purchasing hazardous waste storage cabinets and using high-adsorption consumables to lower pollution emissions. During the Reporting Period, the Group conducted exhaust gas testing; all indicators complied with national and local standards, and no emission-related penalties occurred.

The Group's primary exhaust gas treatment measures are as follows:

Location	Source of Exhaust Gas	Treatment Method
Workshops	Busbar welding	Exhaust gas collection device equipped with filter cartridge dust removal unit
	Potting and glue injection	Vacuum pump suction with activated carbon adsorption device
	Painting and drying	Water curtain device + filter cotton + secondary activated carbon
	Shot blasting	Filter cartridge filtration + bag collection
	Cleaning and curing	Air inlet bag filter with secondary activated carbon adsorption device, gas hood with secondary activated carbon adsorption device
	Welding	Collection device + filter cartridge dust removal unit
	Fugitive emissions (dust, etc.)	Ventilation facilities, timely cleaning
Hazardous Waste Cabinets	Hazardous Waste Volatilization	Activated carbon treatment device via secondary activated carbon adsorption

On the basis of meeting relevant emission standards, the Group continuously implements improvement measures and actively explores effective approaches to reduce air emissions and related pollutants. By integrating fundamental measures such as production process optimization, automated upgrades, and skill enhancement, the Group will actively introduce innovative environmental technologies and facilities. We aim to advance our digital and intelligent transformation (digitalization) to drive emission reduction and pollution control.

Mobile Source Exhaust Gas Management

To effectively reduce mobile source exhaust gas emissions, the Group strictly complies with laws and regulations regarding motor vehicle pollution prevention and control, while actively implementing relevant national and local policies. The Group has also established a series of measures to regulate vehicle use, including the *Vehicle Management System, Administrative Measures for Official Vehicle Use*, and the *Drivers' Behaviour Guidelines*. Furthermore, the Group has been progressively replacing production-related diesel forklifts with electric forklifts upon their decommissioning, continuously promoting the adoption of clean energy equipment.

The *Vehicle Management System* and *Administrative Measures for Official Vehicle Use* standardize the full-process management requirements for vehicle acquisition, use, maintenance, and decommissioning.These

systems also define the procedures for procuring electric vehicles as official cars. The Group conducts annual vehicle evaluations and performs necessary replacements based on actual conditions to ensure rational allocation and efficient utilization. During the Reporting Period, the Group conducted a comprehensive review of vehicle management, covering the number of existing vehicles, usage frequency, dispatching, maintenance, and wear and tear.

The *Drivers' Behaviour Guidelines* requires drivers to turn off engines when parked or idling. Drivers must plan routes to optimize fuel consumption. Regular maintenance ensures engine performance and fuel efficiency.

The exhaust gas emission data for the Reporting Period and comparisons with previous years are as follows

Emission Category	2025 Emissions(kg)	2024 Emissions(kg)	2023 Emissions(kg)
Nitrogen Oxides (NO_x)	53.25	49.18	45.90
Sulphur Oxides (SO_x)	1.24	1.10	1.08
Particulate Matter（PM）	3.90	3.62	3.38
Total Amount	58.39	53.91	50.36
Employee Intensity (g/Mainland China employee)[Note 1]	52.46	57.59	62.95

Note 1: As of December 31, 2025, the number of employees in Mainland China was 1,113.

The Group's target is to reduce emission intensity by 10% within 10 years starting from 2023 (or by 2033). All of the Group's exhaust gases come from vehicle emissions. To achieve this goal, the Group will implement and optimize the aforementioned control measures for company vehicles. According to the latest Group procedures, we will gradually purchase electric vehicles (EVs) as official cars when existing vehicles are scrapped or when adding new vehicles.

Greenhouse Gas Management

The Group's Greenhouse Gas (GHG) emissions (mainly carbon dioxide, methane, and nitrous oxide) primarily come from the following three scopes:

-Scope 1: Direct emissions from operations directly owned or managed by the Group;

-Scope 2: "Energy indirect emissions" from purchased electricity, heating, cooling, and steam consumed within the Group;

-Scope 3: All other indirect emissions generated outside the Group, including upstream and downstream emissions.

The Group has implemented a series of measures in areas including vehicle management, production and office equipment management, energy management, office supplies consumption management, business travel management, and water resource management. The Group continues to improve its green and low-carbon management. During the Reporting Period, the Group focused on sources with relatively high greenhouse gas emission equivalents, further expanded the use of new energy power generation, standardized business travel through information system upgrades, and optimized and refined management measures in other areas.

The Group's Measures to Reduce GHG Emissions

- Consider procuring new energy vehicles as official vehicles; encourage employees to commute using green transportation options such as public transport and new energy vehicles.
- Adjust the energy structure in a timely manner and reasonably allocate the use of electricity and steam.
- Plan the power structure and expand the use of renewable energy, such as gradually replacing solar street lights in factory areas and constructing photovoltaic power generation systems.
- Standardize energy use, including controlling the operation of production equipment according to production plans, turning off power when appropriate, and setting air-conditioning temperatures within a reasonable range to reduce electricity waste.
- Regulate the use of production and office equipment, and regularly maintain or replace outdated or low-efficiency production and office equipment.
- Standardize business travel by encouraging the use of teleconferencing and video conferencing for meetings to reduce the frequency of business trips.
- Regulate the use of office consumables and encourage the electronic circulation of documents.
- Conduct energy-saving training and publicity through internal communications, bulletin boards, posters, and regular seminars to promote the development of an environmental protection culture and enhance employees' awareness of green and low-carbon development.



Details of GHG emissions during the Reporting Period and comparisons with previous years are as follows

GHG Emission Scope Note 1	Emission Source	2025 Emissions (tCO_2e)	2024 Emissions (tCO_2e)	2023 Emissions (tCO_2e)
Scope 1	Gasoline combustion of Group vehicles	225.21	201.40	191.98
	Diesel combustion of Group vehicles	2.76	1.70	2.89
	Diesel combustion of fixed sources	0	0.01	0.02
	LPG	4.26	/	/
Scope 2	Purchased electricity Note 2	8,694.85	6,913.36	6,752.37
	Purchased steam Note 3	3,495.10	2,147.58	2,112.40
Scope 3	Waste paper disposal	30.51	26.94	33.94
	Electricity used by third-party processors for freshwater and sewage treatment Note 6	42.29 Note 5	52.50 Note 4	76.59
	Business travel by train Note 7	262.90	137.37	/
	Business flights Note 8	599.45	265.89	246.88
Total		13,357.31	9,746.75	9,417.06
Employee Intensity (tCO_2e/Mainland China employee Note 9)		12.00	10.41	11.77

Note 1: Unless otherwise stated, emission factors are prepared with reference to Appendix C2 of the Listing Rules of the Hong Kong Stock Exchange and its designated documents.
Note 2: According to the Ministry of Ecology and Environment of the People's Republic of China (2023): The emission factor for electricity purchased from the State Grid of China in 2025 is calculated at 0.5306 tCO_2e/MWh.
Note 3: According to the Requirements of the Greenhouse Gas Emission Accounting and Reporting—Coal Production Enterprise in China (Trial) (2015): The emission factor for steam purchased in China from 2023 to 2025 is calculated at 0.11 tCO_2e/GJ.
Note 4: According to the Water Supplies Department Annual Report 2022/23 and the Drainage Services Department Sustainability Report 2022-2023: The emission factor for treated fresh water in 2024 is 0.437 $kgCO_2e/m^3$, and for sewage treatment in 2023 is 0.21672 $kgCO_2e/m^3$.
Note 5: According to the Water Supplies Department Annual Report 2023/24 and the Drainage Services Department Sustainability Report 2023-24: The emission factor for treated fresh water in 2025 is 0.256 $kgCO_2e/m^3$, and for sewage treatment in 2024 is 0.22078 $kgCO_2e/m^3$.
Note 6: To better reflect the Group's environmental performance, the Group began disclosing Scope 3 emissions for freshwater and sewage treatment and waste paper disposal in 2023.
Note 7: The Group began calculating carbon emissions from business travel by train in 2024, based on the mileage carbon emissions for different seat classes.
Note 8: Carbon dioxide emissions from the Group's business flights are reported based on the results from the International Civil Aviation Organization (ICAO) Carbon Emissions Calculator.
Note 9: As of December 31, 2025, the number of employees in Mainland China was 1,113.

The Group set a target in 2023 to reduce its greenhouse gas emission intensity by 10% within ten years. The Group complies with relevant requirements by disclosing carbon emission data, as well as emission reduction measures and targets, and monitors carbon emission sources and related data in real time to enable targeted optimization of decarbonization measures. During the Reporting Period, the Group maintained normal levels of photovoltaic power generation, thereby reducing part of the electricity purchased from external sources. However, with the significant growth in business operations, factory production activities and business travel also increased substantially, resulting in a notable rise in indirect carbon emission equivalents generated from energy use and business travel compared with 2024.

To further enhance carbon emission management, the Group is progressively advancing the accounting, assessment and certification of product carbon footprints. During the Reporting Period, the subsidiary Wuxi Sunking completed the carbon footprint accounting and certification for another product. Through its actions in pursuing green and low-carbon development, the Group aims to enhance its brand image and market competitiveness, lead the industry toward a green and low-carbon direction, and contribute to the achievement of the goals of "peaking carbon emissions before 2030 and achieving carbon neutrality before 2060."





Wuxi Sunking has conducted carbon footprint certifications for two of its products for two consecutive years. The relevant certificates are shown in the figures above.

Hazardous Waste Management

The Group has established management systems such as the *Hazardous Waste Management System*, the *Solid Waste Emission Control Procedure*, and the *Hazardous Waste Safety Operation Procedure*, which standardize the collection and disposal of hazardous wastes generated during the production process, including waste organic solutions, waste oil–water mixtures, waste potting materials, and spent activated carbon. In addition, a *Hazardous Waste Leakage Emergency Drill Plan* has been formulated to ensure proper response to incidents involving hazardous waste disposal, thereby minimizing potential harm. The Group strictly collects and disposes of hazardous wastes in accordance with regulations, ensuring that no adverse impact is caused to the surrounding environment. During the reporting period, no violations or penalties related to hazardous waste disposal occurred within the Group.

