CIC®

中国智能交通系统(控股)有限公司

China ITS (Holdings) Co., Ltd.

(incorporated in the Cayman Islands with limited liabilty)

Stock Code: 1900

2025

Environmental, Social and Governance Report

Environmental, Social and Governance Report

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Environmental, Social and Governance Report

ABOUT THIS REPORT

This report is the 10th Environmental, Social and Governance Report ("ESG Report") issued by China ITS (Holdings) Co., Ltd. ("the Company" or "CIC" or "We"). The report mainly introduces the Company's management policies in environmental, social and governance aspects and specific management measures taken during the reporting period, aiming to strengthen communication with internal and external stakeholders of the Company.

Reporting Scope

The scope of this report includes China ITS (Holdings) Co., Ltd. and its main domestic and overseas subsidiaries and offices, as detailed in the table below. For purposes of clarity, Myanmar Hlawga GGE Power Plant Company Limited and Myanmar Ahlone Power Plant Company Limited are collectively referred to as "Myanmar Power Plant". Compared with the previous reporting period, Forever Opensource Software Inc. ("FOSS") has been added this year, while the Beijing Representative Office of China ITS (Holdings) Co., Ltd. (Cayman Islands), which has completed deregistration, has been removed this year.

No.	Company
1	Beijing Aproud Technology Co., Ltd. (北京亞邦偉業技術有限公司)
2	Beijing Haotian Jiajie New Energy Co., Ltd. (北京昊天佳捷新能源有限公司)
3	Beijing Hongrui Dake Technology Co., Ltd. (北京宏瑞達科科技有限公司)
4	Beijing Jiujian Technology Co., Ltd.* (北京九建科技有限公司)
5	Beijing Zhixun Cloud Technology Co., Ltd. (北京智訊雲技術有限公司)
6	Beijing Zhixun Tiancheng Technology Co., Ltd. (北京智訊天成技術有限公司)
7	Beijing Zhongzhi Runbang Intelligent Railway Transportation Technology Co., Ltd. (北京中智潤邦智慧軌道交通技術有限公司)
8	CEEC Global Limited (世波工程有限公司)
9	Chengdu Zhongzhi Runbang Transportation Technology Co., Ltd. (成都中智潤邦交通技術有限公司)
10	CIC Information Technology Company Limited
11	CIC Infrastructure Industry Investment Limited (中智基礎產業投資有限公司)
12	CIC Transportation Systems Technology Malaysia AND BHD
13	Jiangsu Zhongzhi Transportation Technology Co., Ltd. (江蘇中智交通科技有限公司)
14	Myanmar Ahlone Power Plant Company Limited
15	Myanmar Hlawga GGE Power Plant Company Limited
16	Xizang Intelligent Aviation Transportation Technology Co., Ltd. (西藏智航交通科技有限公司)
17	Zhongtian Runbang Information Technology Co., Ltd. (中天潤邦信息技術有限公司)
18	Forever Opensource Software Inc. (恒拓開源信息科技股份有限公司)

Reporting Period

The Company's ESG report is an annual report and this report is for the period from January 1, 2025 to December 31, 2025.

Basis of Preparation

This report is prepared in accordance with the requirements of The Hong Kong Exchanges and Clearing Limited ("HKEx") *Environmental, Social and Governance Reporting Code* (the "ESG Reporting Code").

Environmental, Social and Governance Report

STRENGTHENING ESG RESPONSIBILITY MANAGEMENT

ESG Management Vision

China ITS (Holdings) Co., Ltd. is mainly a provider of infrastructure technology-related products, specialised solutions and services for clients in the railway, power, and aviation industries. It also offers energy performance contracting to meet customers' multi-level needs for safety, reliability, efficiency, environmental protection, and guaranteed returns.

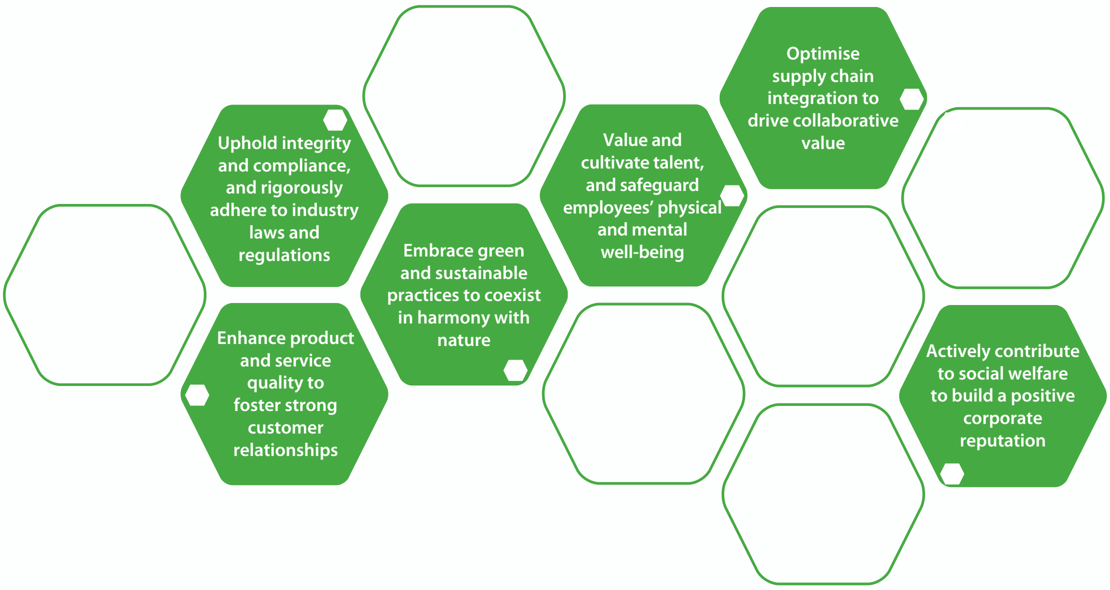
Since its establishment, CIC has consistently adhered to the business philosophy of integrated development of the economy, society, and environment, promoting sustainable business practices and fulfilling corporate social responsibilities to better seize the opportunities brought by industrial development.

Corporate Vision

Deliver solutions which enhance safety, efficiency, convenience and environmental protection for the transportation industry.

Corporate Value

Integrity, Professionalism, Innovation and People



Environmental, Social and Governance Report

ESG Governance

We have established a clear, top-down framework for sustainable development and governance to effectively implement the Company's ESG strategy. This structure, composed of the Board of Directors, ESG Task Force, and functional departments and subsidiaries, drives the orderly implementation of ESG initiatives.

Statement of the Board of Directors

In 2025, the Company remained steadfast in its mission to enhance safety, efficiency, convenience and environmental protection for the transportation industry. It deepened its integration into China's Belt and Road Initiative, steadily advancing the high-quality development of this collaborative effort. Aligning with China's "3060" dual carbon goals (carbon peak and carbon neutrality), the Company proactively promotes sustainable business practices and fulfils its corporate social responsibilities to better seize opportunities brought by industry development. This enables the Company to deliver enhanced value to employees, customers, stakeholders, and society as a whole.

Strengthening ESG Governance. We have established an ESG management framework comprising the Board of Directors, the ESG Task Force, various functional departments and subsidiaries, with clearly defined responsibilities at each level to facilitate the implementation of ESG initiatives across the organisation. Within this structure, the Board of Directors serves as the highest decision-making body for ESG management. It guides the Company's sustainable development, formulates overarching visions, goals, and management strategies for corporate sustainability, and reviews the Company's annual ESG report.

Providing Premium Services. We implement strict quality control and are committed to building strong customer relationships. Leveraging technologies such as big data and cloud platforms, we have developed an industry-leading operation and maintenance platform for railway communication systems to better meet customers' evolving needs. We also actively expand into infrastructure construction markets along the Belt and Road to extend our services to more clients. We have established a comprehensive complaint mechanism with multiple channels for receiving feedback to listen to and address customer concerns.

Contributing to Ecological Environmental Protection. As a non-manufacturing high-tech enterprise, we actively promote energy conservation and efficiency by developing an eco-friendly office model and strive to be a dedicated practitioner in building a "resource-conserving society." We have formulated emergency response plans to proactively address climate and environmental risks. We comply with local laws and regulations in overseas markets, protecting the local environment while expanding our international presence. In accordance with the requirements of Myanmar's Environmental Conservation Department, we conduct detailed and quantifiable on-site environmental assessments for our facilities.

Achieving Mutual Benefits and Win-win Cooperation. We uphold the principles of mutual benefits and win-win collaboration by proactively integrating and sharing leading industry resources with stakeholders to foster a collaborative community. We aim to deliver benefits to shareholders, create value for clients, and enable employees to share in the fruits of the Company's development achievements. We offer internal training programmes such as Tiancheng College and Weekly Lessons to provide learning and development opportunities for our staff.

In addition, we fully recognise that engaging in community public welfare initiatives is a social responsibility that enterprises must fulfil. Guided by our philosophy of "Only Goodness Leads to Perfection," we strive to give back to society through our sense of responsibility and public welfare efforts, with a view to establishing a positive corporate image, elevating our corporate culture, and enhancing employee pride. Moving forward, we will continue to deepen our expertise in the railway business and infrastructure construction sectors. Drawing on our technical and service strengths, we provide customers with tailored products and professional solutions, driving progress in railway transportation and contributing to the infrastructure development of countries along the Belt and Road. We will continuously refine our sustainable development strategies and implementation approaches based on stakeholder expectations and corporate operations, thereby enhancing our level of sustainability.

We assume full responsibility for the Company's environmental, social, and governance strategies and reporting. We are responsible for assessing and determining the Company's ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. The Board of Directors and all directors guarantee that this report contains no false records, misleading statements, or material omissions, and we each individually and jointly accept responsibility for the truthfulness, accuracy, and completeness of its content.

Overview of ESG Governance Structure

The Board of Directors, as the highest decision-making body of the Company, guides the direction of the Company's sustainable development and assumes overall responsibility for the Company's ESG matters. The Board of Directors adopts a diversity policy in its composition, which facilitates the review of ESG reports and enables the provision of independent opinions during the review process. In the future, the Board of Directors will continue to strengthen ESG risk management, assume internal monitoring responsibilities for ESG risks, and safeguard the Company's development and the long-term interests of its stakeholders.

Concurrently, the ESG Task Force is responsible for ESG oversight and coordination. It implements decisions of the decision-making body, communicates and coordinates ESG-related matters, and oversees the preparation of ESG reports. It reports annually to the Board of Directors on the execution of relevant tasks.

Additionally, all functional departments and subsidiaries serve as specific implementation units, carrying out ESG plans established by the Task Force, accurately recording and reporting ESG-related data, and fully implementing ESG-related management activities.

Environmental, Social and Governance Report

The Company's ESG Governance Structure

Decision-making Level **Board of Directors**	Responsible for overall ESG governance Monitors and reviews ESG performance
Coordination Level **ESG Task Force**	Implements decisions of the decision-making body Communicates and coordinates ESG-related matters Organises the preparation of the ESG report
Execution Level **All functional departments, subsidiaries**	Implements the ESG work plan Collects and reports ESG-related information Executes ESG management tasks

Materiality Assessment

The Company conducts a materiality assessment in accordance with the HKEx's *Environmental, Social and Governance Reporting Code* and the materiality analysis procedure of the *Global Reporting Initiative* ("GRI"). Through methods such as questionnaires and interviews, the Company collects issues of concern from key stakeholders, conducts materiality analysis and prioritisation, identifies the Company's material issues in environmental, social, and governance aspects, and discloses them in the report.

Materiality Assessment Process

1) Identify ESG issues relevant to the Company by analysing the ESG Reporting Code and industry peers' disclosed topics;

2) Invite key stakeholders to assess the materiality of the identified issues. Internal stakeholders primarily evaluate the issues from the perspectives of the Company's long-term development strategy, management enhancement, urgency of investment, and competitive advantages. External stakeholders evaluate the issues based on the impact of these issues on the Company's assessments and decision-making, as well as the impact on their own interests. We integrate the assessments from both internal and external stakeholders to draft an initial materiality matrix;

3) Management reviews and approves the prioritisation of the materiality issues;

4) Solicit feedback on the report for the period from internal and external stakeholders after the reporting period to prepare for the next report.

Communication with Stakeholders

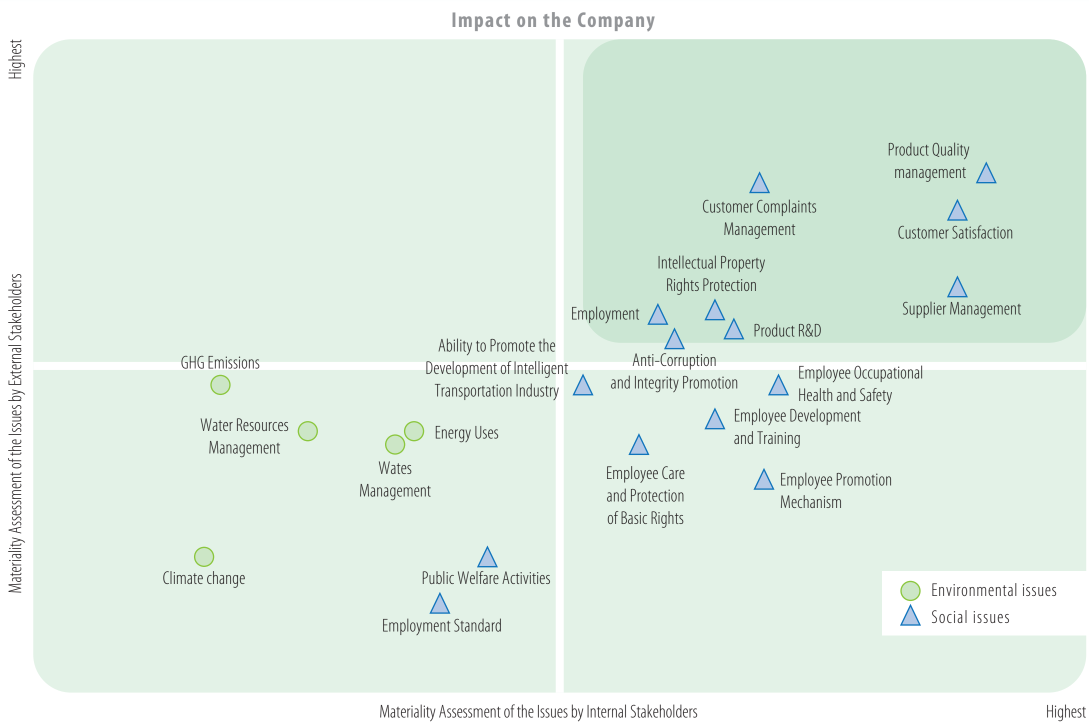
The Company considers and responds to the expectations and demands of stakeholders, and works with stakeholders to promote social development and share development results.

