



2024

Environmental, Social and Governance (ESG) Report Guangzhou Zhiguang Electric Co., Ltd.



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About This Report

This report is the second Environmental, Social, and Governance report (hereinafter referred to as “ESG report”) issued by Guangzhou Zhiguang Electric Co., Ltd. (hereinafter referred to as “Zhiguang Electric” , “the Company” or “We”). In the principles of objectivity, standardization, transparency, and comprehensiveness, this report provides a detailed disclosure of the Company’s practices and performance in environmental, social, and governance for the year 2024.

Reporting Scope

This report covers Guangzhou Zhiguang Electric Co., Ltd., including its subsidiaries and affiliated companies. Unless otherwise specified, the scope of this report is consistent with that of the Company’s annual report.

Reporting Period

This report covers the period from January 1, 2024 to December 31, 2024 (the “Reporting Period”). To improve the comparability and completeness, some sections of this report may be appropriately referred to previous years or contains forward-looking statements. This report is released on an annual basis, consistent with the financial year. Forward-looking plans do not constitute a substantive commitment of the Company to investors. Investors are advised to pay attention to investment risks and should understand the differences between plans, forecasts and commitments.

Preparation Basis

- Sustainable Development Goals (SDGs) of the United Nations
- 2021 Sustainability Reporting Standards (GRI Standards) of the Global Reporting Initiative
- China Enterprise Reform and Development Society *Guidelines for Sustainable Development Reports of Chinese Enterprises* (CASS-ESG 6.0)
- Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report* (For Trial Implementation) issued by Shenzhen Stock Exchange
- Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Preparation of Sustainability Reports* issued by Shenzhen Stock Exchange

Data Explanation

Data sources used in this report include public data from government agencies, the actual operational data, annual financial data, internal statistical reports of the Company, third-party questionnaire surveys, third-party evaluations or interviews, etc. The financial data in this report is expressed in RMB. For any discrepancy between this report and the financial statements, the financial statements shall prevail.

Definition

Term	Interpretation
Zhiguang Electric, We and the Company	Guangzhou Zhiguang Electric Co., Ltd.
Zhiguang Electric Technology	Guangzhou Zhiguang Electric Technology Co., Ltd., a wholly-owned subsidiary of the Company
Lingnan Cable	Guangzhou Lingnan Cable Co., Ltd., a wholly-owned subsidiary of the Company
Zhiguang Integrated Energy	Guangdong Zhiguang Integrated Energy Co., Ltd., a wholly-owned subsidiary of the Company (formerly known as Guangdong Zhiguang Electricity Utilization Investment Co., Ltd.)
Zhiguang Equity Investment	Guangzhou Zhiguang Private Equity Investment Fund Management Co., Ltd., a wholly-owned subsidiary of the Company
Shanghai Zhiguang	Shanghai Zhiguang Electric Power Technology Co., Ltd., a wholly-owned subsidiary of the Company
Zhiguang Energy Storage	Guangzhou Zhiguang Energy Storage Technology Co., Ltd., a holding subsidiary of the Company
Zhiguang Automation	Guangzhou Zhiguang Automation Co., Ltd., a holding subsidiary of the Company
Zhiguang Econ	Hangzhou Zhiguang Econ Technology Co., Ltd., a holding subsidiary of the Company
Knowledge City Zhiguang Hengyun	Knowledge City Zhiguang Hengyun (Guangzhou) Integrated Energy Investment and Operation Co., Ltd., a holding subsidiary of the Company
Xidu Power	Xidu (Guangdong) Power Investment Co., Ltd., a holding subsidiary of the Company
Hengyuan New Energy	Pingyuan Hengyuan New Energy Technology Co., Ltd., a holding subsidiary of the Company
Zhiguang Energy Conservation and Environmental Protection	Guangzhou Zhiguang Energy Conservation and Environmental Protection Co., Ltd. (formerly known as Guangzhou Zhiguang Energy Conservation Co., Ltd.), a wholly-owned subsidiary of Zhiguang Integrated Energy
Huayue Power	Guangzhou Huayue Power Engineering Design Co., Ltd., a holding subsidiary of Zhiguang Integrated Energy
Zhiyouying	Guangdong Zhiyouying Energy Technology Co., Ltd., a wholly-owned subsidiary of Zhiguang Integrated Energy
Hubei Huayao	Hubei Huayao Biotechnology Co., Ltd., a holding subsidiary of Zhiguang Energy Conservation and Environmental Protection

Access to this Report

This report is published in electronic form. You can download the electronic version of this report from the website of Shenzhen Stock Exchange (www.szse.cn) or the official website of the Company (www.gzzg.com.cn) to obtain more information about the Company. This report is released in both Chinese and English versions. For any discrepancy between the Chinese and English versions, the Chinese version shall prevail. If you have any questions or suggestions about the report, you can send an email to (sec@gzzg.com.cn) or call 020-83909333.

Feedback

If you have any comments or suggestions on the sustainability of our company, please feel free to contact us as follows to help us continuously improve our report.

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☎ Investor Service Fax: 020-83909222	📍 Address: No. 89 Ruihe Road, Huangpu District, Guangzhou, Guangdong
🌐 Company Website: www.gzzg.com.cn	

Message from the Chairman



Up to now, Zhiguang Electric has gone through 25 years of its development. Over the past 25 years, through arduous efforts, Zhiguang Electric, with its spirit of innovation, responsibility, unity and perseverance, has become a leading provider of digital energy technology and integrated energy services. In 2024, we adhered to the business philosophy of “helping customers use energy safely, economically and comfortably” , and continuously and deeply implemented the ESG concept. While promoting the development of the enterprise, we made our contributions to the society and environment, striving to achieve excellence and breakthroughs in various fields.

Compliance was integrated into the entire operation chain, and governance was optimized for transparent decision-making.

In 2024, we further integrated our awareness of compliance into every link of the enterprise operation, and strengthened the internal training and supervision mechanism, so as to ensure that every decision and action of the Company complied with laws, regulations and ethical standards. Meanwhile, we proactively optimized the corporate governance structure, and promoted efficient collaboration and information exchange among various departments, which finally improved the scientificity and transparency of our decision-making. In communication with investors, we adhered to the attitude of sincerity and responsibility, disclosed the Company’s information in a timely and accurate manner, and protected the rights and interests of investors, which made us earn the trust and recognition of the capital market.

R&D investment brought together talented experts, and technological iteration fueled transformation.

In 2024, we increased our investment in R&D, gathered top talents in the industry, and focused on the application of integrated energy technology, power electronics technology and digital technology, continuously launching innovative and competitive products and solutions. In the field of energy storage, our technological iteration and upgrade have enhanced the safety, stability, and energy conversion efficiency of the energy storage system, which provided solid support for the construction of a new power system and facilitated the acceleration of the transformation of energy structure towards green and low-carbon. We integrated the advanced technologies into the entire process of product design and manufacturing, which not only improved the product quality but also reduced the energy consumption and environmental impact during production, practicing the concept of green development with concrete actions.

Products and services reduced the carbon emissions and saved the energy, and system optimization led the green trend.

In 2024, we always adhered to our original aspiration and actively responded to the national “dual carbon” goals. Zhiguang’s products and services continued to deliver significant energy-saving and carbon-reducing benefits, saving substantial electricity, reducing significant carbon emissions, and saving considerable standard coal for the country. We continuously optimized our environmental management system, pursued energy conservation and emission reduction measures in production and operations, and explored new models for resource recycling to reduce the negative impact on the environment from the source. Additionally, we actively participate in industry exchanges and standard setting to promote the green and sustainable development of the entire energy industry.

Diversified training empowered our growth, and heartfelt unity cultivated our passion.

In 2024, we were committed to building a more complete talent development system. Through various means such as internal training, external exchanges, and project-based practices, we provide employees with abundant growth opportunities to help them enhance professional competencies and comprehensive abilities. We prioritized the physical and mental health of employees, improved the labor protection measures, and created a safe and comfortable working environment. The colorful employee activities further strengthened team cohesion, enabling every Zhiguang employee to feel the warmth of a family and igniting their work passion and creativity.

Looking ahead, Zhiguang will continue to uphold the corporate spirit of “Innovation, Responsibility, Unity, and Perseverance” , and firmly seize the significant opportunities presented by the national energy transformation. We will focus on the large-scale development of energy storage, and continue to deeply engage in the key business of the new power system, injecting strong impetus into the transformation and upgrading of the energy structure. Guided by technological innovation, we will continuously expand our business scope, improve the level of integrated energy services, and strive to build ourselves into a globally influential provider of digital energy technology and integrated energy services under the new development concept of dual carbon. We are willing to stand ready to collaborate with domestic and international industrial partners, proactively embracing future opportunities and challenges. Together, we will navigate the tides of sustainable development, co-creating a brighter future while contributing Zhiguang’s expertise to advance global energy transition and societal progress.

About Zhiguang Electric

© Company Profile

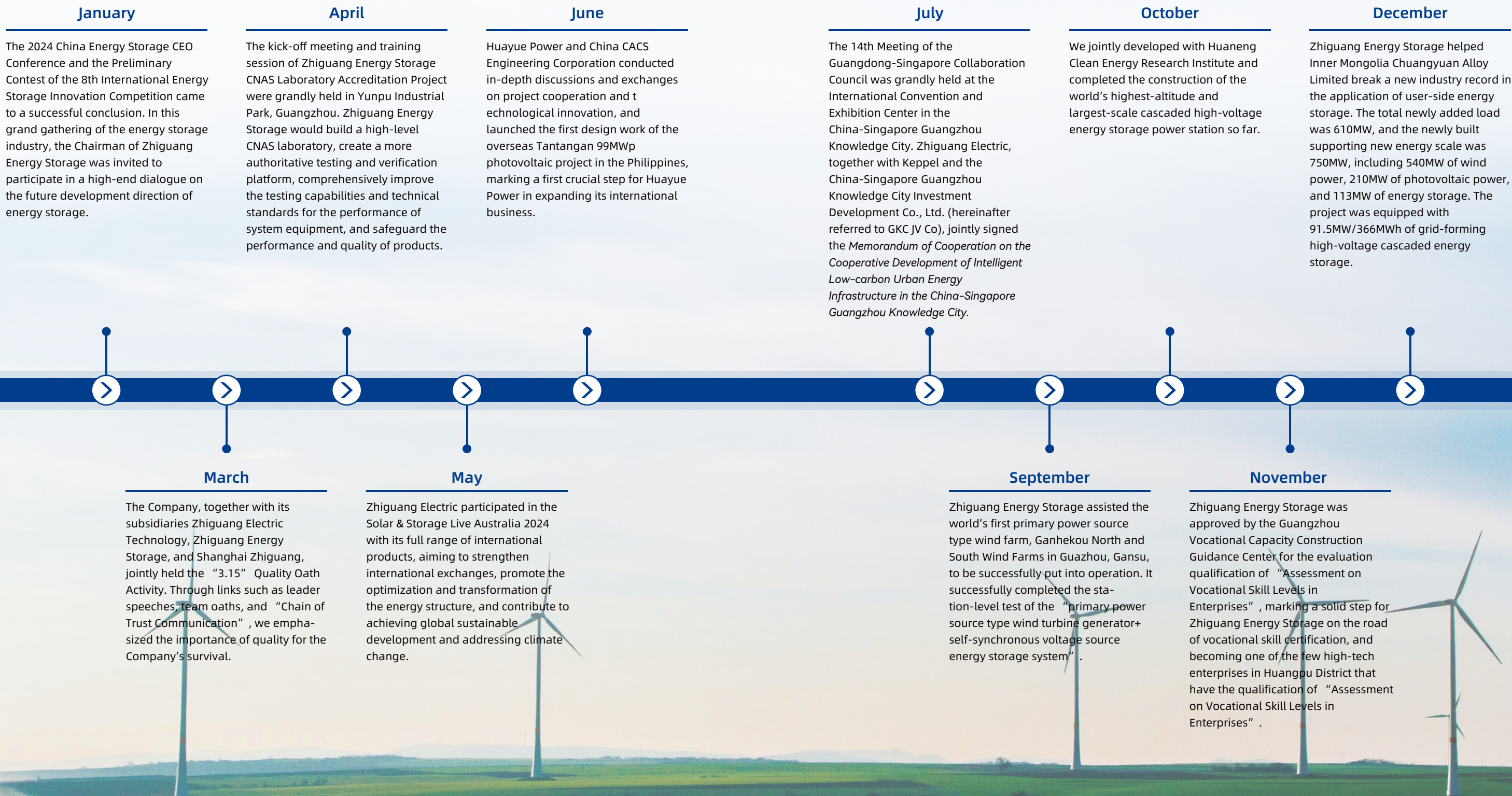
Zhiguang Electric was established on April 9, 1999, with its headquarters in Guangzhou. It was listed on the Shenzhen Stock Exchange on September 19, 2007 (Stock Code: 002169) and currently has several wholly-owned and holding subsidiaries. The Company upholds the business philosophy of “helping customers use energy safely, economically, and comfortably”. Over the past 20 years, it has been focusing on the energy technology, with its core business including digital energy technology and products, integrated energy services, and industrial investment in the field of energy technology and services. Taking the national energy transformation as the development opportunity, the Company focuses on integrated energy technology, power electronics technology, digital technology and their applications. With an emphasis on the large-scale development of energy storage, we continuously strengthens the key business of the new power system. Through technological innovation, service innovation, business model innovation, and capital operation, the Company constructs a multi-level operation framework and an open business platform to build a digital energy technology and integrated energy service enterprise group with a leading position under the new development concept of “dual carbon”. Currently, the Company has supplied products and services for more than 4,000 customers in more than 40 countries and regions around the world. We can save 20.8 billion kWh of electricity for the country every year, reduce 34.5 billion kilograms of carbon emissions, save 14.56 million tons of standard coal, and has cumulatively saved 158.9 billion kWh of electricity. Through the research and application of various innovative technologies, the Company fully helps the global energy transformation and upgrading towards green and low-carbon.

© Corporate Culture

After more than 20 years of stable operation, Zhiguang Electric has gradually accumulated and formed a unique corporate vision, mission and core values that conform to the Company’s development context.



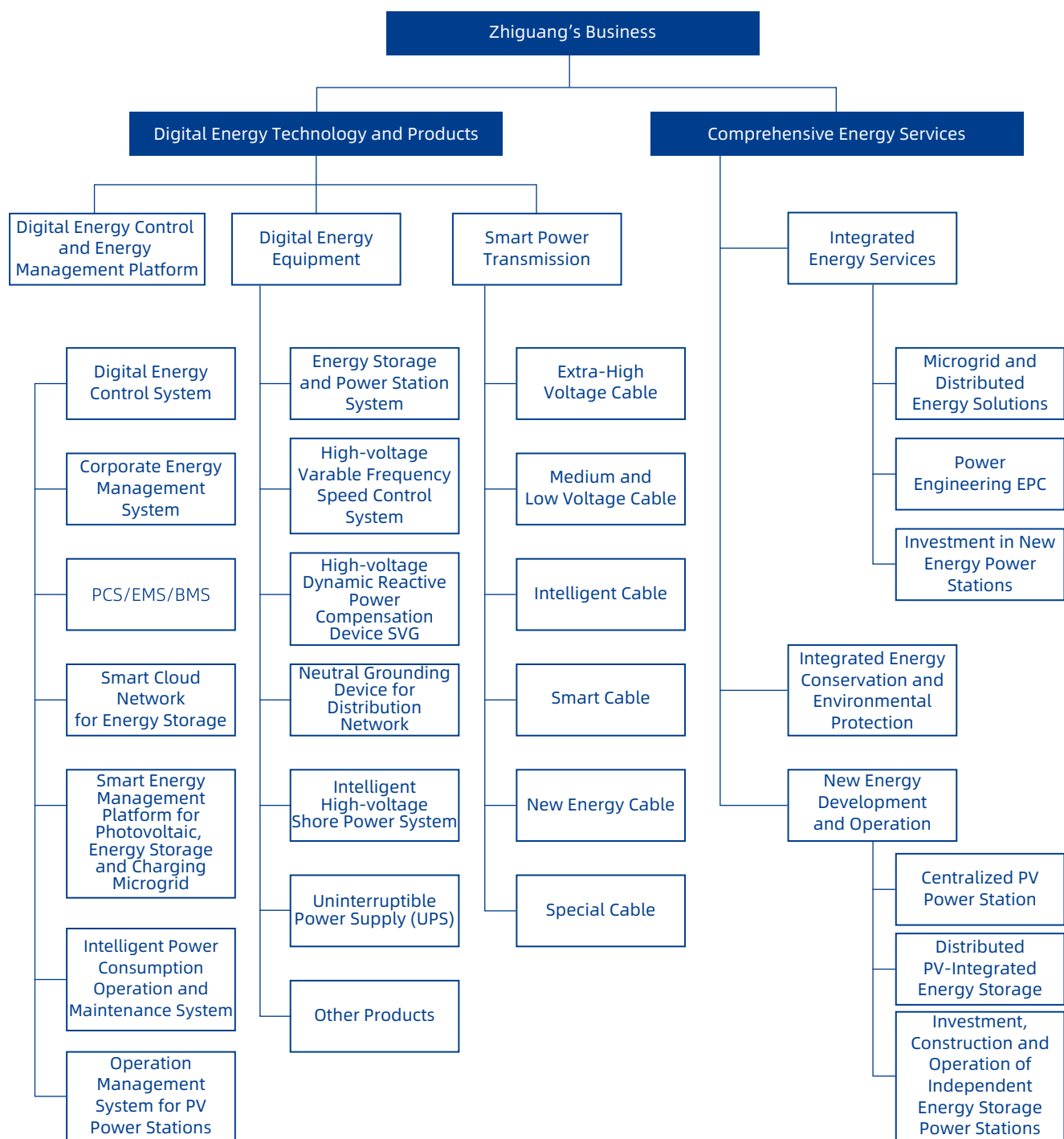
© Major Events in 2024



© Business Segments

The core business of Zhiguang Electric include digital energy technology and products, overall solutions for integrated energy services, and industrial investment in the field of energy technology and services.

Business Layout



© Digital Energy Segment

Zhiguang Energy Storage

Guangzhou Zhiguang Energy Storage Technology Co., Ltd. was established in 2018 and is a holding subsidiary of Zhiguang Electric. It indicates an important layout of Zhiguang Electric in the strategic development direction of digital energy technology and integrated energy services. The company makes full use of the research and application experience of its parent company in power electronics technology, automation and information technology, and smart energy technology over the past two decades to build a professional research team in the fields of research and production of distinctive cascaded PCS, BMS, EMS and battery PACK technology. The Company is an advocate and leader of cascaded high-voltage and large-capacity energy storage technology in the global electrochemical energy storage.

The company's energy storage product portfolio includes power station type large-capacity energy storage systems (cascaded high-voltage energy storage), demand-side energy storage systems (modular low-voltage energy storage), and user and mobile energy storage products, which can provide customers in different application scenarios with energy storage system technologies and equipment featuring high efficiency, high reliability and high safety.

Zhiguang Electric Technology

Guangzhou Zhiguang Electric Technology Co., Ltd., established in 2002, is a wholly-owned subsidiary of Zhiguang Electric. It is a core member enterprise of Zhiguang Electric specializing in the research of flexible power technology in the strategic development direction of integrated energy technology and services. Since its establishment, the company has been focusing on the technical research of electrical control equipment with high-power power electronics as the core technology, and has carried out technical research and industrial application in the fields of smart grid, distributed microgrid, energy storage PCS, motor control and energy conservation, power quality control, advanced power supply technology, etc.

The company's main products include neutral grounding devices for distribution network, intelligent high-voltage variable frequency speed control systems, energy storage PCS systems, static var generators (SVG), intelligent ship-to-shore power systems, new energy grid-connected test vehicles, high/low voltage power quality management products, and large-scaled industrial smart UPS, etc.

Lingnan Cable

Guangzhou Lingnan Cable Co., Ltd. is a high-tech enterprise established in 1995, which is a wholly-owned subsidiary of Zhiguang Electric. The company has more than 20 years of experience in the professional research, development, production, and sales of high-end cables. With the support of high-quality products and technical services, it helps tens of thousands of customers in the power systems, rail transit, residential use, key projects, etc. in safe operation and stable development. It is a well-known cable brand in South China.

The company's main products include cross-linked polyethylene insulated power cables with a voltage of 220KV and below, plastic insulated power cables, control cables, as well as special products such as eco-friendly anti-termite cables, halogen-free low-smoke flame-retardant cables, distributed optical fiber temperature measurement cables, optical-electrical composite intelligent cables, and water tree retardant cables.

Zhiguang Automation

Guangzhou Zhiguang Automation Co., Ltd., established in 2011, is a high-tech and high-growth enterprise in the automation field controlled by Zhiguang Electric. It is engaged in the research, development, production, and system integration of software and hardware for power automation and informatization in power, industrial enterprises, municipality or buildings, and fire protection systems for energy storage power station.

The company owns five major series of core technologies and products, including high and low voltage microcomputer comprehensive protection, low voltage motor protection, series of measurement and control instruments, leakage and fire protection power monitoring equipment, and a comprehensive transparent power consumption data platform management system, and has obtained a number of technical invention and utility model patents.

Zhiguang Econ

Hangzhou Zhiguang Econ Technology Co., Ltd., established in 2006, is a leading comprehensive information service provider in the fields of smart energy and smart grid controlled by Zhiguang Electric. The company is a national high-tech enterprise and a software enterprise in Zhejiang Province. The company has a complete quality management system for software development, products, and technical services, and has passed the ISO9001 quality management certification and the CMMI3 software capability maturity model integration certification.



© Integrated Energy Services

Zhiguang Integrated Energy

Guangdong Zhiguang Integrated Energy Co., Ltd. was established in 2014. Closely adhering to the vision of the “dual carbon” goal, it focuses on integrated energy technology and services, constructs a networked power consumption service system with an innovative business model, and provides one-stop services such as integrated energy investment, energy conservation renovation, energy efficiency monitoring, distributed energy, and energy storage for large and medium-sized users in the power, building materials, metallurgy, municipality, energy, and other industries, becoming a trusted one-stop integrated energy technology and service solution provider for customers.

Zhiguang Energy Conservation and Environmental Protection

Guangzhou Zhiguang Energy Conservation and Environmental Protection Co., Ltd., established in 2010, is a large comprehensive energy conservation service company which was first filed by the National Development and Reform Commission and the Ministry of Finance and first recommended by the Ministry of Industry and Information Technology of the People's Republic of China. It is committed to providing one-stop energy conservation renovation services for large and medium-sized enterprise customers in the power, building materials, metallurgy, petroleum, coal, and other industries, creating overall solutions for industrial energy conservation and efficiency improvement, and constantly exploring, extending and strengthening business coordination and linkage. It implements the development strategy of “energy conservation + environmental protection” as the two main businesses. Taking waste treatment and sludge disposal as its breakthrough directions, it actively enters the environmental protection field and accelerates the transformation and upgrading of the enterprise.

Huayue Power

Guangzhou Huayue Power Engineering Design Co., Ltd., as a holding subsidiary of Zhiguang Electric, is a high-tech enterprise dedicated to consulting, design, and general contracting of power and integrated energy engineering. The company has Class B design qualifications for engineering design (in thermal power generation, wind power, new energy, power transmission, and transformation), Class B qualifications for engineering survey (in surveying), and consulting qualifications for thermal power and new energy.

The company has a professional and well-equipped engineering technical team with strong comprehensive strength, which can provide users with the whole-process energy services of the “power generation side, power grid side, and user side”, including traditional thermal power generation, waste heat power generation, natural gas CCHP, large-scale wind/photovoltaic power stations, main and distribution networks of 220kV and below, user power distribution projects, as well as integrated energy services such as power generation side/user side energy storage, distributed photovoltaic, charging stations, and cold storage.

Zhiyouying

Guangdong Zhiyouying Energy Technology Co., Ltd., established in 2015, based on the intelligent power consumption service cloud platform with comprehensive analysis and processing of cloud data as the core, relying on the innovative thinking concept of Internet +, through online collection of power consumption information, intelligent data analysis and offline operation and maintenance services, provides customers with systematic, professional and standardized operation and maintenance services for electrical equipment and power consumption information services. Moreover, with a new power consumption service model, it offers excellent comprehensive solutions for intelligent power consumption to large-sized industrial enterprises, industrial parks, commercial complexes, large public buildings, schools, etc.

Xidu Power

Xidu (Guangdong) Power Investment Co., Ltd., established on November 29, 2022, is located at No. 168, Rongsheng Village, Shibao Village, Dongcheng Sub-district, Qingcheng District, Qingyuan City. Xidu Independent Energy Storage Phase I 200MW/400MWh Independent Energy Storage Power Station Project, jointly invested and constructed by Zhiguang Electric Group and Xidu Group, is currently the independent energy storage power station with the largest energy storage scale in Guangdong. It has completed a 168-hour trial operation and officially entered the commercial trial operation stage during the same period. After the entire Xidu Independent Energy Storage Project is put into operation, the installed capacity will reach 508MW/1016MWh, and it will become the largest independent energy storage power station in Guangdong and even in the area of the Southern Power Grid.

Hengyuan New Energy

Pingyuan Hengyuan New Energy Technology Co., Ltd., established on July 25, 2023, has its registered address at No. 13, Kechuang Road, Guangzhou Nansha (Pingyuan) Industrial Transfer Industrial Park Phase III, Shizheng Town, Pingyuan County, Meizhou City. Business scope includes general projects: energy storage technology services.

© Participation in Industry Associations and Organizations

Associations & Organizations	Participating Units	Level
New Energy Industry Association of Huangpu District and Development Zone, Guangzhou	Zhiguang Electric	Member Unit
Listed Companies Association of Guangdong Province	Zhiguang Electric	Member Unit
Guangzhou Semiconductor Association	Zhiguang Electric	Member Unit
Industrial Internet and Big Data Industry Association of Huangpu District, Guangzhou	Zhiguang Electric	Member Unit
Guangdong High-Tech Enterprise Association	Zhiguang Electric	Member Unit
Guangzhou Headquarters Economy Association	Zhiguang Electric	Member Unit
Guangdong International Chamber of Commerce	Zhiguang Electric	Member Unit
Guangdong Electricity Trade Association	Zhiguang Electric	Member Unit
Guangzhou Hydrogen Energy and Integrated Smart Energy Industry Development Federation	Zhiguang Electric	Member Unit
China Energy Research Society	Zhiguang Electric	Member Unit
Chinese Society for Electrical Engineering	Zhiguang Electric	Member Unit
Energy Storage Application Branch of China Industrial Association of Power Sources	Zhiguang Electric	Member Unit
China Energy Storage Alliance	Zhiguang Electric	Member Unit
Federation of Listed Enterprises in Guangzhou Development Zone	Zhiguang Electric	Member Unit



◎ Main Honors and Awards

Zhiguang Electric



High-Tech Enterprise Certificate



National Enterprise Technology Center



SSDI "Little Giant" Enterprise



Guangdong Engineering Technology Research Center

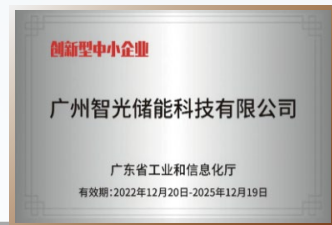


2024 Listed Company ESG Value Delivery Award

Zhiguang Energy Storage



"Outstanding Technology Award for Energy Storage System" issued by IEEE PES Energy Storage and Stationary Battery Satellite Committee



Zhiguang Energy Storage - Innovative Small and Medium-sized Enterprise



In 2024, the "Cascaded High-Voltage and Large-Capacity Energy Storage Technology" was selected into the Recommended Catalog of Energy Conservation and Carbon Reduction Technologies and Equipment by the Ministry of Industry and Information Technology



Top 10 Models of Energy Storage Technology Innovation



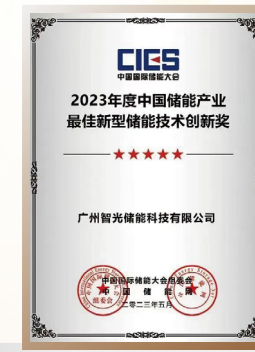
SNEC Top Ten Highlights Selection - Excellence Award for Energy Storage Technology



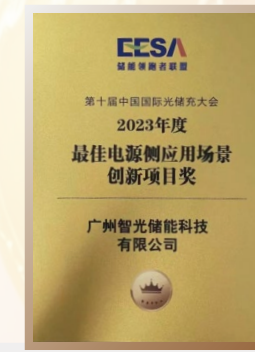
"Golden Vine Award for Technology Innovation in Energy Storage Products"



"Integrated Innovation Excellence Award" in the New Energy Storage Product Track



Best New Energy Storage Technology Innovation Award in China's Energy Storage Industry



Best Innovation Project Award in Power Supply Side Application Scenarios



Innovation Award for New Energy Storage PCS Enterprises



Best New Energy Storage Technology Innovation Award in China's Energy Storage Industry



Most Influential Enterprise Award in China's Energy Storage Industry



Top 10 Models of Energy Storage Technology Innovation



Innovation Award for New Energy Storage System Integrators in China



Best Supplier Award for High-Power Bidirectional Converters in Energy Storage



Innovation Award for New Energy Storage PCS Enterprises



2024 Single Champion Manufacturing Enterprise in Guangdong Province



First Prize in the New Energy Storage Product Track of the Innovation Competition in Energy Electronics Industry and the Third Advanced Energy Storage Technology Innovation Challenge

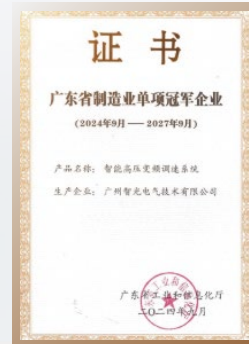
Zhiguang Electric Technology



“Second Prize of Technology Invention Award” in Mechanical Industry Science and Technology Award



Second Prize of the Science and Technology Progress Award from China Ports and Harbours Association



2024 Single Champion Manufacturing Enterprise in Guangdong Province



First Prize in the “Third National Advanced Energy Storage Technology Innovation Challenge” in 2024



“High-Quality Energy Storage Enterprise” in 2024



“Leading Enterprise Award in the Energy Storage Industry”