The Group's Hazardous Waste Treatment Measures

Path of Generation	Disposal Method
Factory Hazardous Waste	● Production departments designate special areas based on Group policies and national laws. They classify, locate, and label waste before disposal. ● The Group commissions qualified external companies for disposal. We maintain hazardous waste ledgers to monitor and record disposal. These are registered on the environmental protection department platform.
Office Hazardous Waste	● The Group has established and implemented waste classification, collection, and disposal systems for small quantities of hazardous waste generated in daily office operations, including waste batteries, used toner cartridges, and obsolete electronic products. ● We conduct publicity and training on trash classification. This guides employees to participate actively.

During the reporting period, the Group's hazardous waste emissions, emission intensity, and comparison with historical data are shown in the table below

Hazardous Waste	2025 Emissions (tonnes)	2024 Emissions (tonnes)	2023 Emissions (tonnes)
Total Amount	75.35	69.80	53.59
Employee Intensity (tonnes/Mainland China employee) Note 1	0.068	0.075	0.067

Note 1: As of December 31, 2025, the number of employees in Mainland China was 1,113.

The Group has set 2023 as the base year and aims to achieve a 10% reduction in hazardous waste generation intensity within ten years (by 2033). To reduce hazardous waste, the Group has strengthened refined management. Hazardous waste is minimized at the source through the use of biodegradable raw materials, rational product design, and improved resource utilization, while recycling and reuse are promoted to enhance the valorization of waste. In addition, the Group strictly follows order-based production and implements multiple measures, including raw material quality control, continuous employee skills training, and upgrades in production automation and digitalization to ensure the quality of each production process and prevent the generation of stagnant products. During the reporting period, the Group introduced automated equipment such as automatic welding and assembly machines and implemented a Manufacturing Execution System (MES) to further improve resource efficiency and product quality compliance.

Case | Setting up "Waste Classification and Recycling Areas" to Improve Recycling Rates

Wuxi Sunking established a "Waste Classification and Recycling Area." Qualified units regularly recycle metal waste. Waste insulating oil is purified through distillation and reused in production. The hazardous waste disposal rate reached 100%.

Non-hazardous Waste Management

The Group continuously strengthens coordination between departments. We improve internal processes and build a standardized management mechanism for non-hazardous waste. By implementing waste classification and other measures, we ensure standardized collection and recycling. We aim to improve waste management and resource efficiency.

The Group's Coordination Mechanism for Non-hazardous Waste Treatment

Department	Responsibilities
Production Department	● Apply for raw materials based on orders. ● Store iron filings and scrap steel from production in warehouses according to the Waste Warehouse Management System and Waste Sale Management System.
All Departments	● Apply for office supplies as needed to prevent waste. ● Implement waste classification.
Administration Department	● Regularly sell waste paper, iron filings, and scrap steel to recycling companies. Commission qualified enterprises to dispose of other non-hazardous waste.

Details of the Group's non-hazardous waste generation during the Reporting Period and comparisons with previous years are as follows

Non-hazardous Waste	2025 Amount Generated (tonnes)	2024 Amount Generated (tonnes)	2023 Amount Generated (tonnes)
Total Amount	879.52	718.52	560.98
Employee Intensity (tonnes/Mainland China employee) Note 1	0.79	0.77	0.70

Note 1: As of December 31, 2025, the number of employees in Mainland China was 1,113.

The Group sets 2023 as the base year. Our target is to reduce non-hazardous waste emission intensity by 10% within ten years (or by 2033). To achieve this, the Group strictly approves and controls the distribution of office supplies. We use various electronic systems to expand paperless office practices. We advocate for employee awareness to improve resource efficiency, such as circulating electronic documents and using double-sided printing. We also encourage suppliers to reduce excessive packaging.

Case | Implementing Green Operations to Reduce Waste Emissions

Wuxi Sunking implements full-process management in storage, transportation, and production to reduce the loss of metal materials and insulating oil. The warehouse uses "First-In-First-Out" (FIFO) management and "Nitrogen Protection Systems." The storage loss rate is far below the industry average. During transportation, we reduce material loss through dedicated vehicles, leak-proof valves, and multi-batch combined shipping. In production, we introduced "CNC cutting equipment" (accuracy ± 0.05mm) and "vacuum impregnation processes." We classify and recycle metal scraps and waste insulating oil for efficient reuse.

Resource Usage

The Group has systematically integrated the concept of resource conservation into daily management and business operations. Multiple management systems have been established for the use of resources such as water, electricity, and vehicle fuel, with clearly defined responsibilities and accountable departments, as well as corresponding monitoring and control mechanisms to promote standardized and efficient resource utilization. In terms of raw material management, the Group implements a just-in-time production system, supported by a raw material procurement approval process, effectively controlling inventory levels, reducing resource waste, and improving the efficiency of raw material usage.

Energy Management

The Group is committed to advancing green energy development. We strengthen energy management and reduce energy consumption by accelerating digital and intelligent development, setting energy-saving targets, and optimizing the efficiency of production equipment.



In addition to vehicle fuel, the Group also consumes electricity and steam in its operations. The Group has established the *Resource and Energy Management Control Procedure* and the *Electricity Conservation Management Regulations* to effectively manage energy consumption. The Group strictly implements various energy-saving measures, monitors and evaluates energy usage in real time, and investigates any abnormal energy consumption.

The Group's Energy Saving Measures	
Use energy-efficient and smart office equipment	• Adopt low-energy office equipment wherever possible, such as replacing conventional lighting with energy-efficient lamps. • Implement intelligent systems, such as lighting systems with smart control, to enable sensor-based operation, scheduled switching, and brightness adjustment, thereby optimizing lighting energy consumption. • Visualize factory energy data and enable real-time monitoring of energy consumption.
Upgrade production equipment / improve utilization efficiency	• Phase out high-energy-consuming, low-efficiency, outdated, or obsolete production equipment, and avoid procuring high-energy-consuming equipment wherever possible. • Improve the utilization of production equipment to reduce energy losses, including increasing automated production equipment and continuously enhancing production automation. • Perform regular maintenance of production equipment, prevent inefficient equipment operation and improve standby performance. • Arrange production based on orders and conduct periodic maintenance and upgrades of all equipment in use to ensure energy savings.
Optimizing Energy Structure	• The ratio of electricity to steam usage is continuously optimized according to the characteristics of production processes to minimize energy consumption. After the first quarter of 2025, SwissSEM China transitioned its units to energy-efficient refrigeration systems, eliminating the use of steam. • Regarding fuel, conventional vehicles have been replaced with new energy vehicles for official use, and fuel-powered forklifts in workshops have been reduced and replaced with electric forklifts.
Raising energy conservation awareness	• Strengthen energy conservation awareness, promote green and low-carbon practices, encourage the participation of all employees in energy-saving management, and improve the efficient utilization of resources.

During the Reporting Period, the Group's energy consumption details and comparisons with previous years are as follows				
Energy Category		**2025 Consumption (MWh)**	**2024 Consumption (MWh)**	**2023 Consumption (MWh)**
Direct Energy Consumption Note 1	Subtotal	752.80	652.343	648.62
	Gasoline Note2	722.30	645.926	637.52
	Diesel Note 2	10.31	6.417	11.10
	LPG	20.19	N/A	N/A
Indirect Energy Consumption	Subtotal	25,212.84	18,306.822	17,174.36
	Purchased Electricity	16,386.82	12,883.644	11,840.02
	Purchased Steam	8,826.01	5,423.178	5,334.34
Total		25,965.64	18,959.164	17,822.98
Employee Intensity (MWh/Mainland China employee) Note 3		23.33	20.26	22.28

Note 1: Direct energy consumption only includes energy that generates greenhouse gases. Consumption of solar power (green energy) is excluded.
Note 2: Conversion factors refer to the IEA Energy Statistics Manual and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
Note 3: As of December 31, 2025, the number of employees in Mainland China was 1,113.

Regarding total energy consumption, the Group has set a target to reduce energy consumption intensity by 10% within ten years from 2023 (by 2033). The Group actively promotes energy conservation and emission reduction and is committed to identifying feasible ways to reduce energy use in operations. To improve energy efficiency and effectively lower energy consumption, the establishment of an energy management system has become a key component of energy management. During the reporting period, Wuxi Sunking and Wuhan LandPower both obtained GB/T 23331-2020/ISO 50001:2018 Energy Management System certification, further advancing the construction and enhancement of the Group's energy management system.



Wuhan LandPower has carried out energy certification across various scopes and successfully obtained the Energy Management System (EnMS) Certification.



Energy system certification of Wuxi Sunking.

Use of New Energy

The Group actively promotes clean energy applications. We continuously optimize our energy structure. The distributed rooftop photovoltaic (PV) power generation system at the Jiashan Sunking plant has been running steadily since 2024. During the Reporting Period, the Wuxi Sunking PV system was successfully put into use. Through these projects, the Group further increases the proportion of new energy used. We promote the development of green energy and practice sustainable development with real actions.

During the Reporting Period, the Group's total PV power generation was 4,897,755.00 kWh. Subsidiaries used 4,193,753.00 kWh for their own operations and sold 704,002.00 kWh to the grid. The PV power generation for each subsidiary is shown in the table below:

Usage Category	Jiashan Sunking	Wuxi Sunking	Ningbo Hairong
Self-use by Subsidiaries（kWh）	2,990,700.00	979,559.00	223,494.00
Electricity Sold（kWh）	489,600.00	214,402.00	-
Total Annual Generation（kWh）	3,480,300.00	1,193,961.00	223,494.00

Water Resources Management

The Group strictly complies with laws and regulations such as the *Water Law of the People's Republic of China* and the *Regulations on Water Conservation*. We continuously improve water resource management and strengthen monitoring of water usage. Production water of the Group is circulating water and is not discharged. We improve water efficiency and reduce waste by inspecting water systems, upgrading equipment functions, and scientifically scheduling water use. Reclaimed water is used for greening and landscaping in the Group's plant areas.

The Group actively advocates water conservation awareness among all employees. We promote green and low-carbon work habits. To strengthen water-saving publicity, we post water-saving signs in various operating locations. We enhance employees' awareness of rational water use through continuous promotion. Meanwhile, the Group regularly inspects and maintains water systems. We established a feedback mechanism for abnormal situations. Employees are required to report leaks in faucets or pipes promptly. This ensures hazards are handled in a timely manner. We continuously improve the efficiency and sustainability of water management.

The Group continues to strengthen water pollution prevention and control. During the Reporting Period, we strictly implemented wastewater treatment measures. Wastewater was tested and met discharge standards.