Stakeholders	Stakeholder Expectations	Mechanisms of Communication and Engagement	Responses
Investors	• Increase the Company's market value and profitability • Continuously improve the Company's performance in social and environmental responsibilities	• Shareholders' meetings • Information disclosure • Company website	• Publish reports regularly, disclose information truthfully and fully, and improve performance and create profits • Enhance corporate governance and risk management, hold shareholders' meetings, enhance investor relations management, and strive to improve environmental and social responsibility management
Clients	• High-quality products • Safeguard customers' legitimate interests	• Sign contracts and agreements • Conduct customer satisfaction surveys	• Provide high-quality products and services • Establish a sound customer service system and a customer feedback and complaint mechanism
Employees	• Guarantee employee compensation and benefits • Care for employee safety and health • Provide fair promotion and development opportunities • Improve communication mechanisms and encourage employees' participation in company management	• Employment contracts • Employee satisfaction surveys	• Strictly adhere to the terms of labour contracts and enhance the compensation and benefits system • Provide a safe and healthy work environment • Provide career development pathways and organise employee training programmes • Provide equal communication channels
Government	• Comply with laws and regulations • Operate in a compliant manner • Implement national policies	• Participate in relevant governmental meetings	• Strictly abide by relevant laws and regulations • Continuously enhance corporate compliance management • Align with relevant national policies

Environmental, Social and Governance Report

Stakeholders	Stakeholder Expectations	Mechanisms of Communication and Engagement	Responses
Suppliers	• Integrity, fairness, and impartiality in cooperation, mutual benefits • Win-win cooperation • Promotion of industry development	• Sign contracts and agreements • Regularly hold tender and bidding processes • Organise supplier meetings	• Uphold open and transparent business principles, actively fulfil contracts and agreements, implement transparent procurement models, and build a responsible supply chain
Industry peers	• Fair competition, honest cooperation, transparent and open information • Comply with industry standards, and promote industry innovation	• Hold exchanges with industry-related research institutes, associations, and mainstream media	• Strengthen exchanges and cooperation with peers, and jointly foster a healthy and orderly competitive environment • Participate in industry innovation research, achieve mutual benefits and win-win outcomes, pursue collective progress • Participate in industry excellence evaluations, and provide recommendations for industry standards

Materiality Matrix



1 PROFESSIONALISM

1.1 Assuring Product Quality

CIC strictly adheres to the *Product Quality Law of the People's Republic of China*. Upholding its corporate mission of "enhancing the safety, efficiency, and convenience of railway communication through high-quality services and professional solutions," the Company implements the quality management policy of "strengthening management, ensuring quality, delivering dedicated services, and achieving customer satisfaction." We promote an institutionalised, systematic, and data-driven quality control and management system. The Company integrates safety management throughout the project lifecycle, cultivates quality awareness among engineering and service personnel, and develops superior, efficient, and secure intelligent transportation solutions. Additionally, it provides technical support for system management and upgrades, as well as operational stability, ensuring safe and reliable travel for the public, partners, and customers. The Company has formulated the following quality management system:

- The Company requires self-inspections for 100% of project deliveries. Within one week after the project is 80% complete, the project quality lead (Project Supervisor) shall submit a project self-inspection report, which includes a hardware quality inspection report, a software quality inspection report, on-site photos of hardware quality, engineering memoranda, data scripts, etc.

- The Company's Technical and Quality Safety Department appoints designated quality managers based on actual project conditions to conduct random inspections on completed projects across all regions. The inspection rate for key projects must be no less than 50%, and for general projects, it must be no less than 20%. Quality inspection criteria are scored out of 100 points, with a score of 90 or above considered passing. Any issues identified in hardware inspections that affect the safe operation of equipment must be rectified.

- We have established a legacy issue database for each project, ensuring all engineering legacy issues are tracked, documented, and managed in a closed-loop manner.

- The Company strictly enforces the three-level authorisation system (customer authorisation, technical authorisation, and management authorisation) for high-risk operations. All operations affecting live network equipment must have their technical proposals submitted to the person responsible for the corresponding product line for review in advance. Proposals for major operations should be submitted one week in advance, and proposals for general operations should be submitted three days in advance.

We strictly adhere to the incident reporting system. In the event of communication outages, we require that the responsible persons in engineering, marketing, and other departments be notified within 30 minutes, and the corresponding personnel at Huawei's offices also must be informed. During the year, there were no incidents of product and service liability violations that had a significant impact on the Company.

Moving forward, the Company will continue to prioritise customer satisfaction as its core objective. By strengthening management and cultivating a culture of quality awareness among engineering and service personnel, we aim to enhance the quality of project delivery and service offerings, and establish a world-class engineering and service team.

Strict Control of Software Product Quality

Quality is the lifeline of the Company, and the Company has always placed great emphasis on quality management. Accordingly, we have established a target score for project delivery quality of 100 points, and a passing score of 90. The Technology and Quality Safety Department has been set up to conduct inspections and random checks on projects across all regions. Based on its services and products, the Company has also developed a series of product quality management standards, including the "General Hardware Quality Management Specifications", "Software Quality Management Specifications for Data Network Products", "Software Quality Management Specifications for Optical Network Products", "Software Quality Management Specifications for Access Network Products", and "Software Quality Management Specifications for GSM-R Network Products". Additionally, the Company has established relevant quality management system.

Rigorous Control of Service Quality in Construction Projects

While the Company develops its own quality standards, it also strictly complies with industry-specific standards based on the characteristics of the industry. The main standards the Company follows include GB/T19001-2016/ISO9001:2015 *Requirements for Quality Management Systems*, GB/T24001-2016/ISO14001:2015 *Requirements and Guidelines for Environmental Management Systems*, GB/T28001-2011/OHSAS18001: 2007 *Requirements for Occupational Health and Safety Management Systems*, and TB10205-99 *Railway Communication Construction Specifications*. We continuously standardise our management of product quality.

During the year, the Company strengthened its quality management by establishing a dedicated project quality team. This included formulating technical briefing protocols and quality control procedures, implementing pre-emptive technical management controls, creating a construction quality control system, standardising quality inspection methods, establishing quality assurance measures for the construction process, and strictly adhering to technical assurance protocols.

The Company's projects are categorised into two types: new construction projects and maintenance service projects. For new construction projects:

➢ Basic project delivery process: Project briefing (for major projects, verification of equipment contracts and tender documents is required) → engineering survey → preparation, shipment, receipt, inspection, and distribution of equipment → equipment sign-off → equipment inspection and acceptance → equipment demonstration station setup → equipment hardware installation → equipment commissioning → output of equipment commissioning reports → static testing and acceptance → static issue clearance → joint debugging and testing → dynamic testing and acceptance → clearance of dynamic acceptance issues → trial operation support → submission of completion documents → on-site training. Additionally, requirements for the timely archiving of process documentation have been strengthened. From the beginning to the end of the project, project managers are required to collect and submit the following materials in sequence: tender documents, contracts, design drawings, project task statements, minutes of the project briefing meeting, delivery acceptance forms, construction plans, weekly project progress reports, test and self-inspection reports, acceptance sign-in sheets and reports, project completion documents, project quality inspection reports, and project summaries. A company cloud drive has also been established, and all process documents are required to be uploaded and archived there.

➢ For traditional delivery projects, we continue to prepare a project progress report and distribute it weekly to ensure its timeliness and accuracy.

- For maintenance service projects, we continue to follow our *Maintenance Service Delivery Management Regulations*. The service content includes basic services (troubleshooting, technical support, and cutover support), holiday duty coverage, network inspections, skill training, spare parts service, and cutover operations. The maintenance services report is submitted on time every week, and inspections are conducted on a quarterly basis.

In 2025, the delivery of newly constructed projects and maintenance services proceeded in a smooth and orderly manner, and there were no service-related liability violations that had a significant impact on the Company. Products provided by the Company include: the electricity supplied by the Myanmar power plant, which does not have any realistic basis for recall due to product safety reasons, nor does it involve any quality inspection procedures; the software services and integrated solutions provided by the Company, which do not involve recall mechanisms. Quality assurance for these services is primarily managed through user experience and acceptance before delivery.

Looking ahead, we will rigorously adhere to the established project quality standards and systems to continuously enhance service quality, with the goal of ensuring a 100% compliance rate across all projects. In 2026, we plan to pursue IT transformation for the management of both traditional projects and maintenance projects, transitioning from internal development to online management through web-based platforms to enhance management efficiency.

In the future, the Company will continue implementing its quality plan management policy, which includes management enhancement, quality assurance, dedicated service, and customer satisfaction. With customer satisfaction as our ultimate goal, we will strengthen management, foster quality awareness among engineering and service personnel, and improve the quality of engineering delivery and service products. These efforts are aimed at building a first-class engineering and service team.

1.2 Customer Relationship Building

CIC is committed to the "customer-centred" principle and has established a market and customer-oriented management system. It continuously refines its relevant mechanisms and business operation processes in line with its business development and evolving internal and external environment. This approach enables CIC to enhance service quality, elevate customer satisfaction, and foster long-term, positive relationships with its customers.

Customer Satisfaction Management

The Company exclusively serves clients in the railway sector and has established a management goal of achieving a 95% customer satisfaction rate. To this end, it has developed a customer satisfaction evaluation system and adopted diverse customer satisfaction survey methods:

1. Paper Survey: The Company conducts paper surveys on customer satisfaction every six weeks using the Customer Satisfaction Survey Form. The Engineering Department establishes a list of customers to be surveyed based on project circumstances, distributes the Customer Satisfaction Survey Form to solicit customer opinions and suggestions, and collects the forms. The Engineering Department then compiles and categorises the feedback received, and distributes relevant issues to the respective departments, which are responsible for addressing the issues.

2. Telephone Survey: The Company conducts a telephone survey once a month, which includes customer feedback and complaints regarding the quality of our services.

3. Email Survey: The Company carries out an email survey once each quarter. Customers are asked to complete the Customer Satisfaction Survey Form, which is then collected, classified, and compiled by the Engineering Department.

Environmental, Social and Governance Report

By the end of 2025, the Company had 29 major projects under construction. These include: the Hefei Hub (new) (合肥樞紐(新)); G Station of the Huaibei-Suzhou-Bengbu Intercity Railway (淮宿蚌鐵路G站); SRV6 Data Network Management for the Shanghai-Suzhou-Huzhou High-speed Railway (滬蘇湖SRV6數據網管); Train Control System Upgrade to Enhance the Speed of the Hangzhou-Changsha Section of the Shang-hai-Kunming High-speed Railway (滬昆高鐵杭長段列控系統達速改造); Equipment Procurement for the Guang-zhou South RBC Localisation Construction Project (廣州南RBC屬地化建設工程項目設備採購); Mei-zhou-Longchuan Data Network IPv6 Supplement 1 (梅龍數據網IPV6增補1); Material Procurement for the Post-station Construction Project of the North Extension Line of the Guangzhou-Qingyuan Intercity Railway (Public Security Network) (廣清城際北延站後工程項目物資採購項目(公安網)); Cloud Managed Network Project for the Communications Network Management Centre of the Guangzhou Communication Section of China Railway Guangzhou Group Co., Ltd. (廣州通信段通信網管中心網管雲建設項目); Communications Equipment Sales Project for the Guangzhou-Zhanjiang High-speed Railway (廣湛通信設備銷售項目); Transmission, Access & Data Network Equipment Procurement for the Guangzhou-Zhanjiang High-speed Railway (廣湛鐵路傳輸接入及數據網等設備採購項目); Public Security Network Project for the Pazhou-Lianhuashan Intercity Railway (琶洲支綫公安網項目); Data Network Project for the Wuhan-Yichang Section of the Shanghai-Chongqing-Chengdu High-speed Railway (滬渝蓉高鐵項目數據網 — 漢宜段); Procurement Project for the Central Command Hub of China Railway Nanchang Group Co., Ltd. (南昌局指揮所採購項目); OTN — China Railway (OTN — 國鐵); OTN — Jiangxi Section of the Shanghai-Kunming High-speed Railway (OTN-滬昆江西); OTN — Southeast Coast Railway Fujian Co., Ltd. (OTN — 東南沿海福建); OTN — Nanchang-Jiujiang Intercity Railway (OTN — 昌九城際); OTN — Jingfu Mingan Railway Passenger Dedicated Line Co., Ltd. (OTN — 京福閩贛); Data Network Expansion for China Railway Nanchang Group Co., Ltd. (南昌局數據網擴容); BSC Upgrade Project for the Datong-Qinhuangdao Line A Network (大秦綫A網BSC改造工程); Expansion or Additions to the BSC Chassis-based Device for the Datong-Qinhuangdao Line B Network (大秦B網BSC機框增補); Data Network Project for the Baotou-Yinchuan High-Speed Railway (Inner Mongolia Section) (包頭至銀川高鐵(內蒙段)數據網); OTN — Baotou-Yinchuan High-Speed Railway (Inner Mongolia Section) (包頭至銀川高鐵(內蒙段) OTN); Data Network Project for the Baiyin Kulun-Haolai Hure Railway (白浩綫數據網項目); Training Base at the Vocational Education Centre of CR Hohhot Group (呼和局職教中心培訓基地); the Shenyang-Baihe High-speed Railway (沈白客專); Electrification Renovation Project for the Ganzhong-Zhongjiacun Railway (甘鐘至鍾家村電氣化改造); and Transmission Equipment Upgrade for the Baotou-Xi'an Railway of China Railway Xi'an Group Co., Ltd. (西安局集團公司包西綫傳輸設備更新改造). Each project is being delivered in an orderly manner according to the plan, with no customer complaints reported. A total of 30 customer satisfaction surveys have been conducted, covering 27 projects (93% coverage), and the surveys recorded a customer satisfaction rate of 100%.

The Company continuously standardises the processes and procedures for project delivery and maintenance services to further enhance quality assurance. By adopting a customer-centric approach, it proactively monitors and maintains client networks to ensure robust security, which has earned the trust and recognition of its clients.

Moving forward, the Company will continue to optimise its follow-up processes, prioritising enhanced holistic customer satisfaction and refining project satisfaction analysis. It will continue to exercise "three-phase control" — spanning pre-, during, and post-implementation — alongside regular self-inspections and random inspections. These efforts will enable the consistent delivery of premium services and strengthen the Company's core competitiveness.

Customer Complaint Management

Based on its "Customer Complaint Management System", the Company has established various complaint mechanisms and channels, including those for on-site complaints, as well as the 400 hotline.

- On-site complaints follow a structured escalation process whereby customers are guided through the following hierarchy: Project Manager → Regional Manager → Company Complaints Specialist. This hierarchical escalation system simplifies communication between the Company and customers while enhancing response speed and the overall handling of customer complaints.

- 400 hotline complaints: We have established a 400 telephone hotline for technical support and complaints, ensuring immediate awareness of customer needs and concerns.

Our steps for handling customer complaints are as follows:

1. Listening to customers' feedback: Fully and patiently listen to customers' suggestions and feedback, allowing them to fully express their concerns and carefully document the key points of the complaint;

2. Analysing the cause of the complaint: Understand the reasons behind the customer's complaint, conduct a comprehensive analysis of the complaint, and determine whether the customer's complaint is valid;

3. Propose solutions: After confirming that the customer's complaint is due to the Company's products, propose practical and feasible solutions accepted by the customer within three days based on the content of the complaint;

4. Follow-up on complaint feedback: After resolving the customer's complaint, conduct follow-up communication to confirm whether the customer is satisfied with the resolution. If any dissatisfaction remains, further improvement or resolution measures will be proposed.

No customer complaints have been directly reported to the 400 hotline this year, while multiple projects have received commendation letters from customers.