“Advanced Technology Award for Cascaded High-Voltage and Large-Capacity Energy Storage Systems”

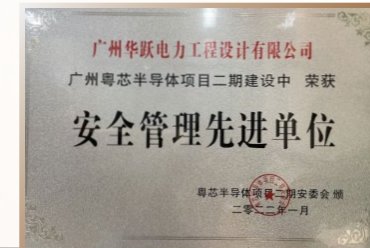


“Annual Figure Award in the Energy Storage Industry”



“Best Innovation Project Award in Source Grid Side Application Scenarios” in 2024

Huayue Power



Advanced Unit in Safety Management



High-Quality Award for Construction Projects in Zhanjiang City

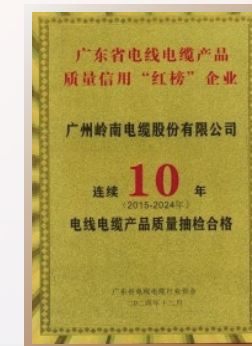


“Bauhinia Cup” Award

Lingnan Cable



Top 30 High-Tech Enterprises in Nansha District



Enterprise on the “Honor Roll” of Quality Credit



Excellent Supplier

Zhiyouying



Excellence Award of Growth Group in New Energy and New Energy Vehicles



Excellent Quality Manager of CanSemi Phase II



Outstanding Contribution Award of CanSemi Phase III



Special Focus

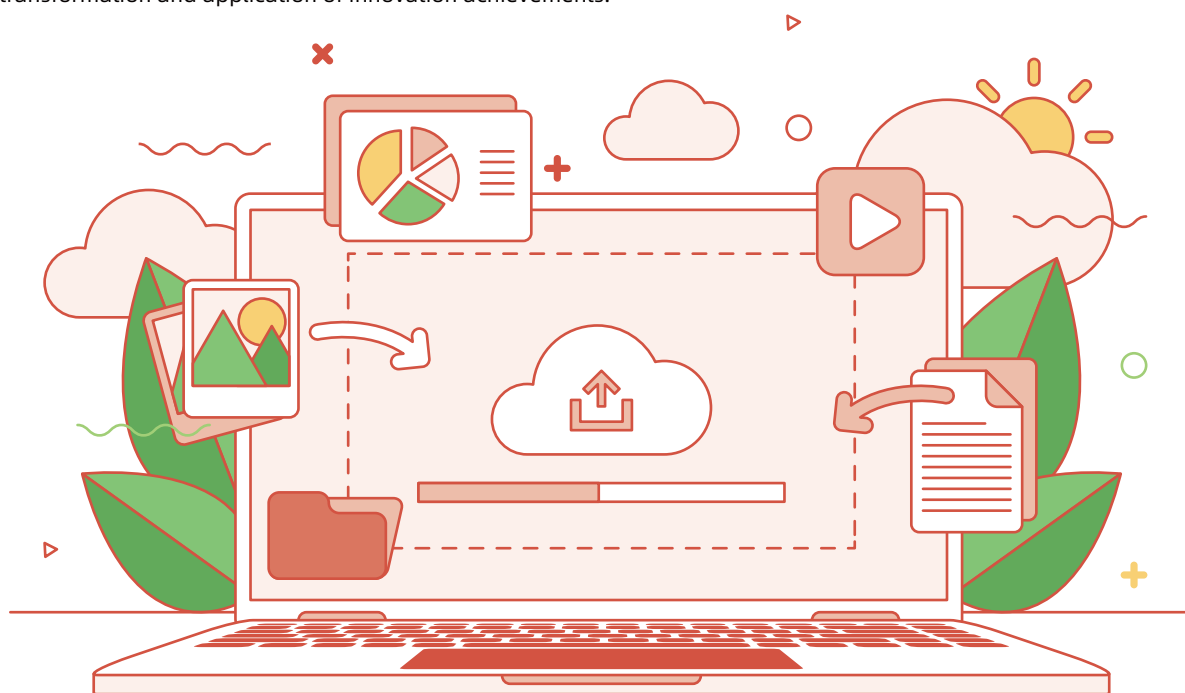
Lead the Future Innovation-Driven Development

Smartly Steering Change with Technology, Partnering for a Shared Future

Digital transformation and upgrading is no longer an “optional question”, but a “compulsory course” for the transformation and leap of the manufacturing industry. Facing the fierce competition in the global market and the diversification of consumer’s demands, Zhiguang Electric must actively embrace digital transformation. By implementing smart upgrades, optimizing processes, and leveraging data-driven insights, the Company can unlock new capabilities in efficient production and operational agility. This strategic shift will empower it to navigate the waves of industrial transformation, achieving a successful evolution from traditional manufacturing to intelligent manufacturing. This process is not only a technological innovation, but also a reshaping of the thinking mode, leading the manufacturing industry towards a more intelligent, green and sustainable future.

Digital Construction

Zhiguang Electric has established an integrated product research and development system, which integrates systems such as Product Lifecycle Management (PLM), Enterprise Resource Planning (SAP), Equipment Monitoring, Customer Relationship Management (CRM), and Supplier Relationship Management (SRM), realizing the closed-loop management of the entire product lifecycle from design to scrapping. Meantime, this system also supports the collection of the full lifecycle cost of products, performance analysis, and the closed-loop management of product research and development, production, delivery, operation and maintenance, and continuous optimization. The R&D personnel of the Technology Center can obtain accurate and the latest information from the front line of the market in a timely manner through the information management platform, which promotes the transformation and application of innovation achievements.



Digital Empowerment and Integrated Innovation Lead a New Era of Efficient Management

Case



Lingnan Cable deeply integrates information technology and industrial manufacturing. It utilizes the design software such as CableExpert and Maillefer, and testing software such as SIKORA and HAEFELY for project design, and adopts digital platforms including SAP information management and energy management information system to build an efficient management system. During the Reporting Period, Lingnan Cable successfully passed the evaluation of the integration management system of informatization and industrialization, marking a solid step on the road of deep integration of informatization and industrialization, and leading the industry to a new height of intelligent manufacturing.



Evaluation of the Integration of Informatization and Industrialization
Management System of Lingnan Cable

University-Enterprise Cooperation

Zhiguang Electric is committed to deepening the collaboration with research institutions and universities. It jointly establishes teaching practice bases with universities to achieve in-depth integration of industry, university and research institute, promotes the rapid transformation of scientific and technological achievements, continuously injects innovative impetus into the company, and ensures its technological leadership and market competitiveness.

Jointly Building a Teaching Practice Base to Create the Future with University-Enterprise Cooperation



On January 8, 2024, the unveiling ceremony of the teaching practice base jointly built by the School of Electric Power Engineering of South China University of Technology (hereinafter referred to as "SCUT") and Zhiguang Electric was successfully held. This collaboration would jointly promote the deep integration of education and practice, and jointly promote the development of education and the industry, so as to make contributions to the prosperity and development of the country.



Unveiling Ceremony of the Jointly Built Teaching Practice Base



On May 23, 2024, nearly 350 teachers and students from SCUT visited Zhiguang Electric for communications and exchanges. This visit enabled students to engage directly with enterprise, gain insights into the rapid expansion of the new energy industrial chain, and experience firsthand the enterprise's cutting-edge practices in high-quality development. As a teaching practice base of SCUT, Zhiguang Electric would build a bridge for students to enter society and contribute Zhiguang Electric's strength to university-enterprise cooperation.



On-site Visit by Teachers and Students of SCUT



Converging Strengths in Cutting-Edge Technologies, Collaborative Synergy for Sustainable Growth



On May 11, 2024, a delegation from Hefei University of Technology visited the Company for exchanges and training, and gathered together with the Company's R&D engineers and technical support engineers to learn forward-looking technologies, explore cutting-edge industry information, and hold a seminar on "Research on the Control Strategy of Grid-forming Converters and the Application of Power Electronics Technology". This exchange activity attracted more than 160 people to attend. All participants gained new insights and thoughts on the application research and innovation of the control strategy of grid-forming converters and power electronics technology in the new energy field, and put forward professional questions and forward-looking opinions during the interaction session.



Exchange and Training with Hefei University of Technology

Industry Exchanges

The Company attaches importance to industry exchanges and cooperation. By actively participating in authoritative industry conferences, we conduct in-depth dialogues and discussions with industry experts, scholars, and enterprise representatives, share technological innovation achievements and practical experiences. Paying close attention to industry frontiers and development trends, we are committed to constructing an open and win-win industrial ecosystem that drives technological advancement and high-quality development in the sector.

Precise Positioning, Deep Cultivation in the Blue Ocean of Energy Storage



On January 8, 2024, the 2024 China Energy Storage CEO Conference and the preliminary competition of the 8th International Energy Storage Innovation Competition came to a successful conclusion. In this grand gathering of the energy storage industry, the Chairman of Zhiguang Energy Storage was invited to participate in a high-end dialogue on the future development direction of energy storage. Facing the severe challenge of industry "involution", they discussed how enterprises could continuously break through themselves and radiate innovative vitality and vigor through precise positioning and continuous deep engagement, so as to contribute valuable ideas to the healthy development of the energy storage industry.

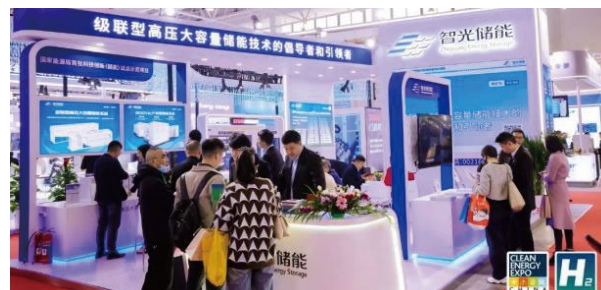


2024 China Energy Storage CEO Conference

2024 Clean Energy Expo China



From March 26 to 28, 2024, Zhiguang Energy Storage and Zhiguang Research Institute appeared at the 2024 Clean Energy Expo China, showcasing flagship products such as the cascaded high-voltage and large-capacity energy storage system. The Technical Director of Zhiguang Energy Storage explained the highlights of the new products in detail.



2024 Clean Energy Expo China

The 3rd EESA Energy Storage Exhibition and the 11th China International Photovoltaic, Energy Storage and Charging Conference



On September 2, 2024, Zhiguang Energy Storage attended the 3rd EESA Energy Storage Exhibition and the 11th China International Photovoltaic, Energy Storage and Charging Conference, and jointly discussed current hot topics with industry experts and business partners. The Technical Director of Zhiguang Energy Storage explained the new generation of grid-forming super-large capacity cascaded high-voltage energy storage system at the special forum on the energy storage system solution for the source-grid side.



The 3rd EESA Energy Storage Exhibition and the 11th China International Photovoltaic, Energy Storage and Charging Conference

Zhiguang Energy Storage Hosted the IEEE Energy Storage Technology Meeting 2024



From September 20 to 21, 2024, the "IEEE Energy Storage Technology Meeting 2024" was grandly held. Zhiguang Energy Storage Technology Co., Ltd. hosted this meeting jointly with the IEEE PES Energy Storage and Stationary Battery Satellite Committee (China), the Institute of Electrical Engineering of the Chinese Academy of Sciences and many other well-known enterprises and universities to discuss the future of energy storage with all sectors in Xiong'an New Area, dubbed the city of the future in China.

Zhiguang Energy Storage would, as always, adhere to scientific research and innovation as the primary driving force, and uphold the concept of high-quality development to provide better products for the industry and make contributions to the construction of a new power system and the development of the green industry.



IEEE Energy Storage Technology Meeting 2024

The 3rd Forum on the Commercial Application of Energy Storage Technology on the Power Generation Side

Case



From November 7 to 8, 2024, the “3rd Forum on the Commercial Application of Energy Storage Technology on the Power Generation Side” hosted by the Huaneng Clean Energy Research Institute was successfully held. Zhiguang Energy Storage was invited to attend this conference and shared with industry peers the application of energy storage technology by Zhiguang Energy Storage on the power generation side and its project construction information.



Forum Site

Approved for the Qualification of Assessment on Vocational Skill Levels in Enterprises

Case



In November 2024, Zhiguang Energy Storage was approved by the Guangzhou Vocational Capacity Construction Guidance Center for the evaluation qualification of “Assessment on Vocational Skill Levels in Enterprises”, marking a solid step for Zhiguang Energy Storage on the road of vocational skill certification, and becoming one of the few high-tech enterprises in Huangpu District that have the qualification of “Assessment on Vocational Skill Levels in Enterprises”.



Assessment on Vocational Skill Levels in Enterprises

Becoming One of Top 100 Brands in New Energy Storage

Case



During the Reporting Period, Zhiguang Energy Storage, with its excellent performance and technological leading edge in the new energy, was listed on the “Top 100 Brands of New Energy Storage in China”. Zhiguang Energy Storage would continue to uphold the business philosophy of “the advocate and leader of cascaded high-voltage and large-capacity energy storage technology”. Through continuous technological innovation and market expansion, it would provide customers with more efficient and reliable energy storage solutions and contribute to the global energy transformation.



Top 100 Brands of New Energy Storage in China

Energy Storage Goes Global to Pioneer New Overseas Markets

In 2024, against the backdrop of the accelerated global energy transformation and the advancement of the “dual carbon” goal, the energy storage industry ushered in a crucial development period. With the rapid growth of the installed capacity of new energy, the demand for energy storage regulation in the power system has surged. Energy storage has become the core support for building a new power system, improving energy utilization efficiency, and ensuring energy security. *The Energy Law of the People’s Republic of China* has clearly promoted the high-quality development of new energy storage. The *Action Plan for the High-Quality Development of the New Energy Storage Manufacturing Industry* jointly issued by eight ministries has also laid a solid policy foundation for the industry’s development, driving the industry towards high-end, intelligent, and green development. In 2024, Zhiguang Energy Storage had more than 45 energy storage projects. The newly added orders of the energy storage system reached 4.1GWh, and the market share and installed capacity of the cascaded high-voltage energy storage products ranked first in the country.

Energy Storage Project

Relentlessly Creating Value, the Cascaded High-Voltage Energy Storage Technology Reaches New Heights!



The 35kV 150MW/600MWh cascaded high-voltage energy storage power station in Hainan Prefecture, Qinghai Province was put into operation, which has been the highest-altitude and largest-scale cascaded high-voltage energy storage power station in the world so far. Zhiguang Energy Storage completed the integration and commissioning of 5 sets of cascaded high-voltage energy storage equipment with a total capacity of 125MW/500MWh for this power station. The Company attached great importance to the project implementation and mobilized its top resources to fully ensure the smooth progress of the relevant work, and finally earned the high recognition of the project customers. Aiming at high-quality products and services, Zhiguang Energy Storage unswervingly followed the path of green development and practiced the “dual carbon” goal with practical actions.



Zhiguang Energy Storage Assisted the World’s First Primary Power Source Type Wind Farm to be Successfully Put into Operation!



The whole energy storage project of the Ganhekou North and South Wind Farms in Guazhou, Gansu Province was successfully put into operation. It was the world’s first primary power source type wind farm, which created a demonstration benchmark for new energy with energy storage projects. The total installed capacity of the wind farm in this project was 100MW, and it was equipped with a 35kV self-synchronous voltage source high-voltage direct-connection energy storage system (that is, a grid-forming cascaded high-voltage energy storage system) provided by Zhiguang Energy Storage. Its strong grid fault support capabilities, excellent frequency regulation and inertia support capabilities, and the ability to adapt to the power grid with a high short-circuit ratio enhanced the power supply reliability and stability of wind power, and fully demonstrated the excellent strength and innovation ability of the Company’s products in the field of wind power technology, which accumulated valuable experience for the sustainable development of the wind power industry.



The grid-forming energy storage project on the user side of Inner Mongolia Chuangyuan Alloy Limited was equipped with a grid-forming cascaded high-voltage energy storage system of 35kV 91.5MW/366MWh, which was the user-side grid-forming energy storage system with the largest installed capacity in China.



The Phase II and III of the Qingyuan Independent Energy Storage Power Station project commenced construction simultaneously, with a cumulative capacity exceeding 1GWh, making it become the independent energy storage power station with the largest scale of energy storage in Guangdong Province. It had a significant impact on the independent energy storage business field of the whole province and the whole country, and was of milestone significance for the development of the electrochemical energy storage industry.



In the source-grid-load-storage integrated grid-forming cascaded high-voltage energy storage project in Wujiaqu City, Xinjiang, the on-site hoisting was completed. The 132MW/264MWh grid-forming cascaded high-voltage and large-capacity energy storage system was delivered with high quality under adverse weather conditions, which demonstrated the Company’s R&D strength in new energy working conditions and the ability to deliver large-scale projects in an ultra-short period.



The 100MW cascaded high-voltage independent energy storage power station in Nantong, Jiangsu was officially connected to the grid, with the scale of 100MW/200MWh. It adopted a fully outdoor layout form and applied Zhiguang’s cascaded high-voltage and large-capacity energy storage technology. The project could integrate consume up to 70 million kWh of clean energy into the power grid annual, and provide nearly 60 million kWh of electricity during peak demand periods.



Zhiguang Energy Storage Assisted the World's First Primary Power Source Type Wind Farm to be Successfully Put into Operation!

Case



The new smart independent energy storage project in Pingyuan, Meizhou successfully held its groundbreaking ceremony. With a single-unit capacity of 25MW/50MWh, it was currently the largest single-unit energy storage system in China, the first large-scale grid-side energy storage power station started in 2024 in Guangdong Province, and the first new energy storage power station in the Meizhou Power Grid with a voltage level of 220kV.



The 208MW/416MWh grid-side independent energy storage power station project in Gaoming District, Foshan City started construction. As the first new energy storage power station in Foshan Power Grid with a voltage level of 220kV, it provided auxiliary services such as frequency regulation and peak regulation for the power grid, and improved the power supply reliability of the power system in Foshan area, which promoted the development of the new power system in Guangdong.



Overseas Market Expansion

Zhiguang Electric has always embraced a global vision, actively expanding international exchanges and cooperation. It promotes high-quality solutions born from Chinese intelligent manufacturing to the global market, making positive contributions to building an open, inclusive, and win-win global electrical industry ecosystem.

Zhiguang Integrated Energy Signed a Memorandum of Cooperation with Keppel and GKC JV Co

Case



On July 31, 2024, at the 14th Meeting of the Guangdong-Singapore Collaboration Council, Zhiguang Electric signed the *Memorandum of Cooperation on the Cooperative Development of Intelligent Low-carbon Urban Energy Infrastructure in the China-Singapore Guangzhou Knowledge City* jointly with Keppel and GKC JV Co.

It marked that Zhiguang Integrated Energy, Keppel and GKC JV Co would base themselves in China-Singapore Guangzhou Knowledge City to promote the establishment of a comprehensive strategic cooperative relationship, jointly explore the transformation and upgrading of energy infrastructure in the construction of a smart and low-carbon city in the Knowledge City, and create a demonstration project that could be replicated and promoted in the area of Guangdong-Hong Kong-Macao Greater Bay. Guided by the "dual carbon" goal, they conducted multi-dimensional cooperation in aspects such as technical application and project expansion, and utilized the foundation and advantages of the cooperation between China and Singapore to construct a sustainable operation system of modern low-carbon urban energy infrastructure.



The 14th Meeting of the Guangdong-Singapore Collaboration Council



Huayue Power Launched the First Overseas Tantangan 99MWp PV Project in the Philippines

Case



In June 2024, Huayue Power and China CACS Engineering Corporation conducted in-depth discussions and exchanges on project cooperation and technological innovation, and launched the first design work of the overseas Tantangan 99MWp photovoltaic project in the Philippines, marking a first crucial step for Huayue Power in expanding its international business. They joined hands to bring more efficient and reliable energy solutions to customers in the Philippines, and jointly promoted the sustainable development of the global energy sector.



On-site Exchanges

Participation in the Intersolar and Energy Storage North America Exhibition

Case



On January 16, 2024, Zhiguang Electric participated in the Intersolar and Energy Storage North America Exhibition in 2024, which showcased the containerized liquid-cooled low-voltage energy storage system for the first time, and a delegation of experts visited the booth.



Forum Site



The 2nd 2024 NAREA Enterprise Collaboration Forum

Case



In January 2024, Zhiguang Electric traveled across the ocean to participate in the 2024 NAREA Enterprise Collaboration Forum, which strengthened the exchanges and cooperation between China and the United States in the field of sustainable energy, and discussed the development and application of sustainable energy.



Forum Site



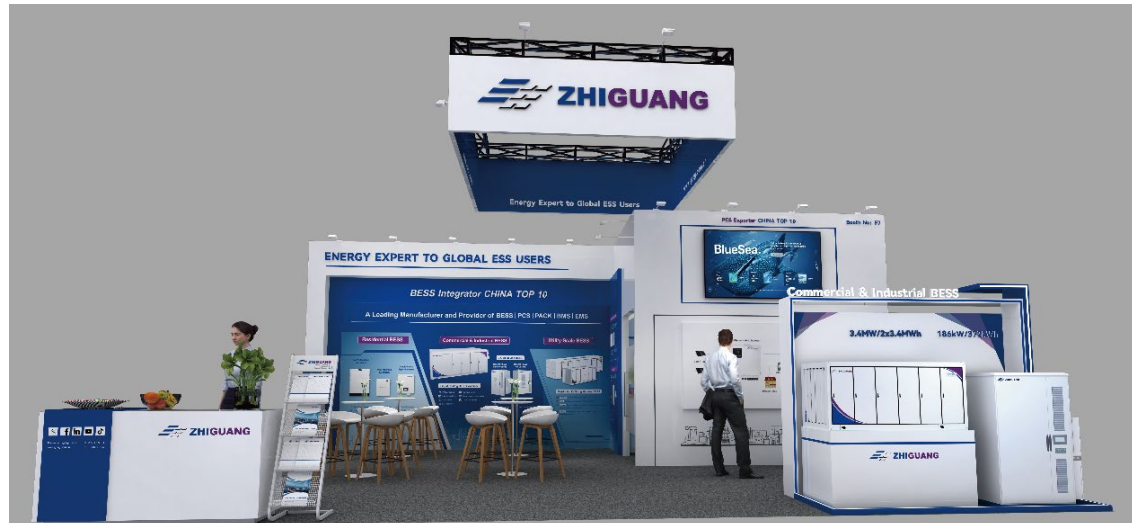
ZhiGuang Electric Debuted New Energy Storage Products at the Solar & Storage Live Exhibition in Australia

Case



From May 1 to 2, 2024, the Solar & Storage Live Australia 2024 was successfully held at the Brisbane Convention and Exhibition Centre. The exhibition focused on the fields of solar energy, battery storage and electric vehicle charging, and was the world's largest series of solar energy trade shows. ZhiGuang Electric participated in the exhibition in Australia with its full range of international products, aiming to strengthen international exchanges, promote the optimization and transformation of the energy structure, and contribute to achieving global sustainable development and addressing climate change.

The full range of international energy storage products exhibited by ZhiGuang Electric in this exhibition included industrial and commercial energy storage systems, low-voltage string-type energy storage systems, household energy storage products, an integrated big data management system for energy storage power stations, and a microgrid energy management system. Among them, the 186kW/372kWh liquid-cooled industrial and commercial all-in-one machine and the 3.4MW/6.8MWh liquid-cooled containerized energy storage system became the highlights of the exhibition, attracting many energy enterprises and professional visitors to linger and conduct in-depth consultations and communications.



Exhibition Site

European Journey: ZhiGuang Showcased Energy Storage Products at Intersolar+EES 2024

Case



In June 2024, the Intersolar+EES exhibition was successfully held in Munich, Germany. The exhibition was the largest and most international exhibition of batteries and energy storage systems in Europe. The International Business Department of ZhiGuang Electric went to Munich, Germany to participate in the exhibition with its full range of international products, providing international customers with safer and more efficient products and more convenient services to meet the diverse and personalized needs of users.



Scene of the Intersolar+EES Exhibition



Chapter 1 Corporate Governance - Steadfast Commitment:

ESG-Driven Sustainable Growth through Compliance and Integrity

Our Actions

Zhiguang Electric adheres to noble business ethical standards, firmly implements the principles of legal and compliant operation, and integrates the core concept of sustainable development into its long-term strategic planning. The Company is continuously deepening its responsibility governance system and is committed to improving its management structure and operation mechanism of ESG (Environment, Society and Governance) to strengthen the internal driving force for sustainable development.

SDGs Respected

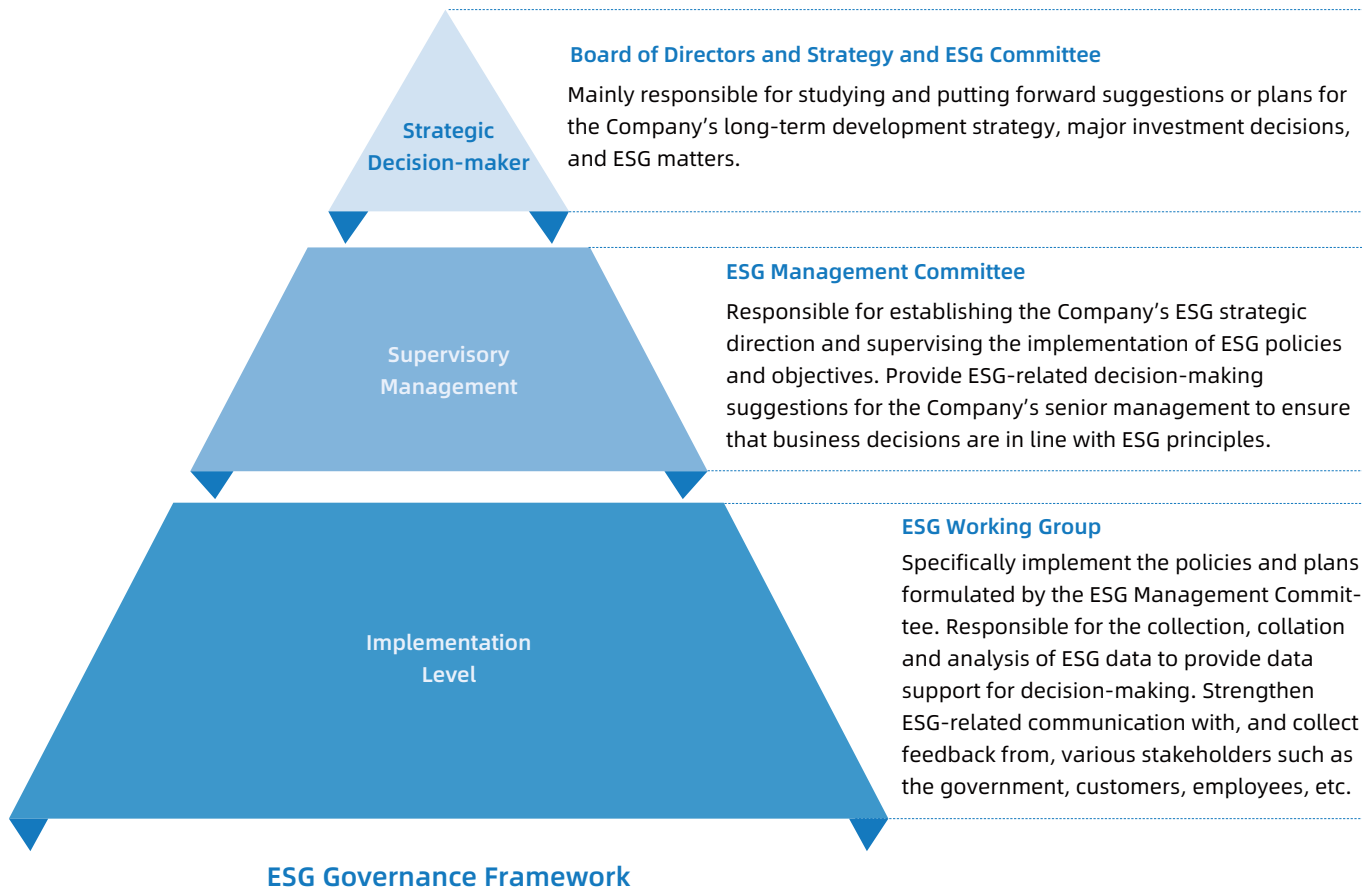


Sustainable Governance

Zhiguang Electric deeply understands and attaches great importance to the significance of ESG (Environment, Society, and Governance) sustainable governance, regarding it as one of the cornerstones and core competitiveness in the enterprise’s long-term development. The Company not only integrates the ESG concept into strategic decision-making and daily operations, but also comprehensively demonstrates its active explorations and remarkable achievements in the environmental protection, the practice of social responsibilities, and the structure optimization of the corporate governance to investors, customers, employees and all sectors of society by regularly releasing comprehensive and transparent ESG reports.

© Sustainable Development Governance

In order to improve the Company’s strategic planning level, enhance the scientific nature of strategic decision-making, and improve the Company’s ESG level, the Company has formulated the *Detailed Rules for the Work of the Strategy and ESG Committee* and established a Strategy and ESG Working Group, which is led by the BOD Office, the Investment Department and the Comprehensive Management Center, responsible for recommending strategy and ESG-related work and actively promoting the development of the Company’s ESG work.



© Communications with Stakeholders

Zhiguang Electric is engaged in strengthening communication with stakeholders such as the government, customers, employees, communities, the media, shareholders, investors and partners. By optimizing communication strategies, building diverse platforms and normal mechanisms, we comprehensively listen to and actively respond to the needs and suggestions of all parties. The Company integrates the concerns of stakeholders into strategic decision-making, and promotes harmonious interaction with all sectors of society. As we shape a positive corporate image, we also build a responsible brand reputation to realize win-win development.