Details of the Group's water consumption, intensity, and comparisons with previous years during the Reporting Period are as follows

Water Consumption	2025 Consumption (m^3)	2024 Consumption (m^3)	2023 Consumption (m^3)
Total Amount	88,694.89	80,312.76 Note 1	117,087.40
Employee Intensity (m^3/Mainland China employee)	79.69	85.80	146.36

Note 1: The significant decrease in water consumption compared to 2023 was due to an underground water pipe leak at the Jiashan Sunking Park in 2023, which resulted in substantial water loss. Repairs and rectifications were conducted in 2024, effectively reducing water consumption.

Regarding total water consumption, the Group set a target to reduce water consumption intensity by 10% within 10 years starting from 2023 (or by 2033).

Packaging Management

During operations, the Group commonly uses packaging materials such as biodegradable foam, cardboard, and wooden crates. Factory management selects the most suitable materials and specifications based on product features to improve efficiency and reduce environmental impact. Currently, the Group does not quantify the specific weight of all packaging due to the variety of product models.

The Group established green management regulations for packaging. We require materials to follow lightweight, recyclable, and biodegradable principles. We prioritize recycled materials and prohibit single-use, non-biodegradable plastics. Additionally, we provide packaging recovery services for major customers. Recovered materials are reused after cleaning, repair, and testing. Scrapped packaging is handled by qualified units to achieve green management and recycling.

Moving forward, the Group will continue to monitor the consumption of packaging materials and drive the optimization of packaging solutions, striving to achieve material savings and a further reduction in environmental impact.

The consumption details of the Group's packaging materials during the Reporting Period and comparisons with previous years are as follows

Packaging Category	2025 Consumption (pieces) Note 1	2024 Consumption (pieces)	2023 Consumption (pieces)
EPE foam sheets (Pearl cotton)	1,389,558	676,033	725,629
Cartons	37,382	20,189	21,867
Wooden crates	20,431	18,200	10,236
Plastics	222,797	17,758	69,968
Anti-static bags	3,657	3,280	9,386
Bubble bags	300		
Foam	324	382	N/A
Containers	N/A	19	N/A
Wooden pallets	N/A	410	N/A
Blister boxes	N/A	25,000	N/A
PE packaging bags	30,190	N/A	N/A
Vacuum bags	1,300	N/A	N/A
Total Consumption (pieces)	1,705,939	761,271	837,086

Note 1: In this report, the original units for materials such as cartons, wooden crates, plastics, and foam included "units," "sheets," and "sets." To standardize data analysis, all packaging materials are disclosed using "pieces" as the uniform unit. Increased consumption due to expanded business volume.

Case | Wuxi Sunking Implements Green Packaging to Achieve Lightweighting, Reduction, and Recycling

Lightweighting

- Outer packaging changed from "solid wood crates" to "hollow wooden crates." This reduced transportation costs.
- For large projects using dedicated trucks, outer crates are eliminated to allow for "naked" shipping.

Reduction

- Full-box packaging: Changed "individual packaging for single capacitors" to "6-unit/set combined packaging." This significantly reduced packaging quantity.
- Integrated bundling: For customers within 1,000 km, we install capacitors directly on frames instead of using wooden crates.

Recycling

- Established "Packaging Recovery Points" to provide recovery services for major customers.
- Recovered wooden skids are reused after inspection. Steel frames are reused after de-rusting and painting.

Environment and Natural Resources

The Group upholds a responsible business philosophy and is committed to ensuring that its business activities do not have significant adverse impacts on the environment and society. The environmental impact of our various businesses is primarily reflected in emissions and noise pollution. To address these issues, the Group adopts corresponding treatment measures for noise, exhaust gas, dust, and fumes generated from electromechanical equipment and production processes, supported by continuous monitoring and regular testing. During the Reporting Period, all testing results complied with discharge standards. Furthermore, the Group strengthens the management of toxic and flammable gases by installing various preventive devices to minimize the impact on employees and the environment and avoid potential hazards.

Additionally, the Group reduces its ecological footprint through multiple dimensions, ranging from standardizing greenery management within the campus (such as tree species selection and the prohibition of highly toxic substances), collaborative protection of vegetation surrounding the plant area, and organizing woodland tree planting for plant diversity protection, to focusing on the risks posed by operations and products to flora and fauna (such as designing bird-proof covers and insulation sleeves).

Protecting Plant Diversity

The Group attaches importance to the protection of vegetation within and around the plant areas, as well as in product application scenarios. On the one hand, the Group reduces the potential impact of operational activities on plant diversity through standardized greenery management and ecological restoration measures. The use of highly toxic pesticides and destructive behaviors is explicitly prohibited within the Group's plant areas to minimize interference with local plant communities at the source; funds are continuously invested in the greenery renovation of production bases, with priority given to native tree species such as camphor, osmanthus, and holly to avoid the introduction of alien species and prevent biological invasion risks. In product application scenarios, the use of timber packaging or auxiliary materials that may cause pest infestations is avoided.

On the other hand, the Group carries out collaborative protection. In the plant areas and surrounding vicinities, the Group explicitly prohibits the burning of straw and the felling of trees. By subsidizing surrounding farmers to plant native trees, the Group promotes regional vegetation restoration and connectivity, effectively increasing the vegetation coverage of surrounding areas and reducing the risk of soil erosion. During the rainy season, no significant waterlogging or siltation occurred around the plant areas, creating a more stable natural environment for production and operations.

Protecting Animal Diversity

During project construction and equipment design, The Group focuses on potential risks to birds and other wildlife in plant areas and product application scenarios. We continuously implement targeted measures to prevent injury to wildlife, ensuring the safe and stable operation of equipment while effectively reducing potential impacts on birds and other wildlife, demonstrating The Group's long-term commitment to biodiversity conservation and eco-friendly operations.

Case | Optimizing Product Design to Protect Birds

Building on existing measures like bird caps and insulation sleeves, Wuxi Sunking further optimized its designs. We increased the net distance between capacitor layers to 500 mm. We added insulation sleeves to key parts to reduce contact risks for birds. Combined with horizontal capacitor layouts, we installed bird covers and conducted temperature rise tests. This ensures that protection measures do not affect equipment safety while effectively preventing bird injuries.

Climate Change Response

The Group fully recognizes the importance of addressing climate change and actively responds to the global climate governance goals established by the Paris Agreement. In alignment with China's strategic targets of achieving carbon peaking before 2030 and carbon neutrality before 2060, the Group actively advances climate action and promotes its low-carbon transition.

The Group monitors the potential impacts of climate change on our business. We take proactive measures to manage climate-related risks. Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we disclose our management approach across four pillars: Governance, Strategy, Risk Management, and Metrics and Targets. We identify physical risks (such as extreme weather) and transition risks (such as policy and market shifts). We assess their financial impacts to ensure our strategy and operations remain resilient.

The Group regularly discloses climate-related risk assessments and response measures. This ensures transparency and regulatory compliance. We provide investors with comprehensive risk management information and demonstrate our commitment to global stakeholders.

Governance

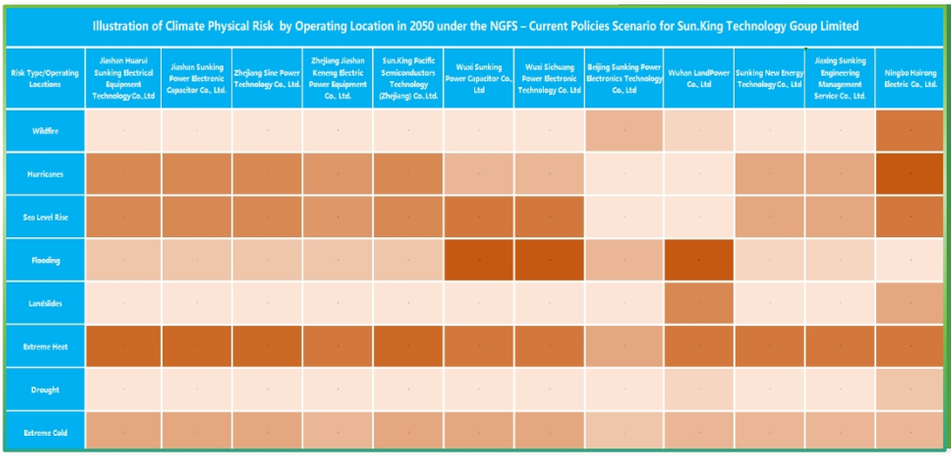
The Board and senior management have established a robust risk management system. They develop strategies to address climate-related risks and opportunities. These strategies include strengthening energy and emission controls and adopting innovative measures to reduce negative impacts. The Group has made reducing its carbon footprint a long-term goal. We commit to specific measures to reduce greenhouse gas emissions across our operations and supply chains.

Strategy

The Group identified climate-related risks and assessed their potential financial impacts. The risks, time frames, trends, and impacts are shown below:

Climate Risk		Time Frame	Trend	Potential Financial Impact
Physical Risk	Acute	Short-term	Increasing	Extreme weather events (cyclones, storms, floods) may damage infrastructure and offices. This can disrupt human resources and supply chains.
	Chronic	Long-term	Increasing	Long-term shifts in climate patterns increase capital, operating, and human resource costs, as well as insurance premiums.
Transition Risk	Techn-ology	Long-term	Increasing	The Group expects higher procurement expenses for new and alternative technologies. Adopting new processes will also create additional costs.
	Policy & Legal	Short to Medium-term	Increasing	Stricter environmental laws, disclosure requirements, and carbon pricing systems will increase operating costs.
	Market	Short-term	Increasing	Without proper strategies, the Group may face revenue declines as customers demand higher environmental standards.
	Reput-ation	Short to Medium-term	Increasing	Stakeholder concerns regarding climate issues may discourage investors. This could affect the stock price and market value, increasing liquidity risk.

To evaluate the physical climate risks faced by the Group's assets and operations, we performed a quantitative analysis based on the scenario framework developed by the Network for Greening the Financial System (NGFS). We focused on eight common natural disasters: wildfire, tropical cyclone, sea-level rise, river flood, landslide, extreme heat, drought, and extreme cold. This report uses the evaluation results from the "Current Policies" scenario to create a risk heat map. The map below shows the climate risks for Sun.King Technology's operating locations in 2050 (darker colors indicate higher risk).



Climate Physical Risk Heat Map for Sun.King Technology's Operating Locations in 2050 under the NGFS "Current Policies" Scenario.