Customer Privacy Management

To protect customer privacy, the Company has established relevant customer information confidentiality policies. The Technology and Quality Security Department oversees these policies through dedicated personnel. Responsibilities include appointing dedicated personnel to authorise customer management permissions and update relevant customer information, and conducting random checks on the usage of customer information by relevant personnel to safeguard the interests of customers. Customer data is securely stored and managed through a centralised access point. Except for in cases where customer consent is explicitly obtained, the Company prohibits sharing customer network information or data with external parties, copying existing customer records, or performing operations on a customer's current network. To further ensure privacy, all customer-related communications use the project name as the subject line, avoiding exposure of sensitive customer information.

1.3 Proactive Protection of Intellectual Property

The Company prioritises the protection of intellectual property and strictly complies with relevant laws and regulations, including the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and the *Trademark Law of the People's Republic of China*. It has established an intellectual property management system to continuously enhance the Company's independent innovation capabilities while eliminating any acts that infringe upon or harm the Company's legitimate intellectual property rights. This system is designed based on the Company's current intellectual property portfolio, business development path, and medium- to long-term strategic plans. It integrates management concepts, organisational structure, operational models, and management personnel to ensure practical and effective implementation.

Innovation is a vital guarantee of the Company's core competitiveness. Consequently, reviewing the annual intellectual property management plan is a critical component of the Company's annual management planning. We have integrated intellectual property management into our corporate development strategy, positioning it as a core element of our medium- to long-term strategy.

The Company has implemented a three-tiered intellectual property management system under the leadership of the General Manager. The General Manager is responsible for formulating a promising intellectual property strategy that supports the Company's medium- to long-term development goals and reflects its actual circumstances. The Company has established an Intellectual Property (IP) Management Department that is responsible for developing IP management policies, coordinating IP-related activities, defining the scope of management, and outlining roles and responsibilities for each position. The department also oversees, guides, and inspects IP management within relevant functional departments, establishes and maintains an IP archive system, and represents the Company in external matters such as IP applications and registrations. Functional departments and units, such as the R&D Department, Production Department, Marketing Department, and component manufacturing branches, are primarily responsible for the creation, utilisation, maintenance, and management of IP within their respective areas of work.

The Company's IP management personnel coordinate and collaborate with various departments to integrate IP management across all aspects of the Company's operations, including R&D, marketing, HR, administration, and brand development. At the end of each year, the Company formulates an IP management plan for the upcoming year, assigns specific tasks to departments such as R&D, marketing, HR, administration, and brand development, and ensures IP management is integrated into routine performance evaluations.

The Company prioritises the protection of its intellectual property rights and has established a comprehensive IT management system for this area. We employ professional encryption software to protect internal network security, which enables us to exercise robust control and safeguard R&D materials, products, and data, while preventing the leakage of confidential corporate information and data at the source. To further strengthen IP protection, the Company mandates the registration of software copyrights and relevant patents, and has appointed a dedicated specialist to manage the safekeeping of these patent certificates.

Based on our IP portfolio and development path, and in combination with our medium- to long-term development strategy, we formulate an annual IP plan aligned with the Company's actual conditions. This plan assigns responsibilities to designated departments and individuals and includes provisions for regular IP management audits. Annually, personnel are organised to participate in relevant training sessions and assessments, and the results are incorporated into performance evaluations for both departments and individuals.

In addition, to support and ensure the successful execution of IP initiatives, the Company irregularly conducts awareness campaigns and training sessions on IP protection for employees. These initiatives emphasise the importance of safeguarding IP to every employee. For individuals who demonstrate exceptional contributions in the creation, protection, management, and commercialisation of intellectual property, or who have made significant achievements in effectively preventing infringement and protecting the Company's legitimate IP rights, the Company offers monetary and non-monetary rewards in accordance with national and internal regulations. Such rewards may include monetary bonuses, promotions, salary increases, professional title advancements, and other forms of acknowledgment.

As of the end of the Reporting Period, the Company held 18 invention patents, 13 utility model patents, and 439 software copyrights. Among these, 11 invention patents and 363 software copyrights were added during the reporting year.

2 INNOVATION

2.1 Continuously Strengthening Product R&D

In product development, CIC employs a user-need-driven and market-responsive approach while fostering innovation. Through end-to-end development and management, it accelerates development cycles, ensures precise market positioning, and optimises cost efficiency, ultimately delivering products that meet commercialisation requirements.

The Company's product management is primarily divided into four stages: concept, planning, development, and commercialisation:

- ➢ Concept phase: Rapidly assess the attractiveness of product opportunities and overall strategy to establish the scope of product requirements and explore alternative options;
- ➢ Planning phase: Define the product and develop a project implementation plan;
- ➢ Development phase: Complete product design and development to deliver an integrated solution that meets all requirements;
- ➢ Commercialisation phase: Manage the product throughout its lifecycle, from stable production to end-of-life.

To enhance the Company's R&D capabilities and maintain a competitive edge in the industry, we have implemented a series of measures:

- ➢ Regularly organise exchanges and learning sessions for product and R&D personnel with counterparts in the same and related industries, conduct periodic market research, invite industry and technical experts to provide training and guidance, and hold internal R&D trainings and knowledge-sharing sessions;
- ➢ Assess the technical strengths of new employees during the recruitment process to continuously improve the Company's technical expertise, uphold R&D standards, and sustain its competitive edge in the industry;
- ➢ Actively participate in exchange activities organised by associations or organisations in the transportation, security, and big data industries. Engage proactively in early-stage development and later-stage feedback for standards to enhance the Company's visibility within the industry and build the product brand;
- ➢ Increase investment in scientific research projects, and actively collaborate with partners such as the China Academy of Railway Sciences (CARS) and railway bureaus on research initiatives to maintain a leading position in the industry.

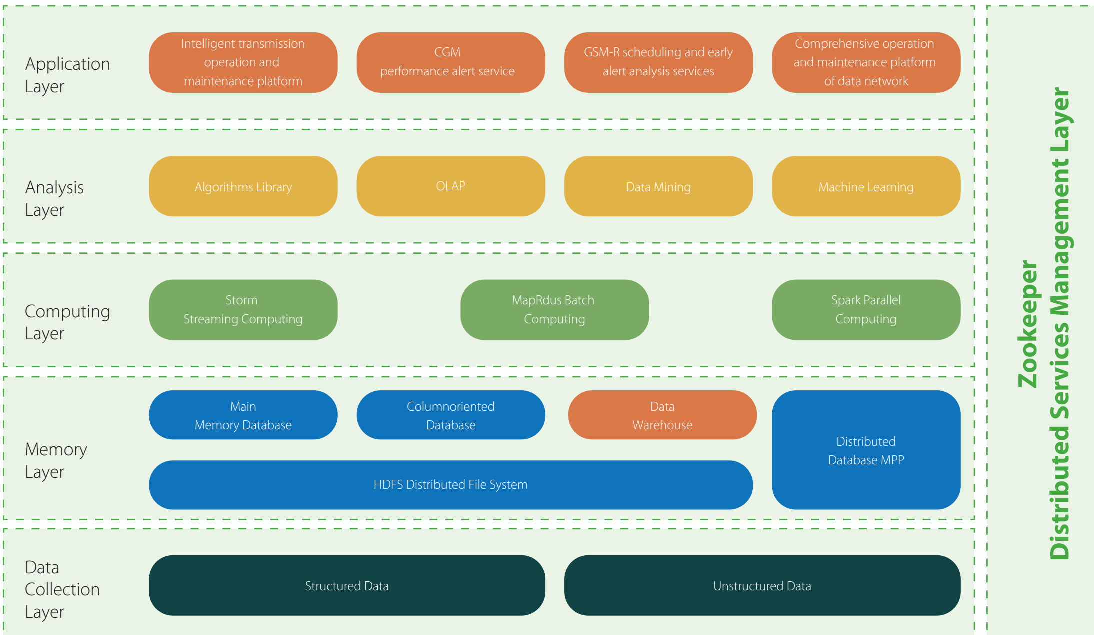
In the future, the Company will focus on further breakthroughs in the fields of Internet of Things (IoT), converged communications, computer vision algorithms, and the digitalisation of the low-altitude economy. Specifically, in IoT data collection and control, the Company will integrate its existing microservices architecture with IoT data collection adapters to achieve quick access to other IoT devices and applications, thereby meeting planning and implementation requirements for new products.

As of the end of the reporting period, the Company's innovative products in the intelligent transportation sector included:

Zhixun Cloud

Beijing Zhixun Cloud Technology Co., Ltd. (北京智訊雲技術有限公司) (hereinafter referred to as "Zhixun Cloud") was established in 2016 and has an in-house software R&D team. Based on the strength of the Company's service department, which has over 10 years of experience in operation and maintenance (O&M) for railway communications, Zhixun Cloud employs advanced technologies such as big data and cloud platforms to conduct R&D on O&M platforms for railway communications systems. It aims to reduce maintenance costs for railway communications equipment and make O&M for such equipment more convenient and efficient. Zhixun Cloud has developed functional modules for transmission systems and data networks. Through intelligent analysis of big data, it proactively identifies potential network risks and takes preventive measures, thereby improving network security and O&M efficiency while lowering maintenance costs.

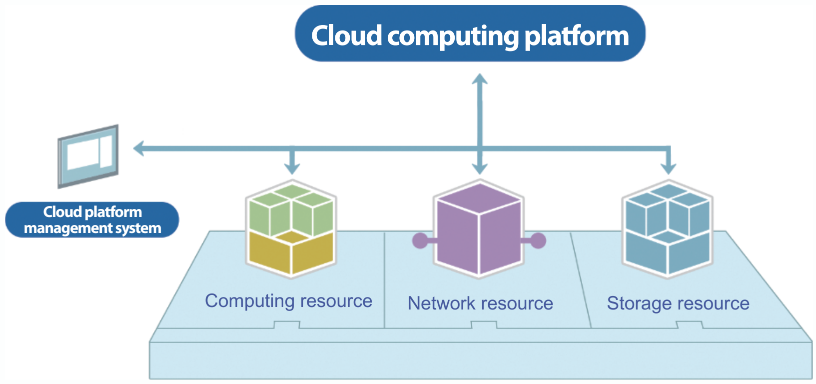
The ZhiXun Cloud O&M Software Platform adopts a "big data + microservices-based" cloud computing architecture. It sets up dedicated storage and analysis servers to collect data through the northbound interface of communications network management systems and network equipment management protocols. The platform stores massive amounts of performance and configuration data in a de-identified manner. By leveraging algorithms and early warning rules derived from network O&M practices for calculations and analysis, the system enables intelligent O&M capabilities for various specialised networks (transmission and data networks), which are then presented to customers and applied in practice.



ZhiXun Cloud's Technical Architecture

Big data analytics can address challenges posed by massive data volumes, rapid data turnover, diverse data types, and low-value-density data, enabling applications to more effectively meet customer needs in respect of data storage, data processing, and data analysis and mining.

The cloud computing platform provides support for large-scale device management, resource virtualisation and shared services, high-reliability data security, generic application architectures, and high scalability, thereby accelerating the migration of informatised and intelligent applications to the cloud.



Cloud Computing Platform

The Company has developed functional modules for transmission systems, GSM-R train dispatch, GSM-R networks, and data networks. By leveraging big data for intelligent inspections and analysis of key parameters or configurations in communication networks such as transmission networks and GSM-R, potential network issues can be identified and prevented in advance. At the same time, by tracking train locations in real-time, potential hazards are eliminated. This ensures smooth train operations, guarantees passenger safety, enhances network reliability and operational efficiency, and reduces maintenance costs.

- The transmission network module monitors the performance of each board in the equipment in real time, and early warning notifications are delivered to address abnormal values or fluctuations without triggering any abnormal alarms. When potential board failures are pre-determined, the backup board is mobilised in advance to minimise repair time.

- The GSM-R module extracts various GSM-R network parameters to monitor train locations in real time, automatically analysing anomalies in respect of network coverage, handover, and interference, and issuing early warnings to help users identify potential network issues in advance.

- The data network module integrates with router devices via the SNMP protocol, automatically extracting configuration and performance data to implement practical maintenance and operational functions such as device resource management, IP address analysis, traffic analysis, and compliance checks. Early warnings are issued for anomalies to help users identify potential network issues in advance.

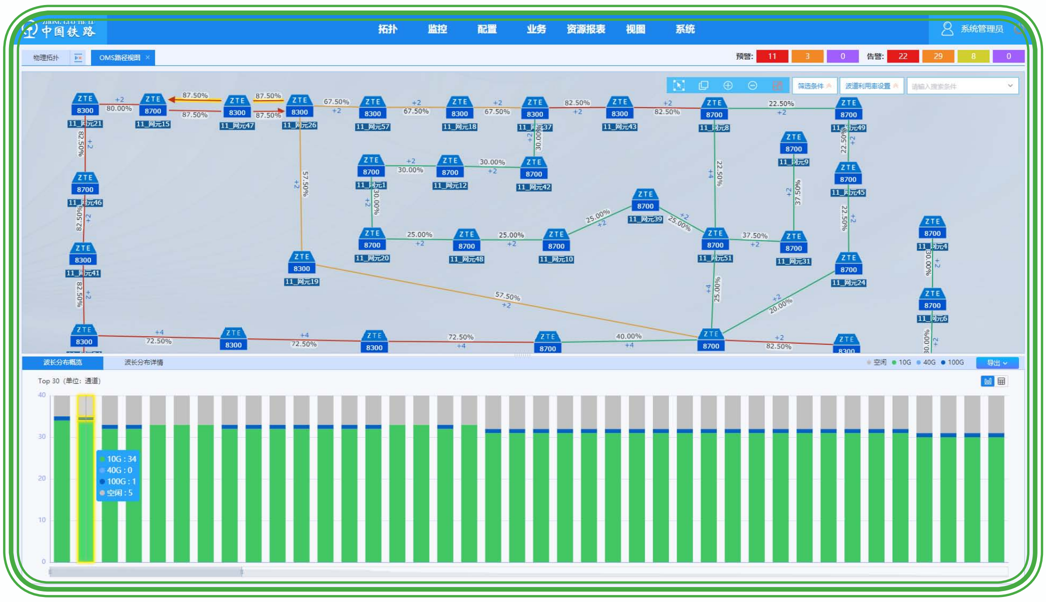
Environmental, Social and Governance Report

In 2025, ZhiXun Cloud successfully delivered a resource management system project for China Railway Shanghai Group Co., Ltd. ("China Railway Shanghai"). Based on the functional optimisations and requirements proposed by China Railway Shanghai, the existing software module functions were expanded and optimised, aligning them more closely with actual operations and maintenance.