Stakeholders	Communication Channels	Demands and Expectations
 Governments	Work reports Visit for submission Daily communication	Operational compliance Facilitating economic growth Upholding corporate social responsibility
 Customers	After-sales Support Group website and email Customer roundtable discussions Daily communication	Ensuring the quality of services and products Responsible supply chain Sustaining positive partnerships Common development
 Employees	Employees’ congress Roundtable discussions Visits and condolences Work performance evaluations	Protection of employees’ rights and interests Establishing effective channels for career development Comprehensive and complete communication channels
 Communities	Charitable activities Periodic reporting Information transparency Advocacy visits	Contributing to community development Supporting energy conservation and emission reduction Co-building of harmonious communities Address the needs of vulnerable groups
 Media	Public media platforms Press conferences	Ensuring accurate information disclosure Sustaining positive partnerships
 Partners	Signing cooperation agreements Specialized discussion forums Senior management meetings Daily business communication	Sustaining positive partnerships Responsible supply chain Adherence to business ethics Achieving mutual benefit and win-win results
 Shareholders and Investors	General meeting of shareholders Performance briefings Investor teleconferences Investor Survey Periodic reporting Company announcement	Improve the corporate governance Timely information disclosure Company’s continuous profitability Maintaining stable dividends

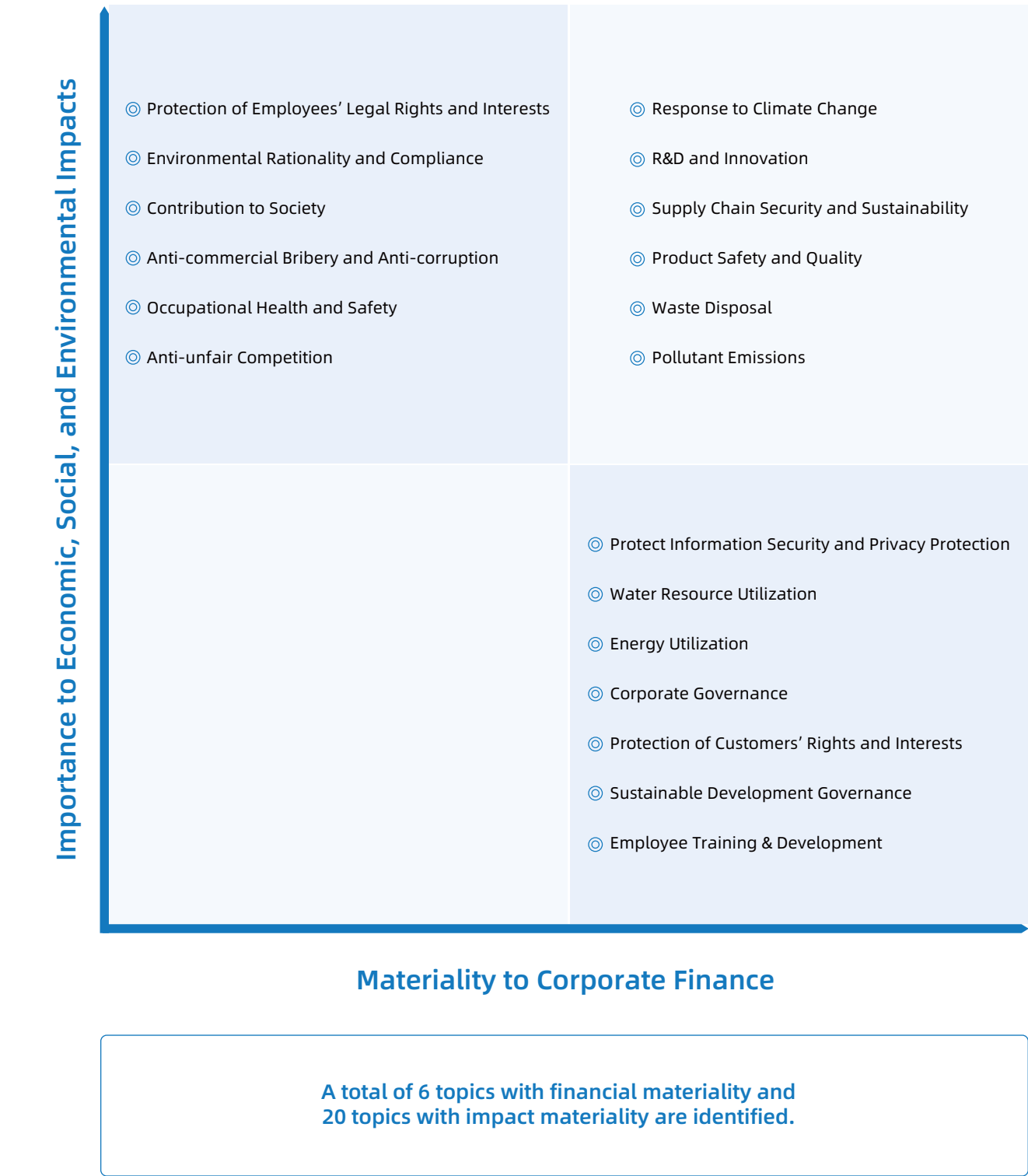
◎ Assessment of Material Topics

Based on the global sustainable development trend and the current situation of the Company’s business development, and in accordance with the assessment methods of domestic and international disclosure standards such as the *Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 – Sustainability Report (for Trial Implementation)* and *GRI3: Material Topics*, the Company introduces the analytical perspectives of impact materiality and financial materiality to identify a total of 6 topics with financial materiality and 20 topics with impact materiality, and provides crucial responses in this report.



◎ Matrix of Material Topics

Zhiguang Electric’s Material Topic Matrix



Summary and Review of the ESG Report for Improvement

Case



In July 2024, Zhiguang Electric held a special meeting for the summary and review of the 2023 ESG report, systematically analyzed the operation of the ESG governance system in the previous year, and continuously improved the effectiveness of ESG governance through systematic improvement, so as to inject sustainable momentum into the high-quality development of the Company.



ESG Training in Progress

Winning ESG Awards and Practicing Environmental Sustainable Development

Case



In December 2024, at the China Racetrack and ESG Sustainable Development Conference (ESG Forum), Zhiguang Electric won the 2024 Listed Company ESG Value Delivery Award. This award is not only a high recognition of Zhiguang Electric's long-term adherence to the sustainable development strategy, but also a powerful testament to the Company's continuous deep engagement and active innovation in the ESG field, demonstrating the responsibility and exemplary leading role of Zhiguang Electric as an industry-leading enterprise in promoting the coordinated development of the economy, society, and environment.

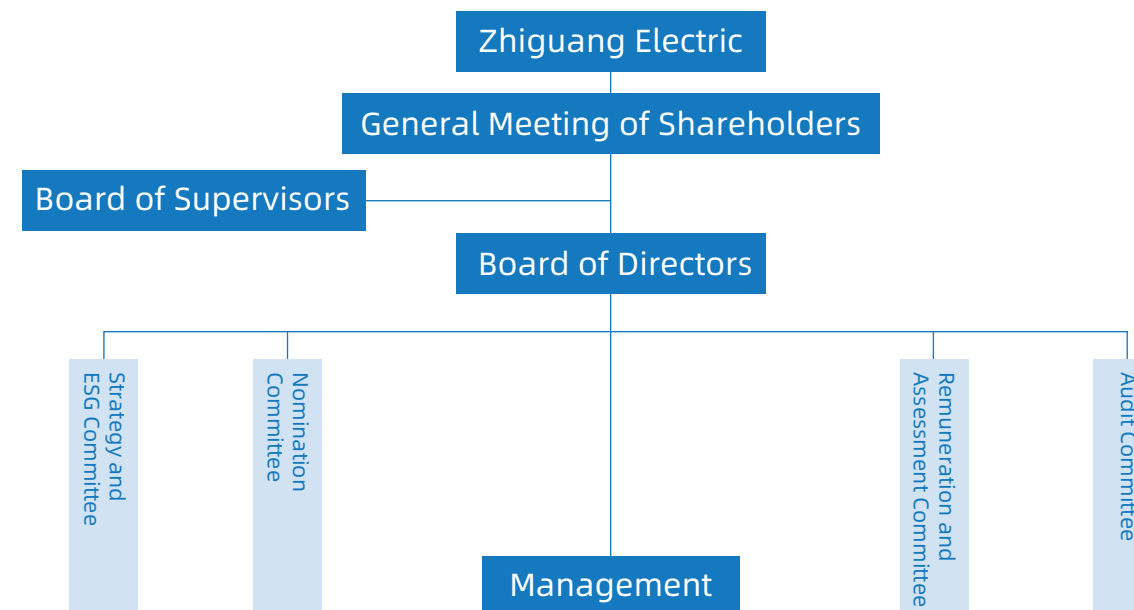


2024 ESG Value Delivery Award for Listed Company

Governance through the General Meeting of Shareholders, Board of Directors, and Board of Supervisors

Zhiguang Electric strictly complies with laws and regulations such as the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, establishes a governance structure of "three boards and one level" composed of the General Meeting of Shareholders, the Board of Supervisors, the Board of Directors, and the Management, and formulates such systems as the *Articles of Association*, the *Rules of Procedure for General Meetings of Shareholders*, the *Rules of Procedure for the Board of Directors*, and the *Rules of Procedure for the Board of Supervisors*.

During the Reporting Period, the responsibilities of the Strategy Committee were expanded to establish the Strategy and ESG Committee, so as to form a more complete professional committee together with the Remuneration and Assessment Committee, the Audit Committee, and the Nomination Committee established under the Board of Directors, which further enhanced the overall leadership of the Company.



Organization Chart

© General Meeting of Shareholders

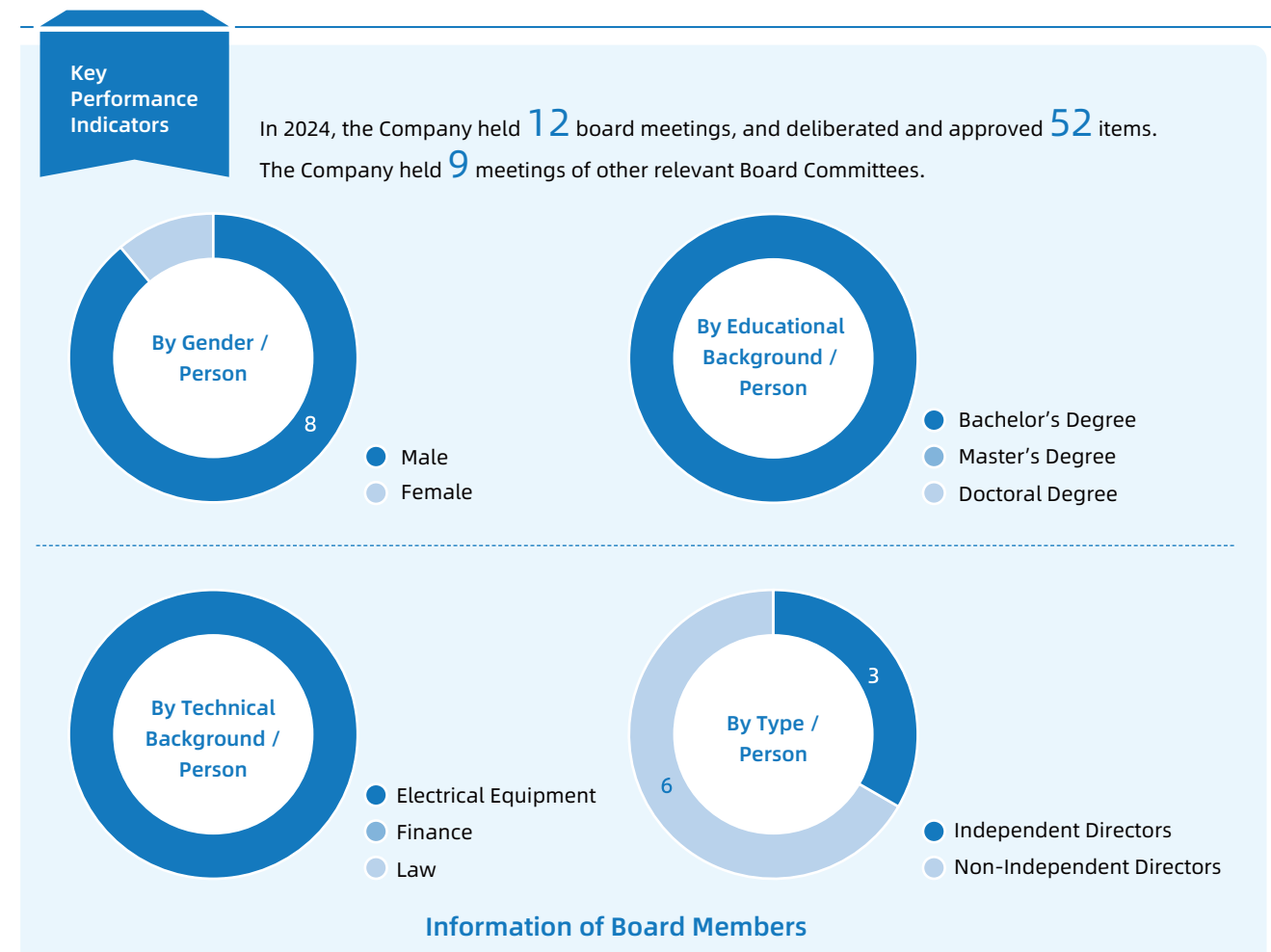
The General Meeting of Shareholders is the authority of the Company. It supervises the Company's business activities to ensure that the Company's operations comply with laws, regulations, and the interests of shareholders, and deliberates and makes decisions on material matters of the Company. The General Meeting of Shareholders exercises its powers and functions in accordance with *Articles of Association* and the *Rules of Procedure for General Meetings of Shareholders*.

Key Performance Indicators

In 2024, the Company held **5** General Meeting of Shareholders, and deliberated and approved **21** items.

◎ Board of Directors

The Board of Directors, as the business decision-making body, is responsible to the General Meeting of Shareholders and operates in strict accordance with the *Rules of Procedure for the Board of Directors* and the *Articles of Association*. The Company attaches importance to the diversified composition of the board members. The existing board members have rich experience in fields such as finance, law, and materials, providing a solid guarantee for the Company's decision-making. The Company has 3 independent directors who have performed their duties diligently during the Reporting Period. They have prudently expressed independent opinions on material matters such as related-party transactions and profit distribution, effectively safeguarding the rights and interests of the Company and minority shareholders.



◎ Board of Supervisors

The Board of Supervisors of the Company is the supervisory body of the Company. It strictly performs the duties of supervisors in accordance with the *Rules of Procedure for the Board of Supervisors*, supervises the daily behaviors of the Company's Board of Directors, senior officers, etc., ensures the truthfulness, accuracy, and integrity of the information disclosure by the Company, and effectively safeguards the legitimate rights and interests of the Company and its shareholders.

Key Performance Indicators

In 2024, there were a total of **3** members of the Board of Supervisors;
the Board of Supervisors held **6** meetings, and deliberated and approved **18** items.

Ensuring Governance Compliance

Zhiguang Electric attaches importance to risk and internal control management and has established a sound risk management system and internal control mechanism. Through continuous risk assessment, monitoring, and response, the Company ensures the stability and compliance of its business operations. In addition, the Company has a zero-tolerance attitude towards any commercial bribery and corruption behaviors and is committed to creating a fair and transparent market competition environment.

◎ Internal Control and Audit

In accordance with relevant laws and regulations such as the *Audit Law of the People's Republic of China* and the *Basic Standard for Enterprise Internal Control*, and the *Articles of Association*, the Company has formulated the *Internal Audit System* to promote the continuous improvement of the Company's internal control system and evaluation methods. The Company has established the Audit Committee under the Board of Directors, which conducts comprehensive internal audits of the Company from seven major audit directions. On the basis of daily supervision and special supervision of internal control, it regularly conducts internal control evaluation and risk assessment work. At the same time, in order to standardize the operation and management of subsidiaries, promote their healthy development, optimize their resource allocation, and stimulate their operational vitality, the Company has formulated the *Measures for Subsidiary Management*.



Seven Major Directions of Internal Audit

◎ Connected Transactions

According to the requirements of relevant laws, regulations, and regulatory documents and the provisions of the *Articles of Association*, the Company has formulated the *Related Party Transaction Management System* and the *Internal Control System for Related Party Transactions*, which have detailed provisions on the definition of related parties and related party relationships, as well as the decision-making authority and deliberation procedures for related party transactions. Meantime, the Company requires related directors and related shareholders to strictly implement the voting recusal system for related party transactions to ensure the fairness and impartiality of the Company's related party transaction decisions for all shareholders.

© Construction of Probity

The Company follows relevant laws such as the *Anti-Monopoly Law of the People's Republic of China* and the *Interim Provisions of the State Administration for Industry and Commerce on Prohibition of Commercial Bribery*, and formulates the *Management Regulations on Anti-Corruption System* to clearly define the purpose, criteria, and core tasks of anti-corruption work.

Meanwhile, the Company regularly organizes publicity and education activities such as anti-corruption to improve employees' awareness of anti-corruption and anti-bribery, establishes channels for corruption whistleblowing, and jointly promotes the construction of a probity culture with stakeholders.

The complaint and whistleblowing channels are as follows:



Anti-Corruption and Criminal Compliance Training



On December 13, 2024, the Company organized external lecturers to conduct anti-corruption training for employees, including the study of key control points for anti-corruption and anti-commercial bribery compliance within the enterprise, which improved employees' awareness of anti-corruption.



Training Records



Training Courses

© Anti-monopoly and Fair Competition

The Company complies with anti-monopoly-related laws and regulations at home and abroad in its business activities and solemnly promises to participate in market competition in a fair manner, firmly putting an end to imposing unreasonable restrictions on partners and treating customers unreasonably differently.

Key Indicators	Unit	2024
Number of Times Participating in Anti-monopoly and Fair Competition Training	Times	1
Number of People Participating in Anti-monopoly and Fair Competition Training	Persons	1
Total Duration of Participating in Anti-monopoly and Fair Competition Training	Hours	3

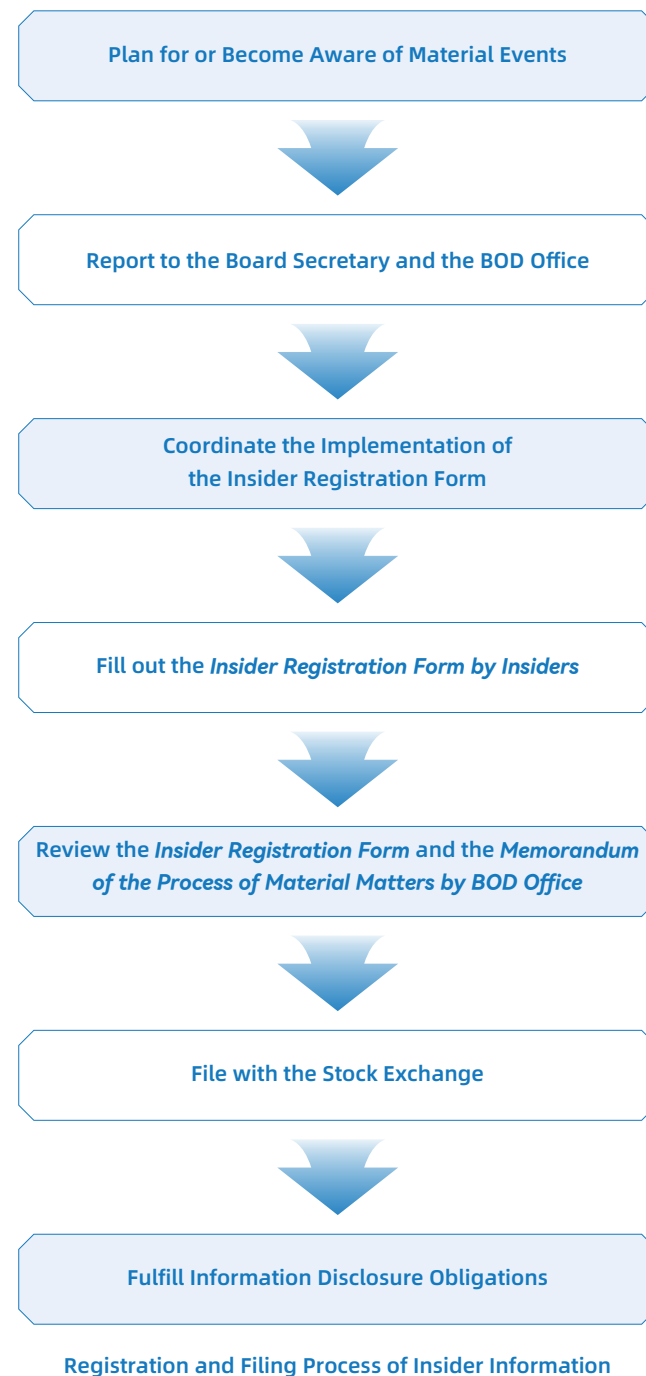
Investor Relations Management

Zhiguang Electric strictly complies with laws and regulations such as the *Guidelines on Investor Relations Management of Listed Companies*, and ensures the investors can fairly obtain the Company's information through measures such as information disclosure and active communication and interaction, so as to safeguard the legitimate rights and interests of investors, and realize the win-win development of the Company and investors.



Zhiguang Electric formulates the *Information Disclosure Management System* in strict accordance with the requirements of relevant laws and regulations such as the *Securities Law of the People's Republic of China* and the *Measures for the Administration of Information Disclosure by Listed Companies*. The Company continuously strengthens the quality management of information disclosure, and ensure that all disclosed information has been strictly reviewed within the Company, so as to enable all investors to have the equal right to obtain the same information and protect the legitimate rights and interests of investors. Meantime, the *Administrative Measures for Insiders of Internal Information* has been formulated in order to strengthen the management of the Company's insider information, ensure information confidentiality, maintain the principle of fairness in information disclosure, and protect the legitimate rights and interests of investors. The comprehensive evaluation rating of the Company's information disclosure in 2024 is B.





Information Disclosure	Unit	2024
Periodic Report	Copy	4
Interim Report	Copy	131

© Communication and Interaction

Zhiguang Electric attaches great importance to the establishment and maintenance of investor relations. In order to further strengthen communication with investors, the Company has formulated the *Investor Relations Management System* in accordance with regulations such as the *Guidelines on Investor Relations Management of Listed Companies* and in combination with the actual situation of the Company. We strengthen communication with investors through multiple platforms, channels and methods such as the investor dedicated hotline, corporate email, the SZSE platform (irm.cninfo.com.cn), etc., and enhance investors' understanding and recognition of the Company through activities such as performance briefings and on-site investor research visits, so as to improve the level of corporate governance and establish a stable and high-quality investor base to obtain long-term market support.

In addition, the Company has formulated the *Regulations on Handling of Investor Complaints*, which ensures that the complaints from every investor can be heard and effectively handled in a timely manner. We also set up various ways to accept complaints, including but not limited to telephone, letter, fax, email or on-site visit, etc.

Communication with Investors	Unit	2024
Number of Company Open Days Held	Times	2
Number of On-Site Investor Research Visits Received	Times	7
Number of Investor Calls Received	Times	300
Number of Communications Via Email/Social Media Platforms	Times	6
Number of Interactions with Investors at irm.cninfo.com.cn	Times	138
Number of Investor Questions Answered	Times	138
Reply Rate to Investors' Inquires	%	94.52

© Returns to Shareholders

The Company attaches importance to the protection of shareholders' rights and interests, shares the development achievements with shareholders, and adheres to implementing a prudent profit distribution policy. When formulating the profit distribution plan, we comprehensively consider the Company's operating conditions, cash flow situation, and the reasonable returns of investors. Through a continuous and stable dividend policy, we actively give back to the trust and support of investors, effectively safeguard the income rights of shareholders, and jointly promote the long-term healthy development of the Company.

Key Performance Indicators	Unit	2022	2023	2024
Cash dividend per 10 shares	Yuan / per 10 shares	1	1	0.8
Total dividend amount (including tax)	RMB '0000	7,877.92	7,827.04	6,261.63

Party Building

Zhiguang Electric has always adhered to the core philosophy of leading with Party development, taking the Party's principles and policies as the compass for enterprise development. This ensures that the Company's operational direction aligns closely with the policy guidance of the Party and the state, providing a solid political guarantee and ideological leadership for the steady progress of the enterprise.

The Second Party Branch Held a Political Birthday Activity

During the Reporting Period, the Second Party Branch of the Company successfully held a themed activity of "Political Birthday". By ways of reaffirming their oath taken upon joining the Party and sharing red stories, the activity enhanced the sense of mission and responsibility of Party members, effectively improved the team cohesion, and injected new vitality and motivation into the Company's cultural and business development.



The Second Party Branch Held a Political Birthday Activity



Party Members Reaffirmed Their Oath Taken upon Joining the Party

The General Meeting of Party Members for the Admission of Probationary Party Members was Held

During the Reporting Period, the Company successfully held a ceremony for the admission of probationary Party members. The addition of new Party members has injected fresh blood into the Company, enhanced the vitality and combat effectiveness of the Party organization, and at the same time promoted the inheritance and innovation of the corporate culture, which laid a solid organizational foundation for the sustainable development of the Company.



General Meeting of Party Members for the Admission of Probationary Party Members

The July 1st Themed Party Day Event was Held

During the Reporting Period, the Company successfully held a July 1st Themed Party Day Event, which centered around "studying Party regulations, upholding Party discipline, clarifying rules, strengthening Party spirit, and maintaining the original aspiration". This event effectively improved the discipline awareness of Party members and their cultivation of Party spirit, created a clean and upright working atmosphere for the Company, and promoted the positive development of the corporate culture.



The July 1st Themed Party Day Event

Intra-Party Study Activities Promoted Corporate Development

The Company organized Party members to participate in several sessions of the intra-Party study activity "40 Years of Rising Tides: Stories from the Witnesses" hosted by the Organization Department of the Huangpu District Committee of the Communist Party of China in Guangzhou. By listening to the vivid statements of the witnesses of the reform and opening up, we enhanced the historical mission and sense of responsibility of our Party members. This activity not only improved the political literacy of Party members but also inspired the work enthusiasm and innovative vitality of employees, created a positive cultural atmosphere for the Company, and promoted the high-quality development of the enterprise.



Intra-Party Study Activities

Party Building	Unit	2024
Number of General Party Branches	Units	1
Number of Party Branches	Units	6
Number of Party members	Persons	155

02

Chapter 2 Environment - Beautiful Homeland: Our Unwavering Commitment to the Net-Zero Goal

Our Actions The Company has obtained the ISO14000 Environmental Management System Certification and established a dedicated team to conduct daily management of environmental health, work safety, etc., which continuously promotes the construction of the enterprise's environmental protection system. Meanwhile, we conveyed our concept of "using energy safely, economically, and comfortably" to our customers, so as to help our customers systematically solve problems related to energy power, energy conservation, and efficiency improvement through Zhiguang Integrated Energy and Zhiguang Energy Conservation and Environmental Protection. In an era where the clean energy and renewable energy have become the focal points of attention, the Company places greater emphasis on the technological development of new energy, and the localized and efficient utilization of distributed energy. We study and develop the integration and optimization of new energy and traditional energy, striving to build a leading brand in digital energy technology and integrated energy services.

SDGs Responded



Response to Climate Change

In recent years, with the rise of global temperatures, the frequent occurrence of extreme weather events, and the increasing depletion of natural resources, climate change has become one of the most pressing challenges globally today. Zhiguang Electric proactively responds to the challenges and opportunities brought about by climate change, implements the national “dual carbon” goal, and provides renewable energy products and services for society. We contribute to low-carbon development with concrete actions, driving the simultaneous improvement of economic and social benefits with green values, and helping the global low-carbon transition.

© Governance

In 2024, the Company established a dedicated ESG Working Group to be responsible for work related to climate change and comprehensively review the potential climate risks in all aspects of its operations. According to the framework of the Task Force on Climate-related Financial Disclosures (TCFD), it comprehensively identified the climate risks and opportunities related to the Company’s operations and formulated corresponding response measures to ensure the stable progress of the Company’s daily operations and gain the upper hand in the wave of green economic transformation.

Lingnan Cable has obtained the product carbon footprint certificate based on evaluation criteria such as ISO 14067:2018 Greenhouse Gases - Carbon Footprint of Products - Requirements and Guidelines for Quantification and GB/T 24067-2024 Greenhouse Gases - Carbon Footprint of Products—Requirements and Guidelines for Quantification.



Product Carbon Footprint
Certificate of Lingnan Cable

© Strategy

The Company has carried out the work of identifying and evaluating the risks and opportunities related to climate change, comprehensively analyzed the Company’s business environment, operational status, and risk response measures, identified the physical risks and transformation risks, and gradually improved the Company’s climate adaptability.

Risk/ Opportunity	Risk
Category	Acute Risks
Description of Risk/Opportunity	Frequent occurrence of typhoons, rainstorms, earthquakes, and droughts
Financial Impact	Increased costs and decreased production capacity.
Impact Duration	Short-term
Magnitude of Impact	High
Likelihood of Occurrence	Low
Response Measures	Strengthen the classified management of disasters, and formulate and implement the corresponding prevention and control plans for frequent risks.

Risk/ Opportunity	Risk
Category	Chronic Risks
Description of Risk/Opportunity	Sea level rise and increased days of high-temperature weather
Financial Impact	Cost increase
Impact Duration	Medium to long term
Magnitude of Impact	Medium
Likelihood of Occurrence	Medium
Response Measures	Install some necessary water storage facilities and store water in advance during droughts to ensure production.

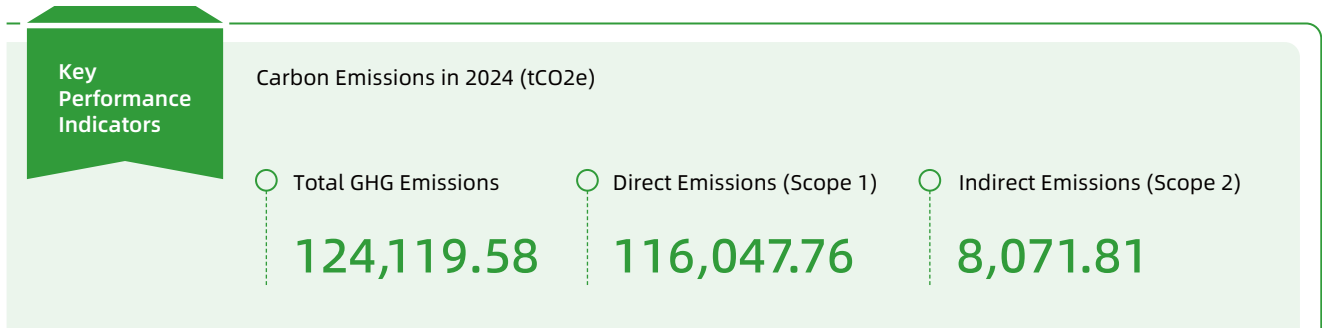
Risk/ Opportunity	Risk
Category	Policy and Legal Risks
Description of Risk/Opportunity	Increased carbon tax and increasingly strict energy conservation/low-carbon related regulations
Financial Impact	Fines, compensation, and affected financing
Impact Duration	Mid-term
Magnitude of Impact	Medium
Likelihood of Occurrence	Medium
Response Measures	The Company has paid close attention to relevant national and local government laws and regulations, and actively introduced relevant environmental management policies to ensure the environmental protection compliance of production and operation.