The Group does not view climate change solely as a risk; we actively identify and seize the opportunities it presents. As environmental regulations tighten, we expect the Chinese government to implement more subsidy programs to encourage renewable energy and sustainable infrastructure. As a supplier of power transmission equipment, we anticipate further business expansion driven by the growing demand for energy products and system solutions.

To reduce our environmental footprint, we are diversifying energy and resource consumption in our production chain. For instance, we integrated steam into our energy mix to optimize resource efficiency. We also plan to introduce green electricity and other sustainable energy sources to benefit from environmental subsidies and reduce operating costs.

We believe these initiatives will allow the Group to address climate challenges while seizing opportunities to drive sustainable growth and enhance overall competitiveness.

Risk Management

Our ESG risk assessment uses a two-dimensional rating method (Likelihood vs. Impact). We rank identified risks as High, Medium, or Low based on their probability and potential impact on the Group's operations and finances.

Risk Level	Description
High	High-level risks may lead to severe consequences and are highly likely to affect the Group, hindering the achievement of strategic goals.
Medium	Medium-level risks may lead to severe consequences but have a low likelihood, or vice versa (minor consequences but high likelihood).
Low	Low-level risks have limited consequences for strategic goals and a low probability of occurrence.

In accordance with the TCFD recommendations on climate-related financial disclosures, the Group identifies and assesses climate-related risks and develops corresponding management approaches.

Climate Risk		Overall Risk Level	Management Policy
Physical Risk	Acute	High	● Develop ESG management strategies. ● Create contingency plans, including remote work for non-essential staff and supply chain preparation for weather disruptions. ● Purchase property and liability insurance.
	Chronic		
Transition Risk	Techno-logy	Medium	● Proactively introduce renewable energy into the production mix. ● Adopt green technologies and materials to reduce single-use items and build a sustainable supply chain.
	Policy & Legal	Low	● Appoint professionals to advise on climate-related issues. ● Monitor the latest climate regulations and trends.
	Market	Medium	● Monitor market trends and diversify the supply chain and customer base. ● Launch green, innovative designs to meet market demand.
	Reput-ation	Low	● Communicate actively with stakeholders to address concerns. ● Continuously monitor the latest climate regulations and trends.

Metrics and Targets

To effectively identify and assess climate-related risks and their potential impacts, the Group continuously monitors and refines its key metrics and evaluation scales. We promote refined and quantitative management to ensure scientific and systematic risk control. The Group regularly monitors and reviews its Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions (in tCO_2e), as well as total emissions and emission intensity (in tCO_2e/employee). These metrics help assess our progress in reducing emissions and provide data support for risk management. For detailed GHG emission data and targets, please refer to the "Greenhouse Gas Emissions" section of this report.

Collaborating with All parties to Create Shared Value

Employment

The Group recognizes that employees are its most valuable assets and the foundation of development. We are committed to strengthening our capabilities to attract, cultivate, and retain talent. The Group has established comprehensive human resource management policies covering recruitment, selection, compensation, benefits, working hours, leave, performance management, promotion, dismissal, and training. These guidelines ensure standardized and efficient HR management. During the Reporting Period, there were no major changes to policies regarding compensation, dismissal, recruitment, promotion, working hours, rest periods, equal opportunity, diversity, and anti-discrimination.

The Group strictly complies with local and national labor laws and regulations and continuously invests resources to adopt industry best practices. During the Reporting Period, no significant non-compliance incidents related to employment were identified. The relevant laws and regulations we comply with include, but are not limited to:

Mainland China	*Labour Law of the People's Republic of China* *Labour Contract Law of the People's Republic of China* *Regulations on Paid Annual Leave for Employees* *Law of the People's Republic of China on Safeguarding the Rights and Interests of Women* *Special Rules on the Labor Protection of Female Employees*
Hong Kong	*Employment Ordinance (Cap. 57)* *Inland Revenue Ordinance (Cap. 112)* *Sex Discrimination Ordinance (Cap. 480)* *Mandatory Provident Fund Schemes Ordinance (Cap. 485)* *Personal Data (Privacy) Ordinance (Cap. 486)* *Disability Discrimination Ordinance (Cap. 487)* *Family Status Discrimination Ordinance (Cap. 527)* *Race Discrimination Ordinance (Cap. 602)*
Germany	German Civil Code (BGB) General Act on Equal Treatment (AGG)
Netherlands	*Dutch Civil Code (Book 7, Special Agreements)* *Employment and Social Security Act* *Dutch General Equal Treatment Act (AWGB)*
Switzerland	*Code of Obligations (CO)* *Swiss Civil Code (CC)* *Swiss Federal Labour Act (ArG)*

Recruitment, Promotion, and Resignation

Recruitment

The Group actively attracts outstanding talents through various channels such as external recruitment, internal recommendation, and job rotation. The Group has formulated the Recruitment Management System to standardize the recruitment process and ensure that talent selection is scientific and transparent. For candidates hired, the Group signs labor contracts in accordance with the law and handles relevant statutory procedures. During the Reporting Period, the Group's labor contract signing rate was 100%.

Meanwhile, we actively recruit international talent to build a diverse team with various backgrounds, skills, and experiences. This elite workforce aligns with the Group's globalization strategy. By building a high-quality and diverse talent echelon, we continuously enhance our innovation and core competitiveness. This makes the organization more resilient and vital in a complex business environment.

As of December 31, 2025, the Group had a total of 1,166 employees, with 1,113 in Mainland China and 53 overseas.

The detailed workforce classification in Mainland China is shown in the table below

	Number of People (Person)	Percentage
Gender		
Male	745	66.94%
Female	368	33.06%
Employment Type		
Full-time	1,113	100.00%
Part-time	0	0.00%
Region		
Beijing	113	10.15%
JiashanCity, Zhejiang Province	627	56.33%
Wuxi City, Jiangsu Province	155	13.93%
Wuhan City, Hubei Province	123	11.05%
Ningbo City, Zhejiang Province	62	5.57%
Others (Guangzhou City, Guangdong Province; Changsha City, Hunan Province; Kunshan City, Jiangsu Province)	33	2.96%
Age Group		
18-25	196	17.61%
26-35	413	37.11%
36-45	364	32.70%
46-55	119	10.69%
56 or above	21	1.89%
Total	**1,113**	**100.00%**

Promotion

The Group provides diversified promotion opportunities for all employees and has formulated the *Promotion Management System* to ensure the standardization, fairness, and transparency of the promotion process. Employees who meet the promotion qualifications can proactively submit promotion applications to the human resources department; various departments can also recommend outstanding talents who meet the promotion criteria to the human resources department based on actual needs. After verifying the applicants' promotion eligibility, the human resources department arranges corresponding promotion assessments, and finally organizes an annual promotion review meeting, where a review panel conducts a comprehensive evaluation of the candidates and makes promotion decisions.

Resignation

Whether employees leave due to resignation, dismissal, or retirement, the Group handles standardized resignation/dismissal procedures in accordance with the law to protect employees' re-employment rights and interests.

During the Reporting Period, a total of 108 employees in Mainland China left the Group, representing a turnover rate of 8.85%. The detailed turnover distribution by employee group is shown in the table below:

Category	2025	
	Number of People (Person)	Turnover Rate
Gender		
Male	78	9.48%
Female	30	7.54%
Region		
Beijing	7	5.83%
JiashanCity, Zhejiang Province	80	11.32%
Wuxi City, Jiangsu Province	12	7.19%
Wuhan City, Hubei Province	4	3.15%
Ningbo City, Zhejiang Province	2	3.13%
Others (Guangzhou City, Guangdong Province; Changsha City, Hunan Province; Kunshan City, Jiangsu Province)	3	8.33%
Age Group		
18-25	23	10.50%
26-35	52	11.18%
36-45	23	5.94%
46-55	10	7.75%
56 or above	0	0.00%
Total	**108**	**8.85%**

Dismissal

The Group is committed to maintaining a fair and just employment environment and strictly prohibits any form of unlawful or improper dismissal. Decisions to dismiss employees are made on a lawful and reasonable basis, with dismissal procedures strictly adhering to relevant laws, regulations, and regulatory requirements, as detailed in the Employee Handbook. During the dismissal process, the Group engages in thorough communication with employees to ensure their right to be informed, their right to explanation, and other legal entitlements are fully protected.

Retirement

The Group handles retirement procedures for employees in accordance with the law, ensuring that they receive their retirement benefits on time. Each year, the Group also organizes farewell events for retiring employees to express gratitude for their long-term dedication and contributions.

Compensation and Benefits

The Group builds a sound employee compensation system adhering to the principles of fairness, competition, incentive, rationality, and legality. The Group provides detailed explanations of compensation in the *Compensation Management System* and the *Performance Appraisal System*, which cover basic salary and performance-based salary, and includes a 13th-month salary system. In addition, The Group has formulated special bonus policies to fully motivate the initiative and creativity of employees.

The Group strictly follows various national and local laws and regulations to pay "five social insurance premiums and one housing provincial fund" in full for employees. To further help employees obtain timely and comprehensive protection, The Group has also purchased supplementary medical commercial insurance for all employees, with dedicated personnel handling insurance claim procedures for employees with the insurance company.

The Group provides employees with a wealth of benefits, including daily allowances, special allowances for festivals, weddings, and childbirths, free working lunches, regular employee trips, and health check-ups, caring for employees' work and life in an all-round way. To create a warm and happy working atmosphere, The Group regularly organizes various festival celebrations and outdoor development activities to enrich employees' cultural and social lives, convey warmth and care, and enhance employees' sense of happiness.

Working Hours and Rest

The Group strictly complies with laws and regulations and effectively protects the rights and interests of employees regarding rest and leisure. The Group's *Employee Handbook* clearly stipulates employees' working hours, rest times, and types of leave. In addition to statutory rest and leisure, the Group also provides employees with extra leave, such as progressively increasing the number of annual leave days based on an employee's years of service, which fully reflects our deep care for our employees.

Equal Opportunity

The Group upholds the principle of open, fair, and equal employment. We have established systems that strictly prohibit any form of discrimination. We ensure that recruitment, training, promotion, and compensation are not affected by factors such as race, gender, skin color, age, family background, ethnicity, religion, physical ability, or nationality.