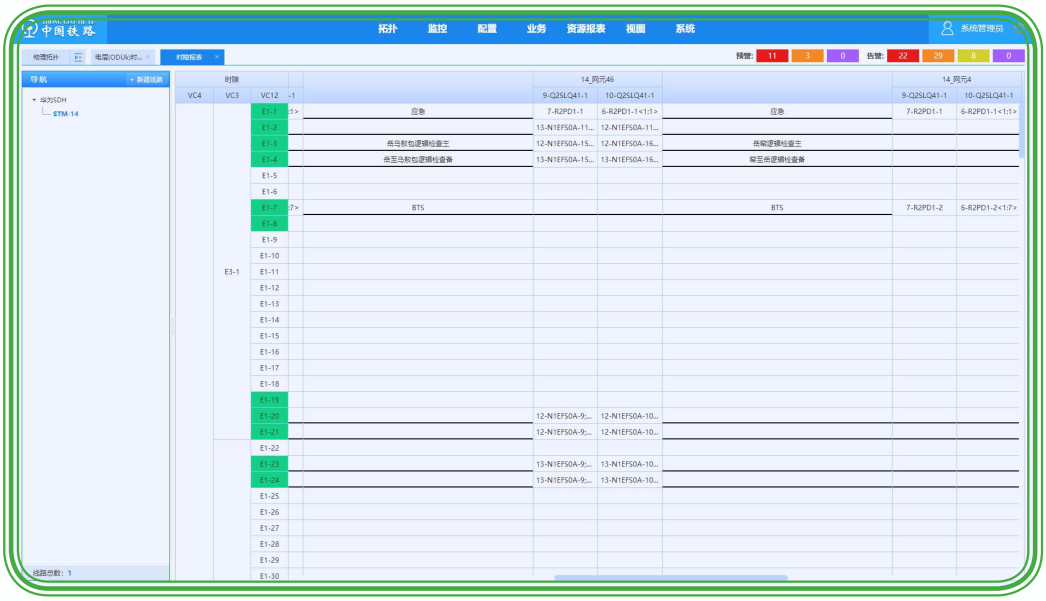
➢ Transmission modules

1) New version updates: In-depth research on CORBA interfaces and protocols was conducted to optimise underlying database tables. This enhancement ensures faster and more stable transmission of equipment configuration data, performance data, alarm data, and other information delivered by the network management system. It also improves functionality and user experience, providing essential assurance for the future large-scale integration of customer lines. Data collection based on the northbound XML interface was developed to support ZTE UME network management, and additional support was provided for collecting FiberHome UMC network management data.

2) Development of practical features: Features such as ticket management and optical cable resource management have been deployed and applied at China Railway Shanghai, garnering its recognition and feedback. This helps promote a positive feedback loop and iterative improvements in the software.



Environmental, Social and Governance Report



➢ Data network modules

1) Optimisation of selected functional modules: The underlying architecture and integration of existing functionalities were improved, and then deployed and tested at China Railway Nanchang Group Co., Ltd.

2) Addition of IPv6 service function: The new function was deployed and went into operation at China Railway Nanchang Group Co., Ltd. and China Railway Guangzhou Group Co., Ltd, enabling the incorporation of on-site customer feedback on operation and maintenance. This lays the groundwork for participating in the bidding processes of various railway bureaus for infrastructure projects involving data network access and traffic analysis systems.

3) Addition of IPv4 subnet planning service: Based on on-site IPv4 application and management scenarios, as well as the Company's practical experience in data network operation, we completed IPv4 subnet planning for our client, providing information support for the daily work of the client's data networks.

➢ AI applications

Since late 2024, attention toward AI concepts has reached unprecedented heights. The AI LLM model DeepSeek in China emerged as a standout example among these developments. Various industries are actively exploring and accelerating the implementation of AI applications. The Company is also proactively embracing AI applications in communications network maintenance, deploying a full-featured, locally hosted version of DeepSeek. Integrated with a specialised communications knowledge base — containing product documentation for communications equipment, failure cases accumulated and summarised over years of maintenance, and specific railway communications maintenance rules — this system offers 24/7 intelligent Q&A support and aids troubleshooting. It has demonstrated excellent results during testing. Currently, we are promoting free online trials for frontline customers. The website is ds.its.cn.

Moreover, ZhiXun Cloud strictly implements robust data protection and management. Specifically, operations on devices and network management are restricted to query and read-only access, excluding command-based actions like configuration deployment. This ensures the stable operation of devices and network management systems. Data collected from devices and network management systems is anonymised (encrypted) before being stored in the database, ensuring that data remains unusable even if it is leaked.

Looking ahead, the Company will continue to deepen the development of functional modules for existing transmission and data networks, providing customers with more efficient and convenient operation and maintenance services. In parallel, the Company will broaden its scope by expanding into new areas such as digital dispatch systems, dynamic environment monitoring systems, video surveillance, PMIS, and passenger services — areas that are closely aligned with customers' evolving business needs. Through the continuous and large-scale collection of relevant data, the Company will conduct data mining and analysis to provide customers with more comprehensive services, thereby safeguarding the security of railway communication networks.

The Company's digital intelligence solutions for the low-altitude economy mainly come from FOSS. Aligned with the latest developments in the broader civil aviation sector, FOSS's business covers the entire low-altitude industry chain. It pioneered the introduction of various proprietary products, including low-altitude airfield management systems and TianTong — a satellite communications, navigation, and monitoring solution. FOSS is also involved in co-building the "Skyway Smart Network" ecosystem, and its equipment has already been included in industry-standard catalogues and implemented in practical applications.

In terms of low-altitude solutions, FOSS has developed a full-industry-chain digital and intelligent service system around four key segments in the low-altitude economy: regional airspace control, R&D and manufacturing, operation and management, and airfield support. By building an integrated ecosystem for "communications, navigation, sensing, and meteorology", FOSS has developed satellite-based communications, navigation, and surveillance upgrade solutions for low-altitude aircraft, as well as portable devices. It has also introduced a suite of professional platforms, including a low-altitude integrated flight management platform, a digital regulatory service system for low-altitude operations, an aircraft health monitoring system, and a low-altitude operations management system. These innovations provide end-to-end digital support for the industry — from technology R&D to practical operations.

2.2 Leading Industry, Promoting Development

Driven by a commitment to enhance railway operation and maintenance services, we focus on developing intelligent management and data analysis systems for railway communications networks. Leveraging our extensive network construction and maintenance expertise, we conduct thorough analyses of client networks to identify their current status and bottlenecks. Through in-depth research into client maintenance needs, we pinpoint their key challenges. We prioritise clients' urgent requirements, anticipate their needs, and address their demands. Leveraging these insights, ZhiXun Cloud has developed targeted functional modules for transmission networks, GSM-R train dispatch, and GSM-R networks. These solutions have been deployed on demand across several railway bureaus, significantly enhancing network security and maintenance efficiency. The functional modules have received favourable feedback, and collaborative development projects have been initiated with several railway bureaus.

In the future, the Company will continue to optimise existing module functions and steadily expand into new areas. Through continuous large-scale data collection, mining and analysis, the Company will deliver more comprehensive services to customers and ensure the security of railway communications network. It will also open platform data interfaces to share data so that customers can use it in their relevant professional fields, thereby creating joint value for both the platform and its customers.

In the low-altitude economy sector, FOSS stands as a key aviation information technology service provider. It offers comprehensive, full-industry-chain services — spanning manufacturing, flight operations, support services, and operations — fostering integrated development across related fields. Its current business coverage encompasses low-altitude infrastructure, low-altitude aircraft manufacturing, low-altitude operational services, and low-altitude flight support. FOSS aims to harness the low-altitude economy industrial chain to drive digital services across various domains.

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On 21 November, FOSS attended the 2025 Hunan International General Aviation and Low Altitude Economic Industry Expo, showcasing its independently developed integrated control equipment for low altitude take-off and landing. As China's first integrated solution combining five critical functions — communications, sensing, control, meteorology, and visual monitoring — the equipment provides a unified control system that leverages advanced technologies including communications, IoT, sensing, and AI. It enables real-time monitoring of ground and airspace conditions at vertiports, offering full-scenario capabilities such as dynamic airspace awareness, coordinated aircraft management, and airfield security control. The solution provides comprehensive support for the safe take-off and landing demands of multiple low-altitude aircraft, including drones and eVTOLs. Leveraging its breakthrough technological advantages, the equipment was a standout feature at the exhibition and earned official commendation from the organising committee, securing the "Low-Altitude Innovation Award". This achievement highlights FOSS's technical prowess in the field of low-altitude digital intelligence technology.

Leveraging its proven track record and reputation in intelligent transportation, the Company will continuously strengthen its capabilities to advance China's intelligent transportation sector and establish leadership in the field.

3 PEOPLE

Talent is a strategic asset critical to the sustainable growth of our organisation. With this in mind, we are committed to advancing a people-centric approach to talent management. Our focus is on enhancing recruitment practices, refining compensation structures, and fostering an inclusive workplace culture that respects employee rights and promotes professional development. We are dedicated to creating an environment where employees can thrive by offering professional development opportunities and equitable career advancement pathways. We prioritise employee well-being, recognising both their contributions and their value as individuals. By fostering a relaxed, harmonious, and inclusive work environment, we aim to cultivate mutual growth and success. Our goal is to attract top talent across all disciplines while building enduring, mutually beneficial employment relationships.

3.1 Employment and Employee Rights

The Company is dedicated to safeguarding the rights and interests of its employees while continuously enhancing its HR management systems and processes.

The Company has developed and refined the "Employee Handbook" in strict compliance with relevant laws and regulations, including the *Labour Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*. The handbook outlines key aspects of employment, such as codes of conduct, hiring and termination procedures, compensation and benefits, training, performance management, and employee communication and grievance mechanisms. These guidelines are designed to ensure HR practices are conducted in a fair and transparent manner. The Company provides professional guidance and coaching at every stage of the employee lifecycle, from onboarding to departure. This approach helps employees adapt quickly to the Company's culture and grow with the organisation's support. Additionally, the Company conducts face-to-face exit interviews with departing employees to understand their reasons for leaving and to gather feedback on how the Company can improve. This process enables continuous enhancement of HR policies and practices.

Employment Standards: The Company adheres to the principle of long-term employment and strictly complies with relevant labour and human rights regulations. We ensure timely execution of employment contracts with all employees. The Company upholds the principles of equal pay for equal work and gender equality, and strictly prohibits the use of child labour or forced labour. Furthermore, we guarantee equal employment opportunities and labour security for employees of diverse nationalities, races, genders, religious beliefs, and cultural backgrounds. The Company conducts annual self-inspections for labor compliance. Upon identifying any violations (such as the use of child labor or forced labor), the Company takes immediate action to cease the violation and commences corresponding investigation.

Our Myanmar Power Plant in Yangon, Myanmar strictly complies with local laws and regulations, including the *Workers' Compensation Law*, the *Wage Payment Law*, the *Vacation Law* (originally enacted in 1951 and revised in 2014), the *Labour Organisation Law*, the *Social Security Law*, the *Minimum Wage Law*, and the *Labour Dispute Resolution Law*. These measures are implemented to effectively safeguard the rights and interests of workers. Throughout its operations, the Myanmar Power Plant has maintained a strong commitment to fair treatment, with no incidents of discrimination against local workers reported during its operation.

As of 31 December 2025, the Company employed a total of 904 individuals, comprising 900 full-time employees and 4 part-time employees, as well as two interns. The following table presents the Company's employee-related statistics for 2025:

Employee type	Number of employees as at the end of 2025 (Persons)	Number of employees as at the end of 2024 (Persons)
Male employees	763	278
Female employees	141	73
Beijing-based employees	402	135
Non-Beijing-based employees	502	216
Employees at or under 30 years of age	248	32
Employees between 31-35 years of age	253	45
Employees between 36-40 years of age	213	126
Employees over 40 years of age	190	148
Employees with postgraduate diplomas	35	31
Employees with undergraduate diplomas	559	194
Employees with junior college degrees or below	310	126
Assistant level employees	797	293
Mid-level management	81	40
Senior management	26	18

Employee type	Employee turnover rate in 2025	Employee turnover rate in 2024
Male employees	15.33%	10.43%
Female employees	17.73%	8.22%
Beijing-based employees	9.2%	2.96%
Non-Beijing-based employees	20.92%	14.35%
Employees at or under 30 years of age	27.82%	43.75%
Employees between 31-35 years of age	17.79%	17.78%
Employees between 36-40 years of age	7.98%	5.56%
Employees over 40 years of age	5.79%	4.76%

Note: The overall employee turnover rate has risen compared to last year, primarily due to the integration of the recently acquired subsidiary, FOSS, which operates in a different industry and part of its business nature.

Remuneration and Benefits System

The Company adheres to relevant laws and regulations, such as the *Labour Contract Law of the People's Republic of China* and the *Labour Law of the People's Republic of China*, and follows the principles of external competitiveness and internal equity to offer competitive compensation packages and benefits to employees. Additionally, the Company regularly adjusts salaries based on individual performance, skill development, and market benchmarks within the industry.

The Company provides comprehensive benefits to employees, including timely and full payment of statutory social security contributions and additional commercial insurance for enhanced protection. The Company also implements a paid annual leave system, ensuring compliance with statutory holidays while offering additional welfare days, such as one day of fully paid sick leave per quarter and extended Spring Festival holidays. Furthermore, the Company offers a range of benefits to enhance employee well-being, including holiday gifts, birthday gifts, lunch subsidies, transportation allowances, remote area subsidies, marriage and childcare support, and funeral benefits.

The Company is dedicated to offering attractive and competitive compensation packages, empowering employees to achieve a fulfilling life while fostering a strong sense of belonging and happiness. By continuously enhancing these offerings, the Company aims to bolster team spirit and organisational cohesion.

Channels of Communication

The Company has established platforms, such as the OA system, corporate WeChat, and a WeChat public account, to facilitate seamless communication with employees and various departments, enabling the Company to promptly address related demands. These platforms serve as a vital channel for dialogue between employees and the Company. All rules and regulations are developed through lawful democratic procedures and communicated to employees via these platforms before implementation. Additionally, employees have the opportunity to submit appeals and receive feedback through the same channels.

Furthermore, the Company's management regularly hosts special meetings to discuss various matters, ensuring effective internal communication. This fosters information exchange, enhances mutual understanding, and promotes coordinated actions among different functional departments and levels within the organisation.

In 2025, the Company experienced no labour disputes arising from violations of laws and regulations, child labour, forced labour, or breaches or default of contribution related to social insurance.

3.2 Training and Development

The Company is committed to a "people-oriented" philosophy, recognising that employees with well-equipped skills and experience are its most invaluable asset. Inspired by an open, unified, innovative, and shared corporate culture, we continuously refine and deepen talent development initiatives, recognising learning as a critical component of both core competitiveness and corporate identity. The Company strategically integrates internal and external training resources, aligning them with employees' professional growth needs, to build a comprehensive, multi-tiered training system that covers all staff. This approach ensures a holistic enhancement of employees' professional capabilities, driving the Company's sustainable and healthy growth.

In 2025, the Company leveraged both online and offline resources to refine and optimise its curriculum system across all levels and functions. To strengthen the mentorship programme, new employees were paired with experienced mentors for personalised training, facilitating a seamless transition into the Company, preserving institutional knowledge, and fostering in-depth talent development. Additionally, to support the digital transformation of the business, the Company delivered a range of digital business-related courses, encompassing core knowledge systems and hands-on experience sharing.

In 2025, the total training hours for our employees amounted to 40,206.16 hours, with an average of 49.82 hours per employee. Specifically, male employees averaged 51.03 hours, while female employees averaged 43.44 hours. When categorised by position level, assistant-level employees received an average of 50.00 hours, middle-level employees averaged 47.42 hours, and senior management averaged 51.44 hours. The overall training coverage rate was 89.27%, with male employees at 88.99%, female employees at 90.78%, assistant-level employees at 90.21%, middle-level employees at 82.72%, and senior management at 80.77%.

Our Myanmar Power Plant in Yangon, Myanmar implemented a multi-tiered training programme tailored to staff at different levels to enhance staff performance and promote environmentally friendly and efficient plant operations, further ensuring high operational efficiency and minimising equipment failures. This initiative aimed to meet the growing demand for electricity in Myanmar.

The employee training programme at the Myanmar Power Plant can be mainly divided into the following categories:

1) Technical training for all employees: A total of 200 hours of technical training was conducted between 6:30 pm and 9:30 pm, comprising both lectures and practical sessions. Training examinations were directly linked to salary bonuses.