Risk/ Opportunity	Risk
Category	Market Risks
Description of Risk/Opportunity	Changes in customer behavior patterns,transition to a circular economy
Financial Impact	Decrease in revenue
Impact Duration	Long-term
Magnitude of Impact	Low
Likelihood of Occurrence	Low
Response Measures	Integrate the green concept into technical research, development and design of products, strengthen market research, strategically position for green transformation, and promote green development.

Risk/ Opportunity	Opportunities
Category	Technical Opportunity
Description of Risk/Opportunity	Obtain business opportunities that prioritize highly sustainable products, and increase the demand for renewable energy and energy-saving products
Financial Impact	Revenue Increase
Impact Duration	Long-term
Magnitude of Impact	Medium
Likelihood of Occurrence	Medium
Response Measures	The Company has strengthened the construction of its talent team and attaches strategic importance to the research and development of sustainable environmental protection technologies.

◎ Impact, Risk, and Opportunity Management

The Company has established a management mechanism to address the risks, opportunities, and corresponding impacts of climate change through three key steps: identification, assessment, and response.



Environmental Management

Zhiguang Electric attaches importance to environmental protection, actively promotes the construction of the environmental management system, strictly follows relevant laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, establishes a sound environmental management system and processes, actively takes measures to reduce the impact of daily operations on the environment, continuously strengthens environmental management, and ensures that the enterprise meets the requirements of environmental laws and regulations and standards during production and operation.

Governance

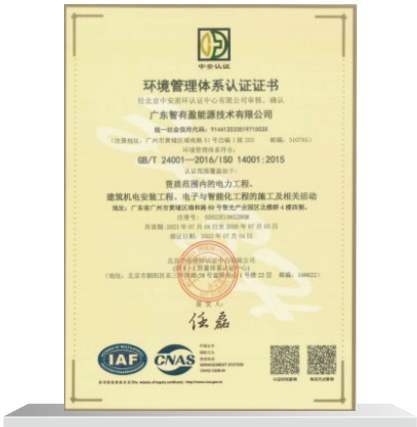
In order to strengthen the Company's environmental protection work, Zhiguang Electric and its subsidiaries have formulated environmental management systems, established the organizational structures of environmental management, which are responsible for the Company's management and technical supervision of environmental protection, assist in formulating long-term plans of environmental protection, implement relevant environmental protection policies and regulations, and are also responsible for supervision, testing, and other work. The Company's subsidiaries (Zhiguang Electric Technology, Zhiguang Energy Storage, Zhiyouying, and Lingnan Cable) have obtained the certificates of ISO14001:2015 environmental management system.



Zhiguang Electric Technology



Zhiguang Energy Storage



Zhiyouying



Lingnan Cable

Lingnan Cable has obtained the AAAAA evaluation and certification of a green factory.



Green Factory Evaluation Certificate

Risk/ Opportunity	Risk
Category	Pollutant Discharge Risks
Description of Risk/ Opportunity	As the national emission standards tighten, existing environmental protection facilities face the risk of exceeding these standards.
Financial Impact	Exceeding emission standards may result in fines and production suspension
Impact Duration	Long-term
Magnitude of Impact	Medium
Likelihood of Occurrence	Medium
Response Measures	<ul style="list-style-type: none">● Carry out technological transformation to reduce the concentration and volume of pollutant emissions.● Standardize the operation procedures of facilities and processes.

Risk/ Opportunity	Risk
Category	Waste Discharge Risks
Description of Risk/ Opportunity	Emission of hazardous wastes such as carbon residues, aluminum ash, and waste mineral oil
Financial Impact	The high disposal price of hazardous wastes increases the production costs
Impact Duration	Long-term
Magnitude of Impact	Medium
Likelihood of Occurrence	Medium
Response Measures	<ul style="list-style-type: none">● As the changes in the market price of hazardous waste disposal, the harmless production line for overhaul slag has been shut down.

Strategy

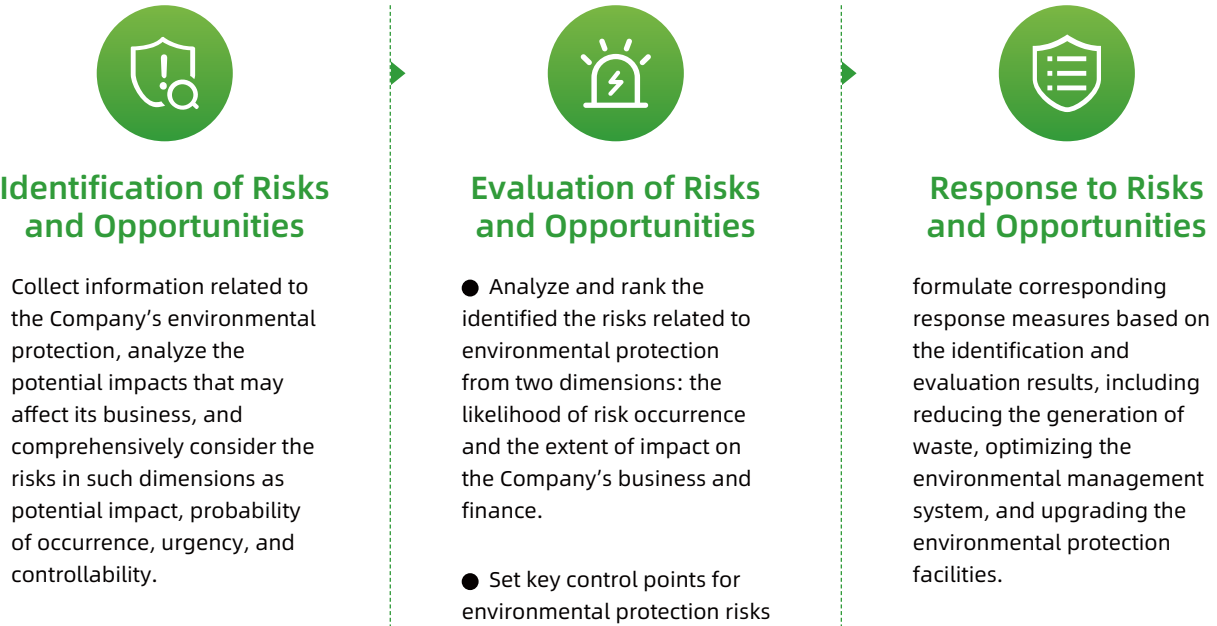
The Company makes in-depth assessment of the risks and potential opportunities in environmental management, aiming to ensure that the Company can achieve economic benefits and also contribute to the sustainable development of the earth by formulating forward-looking strategies.

Risk/ Opportunity	Risk
Category	Changes in Environmental Policies
Description of Risk/Opportunity	The comprehensive urban air management system leads to off-peak production for high-energy-consuming and high-pollution enterprises
Financial Impact	Production disruptions lead to a decline in operating revenue
Impact Duration	Medium to long term
Magnitude of Impact	Large
Likelihood of Occurrence	Medium
Response Measures	● Enhance environmental awareness and improve the performance of the Company's environmental protection work.

Risk/ Opportunity	Opportunities
Category	Favorable Environmental Policies
Description of Risk/Opportunity	Vigorously promote the renewal of the Company's environmental protection facilities to better meet the requirements of laws and regulations
Financial Impact	Ensure normal production, operation and production revenue
Impact Duration	Long-term
Magnitude of Impact	Large
Likelihood of Occurrence	High
Response Measures	● Increase investment in environmental protection to improve the environmental protection facilities.

Risk/ Opportunity	Opportunities
Category	Optimization of Environmental Protection Facilities
Description of Risk/Opportunity	Improve the environmental protection facilities to reduce the concentration and volume of pollutant emissions
Financial Impact	Avoid the risks of fines and production suspension to increase revenue
Impact Duration	Long-term
Magnitude of Impact	Large
Likelihood of Occurrence	High
Response Measures	● Formulate the procedures for control of air pollution. ● Develop a specialized plan for sudden environmental incidents and emergency rescue.

◎ Impact, Risk, and Opportunity Management



◎ Metrics and Targets

Key Indicators	Benchmark Units	2024
Total environmental investment	RMB '0000	189.8
Environmental protection taxes paid	RMB '0000	4.48
Environmental incidents	Case	0
Incidents of violation of laws and regulations in the environmental field	Case	0
Conforming rate observed in pollutant monitoring	%	100
Synchronized operation rate of environmental facilities	%	100
Compliance rate of "three simultaneities" in environmental protection for construction projects	%	100
Number of environmental training sessions	Times	72
Number of participants in environmental training	Training participants	376
Average hours of environmental protection training	Hour	250

◎ Emergency Plans and Drills

Zhiguang Electric and its subsidiaries have formulated the emergency response plan for environmental emergencies and completed the filing with the local ecological environment bureau. They have carried out work in aspects such as risk assessment, dynamic monitoring, and emergency resources to improve the Company's capability to respond to environmental emergencies. Meanwhile, the Company regularly organizes emergency drills for sudden environmental incidents, strengthens the awareness of response and handling, and revises and improves the emergency plans to ensure that the plans always maintain its scientificity and effectiveness.

◎ Green Office

Zhiguang Electric not only pays attention to environmental protection during the production and operation process, but also actively advocates a green and low-carbon office mode, guiding and driving all employees to form good habits of energy conservation and consumption reduction.

Actions for Green Office

Lingnan Cable was committed to promoting the concept of green office, actively taking measures to reduce the use of paper documents, advocating employees saving electricity and turning off unnecessary power equipment in a timely manner. Meantime, the Company made full use of video conference equipment, which effectively saved energy consumption and transportation costs. In addition, Lingnan Cable has also set up classified trash bins, encouraging employees to actively participate in garbage classification and jointly creating a clean and eco-friendly office environment. In order to further enhance employees' awareness of green office, the Company also regularly conducted green office training and publicity activities, enabling employees to better practice the concept of green office in their daily work.

◎ Clean Production

According to the public announcement of the Economic and Information Technology Commission of Guangdong Province on the list of the 14th batch of clean production enterprises in Guangdong Province, Lingnan Cable was identified as a clean production enterprise and has also been rated as an "Excellent Clean Production Enterprise" in Guangzhou. This was an affirmation of its efforts and achievements in clean production.



Certificate of Clean Production Enterprise in Guangzhou

The "Green Motion Industry and Information - Clean Production Work Exchange Meeting of Wire and Cable Industry in Guangzhou" was Held



On October 30, 2024, Lingnan Cable actively responded to the call of national ecological civilization construction, explored new paths and methods for the establishment of clean production enterprises in the wire and cable industry, promoted resource conservation and recycling. Lingnan Cable visited the excellent clean production plans of enterprises on site, and shared its experience and cases in establishing clean production enterprise.



◎ Wastewater Management

The Company has formulated a set of detailed management measures related to wastewater to standardize the wastewater treatment process and ensure the orderly progress of environmental protection work.



Sewage discharge pipelines are laid within the Company's plant area, and all domestic sewage in the plant is directly discharged into the sewage pipeline network after passing the inspection



Sample, monitor and record regularly at the sewage discharge outlet



Regularly check the compliance of sewage discharge. Any non-conformity occurring during the wastewater discharge process are implemented in accordance with the *Administrative Measures for Non-conformity, Corrective and Preventive Measures*

Key Performance Indicators

2024

Wastewater Discharges
87,544 Tons

During the Reporting Period, for Zhiguang Integrated Energy, the COD (chemical oxygen demand) emission concentration was **500** mg/L, the suspended matter emission concentration was **400** mg/L, the ammonia nitrogen compound emission concentration was **45** mg/L, and the total phosphorus emission concentration was **8** mg/L.

Waste Gas Management

In order to strengthen the treatment and control of waste gas and ensure the proper implementation of environmental protection work, the Company has formulated a set of rigorous management systems related to waste gas.

01

Operate in accordance with the *Job Operation Procedures* to keep the exhaust system working smoothly. Relevant operators must wear relevant labor protection tools when necessary

02

In the case of abnormal circumstances, the emergency plan are implemented for process exhaust emissions

03

Formulate a waste gas monitoring plan for the workshop, inspect the production site, and take corresponding measures for each unit according to the production information and the results of the monitoring report.

04

Monitor the emission outlets of waste gas pollution sources according to the monitoring plan. Notify the responsible department timely in case of abnormality, so that measures can be taken promptly

05

The person in charge of the unit conducts daily monitoring and inspection of the waste gas of their own unit and makes relevant records

06

Regularly check the waste gas emission. Any non-conformity occurring during the waste gas emission process are implemented in accordance with relevant provisions




Key Indicators	Benchmark Units	2024
Waste Gas Emissions	Tons	108,873
Emission of Waste Gas Pollutants	Tons	52

Key Performance Indicators

During the Reporting Period, for Zhiguang Integrated Energy, the particulate matter emission concentration was **2.46** mg/m³, the sulfur dioxide emission concentration was **15.29** mg/m³, and the nitrogen oxide emission concentration was **22.82** mg/m³.

Waste Management

The Company has formulated relevant management regulations for hazardous waste in accordance with laws and regulations such as the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes* and the *Measures on the Management of Hazardous Waste Transfer Manifests*.

- ▶ Entrust a recycling company with corresponding qualifications to regularly dispose of recyclable toxic and harmful solid wastes 
- ▶ Entrust a qualified waste disposal unit by signing an agreement with it to dispose of non-recyclable non-toxic and harmless solid wastes 
- ▶ Non-recyclable toxic and harmful solid wastes must be stored in a closed container to prevent secondary pollution in accordance with relevant national regulations 

Identification of Hazardous Wastes

Case



Lingnan Cable placed identification signs for hazardous waste, developed an implementation scheme according to its hazardous waste management plan, including the declaration and registration of hazardous waste, transfer manifests, business licenses, filing of emergency plan, etc. Meantime, it also checked whether the storage, utilization, and disposal of hazardous waste complied with relevant standards and specifications. The Company's hazardous waste included paint buckets, alcohol bottles, waste oil drums, waste activated carbon, waste fluorescent tubes, light bulbs, waste batteries, waste engine oil, waste emulsion, oil-containing waste cloth/waste tools, etc.

危 险 废 物	
主要成分: 油漆、酒精 类别: HW49	危险类别
化学名称: 油漆桶、酒精桶	
危险情况: 毒性	
安全措施: 定点存放, 防止泄漏	
废物产生单位: 广州岭南电缆股份有限公司	
地址: 广州市南沙区黄旗镇人缘路163号	
电话: 18819325566 联系人: 李 勤	
批次: 数量: 生产日期:	

危 险 废 物	
主要成分: 苯、二甲苯、甲苯、甲醛	危险类别
化学名称: 废活性炭	
危险情况: 毒性	
安全措施: 定点存放, 防止泄漏	
废物产生单位: 广州岭南电缆股份有限公司	
地址: 广州市南沙区黄旗镇人缘路163号	
电话: 18819325566 联系人: 李 勤	
批次: 数量: 产生日期:	

危 险 废 物	
主要成分: 油、烃、水混合物或乳 化液 类别: HW09	危险类别 
化学名称: 废乳化液	
危险情况: 毒性	
安全措施: 定点存放, 防止泄漏	
废物产生单位: 广州岭南电缆股份有限公司	
地址: 广州市南沙区黄旗镇人缘路163号	
电话: 18819325566 联系人: 李 勤	
批次: 数量: 生产日期:	

Key Indicators	Benchmark Units	2024
Quantity of general waste generated	Tons	44,351.2
Quantity of general waste recycled	Tons	44,084.4
Disposal volume of general industrial solid waste	Tons	185.3
Recycling rate of general waste	%	99.40
Quantity of hazardous waste generated	Tons	24.86
Quantity of hazardous waste disposed	Tons	24.86
Disposal rate of hazardous waste	%	100

Noise Management

Noise Treatment Measures:



Conduct routine inspections on time. When abnormal operation of equipment or harsh noise is found, report it in a timely manner and find out the cause. If it is determined that the equipment is malfunctioned, report it immediately for inspection and repair



All kinds of equipment should be regularly maintained and serviced according to the system, especially for the lubrication of high-noise source equipment, so as to make the equipment operate normally and reduce the noise

Resource Efficiency

Zhiguang Electric has attached importance to energy management, and implemented the environmental protection work policy of “comprehensive planning, rational allocation, integrated utilization, conversion of harm into benefit, community reliance, collective engagement, environmental preservation, and public welfare.” Relying on integrated energy management and power consumption services, it conveys the concept of “using energy safely, economically, and comfortably” to our customers, helps customers systematically solve the problems of energy supply and energy efficiency improvement, and contributes to sustainable development.

Management System

The Company has formulated the *Regulations on Environmental Protection, Energy Conservation and Energy Emergency Management* in accordance with the *Environmental Protection Law of the People’s Republic of China* and the *Energy Conservation Law of the People’s Republic of China*, actively promoted the energy conservation, and clarified various energy emergency plans. The Equipment Department of the Company has assumed the overall responsibilities of environmental protection management and technical supervision of environmental protection, coordinated and cooperated with relevant departments such as the Quality Department and the Materials Department to jointly promote the resource management.



Lingnan Cable’s Energy Management System Certificate

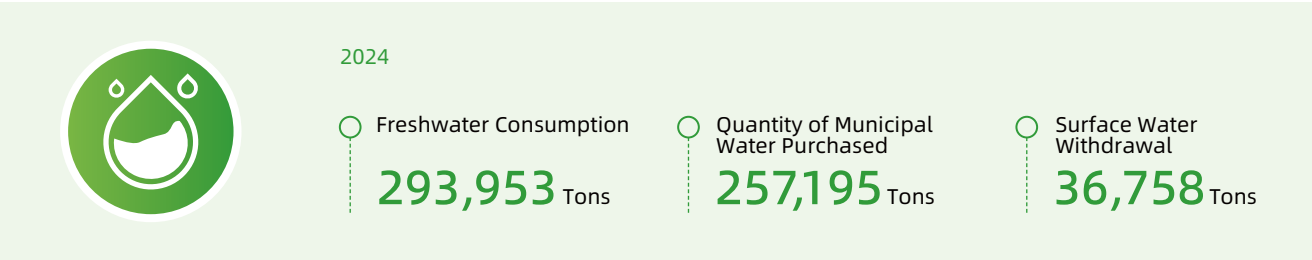
Energy Management

The Company has preferentially adopted clean production processes with high material utilization rates and low pollution emissions, promoted the energy-saving technologies and materials, and eliminated high-energy-consuming technologies. Meantime, we strengthen the equipment management, improve the usage efficiency, and carry out routine maintenance to ensure the normal operation of equipment. The Company strictly controls the consumption of raw materials and auxiliary materials, and enhances employees’ skills and awareness of conservation, so as to improve the product quality and reduce the unqualified products. In addition, the Company also advocates the use of recyclable or reusable items to reduce the use of disposable items.

Key Indicators	Benchmark Units	2024
Total Purchased Electricity	kWh	15,042,516
Gasoline	Tons	36.70
Diesel	Tons	37.60
Anthracite	Tons	38,536.28
Natural Gas	10,000 m3	1,215.88
Liquefied Petroleum Gas	Tons	5.88
Total Energy Consumption	tce	50,393.67
PV Generation	kWh	2,107,800
Proportion of Energy Consumption of PV Power Generation	%	0.51

Water Resource Management

- ★ Strengthen the routine inspection, maintenance and management of water-using equipment, and promptly address issues such as constant dripping and leaks of any kind.
- ★ Advocate the secondary utilization and recycling of water resources.
- ★ Strictly control the discharge of various types of wastewater generated during the production process, advocate water conservation and clean production, and do not discharge domestic waste, construction waste or other waste into water bodies.
- ★ Take hot water from the water dispenser as needed, and turn off the power of the water dispenser when leaving work.
- ★ Ensure sewage treatment tanks operate efficiently and increase the rate of wastewater recycling and reuse.



Support for Green Ports

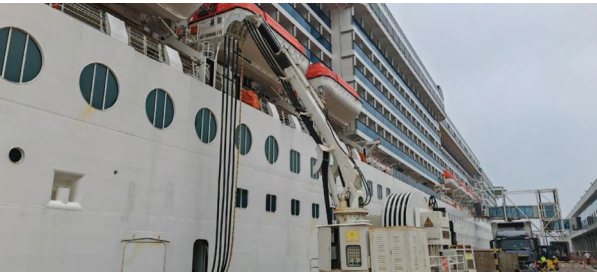
With its excellent R&D strength and rich industry experience, the Company has created a ship shore power system that integrates high efficiency, stability and advancement. During the normal operation of various ships when they dock at the port, the system can supply power to the ships after transforming the electric energy of the shore-based power grid through high-power conversion. This system has been widely applied in major domestic large ports such as Tianjin Port, Qingdao Port, and Rizhao Port, and has been used for providing power continuously to vessels in a regularized manner in multiple ports including Yingkou Port, Xiamen Port, and Shenzhen Shekou Port.

When the ship is moored at the port berth, it is connected to the power grid on the land side of the wharf and obtains the electricity required for its production operations, living facilities, etc. from the shore, so as to turn off or use less of its own diesel auxiliary engines, which falls within the typical category of “replacing oil with electricity” power substitution. It effectively reduces the emissions of pollutants such as carbon dioxide, nitrogen oxides, and particulate matter during the period when the ship is docked at the port. After the ship connects to the wharf power supply system, it can eliminate the noise pollution generated by the operation of its own generator set, improve the environmental quality of the port and its surrounding areas, provide high-quality power solutions for the port and the ship, drive the green upgrade of the upstream and downstream industrial chains of the port, and contribute to the construction of green ports.

Successful Shore Power Connection to Ships in Shandong Port Group

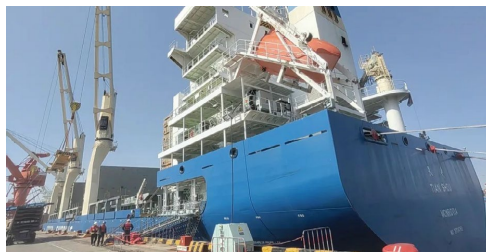


On July 1, 2024, the high-voltage shore power system provided by Zhiguang Electric successfully completed the shore power connection to the cruise ship “Mediterranean” at the C1 berth of Qingdao Cruise Terminal of Shandong Port Cruise Development Group. The shore power connection to this ship lasted for 3 hours, with the electricity connection reaching 14,807kWh, which reduced carbon dioxide emissions by 3.95 tons, and achieved the first shore power connection to ship at Qingdao Cruise Home Port.



Successful High-Voltage Shore Power Connection at Qingdao Port

In April 2024, the 5,000kVA intelligent high-voltage shore power system provided by Zhiguang Electric completed the shore power connection with the “Tian Shou” vessel of COSCO Shipping at the Xilian Company of Qingdao Port, Shandong Port. This was an important step for Zhiguang Electric to assist Qingdao Port in its transformation towards green and low-carbon development, enhancing the green port image of Qingdao Port.



The High-Voltage Shore Power of Guangxi Beibu Gulf International Container Terminal was Completed and Put into Use

During the Reporting Period, the intelligent ship-shore power system of Zhiguang Electric was officially used in Guangxi Beibu Gulf International Container Terminal Co., Ltd. It converted the 10kV/50Hz industrial power supply into a 6.6kV/60Hz or 6kV/50Hz high-voltage marine power supply, and provided specific power supply to the ship during berthing via high-voltage cables. The replacement of traditional fuel oil with clean electrical energy opened a new chapter in the construction of a zero-carbon green terminal.



Materials Management

Zhiguang Electric continuously standardizes the material management process, and scientifically plans the storage, handling, requisition, and use of materials to achieve efficient material management. The Company focuses on improving the utilization rate of materials, and actively introduces eco-friendly materials, which promotes sustainable development, helps the enterprise reduce costs and increase efficiency, and contributes to green manufacturing.

Management System

The Company has formulated the *Management Process for the Consumption of Dead Stock*, *Operation Instruction Process for Wooden Packaging*, *Packaging Specifications of EPE Foam for the Shipping Team*, *Measures for Handling Management*, and *Warehouse Management System* to clarify the management process for the consumption of dead stock, standardize the image, quality, and transportation requirements of product packaging, and implement the processes and operation methods for the inbound and outbound management, handling, management, and protection of materials. The Company has established a Materials Department, which is responsible for material procurement, warehouse management, ledger maintenance, and the disposal of waste materials, to promote the recycling of resources and improve the efficiency of material use.

Personnel	Responsibilities
Asset Administrator	<ul style="list-style-type: none"> ★ The inbound, outbound, and storage management of raw materials and products ★ Review the validity of documents and complete the K3 accounting process. ★ Process, collate, and file documents according to financial requirements
Quality Assurance Department	<ul style="list-style-type: none"> ★ Confirm and check the quality of materials in the warehouse
Planning and Finance Department	<ul style="list-style-type: none"> ★ Supervise and verify the accounting and physical management of the warehouse

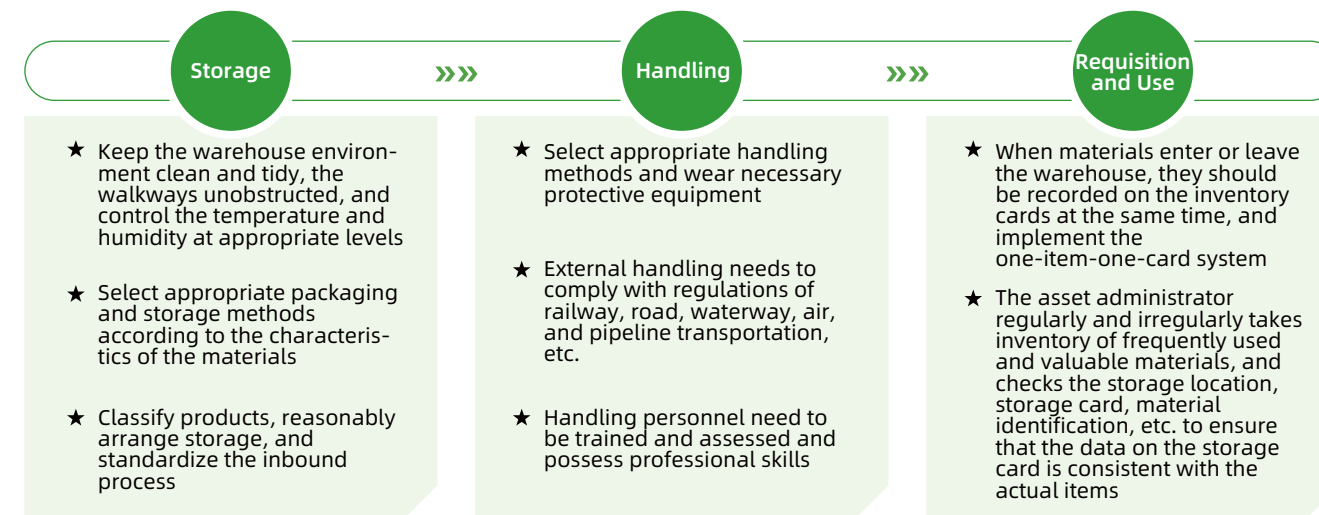
The Company has obtained the qualification certificate of a green packaging enterprise and has been rated at the highest level.



Lingnan Cable's Qualification of AAAAA Green Packaging Enterprise

Management Measures

The Company continuously optimizes the material management process to ensure comprehensive and effective management of all aspects such as material storage, handling, requisition, and use.



Green Packaging

In order to achieve the greening and lightweighting of packaging, the Company has introduced manufacturers of new carton-type packaging materials, and is committed to using more eco-friendly packaging materials to reduce resource consumption and waste.

Key Indicators	Total Quantity of Packaging Materials Used	Metal Packaging Materials	Plastic Packaging Materials	Paper Packaging Materials	Wooden Materials
Benchmark Units	Ton	Ton	Ton	Ton	Ton
2024	356.17	122.11	76.06	15	143

03

Chapter 3 Society - Collaborative Development: Build a Closely Connected Community with a Shared Future

Our Actions Zhiguang Electric focuses on the sustainable development of the industry, and is committed to industrial optimization and upgrading, innovative infrastructure construction, advocating a responsible consumption and production model, and building cooperative relationships. We deeply understand that sustainable development is related to environmental responsibility and corporate competitiveness. The measures such as resource integration and innovation stimulation can promote the harmonious coexistence of society, the environment, and the economy. Meanwhile, the Company actively fulfills its social responsibilities, engages in improving employees' health and welfare, eliminating gender discrimination and injustice, carrying out charitable and public welfare activities, and assisting in the development of rural economies. It is committed to creating a fair and harmonious environment to promote the social common prosperity and all-round progress

SDGs Responeded



R&D Innovation

Zhiguang Electric always upholds the innovation-driven development strategy and takes technological innovation as the core driving force for enterprise development. Relying on a strong R&D team and advanced experimental platforms, the Company promotes the rapid transformation and application of technological achievements by constructing an innovative system with deep integration of industry, university, and research institute. At the same time, the Company also empowers the traditional electrical industry with intelligent and digital technologies to create efficient, green, and sustainable solutions.

© Governance

The Company has developed the R&D management regulations such as the *Regulation on Management of Technical Improvement and Technological Innovation*, *Administrative Measures for the Initiation of R&D Projects*, *Regulation on Management of Design and Development*, *Administrative Measures for Scientific Research Projects*, *Special Incentive Management Measures*, *Administrative Measures for the Evaluation and Reward of R&D Projects*, *Administrative Measures for the Management and Reward of Government Projects*, and *Industry-University-Research Institute Management Regulation* to strengthen the Company's scientific and technological innovation management, ensure the standardization and institutionalization of technical improvement and technological innovation, make the science and technology transformed into productive forces as soon as possible, and promote the technological progress and development.