Employee Communication

The Group establishes and improves employee communication and participation mechanisms, and actively listens to the opinions and suggestions of employees and the labor union. Every year, The Group learns about employees' feedback on the working environment and management measures through various forms such as employee satisfaction questionnaires and thematic seminars, and responds to employee concerns in a timely manner, thereby continuously enhancing employees' sense of identity and belonging to The Group.

The Group's labor union has played an important role in promoting employees' democratic participation, safeguarding their legitimate rights and interests, and coordinating labor-management relations.

Health and Safety

The Group always puts the occupational health and safety of employees first and continuously improves the occupational health and safety management system to build safety competitiveness for the enterprise. During the Reporting Period, The Group had no material non-compliance incidents related to occupational health and safety. The relevant laws and regulations complied with by The Group include but are not limited to:

Mainland China	☐ *Labour Law of the People's Republic of China* ☐ *Labour Contract Law of the People's Republic of China* ☐ *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* ☐ *Fire Protection Law of the People's Republic of China*
Hong Kong	☐ *Employees' Compensation Ordinance (Cap. 282)* ☐ *Occupational Safety and Health Ordinance (Cap. 509)*
Germany	☐ *Occupational Safety and Health Act* (ArbSchG) ☐ *Ordinance on Preventive Occupational Health Care* (ArbMedVV)
Netherlands	☐ *Working Conditions Act* (Arbowet) ☐ *Working Conditions Decree* ☐ *Working Conditions Regulation*
Switzerland	☐ *Swiss Federal Labour Act* (ArG), especially Ordinance 3 (Health Protection, ArGV 3) ☐ *Federal Act on Accident Insurance* (UVG)

In addition, during the Reporting Period, the occupational health and safety management systems of The Group's major subsidiaries maintained valid certification and continued to comply with GB/T 45001-2020/ISO 45001:2018.

Occupational Health

The Group has established a series of systems and procedures, including the *Environmental and Occupational Health and Safety Operational Control Procedures* and the *Management System for Occupational Hazard Posts*, to systematically safeguard the health and safety of employees.

Health Protection

The Group regularly inspects and continuously optimizes the working environment by measures such as strengthening ventilation, noise reduction, and dust removal control measures, installing sufficient lighting, providing necessary safety protection facilities and basic medical equipment, and reasonably designing workspaces and workstation heights to minimize the risks posed by environmental factors to occupational health.

The Group reasonably arranges working and resting hours to prevent employee overwork. Meanwhile, to ensure the health and safety of employees in extreme weather, The Group has formulated a series of preventive measures. During the summer heat, The Group adjusts working and rest schedules, strictly controls outdoor working hours, provides heatstroke prevention and cooling supplies, ensures an adequate supply of drinking water, and strengthens hygiene and epidemic prevention work. During extreme weather such as typhoons and rainstorms, The Group adopts flexible working arrangements, such as delayed commuting and remote working, to prevent potential injuries to employees.

The Group advocates a healthy lifestyle. It regularly organizes health knowledge training for employees to popularize health concepts and information. Gyms, courts, and other fitness facilities are provided within the factories to enable employees to release work pressure and improve their physical fitness through exercise after work.

The Group attaches great importance to the mental health of its employees. It has established feedback channels to listen to employee concerns and promotes communication and strengthens mental health management through various methods, such as seminars, collective trips, themed activities, and one-on-one counseling.

The Group arranges pre-employment medical examinations to identify health conditions that may be unsuitable for certain positions and organizes annual health check-ups for employees to help them stay informed about their health and detect potential risks early.

Occupational Disease Prevention

We continuously improve occupational health management systems and operating procedures and strictly implement occupational disease prevention and control measures. Every year, The Group conducts testing for occupational disease hazard factors at production sites. For employees who may be exposed to such hazards, we truthfully disclose the potential occupational risks when signing employment contracts. By providing occupational disease protection facilities and high-quality personal protective equipment and ensuring their standardized use, along with continuous publicity and training to enhance safety awareness and compliance with operating procedures, we minimize occupational disease risks to the greatest extent possible. The Group arranges occupational health examinations for employees prior to recruitment and annually during their employment, establishing comprehensive occupational health records for them. During the Reporting Period, The Group conducted hazard factor testing and occupational health check-ups at production sites, and no cases of occupational diseases were recorded. Furthermore, The Group has improved emergency rescue plans for occupational disease hazard accidents to safeguard the lives and health of employees.

Safe Production

The Group deepens the implementation of the primary responsibility for corporate safety, establishing and improving a safety production responsibility system where the main person in charge takes overall responsibility, and the person in charge of specific sectors and various functional departments fulfill their respective duties.

The Group has formulated a series of rules and regulations, such as the *Hazard Identification and Evaluation Control Procedures*, the *Safety Production Management System*, and the *Hazardous Operations Management System*, to systematically and scientifically manage all aspects of safety production in a comprehensive manner.

Safety Production Organizational Guarantee

The Group's factories establish safety production management bodies, assign safety management personnel, and clarify the responsibilities of these organizations and personnel. We systematically identify and evaluate potential risk sources and major risks in the production and operation process every year. The safety production management bodies implement corresponding control measures, organize safety production and education training, inspect safety production conditions, troubleshoot hazards, propose safety recommendations, and organize emergency rescue drills. Meanwhile, The Group has established a safety production regular meeting system to ensure that all safety work is effectively implemented.

Daily Production	• Regularly inspect the work environment, facilities, and equipment. • Standardize, implement, and supervise job process flows. • Standardize, implement, and supervise the correct use of labor protection equipment.
External Construction Operations	• Management system for external construction units. • Signing of safety agreements. • Approval and processing of special operations.
Special Equipment and Personnel Management	• Regular inspection of special equipment. • Special equipment operators must hold valid certifications to work.

Safety Education and Training

The Group continuously carries out safety education and training. We establish annual safety training plans and ensure their effective implementation. We strictly implement three-level safety education. All new and transferred employees must receive comprehensive safety training and pre-job training. Employees in hazardous positions must obtain corresponding qualification certificates before starting work. The Group organizes fire safety knowledge training and fire drills every year. Additionally, the plant areas conduct safety awareness initiatives through various approaches, including posting workplace safety slogans and setting up public information boards.

Case | Carrying out Safety Education and Training to Enhance Employee Safety Awareness

Wuxi Sunking regularly organizes safety training to spread safety knowledge to every employee. This helps them establish correct safety awareness and master safety skills and self-protection capabilities. Meanwhile, categorized explanations are provided for employees in different professions and positions to comprehensively improve their safety awareness and knowledge levels.

Safety Hazard Inspection and Rectification

The Group regularly conducts comprehensive inspections of safety management. We analyze and announce the results of these safety inspections. The Group's volunteer fire brigade also regularly carries out fire hazard inspections.

To strengthen the management of safe production in subsidiaries, the Group established a safety inspection team based on the safety groups of each subsidiary. This team inspects the implementation of safety management systems, emergency plans, and drills in each unit. They order rectifications for non-compliant items and follow up on their implementation.

During the Reporting Period, the Company received no complaints or lawsuits regarding violations of health and safety laws and regulations. In the past three years, no work-related fatalities occurred in the Company.

Metric	Unit	2025
Number of work-related fatalities	Person	0
Rate of work-related fatalities	%	0
Total lost working days due to work injury	Day	274 Note 1

Metric	Unit	2024
Number of work-related fatalities	Person	0
Rate of work-related fatalities	%	0
Total lost working days due to work injury	Day	308 Note 2

Metric	Unit	2023
Number of work-related fatalities	Person	0
Rate of work-related fatalities	%	0

Note 1: Among the total lost working days due to work-related injuries, 2 days were due to a traffic accident involving an employee after work hours.
Note 2: Among the total lost working days due to work injury, 11 days were due to a traffic accident involving an employee after work.

Emergency Management

The Group has established and improved emergency management plans for safety accidents and natural disasters. We organized emergency rescue command agencies and rescue teams, and ensured the supply of emergency rescue equipment and materials. To ensure timely and effective accident rescue, the Group organizes at least one emergency rescue drill every year.

Case | Establishing a Sound Emergency Management System to Ensure Safe Production

Focusing on the risks of sudden environmental and safety incidents, Wuxi Sunking established an emergency management system centered on prevention, rapid response, and efficient handling. We formulated systematic emergency plans for scenarios such as pollution leaks, fires, and natural disasters. These plans clarify emergency response processes, command mechanisms, and resource allocation. We also formed a professional emergency team consisting of technical, safety, and logistics personnel.

Meanwhile, the Company established an emergency material reserve mechanism and regularly conducts emergency training and drills. We continuously test and optimize the feasibility and effectiveness of our plans. This has effectively enhanced employees' emergency response capabilities and minimized the impact of sudden incidents on personnel safety, production operations, and the environment.

Development and Training

The Group attaches great importance to its internal management training and development system. We use diversified training models to meet different employee needs, helping them improve skills and advance their careers.

Diversified Training Models	
Management Training	To ensure compliance with laws, regulations, and regulatory requirements, and to keep pace with industry best practices in corporate management, the Group arranges relevant internal and external training for management. ● Internal training: Mastering relevant information through meetings, corporate communications, and online training video materials from institutions such as the Stock Exchange of Hong Kong. ● Training by external organizations or personnel: Every year, professionals such as lawyers and accountants are invited to provide training for directors and senior management, covering the latest information in fields such as relevant laws and regulations, regulatory policies, corporate governance, financial management, and market trends; participating in external professional forums to master the latest national policies, industry and technical information; arranging for the company secretary to undergo no less than 15 hours of external professional training annually, and for other senior management to participate in relevant external professional training.
Existing Employee Training	The Group provides a series of targeted internal and external professional development training. ● Internal training: Intensive internal professional training courses held annually for technical personnel, as well as management training provided for middle and senior management, etc. ● External organizations: Arranging for specific business personnel, such as sales, technical, and management staff, to collectively participate in external paid training; encouraging employees to participate in position-related training provided by external organizations, with The Group covering the corresponding costs after internal procedures are completed.
New Employee Training	The Group develops specialized induction programs for new employees. Content covers corporate and industry information, job responsibilities, skills, safe production, and career planning. This helps new employees quickly understand the Company and adapt to their roles.

The Group firmly believes that continuously promoting employee training and education helps enhance their professional and technical capabilities and professional literacy, which is crucial for improving the enterprise's market competitiveness.