2) Safety training: Practical fire safety training is conducted once a month to reinforce employees' understanding of fire safety protocols and the proper use of equipment. These sessions focus on ensuring that fire equipment remains fully functional and readily available in emergencies.

3) Corporate management: System and policy training.

In pursuit of excellence, Myanmar Power Plant prioritises the growth and safety of its employees. The training programme encompasses all staff, with senior engineers and commanders responsible for developing and delivering lessons. Diverse training methods are employed, including technical seminars for junior staff to enhance their expertise in repair, maintenance, and operations, as well as interactive discussions to foster problem-solving and critical thinking based on real-world scenarios. Beyond operational training, the programme also delves into safety regulations and disaster prevention, empowering every employee to contribute to the plant's safe and stable operation while maximising their individual potential.

3.2.1 Internal Training

The Company offers comprehensive internal training programmes, which include Tiancheng College, professional skill development across different functions, digital business training, and onboarding training for new employees:

Tiancheng College: Tiancheng College is a bricks-and-mortar institution dedicated to cadre management within Tiancheng Group. The College promotes a culture of lifelong learning, encouraging continuous development even after accumulating extensive practical experience. Under its motto, "the broadest path is often the simplest, focusing on achieving self-realisation, uniting knowledge with action, and embracing lifelong learning", the College focuses on enhancing strategic awareness and cultural identity, while also serving as a platform for cadre training, selection, and cultivation. It provides essential methodologies for the Company's management personnel and enable the Company to achieve the strategic goal of talent development. The management team places great emphasis on these training initiatives, actively participating in successive sessions to ensure they are well-prepared for future challenges and responsibilities. In mid-2025, Tiancheng College hosted a training programme centred on the theme "Learning from Nanchang Office, Working Together to Achieve Our Mission". The initiative utilised a variety of formats, including experience sharing, capability assessments, specialised training sessions, and detailed work reports. This comprehensive approach allowed participants to review the achievements of the first half of the year, identify existing challenges, and establish clear objectives for the second half. Together, they crafted a new strategic roadmap for the Company's continued growth. The event was attended by nearly 50 participants, including senior management and department heads.

The second Zhixun Tiancheng Cadre Training Event in 2025 was successfully held at the Beijing headquarters. Centred on four key modules — “digital business training, work reporting, leadership training, and team building” — the event provided participants with four days of structured and professional learning and development. This comprehensive programme significantly enhanced the overall literacy of the Company’s cadre team, bolstering the momentum for the high-quality development of the Company.

Digital business training: Digital business training is specifically designed for marketing personnel, solution providers, and delivery personnel. To meet the Company’s demand for digital business transformation, we offer comprehensive training and sharing courses focused on real-world digital business case studies. These sessions are designed to equip participants with the necessary professional knowledge and operational insights to effectively implement digital business strategies.

Onboarding training for new employees: To assist new employees in swiftly mastering job skills, understanding industry compliance requirements, grasping organisational collaboration logic, and deeply integrating into the corporate culture, the Company has implemented a comprehensive 4-day new employee onboarding training programme. This initiative aims to harmonise personal growth with the Company's strategic development goals. In 2025, two sessions of the training were conducted, successfully engaging 48 participants.

Professional skills training: In 2025, comprehensive training programmes were implemented across the operational teams at both AHLONE and HLAWGA Power Stations. At AHLONE Power Station, all personnel underwent structured training focused on scientific and eco-friendly operations, ensuring optimal power generation efficiency while minimising equipment downtime to meet the requirements of the Myanmar Ministry of Electric Power. The senior engineering team and site commanders led these sessions, delivering technical lectures and conducting dedicated workshops to enhance the technical proficiency, maintenance capabilities and operational standards of junior staff members. Interactive case studies grounded in real-world scenarios were integrated into the curriculum, reinforcing practical problem-solving skills essential for maintaining stable power station operations.

Safe production training

Fire-fighting training

External Exchange

External talent exchange programme: The Company has built a robust partnership with Huawei, aligning with our existing training needs and leveraging Huawei's cutting-edge management expertise. Together, we have jointly developed and delivered multiple business-related communication and training programmes, fostering mutual growth and collaboration.

3.2.2 Promotion of Employees

The Company places great emphasis on the career development of each employee, encouraging them to create personalised career development plans under the guidance and support of the organisation. To foster growth, the Company offers multifaceted development avenues, including professional, technical, and managerial channels. These opportunities are designed to leverage individual strengths, enabling employees to maximise their value in areas where they excel.

The Company continuously refines its assessment and incentive mechanisms. Adhering to a merit-based philosophy, the Company evaluates employees based on their contributions and the value they bring to the organisation. Work outcomes serve as a critical measure of effectiveness, influencing promotions, recognitions, and career advancement. The Company honours employees at various levels and positions who demonstrate dedication and achieve significant results. Additionally, it provides pathways for career progression and material rewards to establish a culture of recognition for hard work and excellence, fostering a system that rewards diligence and discourages complacency. This approach cultivates an incentive culture that aligns enterprise service with the realisation of personal value.

The Company has also implemented a qualification review system to ensure that employees meet the requirements of their roles. Based on a post qualification model, the Company conducts annual evaluations of its staff. Through rigorous assessment processes, including evaluations, examinations, and defenses, the Company assesses employees' abilities and combines these findings with annual performance reviews to determine if they meet the standards for their positions. Furthermore, the Company uses these assessment results to identify promotion opportunities and align them with job requirements, ensuring a fair and transparent approach to career development.

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3.3 Health and Safety

To enhance employee health and safety and ensure the Company's smooth operation, the Company places great emphasis on employee welfare and closely monitors the safety and well-being of each employee. In addition to compliance with relevant laws and regulations, such as the *Production Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on Fire Prevention*, and the *Law of the People's Republic of China on Occupational Disease Prevention and Control*, the Company has implemented a range of measures to fully safeguard the health and safety of its employees.

Physical examinations: The Company organises annual physical examinations for its employees and tailors the examination packages to suit different genders and age groups. Following the annual examinations, the Company engages in discussions with employees to gather feedback and suggestions regarding the examination process. Adjustments are made promptly to meet their needs and preferences.

Extra insurance: The Company proactively purchases personal accident insurance for its employees and also provides supplementary medical insurance as an additional benefit to complement social insurance. In the event of an accident, the Company offers active support and assistance to affected employees.

Health promotion: The Company regularly organises health consultations, promotes first aid knowledge, and assists employees in improving their health awareness and identifying potential health risks.

Daily measures: During working hours, the Property Department ensures the health and safety of employees by conducting regular disinfection of the building, particularly in public areas such as elevators, hallways, and restrooms. The fresh air system is fully operational during office hours to mitigate the impact of poor weather conditions, such as haze, on indoor air quality. In cases of inclement weather, the Property Department promptly lays non-slip mats and clears any accumulated water or snow to ensure the safety of employee passage.


Vaccinating employees

Occupational Health

The Company is dedicated to fostering a safety culture and creating a healthy and safe working environment for its employees. To proactively address potential risks to employees' occupational health, the Company has implemented several measures, including upgrading office facilities, procuring office supplies exclusively from reputable manufacturers, and ensuring both product quality and environmental sustainability.

The Company has developed a comprehensive safety management system, established a dedicated safety management organisation, defined clear safety production objectives, and implemented a robust safety production responsibility framework along with various supporting management systems. The Company's subsidiaries have developed several key systems and regulations to support these initiatives, including the "Safety Production Management System", "Project Department Safety Practice Disclosure Management Rules", "Pre-shift Safety Education Management Measures", "High-altitude Work Safety Regulations", "Fire Work Safety Regulations", and "Construction Site Emergency Plan".

The Company and its subsidiaries have taken the following measures to safeguard employees' occupational health:

- **Family-friendly measures:** The Company offers flexible working hours for pregnant and breastfeeding employees and provides maternity and paternity leave that exceeds legal requirements.

- **Safety and health training and advocacy:** Occupational safety and health are covered in all employee induction training. Headquarters and subsidiaries regularly organise safety production activities and training. Employee activities focus on themes related to sports and a healthy lifestyle.

- **Safety risk assessment in the workplace:** The Company conducts regular safety checks in office buildings and project sites, with particular attention to the safety of water and electricity facilities. Inspections are carried out to prevent fire, theft, and other potential risks.

- **Workplace disinfection and ventilation:** The Property Department ensures regular disinfection of public areas, including elevators, corridors, restrooms, and other public spaces. During office hours, the fresh air system is fully operational to minimise the impact of haze and other adverse weather conditions on indoor air quality.

- **Handling of potential safety hazards:** The Property Department posts warning signs in areas with potential safety risks and implements additional protective measures, such as anti-collision corners, to prevent accidents and ensure a safer working environment.

- **Construction personnel protection:** The Company provides construction personnel with appropriate labour protection equipment. Following safety education, all construction personnel are required to sign and confirm on the "Construction Personnel Level 3 Safety Education Record Card". Completion of pre-shift safety education must be confirmed by signature, with the signed document photographed and archived. During daily operations, employees are provided with protective masks, disinfected alcohol, and other epidemic prevention equipment.

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By referencing the power plant operation rules in China and in accordance with the *Environmental Protection Law of the People's Republic of China*, the *Contract Law of the People's Republic of China*, the *Labour Law of the People's Republic of China*, the *Production Safety Law of the People's Republic of China*, and the *Emergency Response Law of the People's Republic of China*, our Myanmar Power Plant in Yangon, Myanmar strictly adheres to and fully implements all production safety documents formulated by the China Electricity Council, including specific requirements for welding work and work at heights. The Myanmar Power Plant has established comprehensive occupational health and safety systems, covering areas such as occupational safety and health management, the distribution, use, and management of personal protective equipment, and notices and warnings regarding occupational hazards. The Company strictly enforces these systems and is committed to safeguarding the occupational health of its employees and ensuring production safety. To achieve this, the Myanmar Power Plant has implemented the following measures:

1. Conducting safety training and fire safety examinations for all employees.

2. Maintaining insurance coverage for all employees with approved insurers.

3. Establishing communication channels with public security, fire, and environmental protection authorities in Yangon.

4. Engaging in friendly exchanges and building positive relationships with local communities in Myanmar.

The strict implementation of the occupational health and safety system is a top priority. To enforce compliance, the Myanmar Power Plant has established a reward and punishment system for occupational health and safety, with clearly defined rewards and penalties. In 2025, no major safety accidents occurred at the Myanmar Power Plant.

The Safety Management of On-site Workers

➢ **Establishing a safety management organisation and allocating full-time safety management personnel:** Our Project Department has established a project safety leadership group, with project managers serving as chief safety officers, and on-site safety officers, project technical leaders, and project team leaders as members. This group is responsible for overseeing the entire process of safe production from start to finish.

  — The allocation of full-time safety management personnel must comply with the provisions of the *Measures for the Establishment of Safety Production Management Institutions and the Distribution of Full-Time Safety Production Management Staff in Construction Enterprises*. These personnel must meet three key requirements: 1) Possess professional knowledge and safety management skills, enabling them to identify hidden safety hazards, address them effectively, and organise relevant personnel to conduct safety production activities. 2) Demonstrate a rigorous work ethic, characterised by diligence and meticulousness, along with a strong sense of responsibility. 3) Exhibit a service-oriented mindset and humility.

- **Establishing, improving, and strictly implementing the safety production responsibility system and various management systems:** The safety production responsibility system is a crucial organisational measure for effective safety management and serves as the core and central link in safety production management.

  — Clear stipulations are made regarding the responsibilities, rights, and benefits of responsible individuals at all levels, functional departments, and various types of construction personnel during the construction process;

  — The "*Safety Production Responsibility Letter*" is drafted in accordance with the job responsibility system of management personnel and is implemented and executed hierarchically. This ensures that the person responsible for supervision is held accountable; and that the person on duty is held responsible, and related responsibilities are investigated as required.

- **Defining safety production goals and formulating safe construction organisational design:** Based on the project's specific circumstances, our Project Department establishes practical safety production goals and clarifies the standards to be achieved for on-site safety management, such as safety investment and civilised construction goals. This provides a clear direction for safety management. Additionally, the project's technical leader must compile relevant and targeted safe construction organisational designs and plans to guide on-site safe construction effectively.

- **Strengthening education and training to ensure thorough safety practice disclosure and effective work group safety measures:** "Training must precede action." To ensure safety, education and training are prioritised. The principles of "train before duty" and "no entry without passing the exam" are strictly adhered to.

  — Pre-job education and training must be tailored to the characteristics of the project, with safety practices disclosed to all on-duty employees in a focused and specific manner. This ensures that safety education plays an essential and significant role, eliminating superficial, exaggerated, or impractical content.

- **Carrying out safety inspections, flexibly applying normative standards, and rectifying any hidden dangers upon identification:** Relevant personnel conduct a detailed on-site inspection daily. Inspections must be "strict" and "targeted". Upon discovering any hidden dangers, rectification measures should be proposed promptly, in accordance with relevant norms and standards, as well as the actual on-site conditions. Immediate action is taken to address and resolve these issues.

To safeguard production safety, our Myanmar Power Plant in Yangon, Myanmar, has also established stringent policies for factory operation and management to prevent and control risks related to public affairs. These include:

- Emergency Response Plan for Natural Gas Leakages
- Contingency Plan for Explosions and Leaks in Boiler Components, Pressure Vessels, and Pipelines
- On-Site Management Plan for Fire Accidents Involving Hazardous Chemicals
- Action Plan for Cable Fires in Warehouses
- Fire Safety Protocol for Centralised Control Rooms
- On-Site Management Plan for Hazardous Chemical Leaks
- On-Site Disposal Plan for Waste Oil and Sewage Incidents
- Safety Management Standards for Enclosed Space Operations
- Safety Management Standards for Natural Gas
- Fire Safety Management Standards
- Standards for Major Accident Prevention Measures
- Safety Management Standards for Major Hazards
- Work Safety Standards to Prevent Fatalities and Personal Injury

In 2025, the Company adhered to all applicable laws and regulations significantly impacting its operations. The number and rate of work-related fatalities between 2023 and 2025 are presented in the table below.

	2025	2024	2023
The number of work-related fatalities (Persons)	0	0	0
Work-related fatality rate	0	0	0
Lost working hours due to work-related injuries (Days)	0	0	0

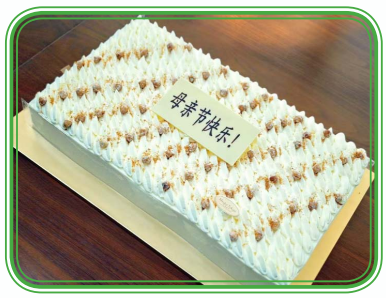
3.4 Care and Cohesion

To foster a stronger sense of belonging among employees, the Company undertakes a range of employee care initiatives, offering a platform for talent showcase and peer communication. These efforts not only address our employees' psychological needs but also elevate their overall happiness and job satisfaction.

- **Employee birthday parties:** The Company regularly hosts birthday parties for employees, fostering a sense of unity, teamwork, and camaraderie. These events help boost employee morale and engagement.

- **Sweet pantry and employee dormitories:** The Company has thoughtfully established a pantry and coffee lounge equipped with direct drinking water facilities. Additionally, it provides dormitories for employees working overtime. These amenities allow employees to relax and recharge, enhancing their comfort and well-being.