The Company's Technology Development Department, Technology Management Department, and R&D Center are jointly responsible for the initiation of R&D projects.

Responsibilities of Technical Improvement and Innovation

Technology Center

As the competent department, it is responsible for planning the development, technical improvement, and upgrading of new products, conducting the comprehensive review and verification in the process control, realizing the confirmation of R&D design, and organizing the acceptance, evaluation, and award of the completed project

Technical Support Department

Responsible for the application and realization of product technology, and guide the engineering technology improvement and scientific and technological innovation of products at the application level

Relevant Departments

Departments such as the Quality and Standardization Department, Product Center, President's Office, Human Resources Department, and Finance Department jointly participate in and collaborate to promote technical improvement and innovation

© Related Certificates and Certifications

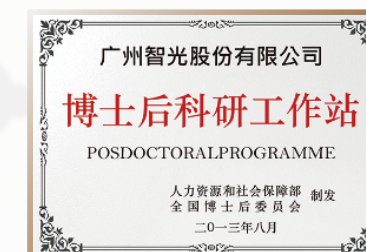
Zhiguang Electric



High-Tech Enterprise Certificate



National Enterprise Technology Center



National Postdoctoral Research Station



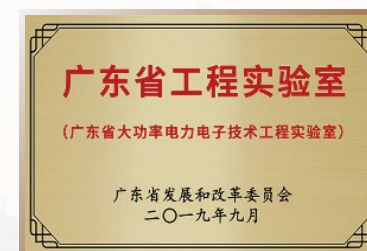
First Batch of Pilot Demonstration Units for Technological Innovation (Energy Storage) Approved by the National Energy Administration



Pilot Demonstration Enterprise for the Integrated Development of Manufacturing and the Internet



Leading Enterprise in the Energy Storage Technology Field of the New Energy Industry in Guangdong Province



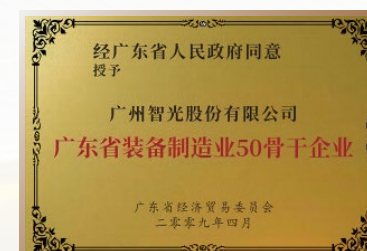
Guangdong Engineering Laboratory for High-Power Power Electronics



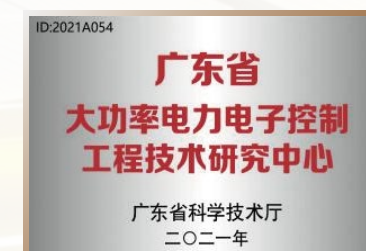
Guangdong Provincial Engineering Technology Research Center



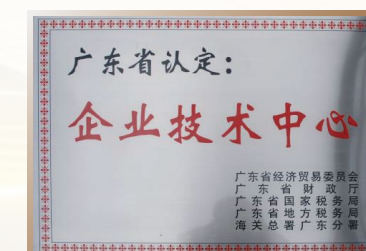
Guangdong Intellectual Property Advantage Enterprise



Top 50 Equipment Manufacturers in Guangdong

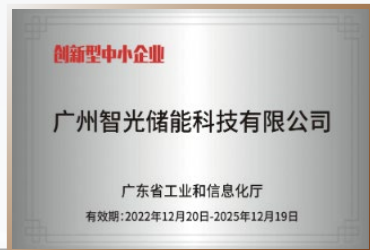


Guangdong Engineering Technology Research Center for High-Power Power Electronic Control



Guangdong Enterprise Technology Center

Zhiguang Energy Storage



Innovative Small and Medium-sized Enterprise in Guangdong



Guangdong SSDI SMEs



High-tech Enterprise

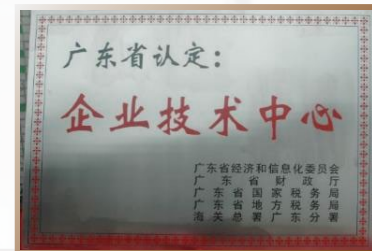
Lingnan Cable



High-Tech Enterprise Certification



Guangdong SSDI SMEs



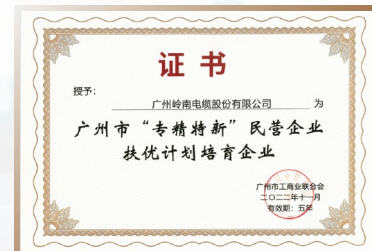
Guangdong Enterprise Technology Center



Guangdong Provincial Engineering Technology Research Center



Member of Guangdong Wire and Cable Industry Association



Cultivating Enterprise of the "SSDI" Excellent Private Enterprise Support Plan in Guangzhou

Zhiguang Electric Technology



High-tech Enterprise



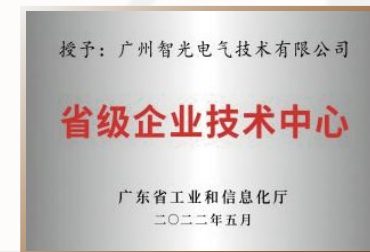
The Fifth Batch of SSDI "Little Giant" Enterprises



Committee Member of the National Technical Committee for Standardization of Variable Frequency Drive



SSDI SMEs



Guangdong Enterprise Technology Center



Innovative Small and Medium-sized Enterprise in Guangdong



Member of Guangzhou Circular Economy Clean Production Association



Cultivating Enterprise of the "SSDI" Excellent Enterprise Support Plan in Guangzhou

Zhiguang Energy Conservation and Environmental Protection



High-tech Enterprise



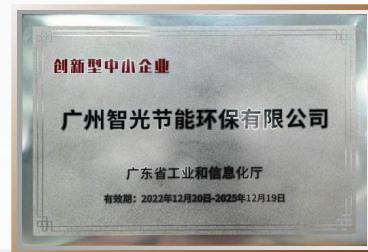
Branded Enterprise in the Energy Conservation Service Industry



Guangdong Provincial Engineering Technology Research Center



Guangdong SSDI SMEs

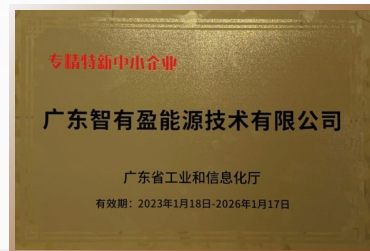


Innovative Small and Medium-sized Enterprise in Guangdong

Zhiyouying



High-tech Enterprise



Guangdong SSDI SMEs



License for Installation (Repair and Testing) of Electric Power Facilities



Construction Enterprise Qualification Certificate

Huayue Power



Engineering Design Qualification Certificate



Engineering Survey Qualification Certificate



Construction Enterprise Qualification Certificate



Class B Credit Certificate of Engineering Consultation Unit



High-tech Enterprise

Zhiguang Econ



High-tech Enterprise



High-tech Enterprise

Zhiguang Automation

© Strategy

The Company comprehensively and thoroughly analyzes and evaluates the intellectual property risks of R&D projects at different stages, including before project initiation, during the R&D stage, after the completion of project, and during the improvement of achievements. At the same time, we identify the opportunities therein and formulate corresponding avoidance measures to ensure the smooth progress of R&D activities and the effective transformation of achievements.

Risk	Intellectual Property Risks of the Research and Development Center
Category	Before R&D Project Initiation
Description of Risk/Opportunity	If the R&D project has not undergone market research and retrieval analysis, it may lead to repeated R&D and waste of R&D funds; if the R&D project is commercialized into products and put into market, there may be a risk of infringing on the intellectual property rights of others
Financial Impact	Waste of Scientific Research Funds
Impact Duration	Short
Magnitude of Impact	Medium
Likelihood of Occurrence	Low
Opportunities and Avoidance Measures	Before project initiation, the intellectual property retrieval is conducted in the internal demonstration and feasibility risk stage to understand the status of existing technologies and prior patent layouts. Then we adjust the R&D path based on the results of market research, and select an appropriate R&D direction to prevent the R&D project from infringing on the patents of others.

Risk	Intellectual Property Risks of the Research and Development Center
Category	During the Project R&D Stage
Description of Risk/Opportunity	New technologies and patents may conflict with the R&D direction; when the technical solution is modified, the previous retrieval analysis will be no longer applicable
Financial Impact	Increase in R&D Costs
Impact Duration	Medium
Magnitude of Impact	Large
Likelihood of Occurrence	Medium
Opportunities and Avoidance Measures	After the project is initiated, conduct patent tracking and retrieval analysis, continuously consult patent documents, and analyze the patent technologies of others to prevent the new technologies under R&D from infringing on the patents of others; if the technical solution is modified, promptly conduct retrieval analysis and market research on the new solution.

Risk	Intellectual Property Risks of the Research and Development Center
Category	After the Completion of R&D Project
Description of Risk/Opportunity	If the intellectual property rights of the R&D achievements are not confirmed in a timely manner, and the intellectual property rights are not utilized in a timely manner to protect the R&D achievements, the achievements may not be protected by the intellectual property rights
Financial Impact	Waste of Scientific Research Funds
Impact Duration	Medium
Magnitude of Impact	Large
Likelihood of Occurrence	Low
Opportunities and Avoidance Measures	Confirm the intellectual property rights of the R&D achievements in a timely manner, and use the intellectual property rights to protect the R&D achievements in a timely manner. Retrieve the technical documents of patent similar to the R&D achievements, and make comparative analysis and evaluation of the infringement risks for avoidance, so as to prevent the R&D design achievements from infringing on the patents of others.

Risk	Intellectual Property Risks of the Research and Development Center
Category	Achievement Improvement
Description of Risk/Opportunity	If the Research and Development Center does not attach importance to the reasonable suggestions feedback by the Product Center and the customer's improvement suggestions feedback by the Market and Information Department, it will hinder the R&D of product in the Company.
Financial Impact	The improved achievements may not be eligible for patent application for they are outdated
Impact Duration	Medium
Magnitude of Impact	Large
Likelihood of Occurrence	Low
Opportunities and Avoidance Measures	For the technical improvements and innovations in production equipment, processes, testing methods, etc. recognized and proposed by the Product Center, and for the customer's improvement suggestions feedback by the Market and Information Department, the Research and Development Center should conduct patent retrieval and analysis, evaluate the novelty, inventiveness, and legal risks of the technology, and provide suggestions for avoidance or other measures. The Research and Development Center should protect the intellectual property rights in a timely manner, applying for patents or protecting them as technical secrets.

Risk	Intellectual Property Risks of the Research and Development Center
Category	Risk of Secret Leakage
Description of Risk/Opportunity	The R&D Department has access to information such as the Company's R&D records and test records
Financial Impact	Have a negative impact on the Company's operation, development, and reputation
Impact Duration	Long
Magnitude of Impact	Large
Likelihood of Occurrence	Low
Opportunities and Avoidance Measures	Improve the relevant systems and require personnel to strictly implement them, keep relevant information confidential, and do not disclose it to third parties without approval.

© Impact, Risk, and Opportunity Management

Through scientific risk identification and accurate assessment, the Company effectively avoids risks, protects intellectual property rights from infringement, and prevents R&D achievements from infringing on the patents of others, which ensures the steady development of R&D innovation, reduces the potential risks, and stimulates the vitality of scientific and technological innovation.



© Goals and Indicators

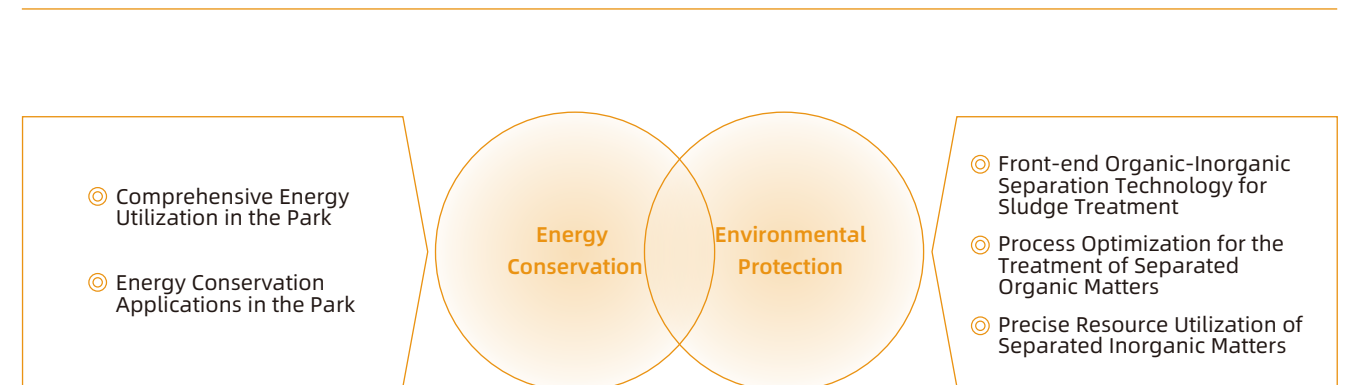
Technical Innovation and Development Plan of Zhiguang Electric Technology in the Next 5-10 Years (Formulated in 2022)

Continue to develop the technology of intelligent power equipment with power electronic control as the core technology.	Conduct technical research and development and intelligent equipment manufacturing in the fields of smart energy technology, energy conservation technology, green electric energy substitution, energy conversion technology, electric energy control technology, energy storage technology, etc., to achieve the clean and efficient use of electric power energy.
Build a basic technology laboratory	Build a multifunctional public technology platform. Provide basic support for the development, design, and prototype testing of power electronic control and devices by setting up experimental conditions such as dynamic simulation test loads, test power supplies, and real-time simulation systems. Meantime, engage high-end talents, strengthen the construction of software and hardware, accumulate technical data, materials, and information, and realize resource sharing, so as to provide support for basic technical research and basic application research.

Zhiguang Automation's R&D and Innovation Objectives



- ◎ Continue to complete the research and development of the PACK-level fire alarm detector for energy storage fire protection
- ◎ Research and development of the fire alarm detection communication repeater
- ◎ Research and development of the combustible gas and fire alarm information display module for energy storage fire protection
- ◎ Research and development of the small-sized fire alarm controller for industrial and commercial energy storage
- ◎ Carry out preliminary basic research on the research and development of the source-grid-load-storage integrated control system, and try to initially conduct the research and development of the AGC/AVC regulation controller

Zhiguang Energy Conservation and Environmental Protection's R&D and Innovation Objectives




Management Indicator	Unit	2024
Investment in R&D	RMB '0000	16,016.52
Percentage of R&D Investment in Operating Income and Its Changes	%	6.17
Number of New Product Development Projects	Units	6
Core technical personnel of the company	Persons	208


R&D Team

	Total R&D Team Members 503 Persons		Percentage of R&D Personnel 24.20%
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Innovations

<p>As of December 31, 2024, the Company has obtained 899 patents and software copyrights (excluding those under application), including 117 invention patents, 362 utility model patents, 50 design patents, and 370 software copyrights.</p> <p>In 2024, the Company newly obtained 34 authorized invention patents, 30 authorized utility model patents, 10 authorized design patents, and 12 authorized software copyrights.</p>	
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Enterprise Innovation Capability Certification

<p>National “Little Giant” Specialized and Sophisticated Enterprise that Produces Novel and Unique Products Nos. 1</p> <p>National High-Tech Enterprise Nos. 14</p> <p>National Enterprise Technology Center Nos. 1</p>	
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R&D Incentives

- For the research and development center and relevant technical personnel participating in R&D projects and the application for government science and technology projects in the electrical product sector, the Company awards the completion bonus and the performance bonus of R&D projects.
- For technical breakthroughs achieved in major core projects, or for obtaining major science and technology subsidies or government support subsidies, applications can be made for the Company’s special incentives.
- Personnel who hold technical professional titles or vocational qualifications recognized by the Ministry of Human Resources and Social Security, and whose major of title/qualification matches their current professional field, may apply for title/qualification subsidies. The Company may reimburse examination registration fees and provide corresponding rewards.

Development of Industry Standards

As of the end of the Reporting Period, the Company has participated in the development of 35 national standards, of which 30 have been issued; participated in the formulation of 17 industry standards, of which 5 have been issued; and participated in 45 group standards, of which 22 have been issued.

CNAS Laboratory Accreditation Project

 Case


From April 15 to 16, 2024, the kick-off meeting and training session of Zhiguang Energy Storage CNAS Laboratory Accreditation Project were grandly held in Yunpu Industrial Park, Guangzhou. Zhiguang Energy Storage would build a high-level CNAS laboratory, create a more authoritative testing and verification platform, comprehensively improve the testing capabilities and technical standards for the performance of system equipment, and safeguard the performance and quality of products.

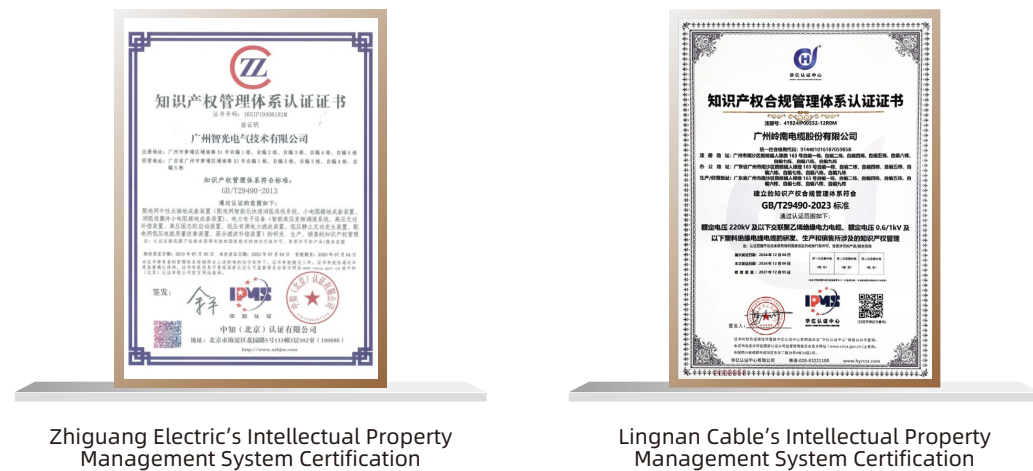



The CNAS laboratory accreditation project was officially launched

◎ Protection of Intellectual Property Rights

The Company has formulated a series of internal systems such as the *Intellectual Property Management System*, *Administrative Procedure for the Management of Intellectual Property Documents*, *Procedure for Management of Intellectual Property Risks*, *Administrative Procedure for the Handling of Intellectual Property Disputes*, *Measures for Management of Scientific and Technological Archives*, and *Procedure for Management of Intellectual Property in the Sales and After-sales Process* to ensure the safety of intellectual property rights, prevent infringement and being infringed, encourage employees' enthusiasm for invention and creation, and promote the popularization and application of scientific and technological achievements.

The Technology Management Department of the Company's R&D Center, as the competent department, is responsible for the comprehensive management, application, dispute handling, transfer, publicity and training of intellectual property rights, as well as its relevant rewards and remunerations. Other departments assist in carrying out relevant business and work. During the Reporting Period, the Company did not incur any penalties or disputes due to intellectual property protection issues.



Responsible Supply Chain

Zhiguang Electric has always adhered to the principle of honest and efficient contract performance, and been committed to building an agile, flexible, and highly collaborative supplier evaluation and management system. While maximizing the value of the Company's supply chain resources, it also emphasizes maintaining the independence and flexibility of the supply chain management of its subsidiaries to adapt to the ever-changing market demands. The Company focuses on establishing good strategic partnerships with suppliers and customers. With a fair evaluation system, a fair and transparent procurement process, and a comprehensive service system, we continuously improve the procurement and customer service processes, so as to provide more competitive products and services to the market.

◎ Governance

To ensure the effective management and control of suppliers and maximize the sustainability of the supply chain, the Company has formulated such regulations as the *Supplier Management Regulation*, *Regulation on Supplier Quality Management*, and *Regulation on Supplier Performance Management*, and set up the Supplier Management Department to be responsible for organizing the development, review, management, and assessment of suppliers. The Quality Department participates in supplier review and monitors the quality of incoming materials.

Lingnan Cable has obtained the Green Supply Chain Management System Certification.



◎ Strategy

The Company has conducted a comprehensive analysis of potential risks and opportunities, systematically analyzed the relevant elements in the supply chain management process, and formulated targeted response measures.

Risk/Opportunity	Risk
Category	Supply Chain Disruption
Description of Risk/Opportunity	The Company's raw material suppliers may experience supply interruptions due to factors such as natural disasters, equipment failures, and political instability. In addition, unexpected disruptions in the logistics and transportation, such as traffic control and port congestion, can also affect the timely delivery of products
Financial Impact	Result in the stagnation of the Company's production and the generation of additional production costs
Impact Duration	Medium and short-term
Magnitude of Impact	High
Likelihood of Occurrence	Medium
Response Measures	<ul style="list-style-type: none">●Build a diversified supplier system, and conduct regular evaluations to reduce single-source dependency.●Formulate emergency response plans, and stockpile critical materials to deal with unexpected situations.●Strengthen collaboration with logistics partners, monitor transportation progress, and adjust plans flexibly.

Risk/Opportunity	Risk
Category	Fluctuations in Market Prices
Description of Risk/Opportunity	The prices of raw materials required by the Company, such as metals like copper and aluminum, as well as electronic components, are greatly affected by market supply and demand relationships and the international economic situation
Financial Impact	The increase in raw material prices would directly increase procurement costs and compress the profit margins
Impact Duration	Medium and short-term
Magnitude of Impact	Medium
Likelihood of Occurrence	High
Response Measures	<ul style="list-style-type: none">●Monitor the price dynamics, predict the trends, and reasonably arrange the timing and quantity of procurement.●Sign long-term contracts and establish price adjustment mechanisms, and explore strategic partnerships to share risks.●Optimize product design, and find alternative materials to reduce the impact of price changes.

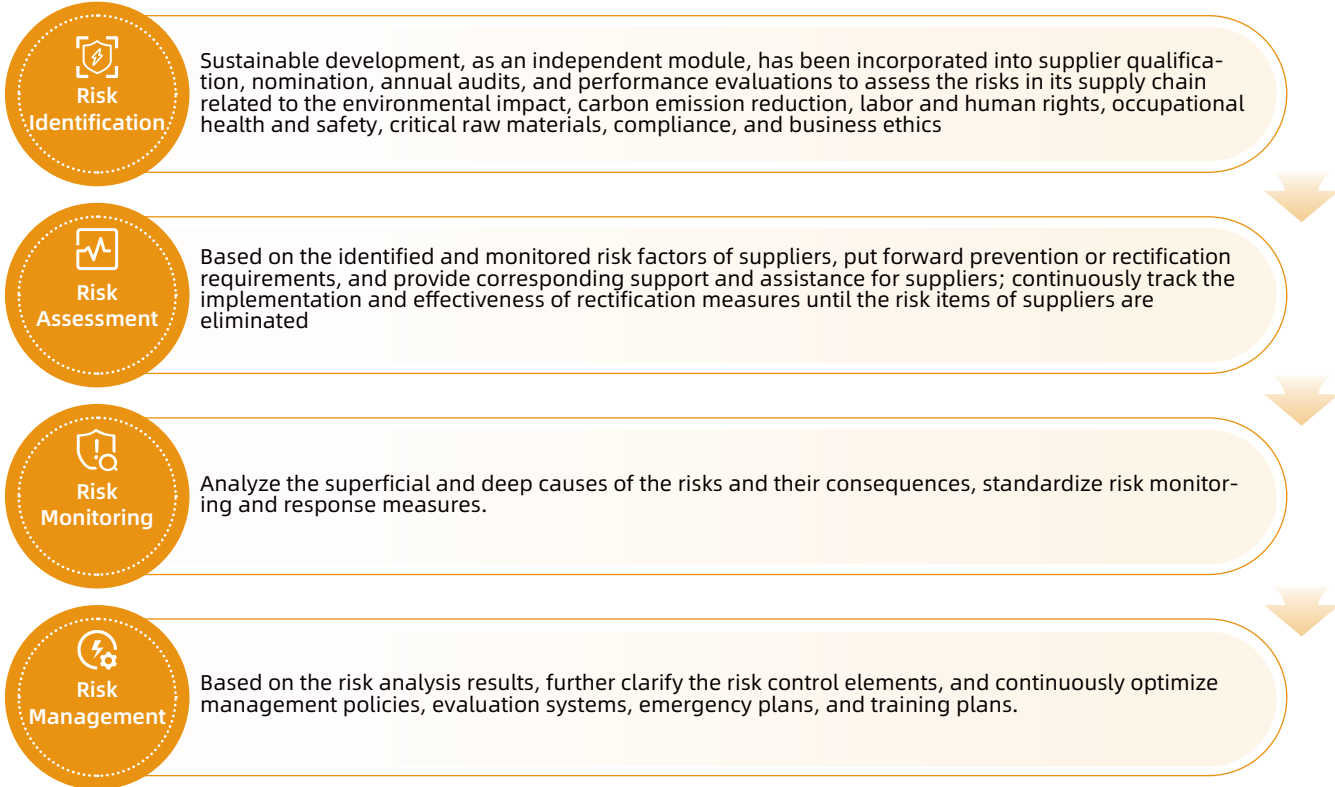
Risk/Opportunity	Opportunities
Category	Optimization and Integration of the Supply Chain
Description of Risk/Opportunity	By optimizing and integrating all aspects of the supply chain, such as production, procurement, and logistics, the Company can improve the efficiency and synergy of the supply chain
Financial Impact	Reduce the procurement costs, production costs, and logistics costs
Impact Duration	Medium and long-term
Magnitude of Impact	High
Likelihood of Occurrence	Medium
Response Measures	<ul style="list-style-type: none"> ●Reengineer the supply chain process, eliminate redundancies, and improve the overall operation efficiency. ●Build a collaborative platform, achieve information sharing, and enhance responsiveness and flexibility. ●Strengthen cost control, analyze, optimize, and reduce the total cost of the supply chain.

Risk/Opportunity	Opportunities
Category	Digital Transformation
Description of Risk/Opportunity	With the help of digital technologies such as the Internet of Things, big data, and artificial intelligence, Zhiguang Electric can achieve the digital management of supply chain, monitor the operation status of all links of the supply chain in real time, and predict changes in demand
Financial Impact	Improve the efficiency and accuracy of the supply chain, and reduce inventory costs and operating costs
Impact Duration	Medium and long-term
Magnitude of Impact	High
Likelihood of Occurrence	Medium
Response Measures	<ul style="list-style-type: none"> ●Invest in digital technologies, and introduce advanced systems to build a digital platform. ●Cultivate and engage talents, and improve employees’ digital capabilities to promote transformation. ●Use big data analysis to tap the value of data and optimize the operations of supply chain.

Risk/Opportunity	Opportunities
Category	Deepening of Partnerships
Description of Risk/Opportunity	By strengthening the relationships with partners such as suppliers, customers, and logistics service providers, Zhiguang Electric can achieve resource sharing and complementary advantages
Financial Impact	Reduce procurement costs, and improve sales efficiency to increase the Company’s profits
Impact Duration	Medium and long-term
Magnitude of Impact	High
Likelihood of Occurrence	Medium
Response Measures	<ul style="list-style-type: none"> ●Establish a partner evaluation and incentive mechanism, and provide incentives based on the results, so as to encourage partners to improve the level of cooperation. ●Strengthen communication and exchange, and establish a regular communication mechanism to resolve cooperation issues in a timely manner. ●Carry out joint innovation, and conduct joint research and development to enhance the overall competitiveness of the supply chain.

◎ Impact, Risk, and Opportunity Management

The Company has systematically identified, evaluated, responded to, and monitored the potential risks in the supply chain to ensure the stability of the supply chain and the sustainable development of its business.



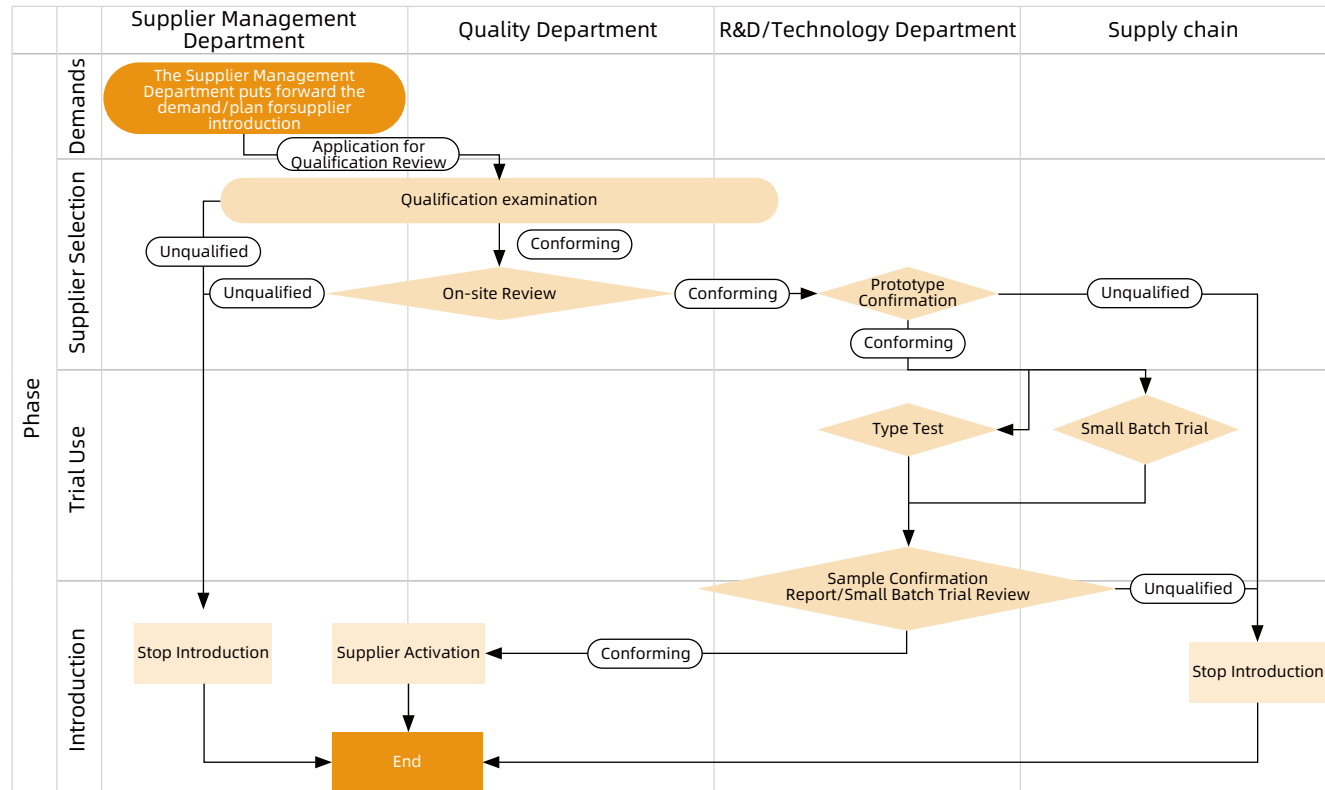
Metrics and Targets

Key Indicators	Unit	2022	2023	2024
Total number of suppliers	Units	889	1,110	2,558
Total number of domestic suppliers	Units	883	1,103	2,551
Number of overseas suppliers	Units	6	7	7
Number of suppliers certified under quality management systems	Units	544	675	831
Number of suppliers certified under environmental management systems	Units	508	639	773
Number of suppliers certified under occupational health and safety management systems	Units	466	598	714
Percentage of suppliers that have signed the Integrity Agreement	%	100	100	100

Whole-Life-Cycle Management of Suppliers

To standardize the management of suppliers, ensure the safety, stability, and long-term cooperation of the supplier team, the Company follows the basic principles such as giving priority to nearby suppliers over distant ones and matching the procurement quantity with the supplier's scale, and clarifies a series of processes such as supplier qualification, evaluation, classification, and assessment, so as to ensure that the selection, cooperation, and evaluation of suppliers are carried out in accordance with regulations, and lay a solid foundation for the continuous and stable development of the Company's supply chain.