Case | Driving Growth Through "Sales Talent Development Workshop" Series Training Programs

The Group engaged an external institution to organize the 2025 "Sales Talent Development Workshop" series training sessions. From April 10 to 11, 2025, the first session, themed "Practical Scenario-Based Simulation", focused on translating sales behaviors into effective execution. Group executives, general managers and deputy general managers of subsidiaries, top sales performers, and invited mentors participated together. Through scenario co-creation, role-playing, feedback, and iterative improvement, the program injected new momentum into enhancing the capabilities of the sales team.

The Group actively expands career paths for frontline employees. SwissSEM China obtained the qualification for corporate vocational skill level appraisal in Zhejiang Province in 2021. It established a Vocational Skill Training Center and an Appraisal Center to conduct training and exams annually. Employees who pass the certification receive tangible benefits, such as eligibility for professional title reviews and preferential talent policies. During the reporting period, following training and assessment, 31 employees of SwissSEM China obtained intermediate-level vocational skill certificates issued by the Ministry of Human Resources and Social Security. In addition, the company organized a themed training session titled "Special Guidance Session on National Engineer Professional Title Application" , inviting relevant officials from the Human Resources and Social Security Bureau to provide a detailed introduction to the national engineer title application process, helping interested employees gain a deeper understanding of their career development pathways.

To motivate employees, strengthen team cohesion, and retain core talent, the Group continuously improves its reward and promotion mechanisms, encouraging employees to enhance their professional capabilities and overall competencies, so as to achieve synchronized growth in both personal development and corporate value. Through a scientific and standardized promotion management system, the Group optimizes internal human resource allocation, provides employees with broad career development opportunities and diversified growth platforms, and effectively supports the achievement of its strategic objectives.

During the Reporting Period, 1,924 participants from the Group attended internal and external training, totaling 28,080.92 hours. The training performance by gender and rank is as follows:

Employee Training Performance by Category

As of Dec 31	Percentage of Trained Employees	Average Training Hours per Person（Hours）
Gender		
Male	70.01%	12.99
Female	29.99%	18.33
Employee Level		
Director and above	3.01%	32.30
Supervisor, Assistant Manager, and Manager	12.63%	21.20
General Staff	84.36%	12.97

Labor Standards

The Group attaches great importance to human rights protection and regards it as a cornerstone of its operations. The Group strictly complies with all applicable national laws, regional regulations, and relevant labor laws and regulations in the jurisdictions where it operates, including but not limited to:

Mainland China	☐ *Labour Law of the People's Republic of China* ☐ *Provisions of the People's Republic of China on the Prohibition of Using Child Labour*
Hong Kong	☐ *Employment Ordinance (Cap. 57)*
Germany	☐ *German Civil Code (BGB)* ☐ *Youth Labour Protection Act (JArbSchG)*
Netherlands	☐ *Dutch Civil Code* ☐ *Child Labour Due Diligence Act* ☐ *Child Labour Act*
Switzerland	☐ *Swiss Federal Labour Act (ArG) and corresponding ordinances, especially Ordinance 5 on the protection of young workers (Youth Labour Protection Ordinance, ArGV 5)*

The Group resolutely opposes and strictly prohibits the employment of child labor and forced labor, and clearly stipulates relevant requirements in the *Recruitment Management System*. The Group only employs personnel who meet the legal age requirements. When recruiting, employees are required to provide true and accurate personal information, and recruiters are required to strictly verify the identity documents of applicants to eliminate the occurrence of child labor. The Group signs labor contracts with employees in accordance with relevant laws and regulations, clearly defining job responsibilities and obligations to ensure that no form of forced labor exists. At the same time, to ensure that our workplace is a safe, healthy, and respectful environment, the Group also strictly prohibits punitive actions or improper management methods against employees for any reason, such as verbal abuse, physical violence, and psychological oppression. If false information, forced labor, improper management, or violations of the Group's regulations and requirements are discovered, the Group will immediately terminate the probation period or rescind the labor contract, and take legal measures where necessary.

During the Reporting Period, the Group had no incidents of child labor or forced labor.

Supply Chain Management

The Group upholds the concept of a mutually beneficial supply chain. We continuously strengthen supply chain management to enhance the overall competitiveness and sustainability of the industrial chain. By formulating systems such as the Procurement System and the Bidding and Procurement Management Measures, we identify, assess, and control supplier risks. We focus on risks related to environmental protection, occupational health and safety, and social responsibility to promote compliance and sustainable operations in the supply chain.

Meanwhile, the Group fully utilizes information systems and digital tools during business operations to optimize resource allocation. This achieves efficient and transparent management processes and continuously improves the overall operational efficiency and response capabilities of the supply chain.

Supplier Management

The Group has formulated the *Supplier Management System* to standardize the screening and employment of raw material suppliers, and implements the following management measures for all raw material suppliers:

Supplier Management Measures

Determine procurement plans, including raw material selection, based on the annual budget.

Develop a diverse and multi-regional supplier base.

Implementing bidding procedures to select suppliers for important raw materials or significant amounts, and prohibiting the splitting or apportioning of individual bidding projects into sub-projects to circumvent bidding procedures.

Selecting and evaluating suppliers based on information such as their qualifications, output, financial status, and past performance, combined with procedures such as field inspections and sample trials; suppliers that meet the requirements are entered into the supplier database by dedicated personnel.

Execute one or more of the following control methods based on the procurement category and its impact on product quality:

- Sign quality assurance agreements.
- Require submission of relevant inspection and testing data.
- Conduct monthly statistical analysis of incoming goods.

Conduct annual audits of supplier performance and quality assurance capabilities within the database.

Maintain regular communication with suppliers through meetings and interviews.

At the same time, The Group formulates supplier codes of conduct and only cooperates with suppliers that meet the requirements. We require suppliers to fill out questionnaires, provide relevant files, and make commitments including environmental protection, protection of labor rights and interests, occupational health and safety, honest operation, compliance with laws and regulations, and adherence to business ethics.

In order to establish a clean, fair, and mutually beneficial cooperative relationship with suppliers, the Group gains a comprehensive understanding of suppliers' sustainable development performance and effectively controls risks by improving supply chain transparency and traceability management; and utilizes technical means such as information systems to improve management efficiency.

The Group focuses on multiple dimensions to conduct supplier evaluations and audits, aiming to enhance supply chain resilience and stability while mitigating supply chain risks. During the Reporting Period, the Group had a total of 646 raw material suppliers in China. In addition, as a product distributor, the Group also had 7 trading suppliers.

Raw Material Supplier Region	2025	2024 Note1
Mainland China	641	744
Europe	4	4
Southeast Asia	1	/
Total	646	748

Note 1: Due to changes in statistical scope, the 2024 supplier data has been revised. In case of any inconsistency with previous disclosures, please refer to the *Sun.King Technology Group Limited 2025 Environmental, Social and Governance Report*.

Sustainable Supply Chain

To fully understand suppliers' compliance regarding environmental protection, occupational health and safety, and the prohibition of forced and child labor, the Group requires suppliers to complete questionnaires and provide supporting documents during the evaluation process. These documents include environmental management system certifications, quality management, and occupational health management system certifications. Suppliers must also make integrity and compliance commitments. The Group also collects supplier information through multiple channels and conducts on-site inspections when necessary to ensure supply chain sustainability and compliance. For instance, we verify whether suppliers have any records of non-compliance by searching official government websites such as Credit China. The Group also collects supplier information through multiple channels and conducts on-site inspections when necessary to ensure supply chain compliance and sustainability, while continuously enhancing supply chain resilience.

In daily management, the Group regularly assesses and reviews the environmental and social performance of suppliers to identify and prevent potential significant adverse impacts. For suppliers that may cause serious pollution, major environmental incidents, or illegal acts, the Group will terminate their supply contracts. Through meetings and inspections, the Group works with suppliers to improve environmental and social risk management, taking steps to prevent and mitigate risks while building a sustainable supply chain system together. During the Reporting Period, the Group identified no major issues involving child labor, human rights violations, forced labor, or environmental non-compliance during supply chain investigations.

In terms of green procurement, the Group requires all supplier products and raw materials to comply with national, local, and industry environmental regulations. We are further enhancing our green supply chain management capabilities by driving suppliers to prioritize the adoption of non-polluting or low-pollution production processes and equipment. By implementing green supply chain design, we prioritize renewable and biodegradable materials, minimize resource waste and excessive packaging, and promote recycling and the circular economy. During the Reporting Period, Wuhan LandPower obtained the Green Supply Chain Management System Certification.





Green Supply Chain Management System Certification of Wuhan LandPower

Product Responsibility

The Group's products are primarily applied in the power transmission and distribution, electrified transportation, and new energy sectors. We strictly comply with applicable laws and regulations, regulatory requirements, and industry standards, and assume full responsibility for our products and services. We adopt multiple measures to promote responsible marketing, enhance product and service quality, and safeguard customer health, safety, and privacy.

The Group has always regarded product quality as the foundation of its development. We have established and implemented systems such as the *Product Quality Information Feedback Management System*, *Customer Satisfaction Survey Procedure*, *Service Control Procedure*, and *Control Procedure for Customer-related Processes* to ensure effective control over product and service quality.

The Group has formulated the *News Work Management Provisions* and *Label Management Measures* to standardize the labeling of products and the use and review of promotional materials, prevent inaccurate or misleading content, and ensure that all labeling is lawful, truthful, and appropriate.

During the Reporting Period, the Group had no incidents of non-compliance with laws and regulations related to the health and safety, advertising, labeling, and privacy of products and services. These laws and regulations include, but are not limited to:

- *Product Quality Law of the People's Republic of China*
- *Trademark Law of the People's Republic of China*
- *Patent Law of the People's Republic of China*
- *Copyright Law of the People's Republic of China*
- *Criminal Law of the People's Republic of China*
- *Advertising Law of the People's Republic of China*
- *Cybersecurity Law of the People's Republic of China*
- *Anti-Unfair Competition Law of the People's Republic of China*
- *Provisions on Protecting the Personal Information of Telecommunications and Internet Users*

Quality Accountability

The Group has established a quality management accountability system, clearly defining the responsibilities of all relevant departments and strictly implementing quality management across the entire process — from product design to after-sales service—to ensure the quality of its products and services. At the same time, the Group continuously optimizes its quality inspection standards to meet evolving market demands. In addition, we have been enhancing our product recall mechanisms to provide customers with full life-cycle services, thereby improving customer satisfaction and experience. With the development of technologies such as AI, the Internet of Things, and big data, the Group continues to build an efficient quality management system and promote the advancement of quality management toward a more systematic and sophisticated level. During the reporting period, the quality management systems for the Group's core products (IGBTs, capacitors, reactors, busbars, and online monitoring systems) remained in compliance with GB/T 19001-2016 / ISO 9001:2015 and maintained valid certification.