- **Holiday activities:** During festive seasons, the Company organises special surprises and celebrations for employees, reinforcing a collective sense of joy and shared achievements.



The Company values traditional culture and is committed to caring for its employees. During major Chinese festivals, including Dragon Boat Festival and Mid-Autumn Festival, the Company provides holiday benefits and care packages to its staff, expressing its care and extending holiday greetings to them.

Employee care plan: The Company has developed a comprehensive year-round family care plan, ensuring that care is implemented systematically according to the plan, with a focus on frontline employees and those who frequently travel. Additionally, the Company increases team-building activities before major holidays, such as New Year's Day, Spring Festival, Lantern Festival, Women's Day, and Dragon Boat Festival. By motivating employees to actively participate in these activities, the Company fosters a strong corporate culture and enhances employees' sense of belonging. Furthermore, the Company has established clear standards for care funds for employees' family members, including marriage and maternity gifts, as well as condolence money for the loss of immediate family members, with these standards tailored to the employee's position level.

Children are the cornerstone of happiness for families and the backbone of a stable enterprise. On Children's Day, the Company presents thoughtful gifts to our employees' children, ensuring they are exquisite, generous, and tailored to meet the needs of children. The Company also shares in the joy of these young recipients, reflecting its humanistic care and commitment to caring for employees' children through concrete actions. These initiatives not only demonstrate the Company's dedication to its employees but also contribute to building a harmonious and vibrant corporate atmosphere.

4 INTEGRITY

4.1 Rigorous Anti-Corruption Enforcement

Anti-corruption and integrity are cornerstones of corporate governance and essential self-regulatory mechanisms. Strengthening these initiatives is both imperative for corporate reform and sustainable growth, and fundamental to operational standardisation.

In 2025, CIC rigorously advanced its anti-corruption initiatives, strictly enforcing all applicable laws and regulations including the *Criminal Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*. To prevent embezzlement, bribery, extortion, fraud, money laundering, and other illicit activities, we continuously enhance internal anti-corruption oversight mechanisms, enhance integrity education to heighten employees' vigilance, and cultivate a corporate culture rooted in compliance, self-discipline, integrity, and trustworthiness.

To maximise the impact of these efforts, the Company focuses on optimising operational frameworks in these key areas:

➢ Internal anti-corruption oversight mechanisms: The Company rigorously implements regulatory mandates pertaining to anti-corruption initiatives. By leveraging internal coordination forums and harnessing the full spectrum of oversight resources — including Audit, Legal, Finance & Accounting, and Risk Management — we foster the ongoing refinement of our internal anti-corruption monitoring framework. This system encompasses personnel from senior leadership to mission-critical roles, clarifying and enforcing anti-corruption responsibilities across all functional units. Procurement staff bear personal responsibility for integrity and self-discipline, subject to comprehensive Company oversight. To proactively address potential integrity vulnerabilities and control gaps, the Company has instituted a systematic risk identification protocol. Utilising our information network platform for assessment, we then implement targeted anti-corruption measures based on the findings.

➢ Strengthening employee integrity education: The Company is committed to cultivating heightened ethical awareness and adherence to integrity among its workforce and has stepped up integrity education efforts accordingly. Targeted training programmes have been rolled out to elevate employee consciousness regarding corruption risks and cultivate a robust culture of integrity. Specifically, anti-corruption training is amplified within procurement-related departments to bolster internal vigilance. Employees are required to diligently familiarise themselves with the pertinent anti-corruption provisions outlined in the employee handbook, which expressly prohibit the abuse of position for personal gain, fraud, bribery, or corruption. Severe breaches of duty incur stringent sanctions.

- The Company has integrated oversight mechanisms at pivotal stages to address corruption in business processes. This encompasses continuously refining the approval protocols for marketing expense reimbursements and centralise or allocate approval authority as appropriate to foster effective checks and balances. This proactive structuring mitigates opportunities for corrupt practices.

- The Company maintains a dedicated internal complaints unit to receive reports concerning misconduct. The handling and investigation of all reports adhere to strict confidentiality protocols, with an unwavering commitment to protecting whistleblower anonymity and upholding the highest ethical guidelines.

The Company requires anti-corruption clauses to be included in contracts with core suppliers and clients, such as the following:

- If the purchaser's personnel request bribes during the contract term, the supplier must refuse and report the incident to the competent government department. Fulfilling, instead of turning down or reporting such demands, will constitute bribery by the supplier;

- The supplier must avoid any business relationships with the purchaser's employees or their relatives and must disclose any existing relationships. Should such relationships exist, the supplier commits to terminating all transactions with the purchaser;

- The supplier must act with integrity throughout contract execution and ensure accuracy in all documents, data, and materials provided to the purchaser. They shall not collude with the purchaser's personnel to falsify performance records, must honour all commitments, and comply with all agreements, contracts and memorandums between the parties, and shall not conceal any information affecting the purchaser's interests.

At the same time, the Company strictly penalises procurement employees and suppliers who violate relevant regulations, commitments, or contractual terms. For employees offending procurement, the Company reserves the right to terminate employment immediately without liability and pursue individual accountability. In cases of supplier violations, the Company will blacklist the supplier, revoke their qualification, and terminate business contracts without liability. Additionally, the Company will pursue legal action and seek compensation for damages pursuant to the agreement's warranty provisions.

Regarding procurement process design, the Company has implemented anti-corruption safeguards. These include multi-departmental checks and balances — involving market, product, procurement, and delivery functions at both front-end and back-end stages — creating processes that ensure mutual supervision. Furthermore, the Company maintains an internal audit system with dedicated staff conducting regular reviews.

The Myanmar Power Plant strictly adhere to local laws and regulations and maintain a robust auditing system and rigorous financial protocols to ensure transparent financial operations. Contact information for the Company's Financial Controller and General Manager — including phone numbers and email addresses — is publicly accessible to facilitate oversight and whistleblowing. Where corruption is identified and deemed unlawful, the matter will be referred to law enforcement authorities; other instances will result in termination following disciplinary action and education.

As of 2025, the Company had identified no material corruption-related risks, nor had there been any confirmed cases of corruption involving the Company or public legal proceedings concerning corruption allegations against the Company or its employees. Going forward, the Company will continue prioritizing anti-corruption and integrity-building initiatives, strengthen oversight through dedicated anti-graft bodies, expand external supervision channels, and enhance internal auditing systems to ensure sustainable and healthy development.

4.2 Compliant Procurement and Quality Assurance

Close collaboration with suppliers is fundamental to CIC's corporate strategy and a sustainable growth driver. CIC prioritises supplier communication, actively develops collaborative platforms, and works to build long-term, mutually beneficial partnerships. Together, we deliver premium products and services to customers while promoting steady, sustainable industry development.

To meet evolving company needs, standardise partner interactions, and improve service quality, CIC has developed its "Supplier Management Policy". This policy aligns with applicable laws and regulations — including the *Contract Law of the People's Republic of China* — and internal guidelines, and adheres to the principles of complementary strengths, equality, and voluntary participation. While Huawei Technologies Co., Ltd. remains our primary supplier, our partner network also includes cable suppliers, cabinet manufacturers, computer providers, and related equipment suppliers.

Supplier Admission

The Company manages supplier admission through an approved supplier database system. We implement a comprehensive supplier qualification and certification process, evaluating suppliers based on credentials (including registered capital, industry certifications, and product testing reports), business scale, financial stability, and industry reputation. Specifically for suppliers with environmentally or socially sensitive production processes, we mandate certifications such as Environmental Management System Certification and Occupational Health and Safety Management Systems accreditations. For large-scale equipment procurement, our procurement and product departments conduct on-site assessments of supplier facilities, evaluating factory conditions, safety protocols, and quality systems. Only suppliers meeting all requirements are admitted to the database.

As Huawei's strategic railway industry partner, we primarily distribute Huawei telecommunications and information equipment. For non-Huawei complementary product suppliers, we rigorously apply the same approved supplier database system and qualification process. Throughout the year, all engaged suppliers were subject to this supplier admission framework.

Project Tender

At the start of each year, the Company holds competitive bidding for standardised products among its qualified suppliers. Bid evaluations consider product quality, pricing, and the supplier's prior-year collaboration performance. For non-standardised products requiring single-source procurement, the Company screens suppliers using its new supplier onboarding criteria to determine bidding eligibility. Additionally, environmental compliance is assessed as required to verify that suppliers hold valid environmental permits.

Managing Supplier Performance

The Company systematically monitors suppliers throughout order fulfilment, with particular attention to environmental and social risks. On-site supplier personnel are strictly managed to ensure they meet operational requirements. Close oversight of project progress maintains control over timelines, quality, and costs. Simultaneously, suppliers are rigorously supervised to guarantee they provide adequate safety briefings and to ensure on-site personnel are technically qualified and operate safely.

Supplier Annual Evaluation

Based on our year-round cooperation with suppliers, the Company conducts a comprehensive assessment evaluating product quality compliance, pricing structures, supply cycle efficiency, and after-sales service collaboration. This evaluation determines a supplier's continued qualification as an approved vendor and informs next year's procurement volume allocation.

The Company performs supplier evaluations semi-annually. The assessment incorporates multi-dimensional perspectives from market personnel (representing customer viewpoints), technical staff (evaluating technical feasibility), project delivery teams (assessing service quality) and commercial personnel (analysing market pricing) Beyond routine evaluations, we maintain a supplier elimination mechanism. Suppliers receiving negative customer feedback, delivering substandard quality, or engaging in qualification fraud face immediate disqualification under our zero-tolerance policy.

Green Procurement

When selecting suppliers, the Company considers the environmental performance of products to ensure all procured items meet relevant environmental standards. Priority is given to eco-friendly alternatives under comparable conditions.

During supplier selection for the power plant in Yangon, Myanmar, the plant fully integrates supplier ESG performance into its evaluation. For instance, to prevent significant environmental and operational impacts from transformer oil leaks, the plant partners with companies demonstrating strong ESG performance. During transformer supplier screening, we identified a major supplier excelling in ESG performance. In operation, these transformers have performed reliably, effectively avoiding adverse environmental and social impacts while ensuring the power plants' safe, stable operation. When procuring gas turbine equipment spare parts, we favour suppliers with outstanding environmental and social responsibility records, such as GE and ETHOS.

By the end of 2025, the Company had 145 suppliers. Among these, 90 suppliers are located in China Mainland, distributed as follows: 1 in Anhui, 35 in Beijing, 2 in Sichuan, 9 in Guangdong, 2 in Hebei, 13 in Henan, 1 in Hubei, 3 in Hunan, 5 in Jiangsu, 1 in Inner Mongolia, 4 in Shaanxi, 7 in Shanghai, 2 in Nanjing, 4 in Tianjin, and 1 in Zhejiang. Additionally, the Myanmar Power Plant have 55 suppliers, distributed across various regions: 10 in North China, 3 in Northeast China, 29 in East China, 3 in Central China, 5 in South China, 3 in Southwest China, and 2 in Northwest China.

Moving forward, the Company will continue to strengthen supplier management in terms of standardisation and timeliness, while also incorporating environmental and social responsibility considerations.

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5 BENEVOLENCE

As a responsible corporate citizen, CIC upholds the philosophy of "Serving the Public for Greater Good." We actively engage in community initiatives, fulfil our social responsibilities, and contribute to society through dedicated philanthropy. This commitment not only enhances our corporate image and enriches our corporate culture but also fosters strong pride among our employees. In 2025, the Company spent approximately RMB80,000 in charitable programs.

In Myanmar, CIC owns and operates Yangon's Ahlone Power Plant and Hlawga Power Plant. While advancing infrastructure development and meeting local electricity demands, we also help address the interests and needs of Myanmar's communities.

Distributing food supplies as employee welfare benefits

Donating disaster relief supplies for earthquake response

Donating supplies to schools

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6 SUSTAINABILITY

CIC embraces its unshirkable social responsibility to promote sustainable development. We rigorously comply with all applicable environmental laws and regulations, championing green principles to foster a low-carbon society. The Company pursues simultaneous development of economic and environmental benefits. While advancing business operations, we comprehensively implement energy conservation and environmental protection concepts through multifaceted measures, continuously striving for clean, efficient, green, and intelligent progress.

6.1 Green Energy and Green Production

In 2020, CIC's overseas subsidiary (Myanmar Ahlone Power Plant Company Limited) obtained the power generation licence from Myanmar's Ministry of Electricity and Energy (MOEE). It subsequently commenced the upgrade and construction of a gas-steam combined cycle power plant employing cutting-edge technology in Yangon, Myanmar. The plant adopts a 1-1-1 configuration comprising one gas turbine, one heat recovery steam generator, and one steam turbine. With a total installed capacity of 183MW (120MW from the gas turbine and 63MW from the steam turbine), its designed rated output reaches 151.54MW. In 2025, Ahlone Power Plant supplied approximately 1.26 billion kWh to the grid, accumulating over 7,900 operating hours. Hlawga Power Plant delivered roughly 500 million kWh to the grid, exceeding 7,000 cumulative operating hours.

Gas turbine

Heat recovery steam generator (HRSG)

CIC's Ahlone Power Plant project aligns with the Myanmar Federal Government's Myangyan Independent Power Plant (IPP) scheme, alleviating electricity supply constraints and enhancing energy security caused by rapid local economic development. This ensures 24/7 power supply for households, manufacturing, service industries, and other sectors across the region.

In 2021, with approval from Myanmar's Ministry of Electric Power, the Company established a joint venture company (Myanmar Hlawga GGE Power Plant Company Limited) with a local Myanmar enterprise to collaboratively develop the Myanmar Hlawga 123MW Power Plant Rehabilitation Project, achieving simple-cycle power generation in the first half of 2022.

Beyond prioritising the power plant's daily operations, CTC's Myanmar Yangon subsidiary — Myanmar Ahlone Power Plant Company Limited — equally attaches importance to local environmental, social, and corporate governance. To strengthen credibility, during the initial design and construction phase on 10 August 2020, Myanmar Ahlone Power Plant Company Limited engaged Myanmar Survey Research Co. Ltd. to conduct detailed and quantifiable on-site environmental monitoring and assessment for the Company, in accordance with relevant requirements of Myanmar's Environmental Conservation Department (緬甸環境保護署), commencing from 10 August 2020. Myanmar Survey Research Co. Ltd., an authorised provider of Environmental and Social Impact Assessment (ESIA) certification services licensed by Myanmar's Ministry of Natural Resources and Environmental Conservation (緬甸自然資源和環境保護部), operated lawfully and compliantly throughout the process. Following over a year of rigorous assessment, it formally submitted the Company's Environmental Impact Assessment (EIA) report to Myanmar's Environmental Conservation Department on 25 February 2022.

6.2 Promoting Green Office and Eliminating Waste

Use of Energy

Energy serves as a vital material foundation for national economic and social development. Energy shortages have become a significant constraint on sustainable economic growth. CIC attaches great importance to energy utilisation, actively promoting energy conservation, reducing consumption, and minimising emissions. The Company fosters a culture of energy conservation, encouraging employees to develop positive habits in saving electricity, water, and protecting the environment. Our Administration Department collaborates with property management and maintenance teams to ensure effective implementation and oversight of energy-saving initiatives.