New Supplier Introduction Process



Supplier ESG Management

The Company adheres to the principle of rigorous supplier review. The specific suppliers are required to provide relevant certificates of quality management system, environmental management system, and occupational health and safety management system. Meantime, the Company is committed to establishing long-term cooperative relationships with highly responsible suppliers to jointly promote the green, efficient, and stable development of the entire supply chain.

Transparent Procurement

The Company always places the management of clean procurement in an important position and actively advocates the professional ethics of integrity in business practices. To ensure the transparency and fairness of business activities, the Company has signed the integrity cooperation agreement with suppliers, clarifying the code of conduct for integrity in their business dealings, and making detailed provisions on the integrity-related responsibilities of personnel in key positions to ensure the healthy and orderly progress of procurement activities.

Supplier Training


The Company has established a supplier counseling team, which is responsible for providing comprehensive counseling to suppliers. When a supplier submits an application for process change, the team conducts a review and supervises the implementation. For major or recurring quality problems, the team promptly conducts on-site investigations at the supplier's factory to help the supplier solve the problems and prevent recurrence. For key suppliers with weak management, the team provides on-site counseling to improve their management capabilities, ensuring that they keep up with the development needs of the Company and providing a guarantee for the stability and sustainability of the supply chain.

Digital Management of the Supply Chain

The Company is committed to strengthening the construction of digital supply chain management, improving the digital supplier management process, and enhancing the transparency and efficiency of the supply chain, so as to build an efficient, transparent, and reliable supply chain system to provide strong support for the development of the Company.

Digital Management of Supply Chain


Case



Zhiguang Automation has introduced advanced digital tools and technologies to comprehensively manage the supplier files, purchase orders, delivery records, quality inspections, etc. By digital means, the Company has achieved comprehensive, accurate, and efficient management of supplier information to further improve the transparency and standardization level of supplier management, and provide a strong guarantee for the stable operation and sustainable development of the enterprise.

Supplier Information Management Process

- The Supplier Department completes the collection and filing of supplier information, establishes a supplier archive managed by a dedicated person
- The system administrator creates and maintains the supplier information in the ERP system, and updates the supplier status (engineering supplier, trial supplier, qualified supplier, and disabled supplier) according to real-time information
- The Supply Management Department is responsible for updating the *List of Trial Suppliers and Qualified Suppliers* at the beginning of each quarter.

SRM System Platform

Case



In order to optimize supplier management, Zhiguang Electric Technology has adopted the SRM system to replace the original traditional offline models (such as email, WeChat, etc.) for inquiry, bidding, and tendering. This has improved efficiency, reduced costs, and made the supply chain management process more digital, intelligent, and transparent.

Efficiency Improvement

- Timely Communication between Procurement and Supply Parties
- Interconnection of Internal and External Corporate Information for Efficient Collaboration
- Electronic Processes to Improve Procurement Efficiency
- Online Collaboration Platform which is Fast and User-friendly

Compliance Risk Control

- Compliant Procurement Processes with Standardized Procedures
- Fully Online Processes for Real-time Traceability and Information Transparency
- Driven by Big Data and Algorithms to Assist and Optimize Decision-making
- No Human Intervention in the Procurement Process to Avoid Non-compliant Links



Cost Reduction

- Reduce Procurement Costs and Management Expenses
- Expand Supplier Resources and Reduce Sourcing Costs
- Reduce Inventory Level and Improve the Feasibility of Plans
- Obtain Higher-quality Procurement Services

Innovation Service

- Empower Purchasers and Suppliers to Build a Supply Chain Ecosystem
- Connect to the PaaS Platform, with Underlying Technology to Support Enterprise Applications
- Comprehensive Services Including Product Consultation, Operation and Maintenance to Ensure Customer's Success
- Delivery Solutions with Multiple Service Standards to Ensure Successful Online Launch

The Value of Digital Supply Chain Procurement for Digital Transformation of Enterprise

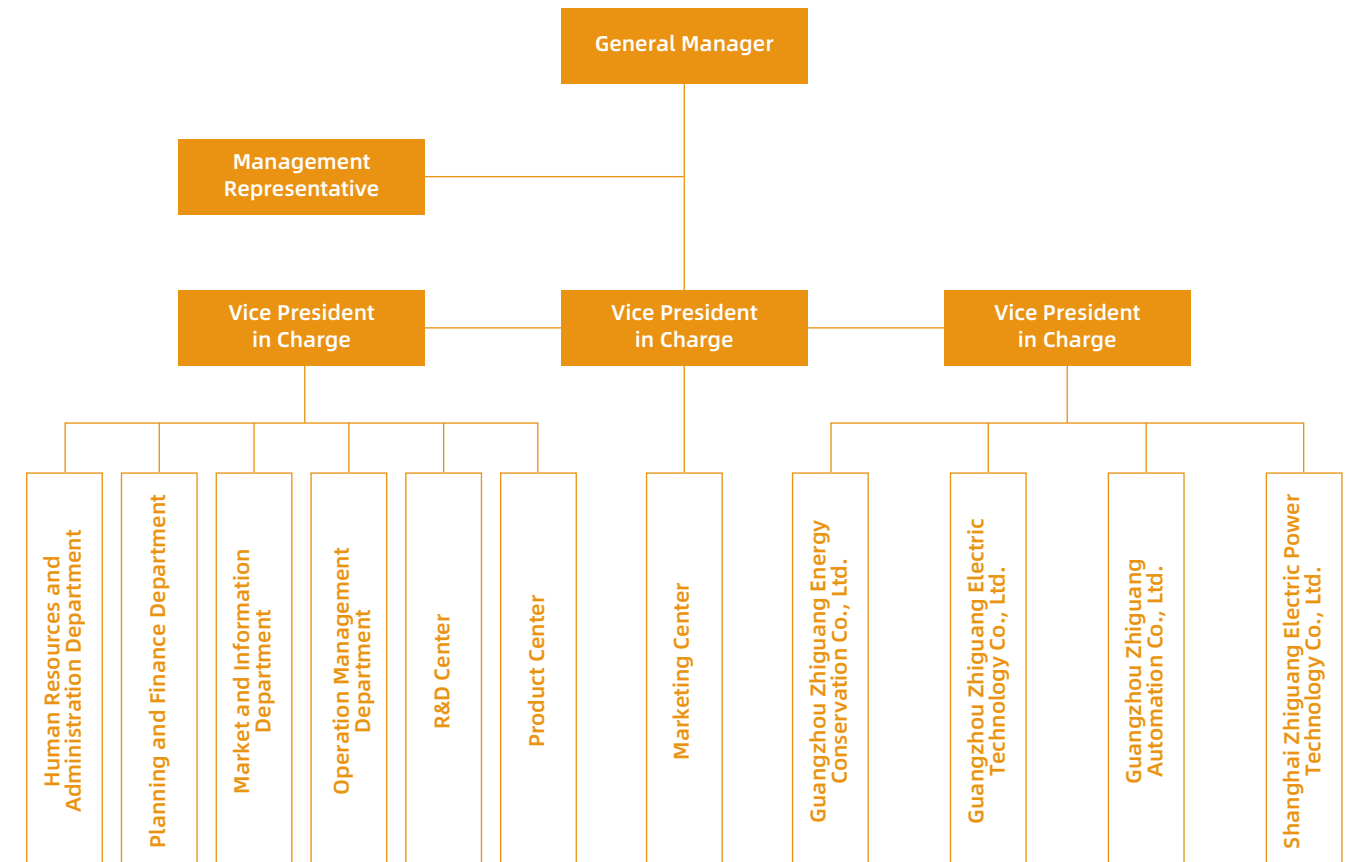
Product Safety and Quality

Adhering to providing high-quality products and services for customers is the Company's consistent tenet. The Company has passed the ISO 9001 Quality Management System Certification and established a complete set of quality control and inspection standards in the links of procurement, research and development, manufacturing, ex-factory, and after-sales service to ensure the effective operation of the quality control system.

Governance

The Company strictly complies with relevant laws and regulations such as the *Law of the People's Republic of China on Product Quality* and the *Law of the People's Republic of China on Work Safety*, formulates systems such as the *Quality Manual Management System*, *Standard for Product Identification and Traceability Management*, and *Guidelines for Project Quality Management*, clarifies the quality policy, quality objectives, and the process of quality activities, and establishes the Quality Management Department to coordinate relevant work, with a standardization management position set up to perform specific responsibilities.

Organizational Structure of Quality Management



"Converging Brilliance, Forging Supply Success" Supply Chain Summit Forum

Case



The 2024 Supply Chain Summit Forum was successfully held in Guangzhou with the theme of "Converging Brilliance, Forging Supply Success". The Executive Vice President and senior management team of Zhiguang Electric gathered with representatives of nearly 150 suppliers across the country to discuss the future development of the industry. The conference commended the partners who made outstanding contributions in 2024 and presented five major awards such as the "Excellent Supplier Award", "Excellent Delivery Award", and "Quality Pioneer Award". In the same period, Zhiguang Electric signed cooperation agreements with core strategic partners. Through resource sharing and complementary advantages, we jointly built a more competitive supply chain system. This cooperation aimed to strengthen the collaboration in the new energy field and the high-end equipment manufacturing industry chain and promote the high-quality development of the industry.



Deliver a Welcome Speech



Award Presentation

During the Reporting Period, Zhiguang Electric Technology, Zhiguang Energy Storage, Zhiyouying, and Lingnan Cable held the ISO 9001 Quality Management System Certificate.



ISO 9001 Quality Management System Certification of Zhiguang Electric Technology



ISO 9001 Quality Management System Certification of Zhiguang Energy Storage



ISO 9001 Quality Management System Certification of Lingnan Cable



ISO 9001 Quality Management System Certification of Zhiyouying

Lingnan Cable has obtained the AAAAA certification of the Green Design Product Management System.



Green Design Product Management System Certificate

◎ Strategy

The Company has carried out in-depth work on identifying and assessing the risks and opportunities in product safety and quality, analyzed the potential risks and opportunities in the production process, and formulated targeted response strategies.

Risk/Opportunity	Risk
Category	Market Risks
Description of Risk/Opportunity	The competition in the new energy and energy storage industries has become fierce, as peers continuously launch high-performance products to seize market share. Therefore, if Zhiguang Electric's products have no advantages in safety and quality, or there are fluctuations in market demand, the Company's market share and profits may be affected
Financial Impact	A decrease in market share leads to a reduction in sales revenue
Impact Duration	Medium and short-term
Magnitude of Impact	High
Likelihood of Occurrence	High
Response Measures	<ul style="list-style-type: none">●Strengthen market research, and understand customer needs and the dynamics of competitors to formulate differentiated marketing strategies.●Continuously improve product performance and quality to build brand advantages.●Optimize the product structure, expand the application fields of products, and reduce the impact caused by market demand fluctuations.

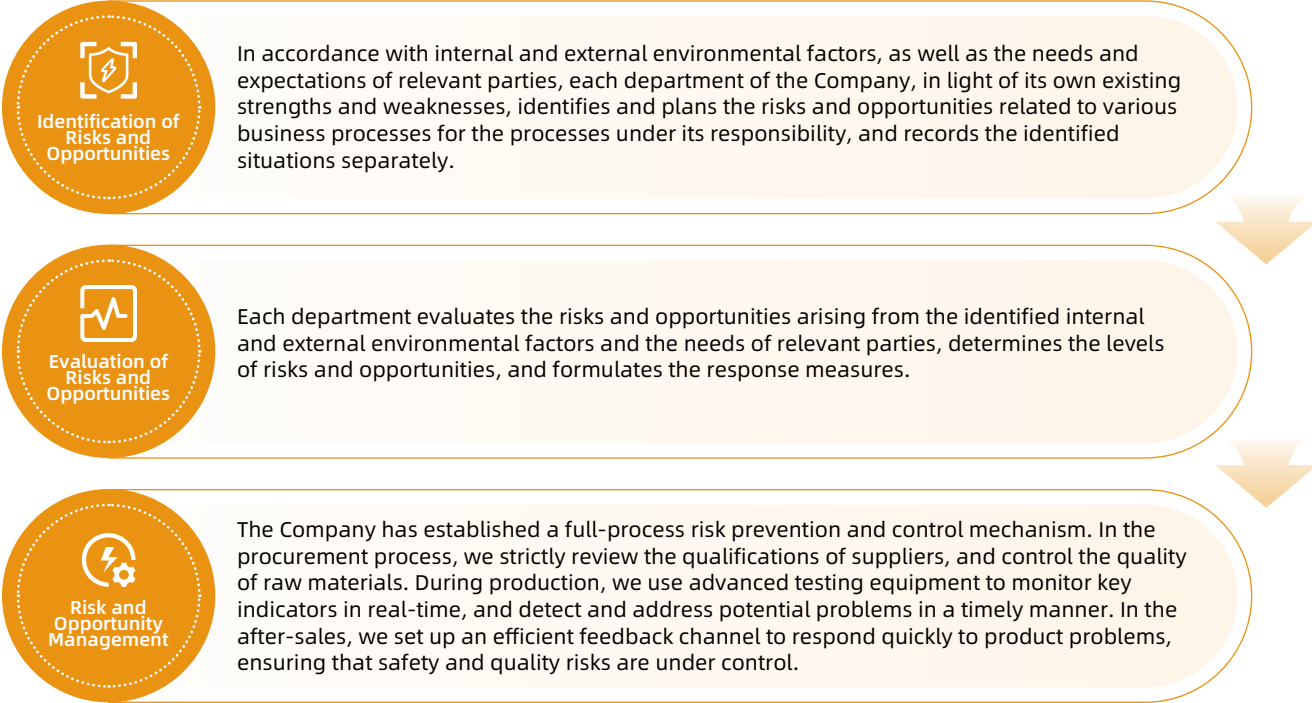
Risk/Opportunity	Risk
Category	Policy and Legal Risks
Description of Risk/Opportunity	The policies and regulations such as safety standards and environmental protection requirements in the power equipment industry are constantly updated. If Zhiguang Electric fails to pay attention to and comply with them in a timely manner, its products may face penalties for violating the policies
Financial Impact	Fines lead to direct economic losses, and litigation compensation and legal fees lead to increase in costs
Impact Duration	Medium and long-term
Magnitude of Impact	High
Likelihood of Occurrence	Medium
Response Measures	<ul style="list-style-type: none">●Establish a research team for policies and regulations to interpret relevant policies and regulations in a timely manner.●Establish a compliance management system to ensure that products meet the requirements of policies and laws throughout the process from design to sales.●Strengthen intellectual property management, carry out patent retrieval and analysis, apply for patent protection in a timely manner, and sign confidentiality agreements.

Risk/Opportunity	Opportunities
Category	Technological Innovation
Description of Risk/Opportunity	Continuous technological breakthroughs in digital energy and energy storage provide Zhiguang Electric with opportunities to develop more efficient, safer, and smarter products, which helps enhance product competitiveness and explore new markets.
Financial Impact	The launch of new products may increase the sales revenue and market share
Impact Duration	Long-term
Magnitude of Impact	High
Likelihood of Occurrence	High
Response Measures	<ul style="list-style-type: none">●Formulate a technological innovation strategy, and clarify the R&D direction and key points.●Establish an innovation incentive mechanism to encourage employees to carry out technological innovation.●Strengthen technical exchanges and cooperation with leading enterprises in the industry to introduce advanced technologies and experiences.

Risk/Opportunity	Opportunities
Category	Policy Support
Description of Risk/Opportunity	Policies such as the National 14th Five-Year Plan support the development of the new energy and energy storage industries, such as providing subsidies and preferential policies, which creates a good policy environment for Zhiguang Electric's business such as energy storage equipment and integrated energy services
Financial Impact	The entitlement to subsidies and tax incentives can increase profits
Impact Duration	Medium and long-term
Magnitude of Impact	High
Likelihood of Occurrence	Medium
Response Measures	<ul style="list-style-type: none">●Actively pay attention to policy dynamics and strive for more policy subsidies and project support.●Adjust the business layout and product structure according to the policy orientation, and increase investment in areas encouraged by policies.●Strengthen communication with government departments, feedback the Company's needs, and provide suggestions for policy formulation.

◎ Impact, Risk, and Opportunity Management

The Company attaches great importance to product quality control. We maintain the product quality and promote the Company's long-term sustainable development by identifying potential risks, assessing their impacts, and developing the corresponding management strategies.



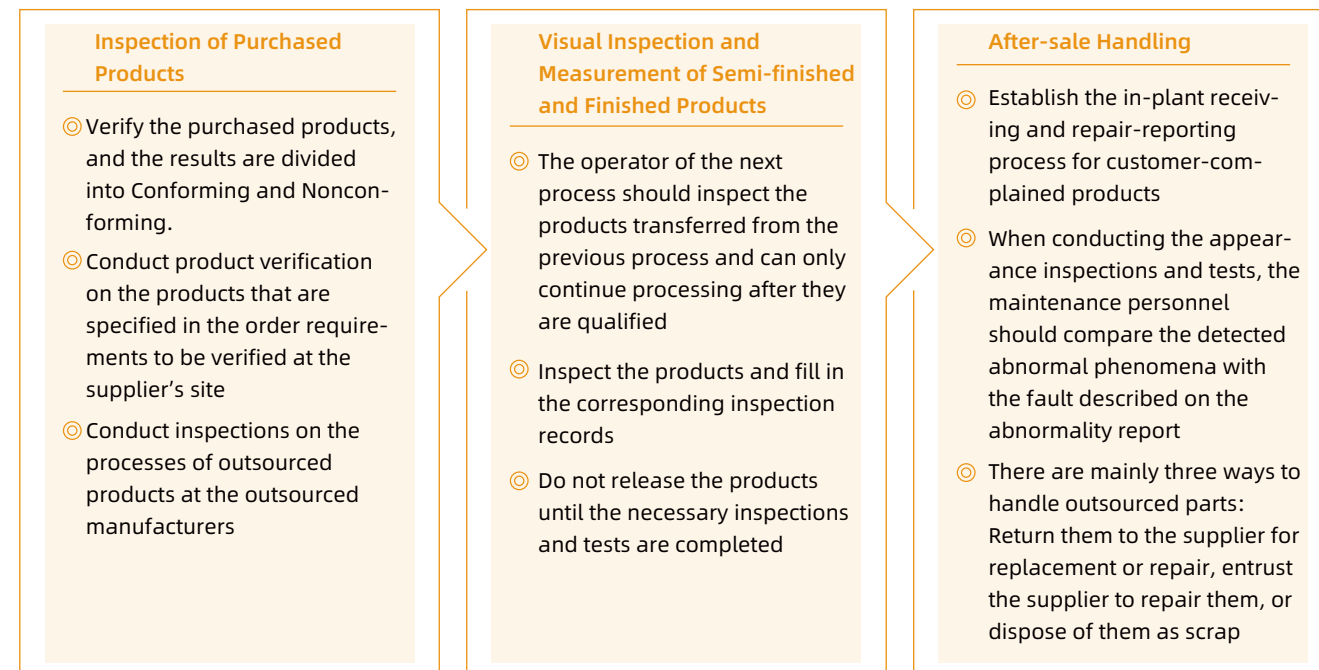
◎ Metrics and Targets

Key Indicators	Unit	2022	2023	2024
Number of Risk Assessments Conducted	Times	23	20	24
Times of Annual Quality Internal Audits	Times	3	3	4
Number of Third-Party Inspections Conducted	Times	22	36	36
Number of Participants in Quality Culture Training	Training participants	4,950	16,745	16,210
Total Hours of Quality Culture Training	Hours	5,625	22,791	22,303
Sessions of Quality Culture Training	Times	32	43	46

◎ Whole-Life-Cycle Management of Products

The Company supervises and inspects the manufacturing process and product quality to ensure that the manufacturing process and product quality meet the requirements. At the same time, we establish and improve the response and handling mechanisms for sudden emergency incidents, effectively preventing, scientifically responding to, and timely controlling product quality and safety incidents, so as to minimize the harm of product quality and safety incidents, and standardize and guide the emergency handling.

Whole-Life-Cycle Management of Zhiguang Electric's Products



In addition, the Company regularly hires a third party to conduct spot checks to confirm whether the products meet the specified quality standards or specific technical requirements. The Company's products, such as high-voltage dynamic reactive power compensation devices, high-voltage static dynamic reactive power compensation devices, intelligent shore power supplies, and variable frequency shore power supplies, hold certification certificates.

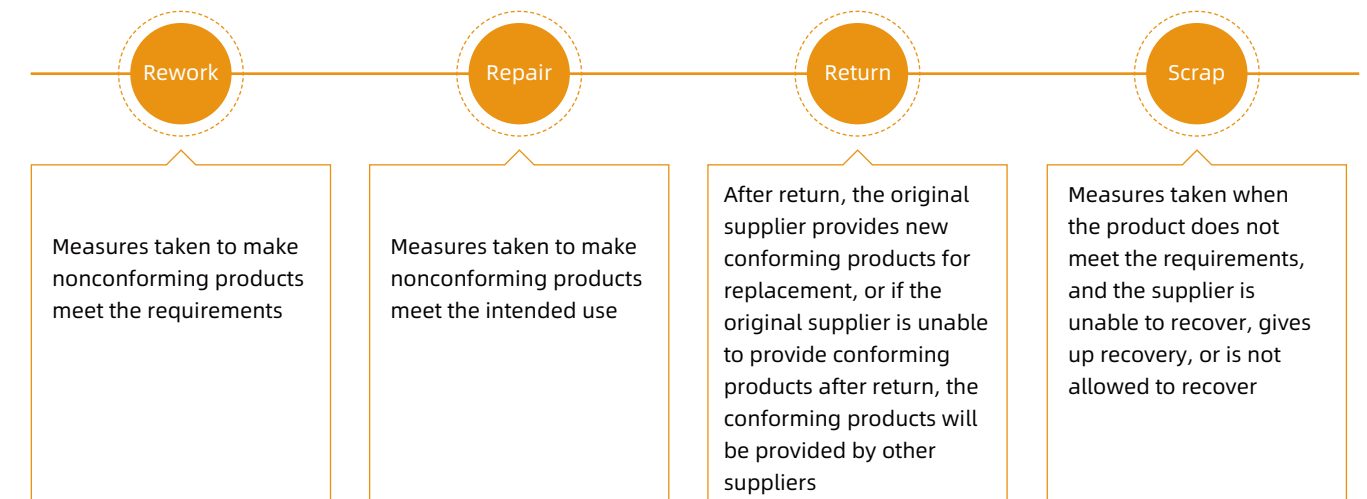


Product Certificate

◎ Product Recall

The Company and its subsidiaries have formulated systems such as the *Regulations on Product Recall Management*, *Measures for After-sales Service Management*, and *Regulations on Nonconforming Product Management* to clarify the identification and recall process of nonconforming products, and standardize the disposal methods of recalled products, so as to enhance the market competitiveness of products through high-quality customer service.

Disposal Method



During the Reporting Period, the Company accurately analyzed the root causes of problems found in the recalled products and promptly and efficiently took corrective actions.

◎ Product Quality Training

Zhiguang Electric Technology places high importance on fostering employees' awareness of quality, and cultivates a culture and atmosphere of pursuing excellence in quality, so as to continuously enhance the practical skills of the employees in quality-related roles.

"3.15" Quality Oath Activity



On March 15, 2024, the Company, together with its subsidiaries Zhiguang Electric Technology, Zhiguang Energy Storage, and Shanghai Zhiguang, jointly held the "3.15" Quality Oath Activity. Through links such as leader speeches, team oaths, and "Chain of Trust Communication", we emphasized the importance of quality for the Company's survival, and all employees were called upon to practice the concept of "doing it right the first time and striving for excellence", demonstrating the Company's firm determination regarding product quality and customer commitment.



Oath Ceremony



Training Session

Quality Commitment Letter Signing Activity

Case



In May 2024, Zhiguang Electric Technology organized all employees to carry out a quality commitment letter signing activity. Through the reading, interpretation, and signing of the *Quality Commitment Letter*, the initiative reinforced the quality awareness of all employees, clearly defined the personal responsibilities, and underscored the Company's unwavering commitment to quality, thereby further enhancing its quality management system.



Training Session

◎ Awarded Honors

Case



The high-voltage shore power supply system was successfully included in the *Catalog for Recommended Products with Advanced Technology in Shipbuilding Industry in Guangzhou*

In December 2024, the *Catalog for Recommended Products with Advanced Technology in Shipbuilding Industry in Guangzhou* compiled by the Guangdong Association of Shipbuilding Industry entrusted by the government completed the public announcement. The high-voltage shore power supply system of Zhiguang Electric successfully made it into the catalogue, providing strong support for the Company to strengthen its expansion of the ship market. This inclusion is a full recognition of the technical strength of Zhiguang Electric, and also an affirmation of the Company's unremitting efforts in promoting green shipping and improving port service efficiency.

广东省船舶工业协会

广州市船舶行业先进技术产品推荐目录（2024 年）
评审结果公示

附件：

广州市船舶行业先进技术产品推荐目录（2024 年）

序号	单位名称	产品名称
三、船舶配套产品		
序号	单位名称	产品名称
126	广州智光电气技术有限公司	高压岸电电源系统

Evaluation Results

Quality Management Training Improved Management Level

Case



On April 12, 2024, Zhiguang Electric Technology organized new employees to carry out quality management training, explaining the basic knowledge and rules and regulations related to quality management, which helped new employees deeply understand the core requirements and practical applications of quality management.



Training Session

Lingnan Cable Won the First Prize in the First Wire and Cable Inter-laboratory Comparison and Testing Competition

Case



In December 2024, in the First Wire And Cable Inter-Laboratory Comparison and Wire And Cable Testing Competition, Lingnan Cable stood out among many participating enterprises with its refined quality management and professional and accurate testing technology, and won the first prize. In the future, Lingnan Cable will continue to take innovation as the driving force and quality as the core to help the high-quality and healthy development of the wire and cable industry.



Certificate of Award

Zhiguang Energy Storage's 1500V Energy Storage System on the Industrial and Commercial User Side was Selected as a Famous and High-tech Product in Guangdong Province in 2024


Case



During the Reporting Period, Guangdong High-tech Enterprise Association announced the *Public Announcement of the Preliminary List of the Famous and High-Quality High-Tech Products in Guangdong Province in 2024*. Zhiguang Energy Storage's "1500V Energy Storage System on the Industrial and Commercial User Side", with its outstanding innovation ability, advanced technical level, reliable quality assurance and good market prospects, was selected as a "Famous and High-Quality High-Tech Product in Guangdong Province in 2024"! This honor won by Zhiguang Energy Storage's 1500V energy storage system on the industrial and commercial user side not only is a high recognition of the innovation strength and product value of Zhiguang Energy Storage, but also injects new impetus into the Company's continuous exploration in the scientific research and development, inspiring us to never stop on the road of pursuing innovative breakthroughs.

2024年广东省名优高新技术产品拟通过名单			
序号	单位名称	产品名称	所在城市县区
862	广州长川科技有限公司	高频开关直流电源系统	广东省,广州市,黄埔区
863	广州威通技术有限公司	TQ480-LCMS 三重四极杆质谱联用仪	广东省,广州市,黄埔区
864	广州智光储能科技有限公司	1500V工商业用户侧储能系统	广东省,广州市,黄埔区
865	广州智鹏制造有限公司	动力电池总成	广东省,广州市,黄埔区
866	广州智特奇生物科技股份有限公司	金黄素	广东省,广州市,黄埔区

Selected List



1500V Energy Storage System on the Industrial and Commercial User Side

Customer Service

The Company has always put customer satisfaction first and provided customized professional services for customers in different industries. With customers at the core, the Company has continuously innovated its philosophies, been highly recognized by customers, and been selected as a contract-compliant and creditworthy enterprise for many consecutive years.