Quality Assurance

The Group has established corresponding quality management measures across the entire process, from product design, raw material procurement, and production to delivery, to ensure design compliance with applicable standards, improve the qualification rates of raw materials and key production processes, and thereby ensure consistent and reliable product quality.

The Group's Quality Management Measures

- Set quality standards and metrics based on market demand.
- The procurement department purchases raw materials based on demand and determines inspection methods and acceptance criteria.
- The production department reduces human error through digitalization and automation upgrades, assigns responsible personnel to inspect key process control points, and ensures product qualification rates.
- The quality department conducts final product inspection prior to shipment.

The Group continues to advance its digital transformation, empowering production processes to enhance efficiency and achieve lean manufacturing.

Case | Promoting Production System Digitalization to Enhance Efficiency

Jiashan Capacitor has continuously improved the standardization and digitalization of production and information management by introducing the MES (Manufacturing Execution System) and implementing adaptive upgrades to relevant equipment. The system passed final inspection on November 4, 2025. It has effectively improved customers' evaluation of the factory's informatics level, enhanced the accuracy and reliability of quality traceability, and facilitated data analysis and technical documentation management.

After-sales service is a key component of product quality management. The Group has established the Product Quality Information Feedback Management System, clearly defining the responsibilities of relevant quality management departments and standardizing after-sales service management to effectively address customer needs and quality-related feedback. We will continue to improve our products and services and further enhance customer satisfaction.

Case | Improving Customer Service and Relationship Management to Provide Premium Services

Wuxi Sunking focuses on the customer service experience and continuously improves its customer service and relationship management system to enhance satisfaction and long-term cooperation.

- **Customer Service Hotline:** Established a hotline to provide convenient consultation and complaint channels. We regularly analyze feedback to optimize service quality.
- **Regular Customer Visits:** Sales and after-sales personnel conduct regular visits to understand product usage and changing needs, providing targeted solutions and support to strengthen relationships.
- **Strengthened CRM:** By establishing customer profiles and analyzing data, we gain insights into preferences to provide targeted services and enhance brand loyalty through increased interaction.

To recognize the Group's commitment to innovation and quality, several subsidiaries within the Group received multiple honors during the reporting period. Among them, Wuhan LandPower's products were awarded the title of "Hubei Premium Products," and Jiashan Sunking was recognized as "Zhejiang Made Premium Products 2025."



Jiashan Sunking honored with "Zhejiang Premium Manufacturing 2025" title



The products of Wuhan LandPower were honored with the "Hubei Premium" title.

Product Recall

The Group has implemented a product recall mechanism. Once product defects are identified through quality control records or customer complaints, the Group assesses the severity of the defects, associated risks, and recall costs. Where a recall is required, the Group traces defective products through its product and customer information systems and notifies customers for repair or replacement.

During the reporting period, the Group did not receive any complaints related to its products or services, nor were there any recalls of sold or shipped products due to safety or health concerns.

Information Security

The Group has established an information security management system to strictly protect customer privacy and prevent data leakage. We adopt technical and management measures, including assigning dedicated

personnel for the storage and destruction of customer data with strict approval procedures. We use encryption for electronic information and set access permissions based on the principle of least privilege. Specialized IT personnel conduct daily monitoring and regular security assessments. The Group is further strengthening its digital governance foundation to reach international standards in information control and risk management.

The Group strengthens its digital governance foundation to effectively manage information risks, safeguard information security, and enhance the quality of information technology services. International certification of information security management systems demonstrates an organization's capability to systematically and effectively protect information assets, thereby enhancing the trust of customers and business partners. During the reporting period, Wuhan LandPower's Information Security Management System certification (ISO/IEC 27001:2022) remained valid, continuously ensuring the security of corporate information. In addition, the Group has been advancing the development of its Information Technology Service Management System, service quality control, and risk management in relevant business areas toward international standards. Wuhan LandPower's Information Technology Service Management System certification (ISO/IEC 20000-1:2018) also remained valid, driving further improvements in the standardization and professionalism of information services.

Looking ahead, the Group will continue to strengthen oversight of its information security management system, expand the coverage of internationally recognized certifications, effectively safeguard information security, and reinforce the confidence of customers and all stakeholders.



Wuhan LandPower Information Technology Service Management Systems Certification



Wuhan LandPower Information Security Management Systems Certification



Wuhan LandPower obtained CMMI Level 3 Certification

The Group continuously strengthens employee security awareness training, emphasizing the importance of customer information protection. We require employees to strictly abide by confidentiality policies and explicitly prohibit anyone from selling, sharing, or disclosing customer data. During the Reporting Period, the Group conducted information security training covering 501 personnel, totaling 6,345.3 hours.

The Group complies with all applicable laws regarding confidential information and data protection in China, Hong Kong, Germany, the Netherlands, and Switzerland. We regularly audit public promotional materials on our website to ensure information is truthful, legal, and healthy, with no factual inaccuracies or misleading content. During the Reporting Period, the Group received no complaints regarding infringement of customer privacy or the leakage, theft, or loss of customer data.



Technological Innovation

The Group consistently adheres to the business philosophy of "regarding technological innovation as the primary driving force for corporate development." We continuously strengthen the construction of our R&D system and optimize resource allocation to enhance independent innovation capabilities and core technical competitiveness, laying a solid foundation for long-term development. As of the end of the reporting period, the Group had eight high-tech enterprises.

The Group continues to increase R&D investment. During the reporting period, R&D investment was approximately RMB 152 million, accounting for about 7% of the Group's revenue, an increase of approximately 10% compared to 2024. R&D projects cover several strategic emerging fields and future industries, including Ultra-high Voltage (UHV) power transmission, power grid digitalization, wind and solar energy storage, and controllable nuclear fusion. The Group places great importance on the development of its R&D talent team, continuously cultivating and attracting core technical professionals, and collaborating with universities and research institutes to establish industry – academia – research talent bases, thereby providing strong talent support for technological innovation. During the reporting period, Wuhan LandPower, in collaboration with Wuhan University, established the industry-university-research collaboration innovation and talent incubation bases to jointly advance the development and application of cutting-edge intelligent sensing technologies, laying the groundwork for sustained growth.



Wuhan LandPower and Wuhan University joint establishment of the Industry-University-Research Collaboration Innovation and Talent Incubation Bases.

The "specialized, refined, distinctive, and innovative" (SRDI) initiative is a major national program designed to guide small and medium-sized enterprises toward specialized, sophisticated, distinctive, and innovation-driven development, with the aim of strengthening their independent innovation capabilities and core competitiveness. The Group has deeply cultivated niche markets, focusing on products in key segments of the industrial chain and emphasizing the commercialization of innovation outcomes. As of the end of the reporting period, six entities within the Group had been recognized under the "specialized, refined, distinctive, and innovative" (SRDI) program, forming a comprehensive portfolio of honors at both national and provincial levels.

- National-level SRDI "Little Giant" Enterprises (4): Jiashan Sunking, SwissSEM China, Wuxi Sunking, and Wuhan LandPower. Notably, Jiashan Sunking has broken foreign monopolies and is the only domestic supplier of anode saturation reactors for UHVDC transmission. SwissSEM China focuses on power semiconductors, with its self-developed IGBT and silicon carbide chips reaching internationally leading levels. Wuxi Sunking's capacitor products are widely applied in major UHV projects across China, while Wuhan LandPower has achieved outstanding results in the field of power grid intelligence.
- Zhejiang Provincial SRDI SMEs (2): Zhejiang Sine and Jiashan Capacitor.

Protection of Intellectual Property Rights

The Group complies with relevant laws and regulations in Mainland China, Hong Kong, Germany, the Netherlands, and Switzerland. We attach great importance to the protection of intellectual property (IP) rights. Through training and promotion, we ensure employees understand IP laws and recognize the necessity of protecting our own IP while respecting the IP rights of others. The Group has strengthened IP management by assigning dedicated departments to different forms of intellectual property. We implement management through non-disclosure agreements (NDAs), trademark and patent registrations, and encryption measures to prevent leakage and misuse. We strictly prohibit employees from using others' IP without authorization. As of the end of the reporting period, the Group held a total of 289 valid patents, including 72 invention patents, with an additional 79 applications under review.

Furthermore, the Group has established specialized internal management bodies to reinforce IP management. For instance, Jiashan Sunking established a Business Secret Protection Committee and collaborated with the Jiashan County Market Supervision Bureau to set up a Business Secret Protection Demonstration Point. This ensures the effective operation of business secret protection mechanisms, active monitoring of market dynamics, and legal action against infringement when necessary. During the Reporting Period, no IP infringement cases occurred within the Group.

Case | Capacitors Selected for the National Energy Administration's First Major Technical Equipment (Set), Supporting Localization of Energy Equipment

In January 2025, Sun.King Technology's self-controllable dry capacitors were selected for the National Energy Administration's list of the first (set) of major technical equipment. This filled a domestic gap and promoted the localization of energy equipment, providing self-controllable technical support for clean energy transmission, grid construction, and offshore wind power, thereby supporting the implementation of China's energy strategy.

Case | Promoting the Localization Process of the Gansu-Zhejiang Project and Advancing Green Energy Transition

On September 25, 2025, Sun.King Technology successfully completed the type test for flexible DC support capacitors for the Gansu-Zhejiang Project. This marked that the self-developed capacitor prototype passed rigorous testing and is ready for mass production, advancing the localization of power equipment and enhancing national energy security.

On October 16, 2025, Sun.King Technology launched the mass production of capacitors for the ±800kV Gansu-Zhejiang UHV flexible DC transmission project in Jiashan. This broke foreign technical monopolies and supported the efficient transmission of clean energy, contributing to the achievement of "carbon peaking and carbon neutrality" goals.

Anti-corruption

The Group actively advocates for a culture of integrity and maintains a zero-tolerance policy toward illegal acts such as bribery, corruption, and fraud to promote healthy corporate development. We formulated the *Anti-corruption System*, which clearly stipulates codes of business conduct and consequences for violations, covering key issues such as gifts and conflicts of interest, thereby strengthening employees' professional ethics and compliance awareness.