Energy consumed during our operations primarily comprises gasoline for official vehicles and electricity in office areas. CIC's energy consumption details are presented in the table below:

CIC (Domestic) Energy Consumption and Intensity

Energy type	2025 Energy use	2025 Intensity	2024 Energy use	2024 Intensity
Gasoline (tonne)	29.29		38.31	
Electricity	921,530.10 kWh	139.80 kWh/m²	718,445.00 kWh	115.85 kWh/m²
Comprehensive energy consumption[1]	1,272,199.80 kWh	1,407.30 kWh/person	1,177,105.16 kWh	4,765.61 kWh/person

Energy and resource consumption of Myanmar Power Plant (overseas)

Energy type	2025	2024
Diesel (tonne)	13	28
Gasoline (tonne)	8.50	8.36
Natural gas (standard cubic metre)	582,946,537.83	499,452,540.00
Electricity (kWh)	50,520,000.00	45,646,000.00
Comprehensive energy consumption[1] (in 1,000 kWh)	6,359,310.44	5,451,056.72

1 The calculation of comprehensive energy consumption: the sum of the Company's gasoline and electricity consumption multiplied by the corresponding emission factors. For the emission factor, please refer to the *China Energy Statistical Yearbook*.

The Myanmar Power Plant strictly adheres to local laws, regulations, and energy-related statutes, including the *Myanmar National Electrification Plan* (NEP), *Myanmar Energy Master Plan* (2015), *Electricity Law* (2014) and its rules, and the *Petroleum and Petroleum Products Law* (2017). Internal operational management systems, reward-penalty mechanisms, and regular assessments are implemented. Water systems are meticulously maintained to ensure operation within design parameters. Plant fuel (natural gas) is supplied via Myanmar's national main gas pipeline. Lubricating oil for generating units is sealed within gas turbines and steam turbine pump valves during installation, requiring no replacement for ten years of operation. This leak-free design effectively controls environmental risks.

Energy Conservation and Environmental Protection

Adhering to the principle of "conserving energy, reducing consumption, protecting the environment, and pursuing harmonious development," CIC actively promotes resource-saving practices and green office initiatives across the Company. We rigorously implement the concept of green development, prevent extravagance and waste, and minimise irrational consumption behaviours. As a non-manufacturing high-tech enterprise, we consistently practise energy conservation and emission reduction, fostering an eco-friendly office model. We strive to be a dedicated implementer in building a "resource-efficient" society.

We have always strived to maintain or reduce energy consumption compared to the previous year. Guided by this principle, we continuously review energy usage protocols, identify gaps, and enforce stringent standards in the management, operation, and inspection of building hardware. We optimise internal workflows and actively encourage tenant companies within our buildings to enhance their awareness of and cooperation in energy conservation and emission reduction, thereby strengthening the management of environmental resource usage. For instance, in 2025, we implemented the following energy-saving measures:

- ➢ Lighting Electricity Conservation: Maximising natural daylight in offices and public areas during daytime to reduce artificial lighting; decreasing the number of light tubes in low-demand zones (e.g., corridors, passageways); and eliminating lights being left on unnecessarily.

- ➢ Air Conditioning Electricity Conservation: Regulating temperatures in offices and meeting rooms — no lower than 26°C in summer and no higher than 26°C in winter. Windows must remain closed while air conditioning operates, with security personnel conducting regular inspections. Based on research by our Property Management Department, maintaining office air conditioning at 19°C overnight consumes less energy than switching it off and restarting in the morning, while ensuring greater physical comfort for employees. During summer weekends in 2025, building air conditioning was switched off after work on Fridays and reactivated by staff on Monday mornings. In winter weekends, air conditioning remained operational on the north side of the building but was switched off on the south side, reactivating on Sunday evenings. These measures ensured employee comfort during working hours while further advancing energy conservation.

- ➢ Post-Work/Weekend/Holiday arrangements: Security personnel conduct hourly inspections, promptly switching off lights in unoccupied areas. Only one elevator remains operational, with the second activated only when necessary.

- We prioritise low-energy-consumption equipment (e.g., computers, printers, refrigerators) during procurement.

- To reduce gasoline consumption and vehicle operating costs, CIC has implemented a centralised management system for company vehicles through the Administration Department. Each trip is preceded by recording the vehicle's mileage and fuel consumption, enabling comprehensive monitoring and control of fuel usage.

- This year, the Property Management Department increased the frequency of building patrols between 17:00 and 22:00, shortening the intervals between consecutive inspections. Non-essential electricity usage was addressed immediately upon discovery, ensuring more timely and effective control of energy wastage. During holidays exceeding two days, the department opened specific restrooms and switched off all non-essential power sources, reducing unnecessary electricity and water consumption.

- The Property Management Department consistently conducts monthly electricity consumption audits for the building, comparing data with the previous month. Identified issues are resolved promptly, and hardware-level improvements are proposed to enhance energy efficiency.

Going forward, the Company will promote the adoption of new energy-saving and eco-friendly products in administrative offices, regional branches, and daily workspaces. We will encourage the use of energy-efficient facilities and appliances while phasing out products that fail to meet national energy conservation standards.

The Myanmar Power Plant implements energy-saving controls, with its core focus on selecting world-class modern generating unit technology while ensuring compliant operations during the operational phase. The plant employs GE's modern generating units, maintaining optimal generation efficiency by operating at rated conditions. Strictly complying with GE's operational requirements, the plant conducts regular maintenance to keep units in optimal working condition, thereby achieving medium-to-long-term energy conservation objectives. Furthermore, in-plant equipment, lighting and other electrical facilities operate under consumption limits to ensure energy efficiency during operations.

The Myanmar Power Plant has adopted the following energy-saving and efficiency-enhancing measures:

1) Improving combustion efficiency;

2) Optimising natural gas-to-air ratio;

3) Enhancing boiler efficiency;

4) Increasing condenser vacuum;

5) Improving steam turbine efficiency.

Additionally, the plant has established and implemented operational management regimes, scientific testing protocols, maintenance management systems, and daily warehouse equipment management procedures to continuously enhance power generation efficiency. The gas turbine heat rate at AHLONE Power Plant reached 7,488 BTU/kWh, while at Hlawga Power Plant it reached 9,077 BTU/kWh. Ahlone Power Plant enhanced gas turbine efficiency in thermal insulation, preventing steam leakage and improving system effectiveness against water leakage, gas leakage and heat loss. Our Myanmar Power Plant will implement further energy efficiency measures, such as contaminant removal inside condensers and heat exchange enhancement.

CIC's subsidiary Beijing Jiujian has formulated an energy-saving management protocol for construction sites, setting a target of ≤40 kWh/RMB10,000 output value for construction electricity. This specifies detailed requirements across six aspects: energy-saving measures; construction electricity and lighting; temporary facilities; construction machinery and equipment; land conservation measures; material/resource efficiency. These provisions advance the implementation of our green construction practices.

Water Resources Management

In terms of water resource management, we remain committed to enhancing employees' awareness of water conservation, implementing water recycling as appropriate, and improving water utilisation efficiency. Concurrently, the Company strictly complies with national laws and regulations pertaining to water resources, designates dedicated personnel to oversee water conservation management responsibilities, and monitors implementation. During operations, CIC primarily utilises water resources for drinking and sanitation purposes. In the current year, the Company has not encountered any issues regarding water sources. Water usage data for the 2025 is presented in the table below:

CIC Water Consumption Volume and Intensity

	2025	2024
Total water consumption domestic (m^3)	2,179.60	1,286.00
Total water consumption abroad (Myanmar Power Plant) (m^3)	3,815,248.68	3,268,800.00
Intensity of water consumption domestic (m^3/m^2)	0.33	0.24
Intensity of water consumption abroad (Myanmar Power Plant) (m^3/m^2)	4,769	4,086

In 2025, the Company implemented the following measures to improve the efficiency of water consumption:

- Strengthened inspection management: The Property Management Department intensified inspections by maintenance personnel within the building to minimise occurrences of water leaks, drips, and wastage; any other issues identified were reported immediately for emergency handling, pending thorough repairs by professionals.

- Prompt fault resolution: If water leaks, drips, or wastage occurred, they were addressed immediately, the cause analysed, and a repair plan formulated; if contractor assistance was required, they were actively contacted to carry out repairs and restore normal conditions as quickly as possible.

- Fostering water conservation awareness: Relevant reminder notices were posted in washrooms and pantry areas; the Company organised training and education sessions on water conservation to enhance employees' awareness. Among the Property Management Department staff, cleaning personnel constitute a significant proportion and, due to the nature of their daily operations, have relatively high daily water consumption. Through sustained training and education, these employees have enhanced their water conservation awareness and developed sound water-saving habits. Managers at all levels led by example, guiding employees to consciously care for water facilities and equipment, thereby improving water resource efficiency.

- Strengthening water recycling: We prioritise water recycling and reuse where practicable, such as utilising water from cleaning procedures by janitorial staff for toilet flushing.

- Monitoring water consumption: The Property Management Department conducts monthly statistical analysis of building water usage, striving to maintain parity with the previous year's consumption while implementing further water conservation measures for enhanced efficacy.

Going forward, the Company will cultivate heightened water-saving awareness among employees, fostering collective participation through targeted communications. Individuals demonstrating outstanding performance in water conservation will receive recognition and rewards. Simultaneously, we will intensify building inspections to eliminate water leakage incidents, ensuring prompt reporting and emergency containment of any anomalies pending professional repairs.

The water consumption of the Myanmar Power Plant, a subsidiary of the Company, is divided into two parts: chemical water and cooling water. Chemical water, sourced from the Yangon River and treated through reverse osmosis, is utilised for steam generation in boilers and accounts for minimal consumption. Cooling water operates under a closed-loop system, with mechanical draft coolers serving as the primary water consumers by dissipating 50% of combustion heat during natural gas firing. Make-up water is drawn from the Yangon River, undergoing sedimentation and filtration treatment before use.

The Myanmar facility has instituted water conservation protocols, rigorously preventing leaks and spills while achieving outstanding water-saving results. An incentive scheme awarding RMB20,000 has been established to recognise conservation-minded employees.

Regarding packaging materials, our products are shipped directly from supplier Huawei to end customers, resulting in zero packaging waste generation during our operational processes.

6.3 Emissions Control and Pollution Reduction

Solid waste generated during the Company's operations primarily originates from office activities, including waste paper, ink cartridges, toner cartridges, and batteries, among which cartridges, toner cartridges, and batteries may cause environmental pollution. During the year, the Company improved its waste management system. On one hand, food waste is segregated and stored in covered containers, collected daily to prevent contamination of food, water sources, and surfaces, while mitigating odour nuisances or wastewater overflow. Containers are promptly cleaned post-removal and disinfected when necessary. On the other hand, at construction sites, an on-site responsibility system is implemented, ensuring categorised storage and transportation of waste. Warning signs are posted in areas at all waste storage facilities.

The Company's emissions data for hazardous and non-hazardous solid waste, along with per capita intensity, are as presented in the table below:

CIC Wastes Emission Volume and Intensity

	2025		2024	
Wastes	Emission volume of wastes (Kg)	Per capita intensity (Kg/person)	Emission volume of wastes (Kg)	Per capita intensity (Kg/person)
Ink cartridge	146.64	0.16	157.50	0.45
Toner cartridge	142.97	0.16	144.19	0.41
Fluorescent tube	39.55	0.04	39.20	0.11
Battery	72.73	0.08	68.82	0.20
Paper	4,974.48	5.50	4,076.50	11.53
Domestic waste	23,290.00	25.76	22,600.00	64.39

The Company has implemented the following measures to control emissions, reduce pollution, and achieve energy conservation:

- Proper disposal of waste: Hazardous solid waste is processed by licensed third-party contractors; non-hazardous solid waste is centrally collected and sent to recycling centres.

- Paper reduction: We promote paperless office practices and minimise non-essential printing. Reminders such as "Save Paper, Conserve Energy, Protect the Environment" are displayed in printing areas to encourage double-sided printing and reuse of single-sided paper.

- Implement garbage classification: We provide relevant trainings on waste classification to enhance employees' awareness. Designated bins (recyclables, food waste, residual waste) with clear signage are placed on each floor. Initial sorting occurs via colour-coded bins. Cleaning staff then conduct secondary sorting before daily transfer to the compound's waste station to prevent cross-contamination.

In 2025, adhering to *Beijing Municipal Regulations on the Management of Municipal Solid Waste* and property management requirements, the Property Management Department maintained segregated waste disposal. Educational posters were displayed at sorting points, achieving near 100% compliance in waste sorting within the building. In the future, the Company will cooperate with specialised waste processing firms to enhance waste recovery and treatment.

No significant environmental violations or confirmed non-compliances occurred in 2025.

Total domestic wastewater discharge in 2025 was 21,205.21 cubic metres. The exhaust gas and greenhouse gas emissions of the Company mainly came from the power generation process of the Myanmar Power Plant during the year, with minor contributions from company vehicles. The main emissions are shown below:

CIC Waste Gases Emissions

Type	Unit	2025	2024
Sulphur dioxide	tonne	104.55	89.58
NO_x	tonne	1,025.89	878.95
Particulate matter	tonne	138.01	118.24

During the construction and operation of the Company's power plants in Myanmar, we strictly adhere to local Myanmar regulations and policies, complying with the *Constitution of the Republic of the Union of Myanmar* (2008), the *Myanmar National Sustainable Development Strategy* (2009) and Plan (2018–2030), the *National Environment Policy of Myanmar* (1994), *Myanmar Agenda 21*, the *National Biodiversity Strategy and Action Plan (NBSAP)*, the *Law on Preventing Hazard from Chemical and Related Substances* (2013), and other relevant legislation. Emissions are controlled in accordance with the *Paris Agreement* and Chinese government standards, meeting all requirements set by the Myanmar government. In 2025, no government penalties or lawsuits related to environmental protection have been incurred by the Company, nor have any environmental incidents occurred. Moving forward, we will maintain our commitment to environmental protection and continue to fulfil our social responsibilities in this domain.

For the control and management of emissions during the operational phase of the power plants in Myanmar, the core approach is anchored in adopting advanced technologies, equipment standards, and design parameters. This ensures the long-term safety, stability, and compliant discharge of emissions. Through rigorous inspection of all parameters by operational personnel, equipment and generating units operate within design specifications. This guarantees that emissions align with design expectations, thereby achieving compliance and meeting discharge standards.

- For waste gas, the main emissions include nitrogen oxides, sulphur oxides, and carbon dioxide. The Ahlone Power Plant project utilises state-of-the-art GE gas turbines, which employ effective technical measures (water absorption treatment for sulphur oxides and nitrogen oxides) to minimise exhaust emissions. Furthermore, carbon dioxide as a greenhouse gas is an inevitable emission from power plants. Given Myanmar's limited number of power plants and acute electricity shortage, the resulting CO_2 emissions fall within the country's acceptable levels and constitute reasonable discharges that do not violate the *Paris Agreement*. Units at both Ahlone and Hlawga Power Plants operate under GE-mandated procedures with rigorous supervision and inspection, ensuring effective management of waste gas emissions to prevent environmental risks to surrounding areas and global climate change.

- Regarding noise pollution, the GE units deployed at the power plants maintain noise levels below 50dB, fully complying with international standards and posing no adverse impact on the environment or human health. Additionally, the plants conduct stringent operational inspections and perform regular maintenance as prescribed to ensure stable and optimal unit performance.