◎ Customer Service Management System

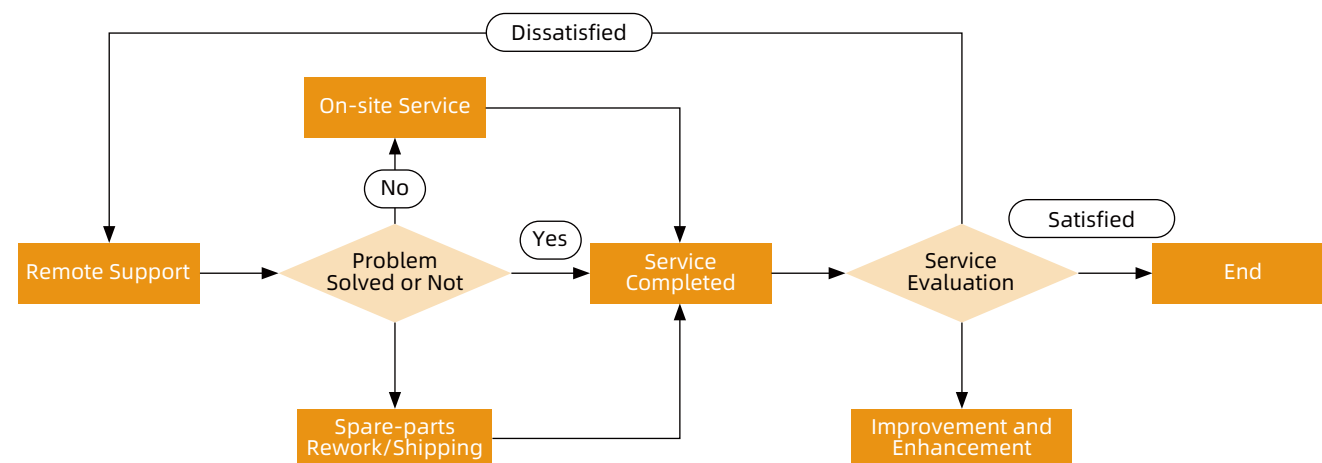
As a pursuer and advocate of smart energy, the Company upholds the business philosophy of "helping customers use energy safely, economically and comfortably", and insists on innovation in product technology and service models, providing a variety of products and technologies, better service support and experiences for customers, and creating greater value for customers.

Zhiguang Electric's Service System



The Company takes customer service demands as the core focus, and spares no effort to promote the construction and improvement of the service management system. We regularly organize employee training, including professional skills, communication skills, etc., so that every employee can accurately meet customer needs. In addition, the Company has vigorously improved the customer complaint management system, established a complete set of service tracking and management mechanisms. By leveraging the information platform, we quickly collected service incident information, classified it according to urgency level and business type, and responded promptly. After processing is completed, the company provides feedback to customers as soon as possible with the results.

Service Transfer Process



Customer complaint channels

The Company has formulated a number of systems such as the *Regulation on After-sales Business and Service Management* and the *On-site After-sales Service/Safety Operation Instruction Manual*, and made the complaint channels public to ensure the efficient and standardized handling of complaints. Customers can submit applications by various means. The customer service staff generate work orders and assign them to the after-sales team. After the service personnel complete on-site repairs, the customer service staff continue to conduct follow-up visits. Meantime, the Company also puts forward requirements for after-sales personnel, such as providing enthusiastic services, responding in a timely manner, and refraining from soliciting gifts or money.

Customer Complaint Channels

The Company has clearly defined the customer service process and created diversified “online + offline” feedback channels, aiming to provide customers with more convenient and efficient communication methods. No matter which feedback channel the customer chooses, the Company promises to respond quickly within 2 hours after receiving the complaint, and give the customer timely and professional attention and response.



Emails Service



Online Service



Phone Service



On-site Service

After-sales Service Response Channels

The Company adheres to the customer-oriented approach and is committed to providing excellent product and service experiences. The Company continuously improves the after-sales response mechanism, and clearly requires its subsidiaries to establish independent after-sales service systems and set up diversified service response channels, so as to meet the diverse needs of domestic and foreign customers.

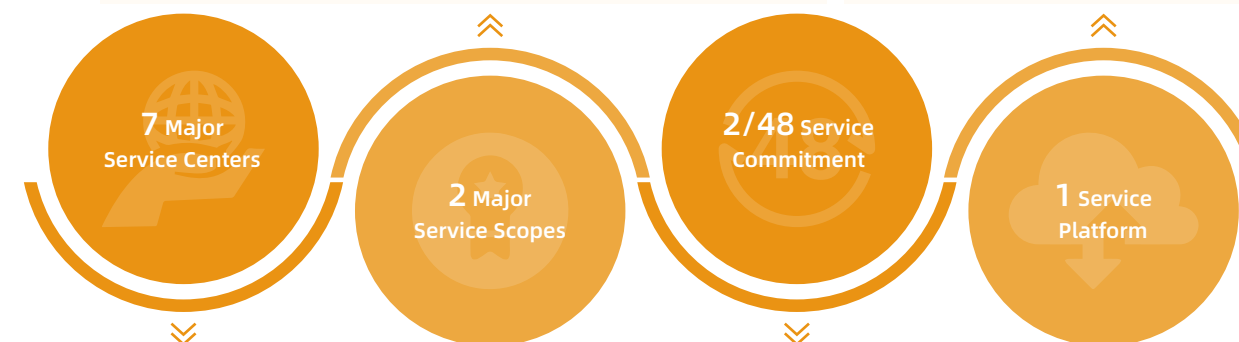
After-sales Service Response Channels

Zhiguang Electric Technology adheres to the three principles of “profession, high efficiency, and comprehensiveness”, and continuously creates five-star after-sales service guarantees to support the stable operation of equipment in various scenarios around the world. By the end of the Reporting Period, the Company has established “7 major service centers”, achieved coverage of “2 major service scopes”, and solemnly promised a “2/48 service timeliness”. At the same time, we have built a “1-stop service platform” to fully meet the diverse needs of customers and continuously improve customer satisfaction.

The Company has set up two major service scopes: standardized warranty and customized services:

- Standardized Warranty: Pre-commissioning, installation and commissioning, preventive maintenance, spare parts supply, on-site service, optimization service, intelligent operation and maintenance
- Customized Services: Customized solution designs, diversified cooperation models, training services

The Company has built an “Industrial Internet Platform for Integrated Energy Services”, which empowers the core links of integrated energy service products such as technology research and development, product manufacturing, system integration, and equipment operation and maintenance with big data, helping customers achieve the transformation and upgrade from factor-driven to data-driven operations.



The Company has established seven regional service centers with Guangzhou, Beijing, Shanghai, Xi'an, Chongqing, Wuhan, and Hangzhou as the core, and on this basis, built a service network covering major customer service sites and project departments across the country.

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Customer Service Capability Training

In order to improve the professional level of service personnel and better meet the needs and expectations of customers, the Company is committed to building a complete service personnel training system to ensure that an efficient and smooth communication bridge is established between the customer service team and customers. At the same time, the Company also requires its subsidiaries to actively organize and carry out service personnel training sessions to continuously improve the overall quality and service level of the service team.

Training for Service Personnel

Case



During the Reporting Period, the Company and its subsidiaries carried out multiple customer service training sessions for service personnel to enhance employees' awareness of customer service.



Customer Service Training Site

Customer Product Training

As a leading provider of digital energy technology and integrated energy services, Zhiguang Electric has strict and clear professional standards for the use of equipment. In order to help customers comprehensively and deeply understand the characteristics of the Company's products, the Company actively promotes its subsidiaries to carry out product usage guidance and training. During the training process, professionals help customers better use the products through knowledge explanation and practical operation demonstration, improving energy use efficiency and benefits.

Satisfaction Surveys

The Company attaches importance to customer satisfaction surveys and actively guides its subsidiaries to use diversified survey methods, covering the convenience and efficiency of online questionnaires and the in-depth and meticulousness of offline visits, so as to comprehensively collect customer feedback and opinions.

2024 Key Indicators

Number of Customer Complaints	Number of Customer Complaints Resolved	Number of Customers Participating in the Survey	Proportion of Customers Participating in the Survey	Number of Valid Customer Satisfaction Questionnaires Distributed	Customer Satisfaction
27 Times	27 Cases	398 Persons	60%	314 Copies	89.8 Points
Number of Participants in Responsible Marketing Training	Total Hours of Responsible Marketing Training	Total Sessions of Responsible Marketing Training	Number of Participants in Special Training on Responding to Customer Complaints	Total Hours of Special Training on Customer Complaint Response	Number of Sessions of Special Training on Customer Complaint Response
1,083 Training participants	50.5 Hours	35 Times	109 Training participants	15 Hours	8 Times
Number of Customer Complaint Response Assessments	Pass Rate of Customer Complaint Response Assessments	Number of Customer Information Leakage Incidents	Losses Caused by Violation of Relevant Laws and Regulations		
8 Times	100%	0 Cases	0 RMB '0000		

Data Security Management System

Zhiguang Electric attaches importance to information security management, strictly complies with relevant laws and regulations such as the *Data Security Law of the People's Republic of China*, improves the effectiveness of digital supervision, deeply manages data security, protects information security, and prevents the occurrence of corporate information leakage incidents. Zhiyouying, the subsidiary of the Company, has passed the information technology service management system certification. During the Reporting Period, the Company did not experience any incidents involving violations of information security or privacy protection.



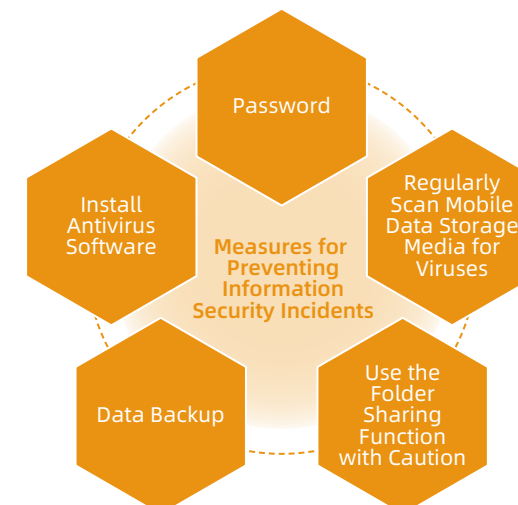
Zhiyouying's IT Service Management System Certificate

Informatization System Construction

In order to achieve the Company's informatization objectives, the Company carefully plans the informatization construction process and is committed to constructing and improving the information system, so as to effectively improve the utilization efficiency of the information system and fully meet the information management needs in the Company's production, operation, and management activities. During the promotion process, the Company focuses on strengthening the control of key links such as the security management of information systems, and comprehensively promote the steady progress of the Company's informatization construction, enabling it to develop in a healthy, orderly and standardized direction. This will help the Company continuously enhance its competitiveness in the digital wave.

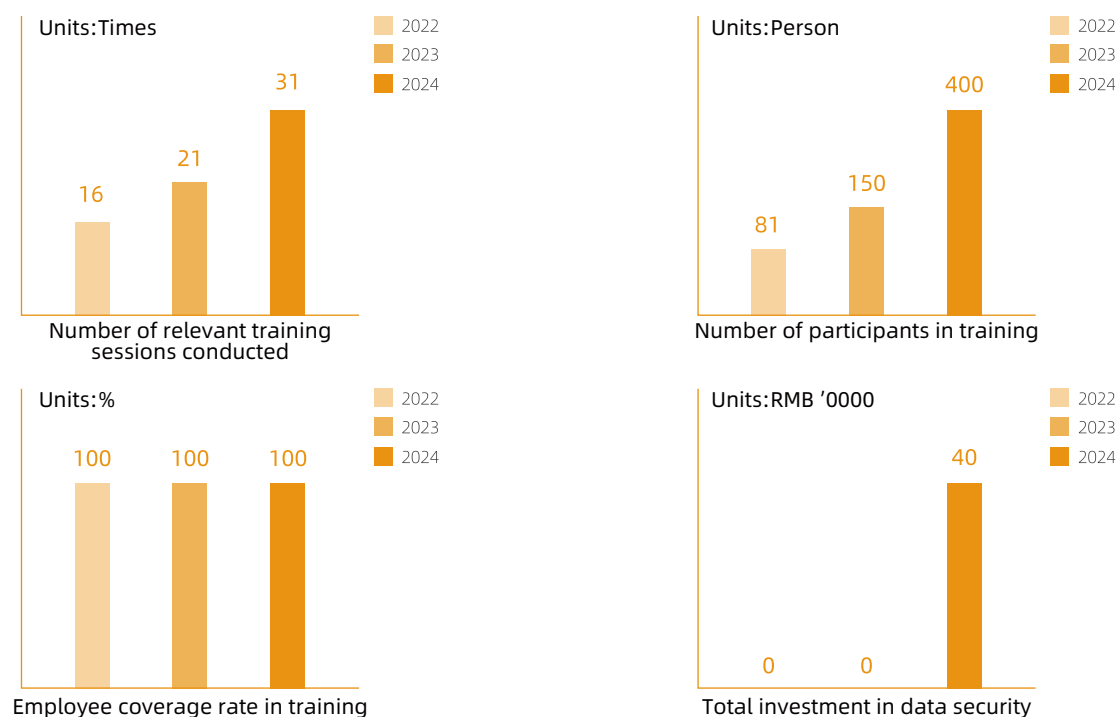
Normalized Governance of Data Security

The Company clearly defines the operation standards for various matters in the system, strictly requires employees of all departments to abide by laws and regulations, and strictly prohibits using the Company's network to carry out any illegal operations. In terms of the internal information security management of the Company, employees are clearly prohibited from privately disclosing corporate information, and every effort is made to build a solid defense line for information security. During the Reporting Period, the Company has taken active actions and adopted a series of practical and effective measures, for the purposes of preventing information security incidents from the source and ensuring the security and stability of the Company's information assets in all aspects.



The Company has formulated detailed and rigorous rules for the management of enterprise information systems, and standardize the processes of information data processing, storage, and use in all aspects to ensure that every link operates accurately and strictly in accordance with the established standards. In terms of resisting external threats, the Company has actively made arrangements and purchased professional protection services such as advanced firewalls and high-performance backup servers. These advanced technical facilities work in coordination with each other, just like building an impregnable security barrier for the Company's information data to effectively resist various potential external risks, and fully ensure the security and integrity of the Company's information assets.

Key Performance Indicators



Information System Security Training

During the Reporting Period, the Company organized and carried out training on information systems such as CRM, SAP, and OA, which comprehensively improved employees' proficiency in the functions of each system, further optimize the work process, and ensure the safe operation of the information systems.



Employee's Information System Training

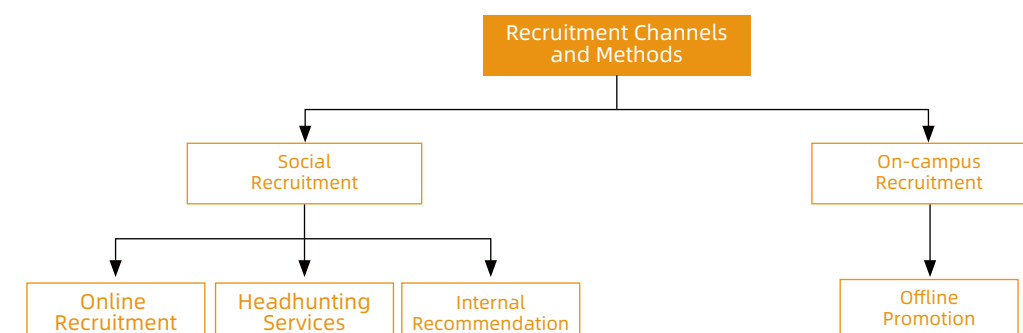


Compliant Employment

Employees are the main body of the Company's operation and development. Zhiguang Electric has always firmly believed that employees are the most important and valuable resources of the Company and the key to the Company's success. The Company strives to create a safe and comfortable working environment for employees, protect employees' legitimate rights and interests in accordance with the law, and strictly implement various laws and regulations such as the *Labor Contract Law of the People's Republic of China* and the *Social Insurance Law of the People's Republic of China*. We establish and improve the salary and welfare systems including social security, commercial insurance, housing, transportation, etc. We strengthen the employee training and improvement, and provide good promotion channels for employees. Meanwhile, in order to create a good corporate culture atmosphere, the Company's trade union and employee associations regularly carry out various cultural and sports activities to enrich employees' cultural life and improve employee cohesion.

© Recruitment Management

In order to achieve the standardization and systematization of human resources management, the Company has formulated a series of human resources systems such as the *Measures for Post Qualification Management*, *Employee Handbook*, and *Personnel Management System*. We strictly standardize the Company's recruitment management process, adopt diversified recruitment strategies, organically combine the social recruitment with campus recruitment, and online channels with offline channels, comprehensively increasing the attraction of talents, and building a talent echelon covering various professional fields and levels, continuously injecting innovative vitality and development momentum into the Company.



Adhering to the recruitment principles of openness, fairness, and justice, the Company firmly opposes employment discrimination due to factors such as gender, age, marital status, region, and religious belief, and implements equal pay for equal work for men and women. We never refuse to hire women or raise the recruitment standards for women on the grounds of gender, eliminate any form of forced labor, and adopt a rigorous review mechanism to avoid mistakenly hiring child labor. During the Reporting Period, no incidents of child labor or forced labor were reported at the Company.

If employees are discriminated against, they can feedback to their superior leaders or the General Manager's Office in written or oral form. The General Manager's Office will appoint personnel to conduct an investigation and give a reply within 2 days after the investigation to ensure that employees' legitimate rights and interests are effectively protected.



Measures for Respecting People with Disabilities and Respecting Cultures and Customs

Case

Lingnan Cable deeply understood the values of respect and inclusion. It employed disabled people when meeting business requirements to help them with employment. It also provided convenience for disabled employees by setting up accessible routes and accessible toilets in the park, striving to create a harmonious, beautiful, diversified and inclusive



Accessible Ramps

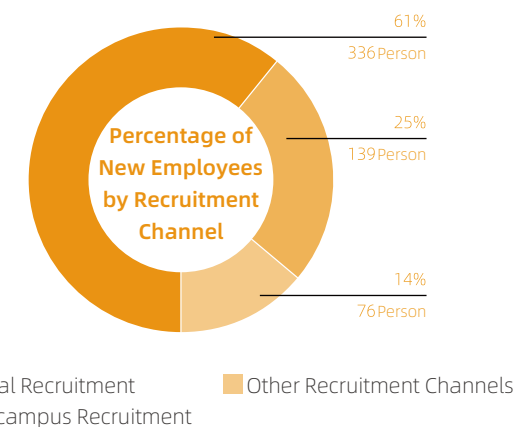
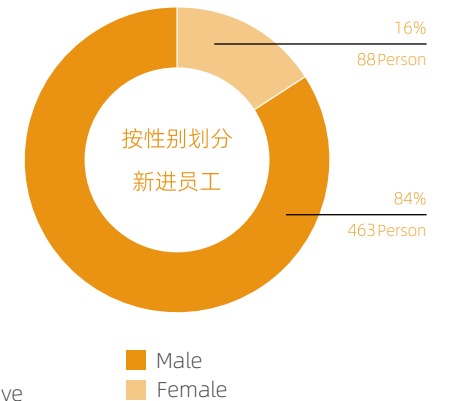
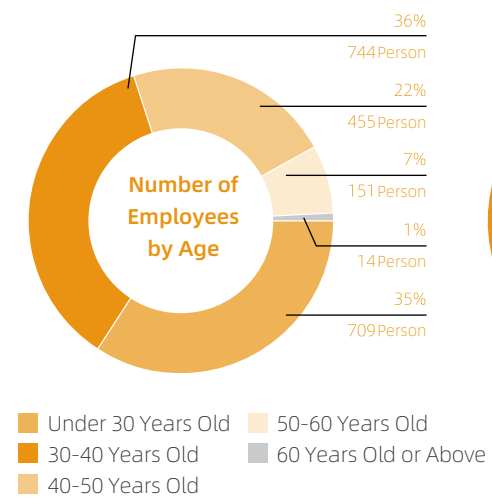
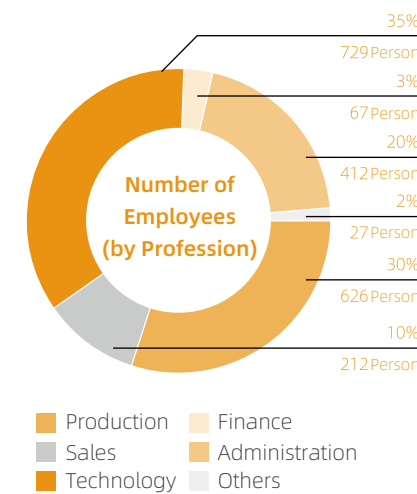
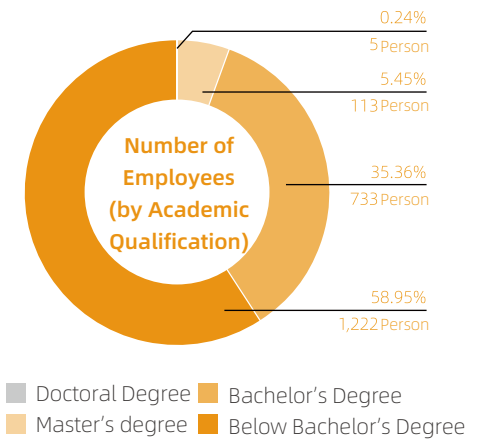
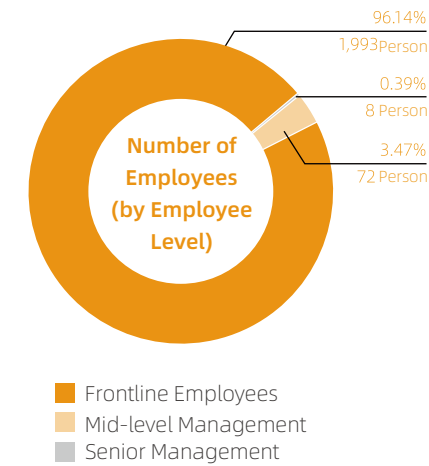
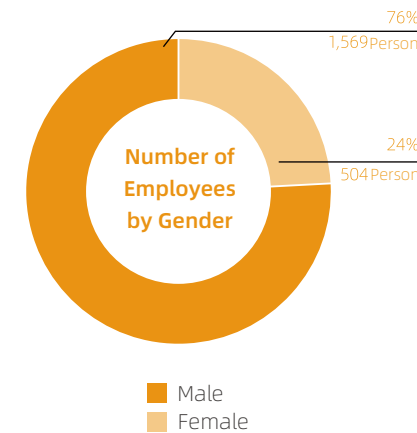


Toilet for Disabled People

Key Performance Indicators

Key Indicators	Units	2023	2024
Percentage of Contract Workers	%	100	100
Number of Incidents Involving the Use of Child Labor	Case	0	0
Incidents of Forced Labor Complaints	Case	0	0
Number of Labor Discrimination Incidents	Case	0	0
Total Hours of Employee Diversity Policy Training	Hour	110	96
Total Number of Employees	Person	2,142	2,073
Number of Employees with Disabilities	Person	13	17
Number of Employees of Minority Nationalities	Person	90	80
Number of Employees of Minority Nationalities in the Management	Person	2	2
Number of New Employees	Person	626	551

Composition of employees



◎ Safeguarding Women's Rights

The Company interprets its respect and support for female employees with practical actions, comprehensively establishes a maternity insurance system for female employees, and carries out exclusive activities for female employees every year on International Women's Day (March 8th), for the purpose of providing all-round and multi-level care and guarantees for female employees during their maternity leave, so that every female employee can feel the warmth and care of home in the Company.



Women's Day activities

Key Indicators	Units	2023	2024
Proportion of Female Managers	%	22.69	23.66
Proportion of Female Employees in STEM-related Positions	%	12.42	13.03
Proportion of Female Managers in Revenue-generating Departments	%	20.27	25.00
Number of Employees on Maternity Leave	Persons	23	23
Return Rate from Maternity Leave	%	95.65	95.65

◎ Compensation and Benefits

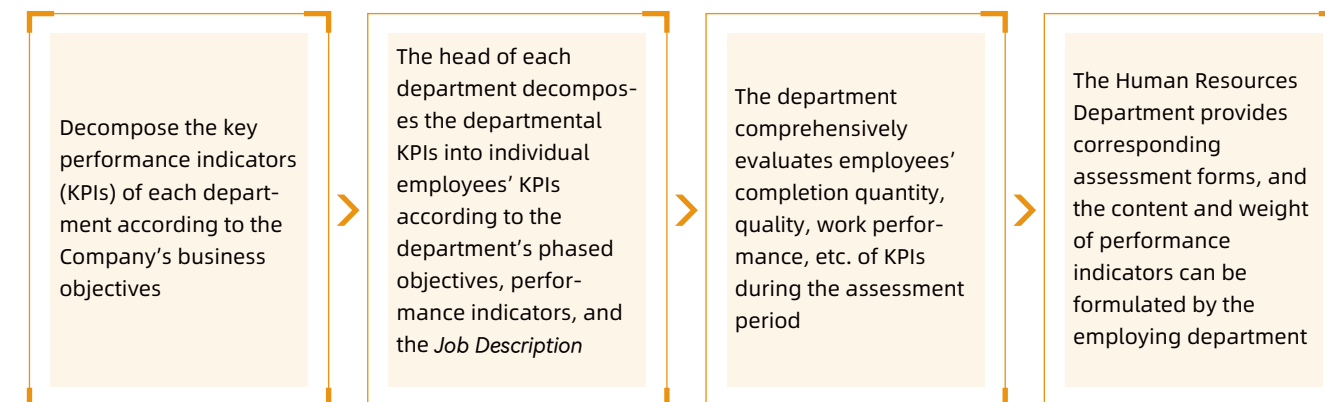
In order to meet the development needs of the Company, ensure the standardization of salary management, and stimulate employees' enthusiasm, the Company adheres to the principles of internal fairness and external competitiveness, and formulates the *Salary Management Measures* to stipulate employees' salary levels, salary structures, salary adjustment methods, etc. in combination with the internal and external salary situations of the Company, so as to establish a diversified distribution mechanism that combines long-term incentives with short-term incentives, and salary management with post level management, and implement a differentiated salary structure according to the characteristics of different post sequences.

Compensation System

	<ul style="list-style-type: none"> ◎ Applicable Objects : Management (M), Profession (P) ◎ Compensation Structure : Basic Annual Salary + Monthly Performance Bonuses + Annual Performance Bonuses + Other Bonuses
	<ul style="list-style-type: none"> ◎ Applicable Objects : Sales (S) ◎ Compensation Structure : Basic Salary + Performance + Business Bonuses
	<ul style="list-style-type: none"> ◎ Applicable Objects : Operation (O) ◎ Compensation Structure : Basic Salary + Overtime Pay + Piece-rate Wages

The Company continuously improves the performance appraisal and evaluation mechanism. Through monthly, quarterly, annual, and irregular appraisal methods, we ensure that functions such as management, supervision, guidance, education, motivation, and assistance are reflected in the evaluation process, realize the scientific and efficient allocation of resources, and motivate employees to continuously improve their personal abilities and grow and develop together with the Company. Employees can have face-to-face communication with the department head, and put forward performance appeal feedback to ensure that problems are solved in a timely manner.

Performance Appraisal Methods



The Company has established a complete welfare and benefit system to comprehensively guarantee employees' well-being.

Statutory Benefits	Statutory holidays, paid annual leave, social insurance, housing provident fund, marriage leave, maternity leave, paternity leave, bereavement leave, high-temperature subsidies	<p>Dragon Boat Festival Activity</p> <p>Mid-Autumn Festival Events</p>
Unified Benefits	Health check-ups, meal subsidies, shuttle buses, employee dormitories, gifts for International Women's Day (March 8th), blessings for traditional festivals	
Exclusive Benefits	Commercial personal accident insurance, communication expenses,	

The Company is committed to creating a healthy and efficient working environment, advocating that employees complete their work tasks during normal working hours, and in principle, overtime is not arranged. If overtime is indeed necessary, the employee should submit an application in person, which can be approved for arrangement only after being reviewed by the department head and approved by the leader in charge of the department.

Key Indicators	Units	2023	2024
Social Insurance Coverage Rate	%	100	100
Welfare Expenditure	RMB '0000	374.07	5,398.00
Per Capita Paid Annual Vacation Days	Days	8.57	5.18
Percentage of Employees Underwent Regular Performance and Career Development Assessments	%	100	100

Support for Employees in Difficulty

The Company's trade union is the responsible department for helping employees in need. It is responsible for investigating the living conditions of employees, establishing files of employees in need, and directly accepting the assistance applications of employees in need.

© Equity incentive

In order to further improve the Company's incentive and restraint mechanism, enhance the sense of responsibility and mission of the Company's management team and business backbones for achieving the Company's continuous and healthy development, and align the interests of shareholders, the Company, and the incentive recipients, the Company has implemented the 2022 *Employee Stock Ownership Plan*, which holds a total of 17,960,593 shares of the Company's stock. Employee performance appraisals are implemented in stages for 2023, 2024, and 2025. This establishes a mechanism for sharing interests and risks together among shareholders, the management team, middle-level leaders, and core employees, so as to ensure the realization of the Company's future development strategies and business objectives.

In accordance with relevant laws, regulations, and regulatory documents such as *Measures for the Administration of Equity Incentives of Listed Companies (for Trial Implementation)* and the *Securities Law of the People's Republic of China*, as well as the provisions of the *Articles of Association*, the Company has formulated the Administrative Measures for the 2022 *Employee Stock Ownership Plan*, providing institutional support for the Company's equity incentive management. Based on multiple evaluation indicators, the Remuneration and Assessment Committee comprehensively and deeply evaluates and examines the assessment and implementation of the equity incentive program, continuously improves the construction of the long-term incentive mechanism, so as to fully mobilize the enthusiasm and creativity of employees, and realize the common progress and growth of the Company and employees.

© Democratic Governance

The Company attaches great importance to democratic management, provides employees with diversified communication channels, and is committed to building harmonious, amicable, and candid interpersonal relationships and communication, promoting the common progress of the Company, departments, and employees.

Employee Communication Channels

1 Human Resources Department

The Human Resources Department has set up the responsibility for employee relations, which collects and addresses the ideas, opinions, and suggestions expressed by employees, ensuring a reply within 48 hours on normal working days, and keeping the identity of employees confidential.

2 Employee Complaint Channel

When employees believe that their personal interests have been violated or need to report and expose the act of other employees that violates the Company's rules and regulations, they can file a complaint and report through the complaint channel.

3 Channel for Employees to Put Forward Rational Suggestions

All employees have the right to make suggestions on the Company's operation and management, marketing, research and development, technology, production and manufacturing, quality, and other systems. The Company, supervisors, and the Human Resources Department evaluate and reply to the rational suggestions put forward by employees.