The Group strictly complies with national laws and regulations and strengthens supervision over high-risk business segments. Through the *Internal Whistleblowing System, Internal Audit System*, and *Audit Management System*, we continuously refine anti-corruption and anti-fraud control mechanisms. The Board of Directors authorized the Audit Committee to oversee non-compliance and regularly review the effectiveness of the internal control system.

Additionally, the Group has established a whistleblowing system, clarifying the responsibilities of the Audit Committee and the Audit Department. We handle reports in compliance with laws and ensure that whistleblowers do not face unfair treatment or dismissal. For verified violations, the Group will take appropriate measures depending on the severity, including warnings, recovery of funds, termination of contracts, or referral to judicial authorities, to maintain a clean and transparent operating environment.

Audit Committee	• Responsible for supervising whistleblowing work, including improving reporting processes, guiding investigations, and reporting progress to the Board in a timely manner.
Audit Department	• Sets up anonymous reporting channels (e.g., mailboxes, email, hotlines) for employees and stakeholders (such as customers and suppliers) to report misconduct or corruption, ensuring channels remain open. • Processes reports fairly, promptly, and confidentially, reporting directly to the Audit Committee.

The Group regularly conducts anti-corruption training for directors and employees. The training covers laws and regulations, ethics, industry best practices, and analyses of recent corruption cases to continuously strengthen employees' integrity awareness. These efforts help employees improve their understanding of legal and ethical standards, identify potential corruption risks, and act correctly. During the Reporting Period, the Group conducted such anti-corruption training for directors and all employees.

The Group strictly complies with the *Prevention of Bribery Ordinance* (Cap. 201) of the laws of Hong Kong and relevant laws of Mainland China regarding bribery, extortion, fraud, and money laundering. We also follow all guidelines set by the Independent Commission Against Corruption ("ICAC") and the Securities and Futures Commission ("SFC"). As previously mentioned, the Group has established a whistleblowing policy that allows anyone to report concerns anonymously. During the Reporting Period, no cases of corruption occurred within the Group.

During the Reporting Period, the Group had no incidents of non-compliance with relevant laws and regulations regarding bribery, extortion, fraud, and money laundering that had a significant impact on the enterprise. These laws and regulations include, but are not limited to:

Mainland China	*Criminal Law of the People's Republic of China* *Anti-Money Laundering Law of the People's Republic of China* *Company Law of the People's Republic of China* *The Bidding Law of the People's Republic of China* *Anti-Unfair Competition Law of the People's Republic of China*
Hong Kong	*Prevention of Bribery Ordinance* (Cap. 201) *Independent Commission Against Corruption Ordinance* (Cap. 204)
Germany	*Strafgesetzbuch* ('Criminal Code') *Geldwäschegesetz* ('Money Laundering Act') *Gesetz zur Bekämpfung von Korruption* ('Anti-Corruption Act')
Netherlands	*Dutch Criminal Code: Article 177* (punishing active bribery) *Dutch Criminal Code: Article 363* (punishing passive bribery) *Whistleblowers Protection Act*
Switzerland	*Swiss Criminal Code* *Anti-Money Laundering Act* *FINMA Anti-Money Laundering Ordinance* *Criminal Law Convention on Corruption of the Council of Europe (1999)*

Community Investment

The Group is committed to integrating social responsibility into its development strategy. We recognize that, as a responsible enterprise, while pursuing high-quality development, we should also proactively undertake social responsibilities, give back to society, serve the public, and work together to build a better future.

The Group actively participates in various public welfare and charitable initiatives through multiple approaches, including monetary and in-kind donations, volunteer services, and community development. During the reporting period, the Group made cumulative charitable donations of RMB 581,800. Each contribution and action reflects our commitment to delivering social value, fostering goodwill, and demonstrating a development philosophy grounded in responsibility and purpose.

Rural Revitalization Support

The Group actively responds to the national rural revitalization strategy and donated RMB 10,800 to a county, contributing its part to advancing rural development.

Education Support

Focusing on youth education and financial assistance for students in need, the Group made cumulative donations of RMB 561,000 to support basic education and youth development, helping to brighten the future through care and commitment.

Community Support

The Group donated RMB 10,000 to a community in Wuxi to assist disadvantaged groups, delivering warmth and care to the community.

Environmental Initiatives

The Group's environmental efforts extend beyond its operational sites. Each year on Tree Planting Day, the Beijing Sunking organizes employees to participate in tree planting activities and collect scattered waste in surrounding areas, contributing through practical actions to a better ecological environment.



Tree-planting activity: "Sowing Green Hope, Building a Better Future Together."

At the same time, the Group places great importance on cultivating employees' sense of social responsibility. We actively advocate and encourage employees to participate in various public welfare activities, including environmental protection, charitable donations, and community service. By harnessing the collective strength of our workforce, we continue to create positive social value and contribute to social progress and long-term development.

Appendix

Appendix I : HKEX ESG Reporting Code Content Index

Mandatory Disclosure Requirements		
Name	**Description**	**Section**
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Governance Structure
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: **Materiality:** The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. **Quantitative:** Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. **Consistency:** The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Reporting Principles
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Reporting Scope
"Comply or Explain" Provisions		

Aspect		Description	Section
A. Environmental			
Aspect A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.	Emissions Management
	A1.1	The types of emissions and respective emissions data.	Emissions Management
	A1.2	[Deleted on 1 January 2025]	Emissions Management
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions Management
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions Management
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Resource Usage
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Resource Usage
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resource Usage

	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Resource Usage
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resource Usage
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Resource Usage
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment and Natural Resources
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resources
B. Social			
Aspect B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
	B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
Aspect B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
	B2.2	Lost days due to work injury.	Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Development and Training
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
	B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
	B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
	B5.1	Number of suppliers by geographical region.	Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility

Aspect B6: Product Responsibility	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
	B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
	B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility
Aspect B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

Climate-related Disclosures		
Aspect	**Brief Description**	**Section**
Governance	The issuer shall disclose information on the governance body(s) (which can include a board, committee or other equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	Climate Change Response
	The issuer shall disclose management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Climate Change Response
Strategy	**Climate-related risks and opportunities:** The issuer shall disclose information that enables users to understand the climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	Climate Change Response
	Business model and value chain: The issuer shall disclose information that enables users to understand the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.	Climate Change Response
	Strategy and decision-making: The issuer shall disclose information that enables users to understand the effects of climate-related risks and opportunities on its strategy and decision-making.	Climate Change Response
	Financial position, financial performance and cash flows: The issuer shall disclose qualitative and quantitative information on current financial effects and anticipated financial effects.	Climate Change Response
	Climate resilience: After considering the climate-related risks and opportunities identified, the issuer shall disclose information that enables users to understand the resilience of the issuer's strategy and business model to climate-related changes, developments or uncertainties.	Climate Change Response
Risk Management	The issuer's processes and related policies to identify, assess, prioritise and monitor climate-related risks and opportunities.	Climate Change Response
	The processes the issuer uses to identify, assess, prioritise and monitor climate-related risks and opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).	Climate Change Response
	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into the issuer's overall risk management process.	Climate Change Response

Metrics and Targets	**Greenhouse Gas Emissions:** The issuer shall disclose its absolute gross greenhouse gas emissions during the reporting period (expressed in metric tonnes of CO_2 equivalent), classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	Climate Change Response
	Climate-related Transition Risks: Company shall disclose the amount and percentage of assets or business activities that are exposed to climate-related transition risks.	Climate Change Response
	Climate-related Physical Risks: Company shall disclose the amount and percentage of assets or business activities that are exposed to climate-related physical risks.	Climate Change Response
	Climate-related Opportunities: Company shall disclose the amount and percentage of assets or business activities associated with climate-related opportunities.	Climate Change Response
	Capital Allocation: Company shall disclose the amount of capital expenditures, financing, or investments allocated to climate-related risks and opportunities.	Climate Change Response
	Internal Carbon Pricing: Company shall disclose the following: (a) whether and how Company applies carbon pricing in decision-making (e.g., investment decisions, transfer pricing, and scenario analysis); and (b) the price per metric ton of greenhouse gas emissions used by Company to assess the cost of greenhouse gas emissions; or, where applicable, an appropriate negative statement confirming that Company does not apply carbon pricing in decision-making.	Climate Change Response
	Remuneration: Company shall disclose whether and how climate-related considerations are incorporated into remuneration policies, or provide an appropriate negative statement where such considerations are not included.	Climate Change Response

	Industry-based metrics: The Exchange encourages the issuer to disclose industry-based metrics that are associated with one or more particular business models and activities or are associated with participation in an industry's common characteristics.	Climate Change Response
Metrics and Targets	**Climate-related targets:** The issuer shall disclose (a) the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals (metrics used to set the targets); and (b) it is required to meet by law or regulation, including any greenhouse gas emissions targets (the objective of the targets). The issuer is required to disclose, for each target: (a) the metrics used to set the target; (b) the objective of the target (e.g., mitigation, adaptation, or science-based initiatives). The issuer shall disclose the approach to setting and reviewing each target, and how it monitors progress against the target. The issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance. Each greenhouse gas emissions target disclosed as part of the climate-related targets above.	Climate Change Response

Appendix II : Feedback Form

Dear readers:

Thank you very much for taking time out of your busy schedule to read the *Sun.King Technology Group Limited 2025 Environmental, Social and Governance (ESG) Report*. In order to provide you and other stakeholders with more valuable information, and effectively promote the Company's ability and level to fulfill ESG responsibilities, we sincerely look forward to your comments and suggestions.

Your overall assessment of this report is:

Very good	Good	Fair	Very Poor

How do you evaluate the response and disclosure of this report to the concerns of stakeholders?

Very good	Good	Fair	Very Poor

How would you rate the Group's performance in governance responsibility?

Very good	Good	Fair	Very Poor

How would you rate the Group's performance in environmental responsibility?

Very good	Good	Fair	Very Poor

How would you rate the Group's performance in social responsibility?

Very good	Good	Fair	Very Poor

Are the information, indicators, and data disclosed in the report clear, accurate, and complete?

Very good	Good	Fair	Very Poor

Do you think the content arrangement and layout design of this report are reader-friendly?

Very good	Good	Fair	Very Poor

Open Questions

Do you have any comments or suggestions on this report and the performance of Sun.King Technology Group Limited on our ESG governance and practice?