- For sewage, Myanmar Power Plant is equipped with dedicated treatment ponds to process effluent, with treated water recycled for reuse. Plant operations strictly adhere to environmental protocols and fundamental environmental requirements for power plant construction. Advanced, high-standard equipment and design enable both Ahlone and Hlawga Power Plants to achieve zero wastewater discharge. Impurities such as sodium chloride and sodium sulphate are properly treated through wastewater treatment ponds and sludge dryers, while other waste materials are regularly removed and processed by Yangon City's Municipal Environmental Protection Department.

- For waste, it mainly includes lubricants, filters, toner cartridges, toner cartridges, fluorescent tubes, batteries, paper, and domestic refuse — we strictly comply with local regulations. The Company has signed an agreement with Yangon City's Environmental Protection Department, which undertakes regular collection and disposal of these emissions.

6.4 Proactively Responding to Climate Change

Climate change represents a significant challenge to the sustainable development of human society and is receiving increasingly close attention from the international community. With the continuous introduction of domestic policies, stakeholders have raised greater expectations for addressing climate change and advancing low-carbon development. We outline our efforts and future direction in tackling climate change through the framework of Governance, Strategy, Risk Management, and Metrics & Targets.

Governance

In terms of governance, the Company has established a clear sustainability governance structure. This top-down framework comprises the Board of Directors, the ESG Working Group, and all functional departments and subsidiaries of the Company. The Board serves as the ultimate authority and decision-making body for ESG matters, bearing full responsibility for the Company's ESG strategy and reporting. It assesses and determines ESG-related risks, including climate-related risks, ensuring the implementation of appropriate and effective ESG risk management and internal monitoring systems.

Strategy

Climate-related risks include risks associated with the transition to a low-carbon economy (hereinafter referred to as "transition risks") and risks associated with the physical impacts of climate change (hereinafter referred to as "physical risks"). Transition risks include policy and legal risks, technology risks, market risks, and reputation risks. Physical risks comprise acute risks, such as typhoons, floods, and other extreme weather events, and chronic risks, such as persistent high temperatures and shifts in climate patterns.

Type		Climate-related Risks	Impact Period[2]	Business Model and Value Chain Impacts	Potential Financial Impacts	Our Response Measures
Physical risks	Acute	• Sudden extreme weather events such as torrential rain, typhoons, and droughts may trigger risks including operational suspension or reduced production, supply chain disruptions, and logistical challenges for product transportation. These events can result in decreased business stability, increased costs, and diminished production capacity. • Major extreme weather disasters also heighten the risk of production equipment damage and employee safety incidents, introducing additional adverse factors. • Operational disruption risks arising from damage to power transmission, distribution, and generation equipment caused by typhoons and floods. • Business interruption impacts due to communication equipment failures resulting from power shortages during extreme heatwaves.	Short to Medium Term	• Upstream • Operation • Downstream	• Operating cost increase	• For Myanmar Power Plant, we conduct risk assessment and early warning, facility modification and maintenance, establishes and improves emergency plans, and strengthens cooperation with emergency rescue departments. For typhoons, the Myanmar Power Plant established a typhoon emergency plan leadership group, enhanced equipment operation monitoring, and prepared emergency supplies reserves; drilled wells to alleviate water shortages during the dry season, etc.; • The plant provides employees with relevant labor protection materials and equipment and offers onboarding training or courses on emergency response plans and procedures. • Enhances the operational stability of the Company's equipment under extreme weather conditions.
	Chronic	• Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may lead to an increase in operating costs and equipment maintenance and repair costs caused by the increase in cooling demand in summer, as well as the cost spent on subsequent adjustment of energy consumption structure.	Long-term	• Operation	• Operating cost increase	• Strengthens efforts in related risk prevention and emergency management, regularly monitors climatic conditions at operational sites, and maintains real-time vigilance on climate change warning information.

2 The impact period ranges are established with reference to the Ministry of Finance's *'Enterprise Sustainability Disclosure Standards – Basic Standards (Trial)'* and the Company's actual operational circumstances. Short term refers to within 1 year; medium term refers to 1-5 years; long term refers to over 5 years.

Type		Climate-related Risks	Impact Period[2]	Business Model and Value Chain Impacts	Potential Financial Impacts	Our Response Measures
Transition risks	Policy and legal risks	• As policies are refined and introduced, regulatory authorities will inevitably adopt progressively stricter greenhouse gas emission restrictions and reinforce greenhouse gas emission disclosure requirements.	Medium to long-term	• Operation	• Capital expenditure increase	• Monitors industry trends and environment-related policy changes, adjusting the Company's operations in a timely manner according to policy shifts.
	Technology	• The innovation and iteration of production technologies to meet environmental requirements and drive research and development may lead to increased upfront costs, such as investments in new technologies or the adoption/deployment of new operations and processes.	Medium to long-term	• Operation	• Capital expenditure increase	• Continuously monitoring the development trends of low-carbon technologies, optimising operational strategies, and promptly integrating technological advancements.
	Market	• Driven by policy and market guidance, as well as the gradual increase in customers' awareness of low-carbon and environmental protection, there may be a shift in customer preference towards products with higher low-carbon attributes, potentially impacting the Company's position in the downstream industrial chain.	Medium to long-term	• Downstream	• Decline in Business Revenue	• We are exploring energy-efficient green technologies, progressively establishing a sustainable supply chain, and enhancing customer service.
	Reputation	• As stakeholders intensify their focus on climate-related issues, failure to meet expectations or instances of non-compliance could harm our reputation.	Medium to long-term	• Downstream	• Reputational damage leading to revenue loss	• We are strengthening stakeholder communication, regularly reviewing energy-saving performance, and dynamically adjusting future action plans..
	Products and Services	• Loss of technical talent may compromise service quality and increase the risk of leakage of proprietary technologies.	Medium term	• Operation	• Reputational damage leading to revenue loss	• We conduct employee engagement initiatives, improve welfare packages, and foster a sense of belonging to boost retention.

Type	Climate-related opportunities	Likelihood	Timeframe of Impact	Potential Financial Impacts	Our Response Measures
Product and Service Opportunities	• Opportunities to gain market share by providing innovative low-carbon transition solutions • Opportunities for technological upgrades through continuous R&D innovation	• High	Medium term	• Increase in operating revenue • Possible increase in capital expenditure	• Reducing the carbon footprint of products, providing customers with low-carbon product options; • Providing customers with digital low-carbon transition solutions, such as digital upgrades for the energy industry, supporting the low-carbon digital transformation across various sectors; • Increasing investment in technological R&D to continuously drive technological upgrades.
Energy transition opportunities	• Within data centres and office premises, the Company uses renewable energy sources such as solar and wind power, reducing operating costs while decreasing carbon emissions.	• High	Short to medium term	• Reducing operating costs • Enhancing company reputation	• Promoting energy-efficient equipment in offices and data centres, optimising energy management systems to reduce waste of electricity and water resources; Promoting shared office models to reduce commuting-related carbon emissions.

Risk Management

Risk Management Process	Process Content
Step 1: Risk Identification	Analyse industry and peer best practices to identify climate-related risks and opportunities under the TCFD framework, producing a climate risk and opportunity inventory.
Step 2: Risk Assessment	Assess the likelihood, impact, and priority level of climate risks and opportunities based on industry research and external recommendations.
Step 3: Risk Response	Develop key response strategies for material climate-related risks and opportunities, emphasising both mitigation and adaptation measures to enhance climate resilience. We continuously improve extreme weather contingency plans by developing relevant emergency response protocols and drill schedules.
Step 4: Risk Monitoring	Regularly monitor trends in climate risks and opportunities to enable timely action and track risk management performance.

Metrics and Targets

The Company has identified metrics related to monitoring environmental, social, and climate-related risks. These metrics are tracked, statistically analysed, and disclosed on an annual basis, including but not limited to:

- Energy (natural gas, gasoline, diesel, electricity, etc.) consumption;
- Direct GHG emissions (Scope 1);
- Indirect GHG emissions (Scope 2);
- Total GHG emissions (including Scope 1 and Scope 2);
- GHG emission intensity.

This year, the Company's greenhouse gas emissions primarily originated from the power generation process at our Myanmar Power Plant, with a small proportion attributable to exhaust emissions from company vehicles and electricity consumption in offices.

CIC's Greenhouse Gases[3] Emissions and Intensity

Type	Unit	2025	2024
Direct GHG emissions	tCO_2-e	910,950.98	1,094,196.52
Indirect GHG emissions	tCO_2-e	27,294.88	28,286.95
Total GHG emissions	tCO_2-e	938,245.85	1,122,483.47
GHG emission intensity	tCO_2-e per RMB10,000 revenue	10.11	13.69

The Company continuously optimises operational management, implements carbon reduction measures, and enhances energy conservation efficacy to reduce both direct and indirect greenhouse gas emissions, thereby contributing to climate change mitigation. Concurrently, we proactively integrate GHG reduction considerations into our projects. During the reporting period, we executed the Energy Performance Contracting project for energy-saving retrofits of the ventilation and air conditioning system at Zhangxingzhuang Station on Tianjin Metro Line 3. This initiative is projected to achieve annual energy savings of 500,000 kWh, equivalent to reducing GHG emissions by 265 tonnes.

We have established the target of maintaining our annual total GHG emissions without increase under the premise of no further business expansion, while progressively reducing our GHG emission intensity year on year.

3 Calculation method of greenhouse gas:
Direct GHG emissions: Multiply the Company's gasoline and natural gas consumption by corresponding emission factors, referencing ① *China Energy Statistical Yearbook* ② IPCC 2006;
Indirect (Scope 2) GHG emissions: Multiply externally procured electricity consumption by the relevant emission factor, referencing the *Announcement on the Release of the 2023 Power Carbon Dioxide Emission Factors* issued by the Ministry of Ecology and Environment of China;
Total GHG emissions: Sum of direct and indirect GHG emissions.

APPENDIX

The HKEx Environmental, Social and Governance (ESG) Reporting Code Content Index

Aspect	Content	Reference
Part B: Mandatory Disclosure Requirements		
	Governance Structure	Statement of the Board of Directors
	Reporting Principles	About this report
	Reporting Boundary	About this report
Part C: "Comply or explain" Provisions		
A1 Emissions		
A1	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	6 Sustainability 6.3 Emissions Control and Pollution Reduction
A1.1	The types of emissions and respective emissions data.	6.3 Emissions Control and Pollution Reduction
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.3 Emissions Control and Pollution Reduction
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.3 Emissions Control and Pollution Reduction
A1.5	Description of emission target(s) set and steps taken to achieve them.	6.3 Emissions Control and Pollution Reduction
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.	6.3 Emissions Control and Pollution Reduction

Note to A1.6: Following the consolidation of FOSS, the Company is performing a feasibility assessment on waste reduction targets. Relevant information will be disclosed in future reports when conditions are mature.

Aspect	Content	Reference
A2 Use of Resources		
A2	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	6.2 Promoting Green Office and Eliminating Waste
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).	6.2 Promoting Green Office and Eliminating Waste
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6.2 Promoting Green Office and Eliminating Waste
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	6.2 Promoting Green Office and Eliminating Waste
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.	6.2 Promoting Green Office and Eliminating Waste
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
A3 The Environment and Natural Resources		
A3	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	6 Sustainability
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6 Sustainability

Note to A2.3: Following the consolidation of FOSS, the Company is currently accumulating energy data from other business segments and subsidiaries to conduct a timely evaluation of energy efficiency targets. Relevant information will be disclosed in future reports when conditions are mature.

Environmental, Social and Governance Report

Aspect	Content	Reference
B1 Employment		
B1	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	3.1 Employment and Employee Rights 3.4 Care and Cohesion
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	3.1 Employment and Employee Rights
B1.2	Employee turnover rate by gender, age group and geographical region.	3.1 Employment and Employee Rights
B2 Health and Safety		
B2	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.	3.3 Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.3 Health and Safety
B2.2	Lost days due to work injury.	3.3 Health and Safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.3 Health and Safety 3.4 Care and Cohesion

Aspect	Content	Reference
B3 Development and Training		
B3	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.2 Training and Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.2 Training and Development
B3.2	The average training hours completed per employee by gender and employee category.	3.2 Training and Development
B4 Labour Standards		
B4	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	3.1 Employment and Employee Rights
B4.1	Description of measures to review employment practices to avoid child and forced labour.	3.1 Employment and Employee Rights
B4.2	Description of steps taken to eliminate such practices when discovered.	3.1 Employment and Employee Rights
B5 Supply Chain Management		
B5	General Disclosure Policies on managing environmental and social risks of the supply chain	4.2 Compliant Procurement and Quality Assurance
B5.1	Number of suppliers by geographical region.	4.2 Compliant Procurement and Quality Assurance
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.	4.2 Compliant Procurement and Quality Assurance
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.2 Compliant Procurement and Quality Assurance
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.2 Compliant Procurement and Quality Assurance

Aspect	Content	Reference
B6 Product Responsibility		
B6	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.	1.1 Assuring Product Quality
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	1.1 Assuring Product Quality
B6.2	Number of products and service related complaints received and how they are dealt with.	1.2 Customer Relationship Building
B6.3	Description of practices relating to observing and protecting intellectual property rights.	1.3 Proactive Protection of Intellectual Property
B6.4	Description of quality assurance process and recall procedures.	1.1 Assuring Product Quality
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	1.2 Customer Relationship Building
B7 Anti-corruption		
B7	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.	4.1 Rigorous Anti-Corruption Enforcement
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.	4.1 Rigorous Anti-Corruption Enforcement
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	4.1 Rigorous Anti-Corruption Enforcement
B7.3	Description of anti-corruption training provided to directors and staff.	4.1 Rigorous Anti-Corruption Enforcement

Aspect	Content	Reference
B8 Community Investment		
B8	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.	5 Benevolence
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	5 Benevolence
B8.2	Resources contributed (e.g. money or time) to the focus area.	5 Benevolence
Part D: Climate-related Disclosures		
D-I Governance		
D-I	The governance body(s) responsible for oversight of climate-related risks and opportunities	6.4 Proactively Responding to Climate Change
	Management's role in the processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	6.4 Proactively Responding to Climate Change
D-II Strategy		
D-II	Climate-related risks and opportunities	6.4 Proactively Responding to Climate Change
	Business model and value chain	6.4 Proactively Responding to Climate Change
	Strategy and decision-making	Note 1
	Financial position, financial performance and cash flows	Note 1
	Climate resilience	Note 1
D-III Risk Management		
D-III	The processes and related policies used to identify, assess, prioritise and monitor climate-related risks	6.4 Proactively Responding to Climate Change
	The processes and related policies used to identify, assess, prioritise and monitor climate-related opportunities	6.4 Proactively Responding to Climate Change
	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process	6.4 Proactively Responding to Climate Change

Environmental, Social and Governance Report

Aspect	Content	Reference
D-IV Metrics and Targets		
D-IV	Greenhouse gas emissions	6.4 Proactively Responding to Climate Change
	Climate-related transition risks	Note 1
	Climate-related physical risks	Note 1
	Climate-related opportunities	Note 1
	Capital deployment	Note 1
	Internal carbon prices	Note 2
	Remuneration	Note 3
	Climate-related targets	6.4 Proactively Responding to Climate Change

Note 1: The Company is currently in progress of enhancing its climate-related disclosures and will disclose the relevant information in the future.

Note 2: The Company is currently advancing green operations and practices in its management processes and will introduce an internal carbon pricing mechanism when conditions permit.

Note 3: The Company has not yet incorporated climate-related factors into remuneration and will consider integrating climate-related factors in the remuneration policy in the future.