4 Employee Satisfaction Surveys

In the form of a questionnaire survey, employees are solicited for their satisfaction with the Company's welfare, benefits, working environment, leadership management, team cooperation, work challenges, promotion opportunities, etc. According to the survey results, the Company should provide more diverse work projects and more promotion opportunities for employees to motivate their better development; the Company's management formulates targeted plans and policies according to the different needs of employees.

5 Company Information Release Channels

The Company has established various information release channels such as an internal website and a bulletin board, enabling employees to conveniently and quickly learn about the Company's management, business development dynamics, and important notices.

Key Indicators	Units	2023	2024
Number of Projects Approved by the Employee Congress/Labor Union	Items	0	3
Labor Union Membership Rate of In-service Employees	%	59.29	49.69
Coverage of Collective Bargaining Agreement	%	100	100
Number of Cases of Labor Disputes	Cases	0	0
Number of Employee Complaints Received	Cases	0	0
Employee Satisfaction	%	100	100
Participation Rate of the Employee Satisfaction Survey	%	100	100
Number of Employees Leaving the Company	Persons	599	620
Employee Turnover Rate	%	21.66	23.02

© Training System

The Company deeply understands that talents are a powerful engine driving the future development of the enterprise. In order to enable every employee to continuously grow in their career paths, the Company has established the “Zhiguang Academy”, a learning and growth platform. Focusing on the personalized needs of different employee groups, it has constructed a scientific and systematic hierarchical training system, covering multiple categories such as new employees, management personnel, and technical workers, as well as multiple projects such as strategic and business guidance, talent cultivation and development, and job rotation and exchange, so as to lay a solid talent foundation for the Company’s long-term development.

Organizational Structure of Zhiguang Academy



“Intelligence” Leads to a Long Journey, and Learning Helps Expand Your “Wings” | 2024 Zhiguang Electric “Smart Wings” Young Leader Training Program Officially Launched



According to the strategic development plan, the Company has determined to create a sustainable development model of “product + service + investment” that focuses on the large-scale development of energy storage. In order to help middle and grassroots management leaders improve their competencies, empower their managerial capabilities, and engage in action learning, the 2024 Zhiguang Electric “Smart Wings” Young Leader Training Program was fully launched. The program aims to enhance their strategic execution ability, assist the organization in improving efficiency, and promote business development. This intensive training delivered courses and provided empowerment through the business philosophy of “understanding business operation”, “understanding management”, and “understanding oneself”.

During the Reporting Period, the kickoff meeting of the 2024 Zhiguang Electric “Smart Wings” Young Leader Training Program and the first intensive training session were successfully completed. In the subsequent phase, the trainees would focus on IDP enhancement and action improvement plans. It is expected that the “Smart Wings” trainees would embrace the journey of learning and growth and expand their wings.



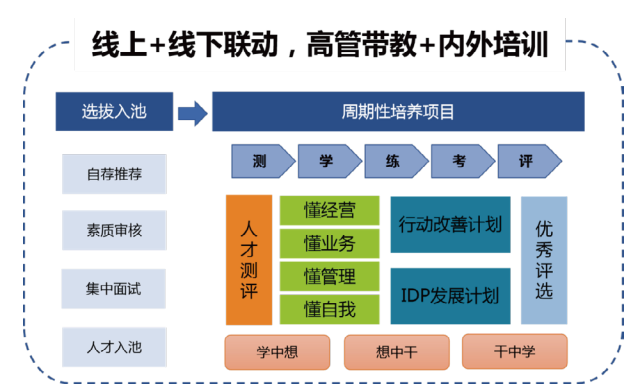
Opening Ceremony



Opening Speech



Project Launch



Project Background, Objectives, Planning and Mechanism

Key Indicators	Units	2023	2024
Investment in Employee Training	RMB '0000	11.24	47.10
Number of Training Sessions	Sessions	43	175
Total Number of Persons Trained	Persons	310	1,479
Total Number of Training Sessions	Training participants	496	4,289
Employee Training Coverage	%	14.47	70.20
Female	%	35	76
Male	%	65	68
Senior Management	%	5	100
Mid-level Management	%	17	100
Frontline Employees	%	78	69
Total Training Hours	Hour	110.00	8,807.20
Average Per Capita Training Hours (Management Training)	Hours/person	0.69	12.00
Average Per Capita Training Hours (Professional Capability Training)	Hours/person	0.62	4.25
Average Per Capita Training Hours (Leadership Training)	Hours/person	0.00	20.80
Average Training Hours Per Employee Per Year	Hours/person	1.31	4.18
Female	Hours/person	4.41	4.18
Male	Hours/person	2.01	4.18
Senior Management	Hours/person	0.00	12.00
Mid-level Management	Hours/person	0.70	18.90
Frontline Employees	Hours/person	1.50	3.60

© Internal Trainers

The Company attaches great importance to internal knowledge inheritance and regards the construction of the internal trainer team as a key link. By forming a high-quality internal trainer team, we broadens employees' career channels and development space, and ensures that internal training and learning needs are closely aligned with the Company's strategic development direction.

Internal Trainer Evaluation and Certification Training

Case



On March 19, 2024, Zhiguang Electric's internal trainer cultivation program was fully launched, with a period of 7 weeks. Trainer empowerment and selection were carried out through "learning, practice, and teaching". Finally, a total of 20 trainers entered the evaluation and certification finals. After the intense competition in the finals and the comprehensive scoring of the project process, the top ten trainers, the most popular trainer, the best topic award, the excellent team award, and the excellent trainee award were selected. The 2024 Zhiguang Electric's internal trainer cultivation program has sounded the clarion call for the development of Zhiguang's talents, as participants embark on a gradual journey of transformation from "employees" to "mentors".



Internal Trainer Kickoff Meeting



Training Session



Evaluation Site



Award Ceremony

© Career Development

In order to further improve the employee career development system and optimize the promotion path, the Company has formulated the Measures for Job Level and Position Management to construct a comprehensive career development path. We have implemented a dual-track development channel for management and specialty, and taken into account both the management and professional fields, so as to ensure the respective development spaces of management personnel and professionals. At the same time, according to the different natures of the main responsibilities of the positions, the job categories are divided into Management (M), Professional (P), Sales (S), and Operation (O), and the promotion standards for each job category are clarified, providing employees with clear career development guidelines.

Career Development Channel

Job Level	Class of Position	M	P		S	O
		Management	Professional/ Technical	Functional	Marketing	Operation
Senior	15	Chairman				
	14	Vice Chairman, President	Chief Scientist			
	13	Vice President, Chief Financial Officer, Chief Engineer, Board Secretary	Scientist			
	12	Assistant to the President	Chief Expert		Business/Sales/ Customer General Manager	
Middle Management	11	Deputy Chief Engineer, Director, CFO appointed to the Subsidiary	Expert	Expert	Principal Business/ Sales/ Customer Director	
	10					
	9			Business Director		
Backbone	8	Manager	Senior XX Engineer (Level I)		Senior Business/ Sales/ Customer Director	Craftsman
	7		Senior XX Engineer (Level II)	Experienced Senior Specialist	Business/Sales/ Customer Director	
	6	Head	XX Engineer (Level I)		Principal Business/ Sales/ Customer Manager	Principal Technician
	5		XX Engineer (Level II)	Senior Specialist	Senior Business/ Sales/ Customer Manager	Senior Technician
	4		Assistant XX Engineer		Business/Sales/ Customer Manager	Technician
Grassroots	3			Specialist	Assistant Business/ Sales/ Customer Manager	Senior Worker
	2		Technician	Assistant Specialist		Intermediate Worker
	1					Junior Worker

In order to meet the diversified needs of employees for career development, the Company continuously improves the internal transfer and promotion mechanism, creates a visual internal talent market platform, provides employees with more opportunities to expand their career development fields, and helps employees explore broader growth paths.

Key Indicators	Units	2023	2024
Proportion of Positions Filled through Internal Transfer or Internal Recruitment	%	5.13	14.25
Number of Employees Having Successfully Transitioned or Applied Internally	Persons	2	81
Proportion of Internal Transfers or Applications by Employees	%	5.13	14.36

Occupational Health and Safety

Zhiguang Electric adheres to the philosophy that life is of utmost importance, establishes a comprehensive health protection mechanism, continuously optimizes the working environment, and makes every effort to ensure the physical health and safety of employees, laying a solid foundation for the stable operation and long-term development of the Company.

Management System

The Company focuses on building a occupational health and safety management system, and formulates the *Regulations on Occupational Health, Work Safety and Occupational Disease Prevention Management System* and the *Administrative Control Procedure for the Identification of Hazard Sources and Risk Assessment*. A safety leading group has been established with the Company's general manager as the main responsible person, ensuring that all departments conducts health and safety management in a standardized and procedural manner in coordination. We deeply integrate the requirements of health and safety management into the business process, strictly implement the work safety responsibility system, fully enforce safety prevention and control measures, and effectively reduce the safety hazards in the workplace. Our commitment is to create a safe, healthy, and sustainable working environment for employees.

The subsidiaries of the Company (Zhiguang Electric Technology, Zhiguang Energy Storage, Zhiyouying, and Lingnan Cable) have passed the ISO 45001 Occupational Health and Safety Management System Certification.

ISO 45001 Occupational Health and Safety Management System Certificate



Zhiguang Electric Technology



Zhiguang Energy Storage



Zhiyouying



Lingnan Cable

Work Safety Targets:

- No fatal or severe injury accidents in work safety
 - No major or catastrophic work safety incidents
 - No general accidents caused by human negligence
- No occupational poisoning or occupational diseases
 - No major or above-level fire accidents
 - No traffic safety accidents with equal or above liability

◎ Safety Risk Management

The Company has constructed a safety risk grading and control system, with a dual prevention mechanism that integrates risk grading and control and hazard investigation and management. It conducts quantitative analysis from three dimensions: the possibility of an accident occurrence, the frequency of exposure, and the severity of the consequences, divides safety risks into four levels: major, significant, moderate, and low risks, and implements differentiated control strategies for each level.

Meantime, the Company has established a dual prevention mechanism for risk grading and control and hazard investigation and management, regularly conducting hazard investigation and dynamic risk assessment to achieve the closed-loop rectification of hazards. By continuously optimizing risk control measures, we ensure that safety hazards are eliminated at their infancy, so as to effectively guarantee the continuous stability and improvement of the enterprise's work safety.

In addition, the Company regularly conducts safety accident emergency drills, continuously verifies and optimizes the applicability, effectiveness, and operability of emergency plans, and improves the safety prevention awareness and emergency response level of all employees.



Zhiguang Energy Storage's Emergency Drill



Huayue Power's Fire Safety Emergency Drill



Lingnan Cable's First Aid Drill for Electric Shock Accident



Lingnan Cable's Special High-Altitude Fire Emergency Drill for Tower



Key Indicators	Units	2023	2024
Hidden Danger Investigation and Rectification Rate	%	100	100
Number of Security Emergency Drills	Sessions	2	30
Investment in Work Safety	RMB '0000	94.20	235.39
Proportion of Investment in Work Safety to Operating Revenue	%	0.03	0.09

◎ Enhancement of Safety Awareness

The Company has systematically conducted safety culture education. Through three-level safety education at the company level, department level, and position level, we comprehensively improve the safety competencies of all employees.



Lingnan Cable's Special Equipment Skill Training



Zhiguang Energy Storage's Safety Training



Zhiguang Energy Storage's Special Safety Training



Hubei Huayao's Safety Training



Huayue Power's Work Safety Training



Huayue Power's Month Slogans for Work Safety



Huayue Power's Fire Safety Training

The Company has set up safety operation specification signs at key operation positions, configured classified risk notification signs in high-risk areas, placed danger warning signs at hazard source points, and conducted regular inspections and maintenance, effectively improving the on-site safety management level.



Key Indicators	Units	2023	2024
Total investment in safety training	RMB '0000	6.13	17.53
Safety education and training sessions	Sessions	55	314
Number of participants in safety education and training	Training participants	1,145	3,155
Total hours of safety education and training	Hours	156	785
Coverage rate of safety education and training	%	100	100
Coverage rate of safety risk protection training	%	100	100

© Practicing occupational health management

The Company has strictly followed the requirements of laws and regulations such as the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and established a three-level occupational health monitoring mechanism of “daily monitoring, regular testing, and special assessment”. We assign dedicated personnel to be responsible for daily monitoring and management, purchase relevant insurance for employees every year, and track and conduct risk assessments on employees’ occupational health data through occupational health records, effectively preventing the hazards of occupational diseases and effectively guaranteeing the health of employees.

Occupational Health Protection Measures

Noise Prevention Measures	Dust Prevention Measures	Labor Protection Equipment	Mental Health	Health Checkup
Anti-noise earplugs must be worn in noise areas.	Keep the operation site, transportation vehicles, and other various construction equipment clean.	For personnel who lack or have incomplete labor protection supplies, the Company shall order the reissue of such equipment. For personnel who fail to wear labor protection equipment as required when on duty, the Company shall conduct criticism and education and order them to correct the violation. For those who refuse to correct after repeated warnings, measures such as fines and suspension of duty shall be taken as punishment.	Actively carry out various cultural and recreational activities to effectively eliminate employees’ fatigue and work pressure, enabling employees to work in a good mental state. Encourage employees to adopt a healthy lifestyle, optimize the living and working environment, and encourage employees to cultivate their hobbies.	The Company organizes the medical examinations of occupational disease for production personnel every year, aiming to prevent and detect potential health problems in a timely manner and comprehensively ensure the physical health of employees.

Key Indicators	Units	2023	2024
Percentage of special operators licensed	%	100	100
Coverage rate of physical examinations for employees	%	100	100
Inspection of occupational disease hazards	%	100	100
Number of new cases of new occupational diseases	Cases	0	0
Incidence rate of occupational diseases	%	0	0

Corporate Social Responsibility

During the process of operation and development, Zhiguang Electric has never forgotten to fulfill its social responsibilities and missions. We drive the development of the regional economy, and enthusiastically participate in public welfare to give back to society, so as to promote the harmony of the community and society. Since the launch of the “Guangdong Poverty Alleviation Day” activity, the Company has regularly donated funds every year to help the poor, showing the enterprise’s love for Guangdong’s poverty alleviation initiatives. Within the Company, the Company, in conjunction with the trade union, actively initiated charitable donations to help colleagues in need and assist them in getting through difficulties. In 2022, the Company formulated the *External Donation Management Policy*, which standardizes the fulfillment of corporate social responsibility and effectively enhances its brand image, while fully safeguarding the interests of shareholders.

In addition, the social responsibility management activities involved in the design and manufacture of Lingnan Cable's cross-linked polyethylene insulated power cables with a rated voltage of 220kV and below, and plastic insulated power cables with a rated voltage of 0.6/1kV and below have passed the social responsibility management system certification.



Lingnan Cable's Social Responsibility Management System Certificate

Assisting in the "Teochew Youth Journey to the Roots"



In August 2024, the "International Teochew Journey to the Roots-2024 Overseas Chinese Youth Charity Summer Camp & Sino-French Youth Exchange Program" was launched. In the first stop, 22 descendants of Chaoshan people from countries such as France, the United Kingdom, and the Netherlands visited Zhiguang Electric for exchanges. Led by leaders from the International Teochew Youth Federation led the team, they were received by the Chairman of Zhiguang Electric, and engaged in discussions on cultural heritage preservation and technological innovation. At the Zhiguang Exhibition Hall, Teochew youth learned about its development history, the energy industry, and China's technological achievements. The explanations of Zhiguang made the power technology easy to understand and stimulated their interest. Described as a bridge between root seeking and cross-border dialogue, this Program allowed Zhiguang to demonstrate its commitment to social responsibility by showcasing its contributions and highlighting its dedication to science education and cultivating talents among teenagers.



Lingnan Cable Assisted in the Rural Revitalization of Nansha District



In August 2024, Lingnan Cable actively responded to the call of the National Rural Revitalization Strategy and donated special charitable funds to Lanhe Town, Nansha District to support the development of local rural revitalization undertakings. The Company actively practiced its social responsibilities, assisted in the integrated development of urban and rural areas, and contributed to promoting the sustainable development of rural areas.



Presentation Ceremony of Charitable Donation Appreciation Certificates

Huayue Power Donated Charitable Funds



In June 2024, Huayue Power donated RMB 300,000 to the Huidong Charity Federation, demonstrating the important role of the enterprise in rural revitalization.

Huayue Power Carried out the Summer Cooling Relief Activity



In July 2024, Huayue Power donated various cooling beverages to the local government of Lechang City and front-line police officers, paying tribute to those who stood their posts in the sweltering heat with practical actions and demonstrating the enterprise's commitment to corporate social responsibility.

Key Indicators	Units	2024
Total Public Welfare Input	RMB '0000	31.1
Village Revitalization Projects Completed	Items	1
Number of Newly Employees	Persons	83

Appendix

©Data Sheet

Governance Indicators		
Governance Indicators	Unit	2024
Operating income	RMB 100 million	25.96
Cash dividend per 10 shares	Yuan / per 10 shares	0.8
Total dividend amount per share (including tax)	RMB '0000	6,261.63
Number of company open days held	Times	2
Number of on-site investor research visits received	Times	7
Number of investor calls received	Times	300
Number of communications via email/social media platforms	Times	6
Number of interactions with investors at irm.cninfo.com.cn	Times	138
Number of investor questions answered	Times	138
Reply rate to investors' inquires	%	94.52

Environmental Indicators			
Topics	Indicator	Unit	2024
Environmental Compliance Management	Total environmental investment	RMB '0000	189.8
	Environmental protection taxes paid	RMB '0000	4.48
	Environmental incidents	Cases	0
	Incidents of violation of laws and regulations in the environmental field	Cases	0
	Conforming rate observed in pollutant monitoring	%	100
	Synchronized operation rate of environmental facilities	%	100
	Compliance rate of "three simultaneities" in environmental protection for construction projects	%	100
	Number of environmental training sessions	Times	72
	Number of participants in environmental training	Training participants	376
	Average hours of environmental protection training	Hours	250

Environmental Indicators			
Topics	Indicator	Unit	2024
Greenhouse Gas (GHG) Emissions	Total GHG emissions	tCO2e	124,119.58
	Direct GHG emissions (Scope 1)	tCO2e	116,047.76
	Indirect GHG emissions (Scope 2)	tCO2e	8,071.81
	GHG emission intensity (Scope 1 and Scope 2)	tCO2e/ RMB 1 million (revenue)	0.48
Three Wastes Management	Wastewater discharges	Tons	87,544
	Waste gas emissions	Tons	108,873
	Emission of waste gas pollutants	Tons	52
	Quantity of general waste generated	Tons	44,351.20
	Quantity of general waste recycled	Tons	44,084.40
	Disposal volume of general industrial solid waste	Tons	185.3
	Quantity of hazardous waste generated	Tons	24.86
	Quantity of hazardous waste disposed	Tons	24.86
	Disposal rate of hazardous waste	%	100
Energy Management	Total purchased electricity	kWh	15,042,516
	Gasoline	Tons	36.7
	Diesel	Tons	37.6
	Anthracite	Tons	38,536.28
	Natural gas	10,000 m³	1,215.88
	Liquefied petroleum gas	Tons	5.88
	Total energy consumption	tce	50,393.67
	PV generation	kWh	2,107,800
	Proportion of energy consumption of PV power generation	%	0.51
Water Resource Management	Freshwater consumption	Tons	293,953
	Quantity of municipal water purchased	Tons	257,195
	Surface water withdrawal	Tons	36,758
Packaging Management	Total quantity of packaging materials used	Tons	356.17
	Metal packaging materials	Tons	122.11
	Plastic packaging materials	Tons	76.06
	Paper packaging materials	Tons	15
	Wooden materials	Tons	143

Social Indicators			
Topics	Indicator	Unit	2024
Scientific Research and Innovation	Investment in R&D	RMB '0000	16,016.52
	R&D investment as a percentage of main business revenue	%	6.17
	Number of new product development projects	Units	6
	Total R&D team members	Persons	503
	Percentage of R&D personnel	%	24.20
	Core technical personnel of the Company	Persons	208
Intellectual Property Management	Cumulative number of authorized invention patents	Items	117
	Cumulative number of authorized utility model patents	Items	362
	Cumulative number of granted design patents	Items	50
	Cumulative number of software copyrights	Items	370
	National SSDI “Little Giant” enterpriseS	Units	1
	National high-tech enterprise	Units	14
	National enterprise technology center	Units	1
Employee Composition	Percentage of contract workers	%	100
	Number of incidents involving the use of child labor	Cases	0
	Incidents of forced labor complaints	Cases	0
	Number of labor discrimination incidents	Cases	0
	Total hours of employee diversity policy training	Hours	96
	Total number of employees	Persons	2,073
	Number of employees with disabilities	Persons	17
	Number of employees of minority nationalities	Persons	80
	Number of employees of minority nationalities in the management	Persons	2
	Number of new employees	Persons	551
	Number of Employees by Gender		
	Female	Persons	504
	Male	Persons	1,569
	Number of employees (by employee level)		
	Senior management	Persons	8

Social Indicators			
Topics	Indicator	Unit	2024
Employee Composition	Mid-level management	Persons	72
	Frontline employees	Persons	1,993
	Number of Employees (by Academic Qualification)		
	Doctoral Degree	Persons	5
	Master’s Degree	Persons	113
	Bachelor’s Degree	Persons	733
	Below Bachelor’s Degree	Persons	1,222
	Number of Employees (by Profession)		
	Production	Persons	626
	Sales	Persons	212
	Technology	Persons	729
	Finance	Persons	67
	Administration	Persons	412
	Others	Persons	27
	Number of Employees by Age		
	Under 30 years old	Persons	709
	30-40 years old	Persons	744
	40-50 years old	Persons	455
	50-60 years old	Persons	151
	60 years old or above	Persons	14
	Percentage of New Employees by Gender		
	Female	Persons	88
	Male	Persons	463
	Percentage of New Employees by Recruitment Channel		
	Social recruitment	Persons	336
	On-campus recruitment	Persons	139
	Other recruitment channels	Persons	76
Protection of the Rights and Interests of Female Employees	Proportion of female managers	%	23.66
	Proportion of female employees in STEM-related positions	%	13.03
	Proportion of female managers in revenue-generating departments	%	25.00

Social Indicators			
Topics	Indicator	Unit	2024
Protection of the Rights and Interests of Female Employees	Number of employees on maternity leave	Persons	23
	Return rate from maternity leave	%	95.65
Compensation and Benefits	Social insurance coverage rate	%	100
	Welfare expenditure	RMB '0000	5,398.00
	Per capita paid annual vacation days	Days	5.18
	Percentage of employees underwent regular performance and career development assessments	%	100
Democratic Governance	Number of projects approved by the Employee Congress/Labor Union	Items	3
	Labor union membership rate of in-service employees	%	49.69
	Coverage of collective bargaining agreement	%	100
	Number of cases of labor disputes	Cases	0
	Number of employee complaints received	Case	0
	Employee satisfaction	%	100
	Participation rate of the employee satisfaction survey	%	100
	Number of employees leaving the Company	Person	620
	Employee turnover rate	%	23.02
Supplier Management	Total number of suppliers	Units	2,558
	Total number of domestic suppliers	Units	2,551
	Number of overseas suppliers	Units	7
	Number of suppliers certified under quality management systems	Units	831
	Number of suppliers certified under environmental management systems	Units	773
	Number of suppliers certified under occupational health and safety management systems	Units	714
Product Quality	Percentage of suppliers that have signed the Integrity Agreement	%	100
	Number of risk assessments conducted	Times	24
	Times of annual quality internal audits	Times	4
	Number of third-party inspections conducted	Times	36
	Number of participants in quality culture training	Training participants	16,210
	Total hours of quality culture training	Hours	22,303
Customer Service	Sessions of quality culture training	Times	46
	Number of customer complaints	Times	27
	Number of customer complaints resolved	Cases	27

Social Indicators			
Topics	Indicator	Unit	2024
Customer Service	Number of customers participating in the survey	Persons	398
	Proportion of customers participating in the survey	%	60
	Number of valid customer satisfaction questionnaires distributed	Copies	314
	Customer satisfaction	Points	89.8
	Number of participants in responsible marketing training	Training participants	1,083
	Total hours of responsible marketing training	Hour	50.5
	Total sessions of responsible marketing training	Times	35
	Number of participants in special training on responding to customer complaints	Training participants	109
	Total hours of special training on customer complaint response	Hour	15
	Number of sessions of special training on customer complaint response	Times	8
	Number of customer complaint response assessments	Times	8
	Pass rate of customer complaint response assessments	%	100
	Number of customer information leakage incidents	Case	0
	Losses caused by violation of relevant laws and regulations	RMB '0000	0
Data Security	Number of relevant training sessions conducted	Times	31
	Number of participants in training	Persons	400
	Employee coverage rate in training	%	100
	Total investment in data security	RMB '0000	40
Employee Training	Investment in employee training	RMB '0000	47.1
	Number of training sessions	Sessions	175
	Total number of persons trained	Persons	1,479
	Total number of training sessions	Training participants	4,289
	Employee training coverage	%	70.20
	Female	%	76
	Male	%	68
	Senior management	%	100
	Mid-level management	%	100
	Frontline employees	%	69
	Total training hours	Hours	8,807.20
	Average per capita training hours (management training)	Hours/person	12

Social Indicators			
Topics	Indicator	Unit	2024
Employee Training	Average per capita training hours (professional capability training)	Hours/person	4.25
	Average per capita training hours (leadership training)	Hours/person	20.8
	Average training hours per employee per year	Hours/person	4.18
	Female	Hours/person	4.18
	Male	Hours/person	4.18
	Senior management	Hours/person	12
	Mid-level management	Hours/person	18.9
	Frontline employees	Hours/person	3.6
	Proportion of positions filled through internal transfer or internal recruitment	%	14.25
	Number of employees having successfully transitioned or applied internally	Persons	81
Occupational Health and Work Safety	Proportion of internal transfers or applications by employees	%	14.36
	Hidden danger investigation and rectification rate	%	100
	The number of security emergency drills	Sessions	30
	Investment in work safety	RMB '0000	235.39
	Proportion of investment in work safety to operating revenue	%	0.09
	Total investment in safety training	RMB '0000	17.531
	Safety education and training sessions	Sessions	314
	Number of participants in safety education and training	Training participants	3,155
	Total hours of safety education and training	Hours	785
	Coverage rate of safety education and training	%	100
	Coverage rate of safety risk protection training	%	100
	Percentage of special operators licensed	%	100
	Investment in occupational injury insurance for employees	RMB '0000	81
	Coverage rate of physical examinations for employees	%	100
	Inspection of occupational disease hazards	%	100
	Number of new cases of new occupational diseases	Case	0
Contribution to Society	Incidence rate of occupational diseases	%	0
	Total public welfare input	RMB '0000	31.1
	Village revitalization projects completed	Items	1
	Number of newly employees	Person	83

© Index

Primary Headings	Secondary Headings	(GRI Standards) <i>Sustainability Reporting Standards of the Global Reporting Initiative</i> (GRI Standards)	Shenzhen Stock Exchange Guidelines for Sustainable Development Report
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Message from the Chairman	/	102-14	/
About Zhiguang Electric	/	102-1/102-3/102-6/102-16/102-10	/
Special Focus Lead the Future Innovation-Driven Development	Smartly Steering Change with Technology, Partnering for a Shared Future	/	/
	Energy Storage Goes Global to Pioneer New Overseas Markets	/	/
Corporate Governance	Sustainable Governance	102-40/102-44/102-47	Article 13, Article 14 (I), Article 15 (I), Article 15 (III), Article 17, Article 18 (I), Article 18 (II), Article 18 (III), Article 18 (IV), Article 53 (I), Article 53 (II)
	Governance through the General Meeting of Shareholders, Board of Directors, and Board of Supervisors	102-18/102-19/102-20/102-22/102-23/102-24	Article 11 (I), Article 11 (II), Article 11 (III), Article 11 (IV), Article 12 (I), Article 19
	Ensuring Governance Compliance	102-18/102-22/102-23/102-24/102-28/205-1/205-2/205-3/206-1	Article 12 (I), Article 12 (II), Article 12 (V), Article 13 (I), Article 13 (II), Article 13 (III), Article 13 (IV), Article 19, Article 54, Article 55 (I), Article 56 (I)
	Investor Relations Management	/	Article 53 (I), Article 53 (II)
	Party Building	/	/
	Response to Climate Change	201-2/305-1/305-2	Article 21, Article 22 (I), Article 22 (II), Article 22 (III), Article 23 (I), Article 23 (II), Article 24
Environmental	Environmental Management	306-1/306-2/306-3/306-4/306-5	Article 20, Article 27, Article 30, Article 31, Article 33
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	Materials Management	301-1	/

Primary Headings	Secondary Headings	(GRI Standards) <i>Sustainability Reporting Standards of the Global Reporting Initiative</i> (GRI Standards)	Shenzhen Stock Exchange Guidelines for Sustainable Development Report
Social	R&D Innovation	203-1	Article 41, Article 42, Article 43
	Responsible Supply Chain	308-1/308-2	Article 44, 45
	Product Safety and Quality	417-1	Article 47
	Customer Service	418-1	Article 48
	Compliant Employment	102-9/204-1/414-1/404-1/404-2	Article 49, Article 50 (I), Article 50 (III)
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	Feedback Form	/	/

© Feedback Form

Dear readers :

Thank you for reading the 2024 Environmental, Social and Governance (ESG) Report of Guangzhou Zhiguang Electric Co., Ltd., and we value and look forward to hearing your feedback on the company's ESG efforts and this ESG report. Your comments and suggestions are an important basis for us to continuously improve the level of corporate ESG information disclosure and promote corporate sustainable development management and practices.

You can fill out the form below and give us feedback via email.

1. For Zhiguang Electric, your identity is:
- ☐ Government or regulatory bodies ☐ Shareholders / Investors ☐ Employees ☐ Suppliers ☐ Customers ☐ CustomersIndustry Associations or Research Institutions ☐ Industry Associations or Research Institutions ☐ Public Interest Organizations or Community Organizations ☐ Media ☐ Other (please specify)
2. Your overall assessment of the company's ESG report is:
- ☐ Very good☐ good☐ fair ☐ poor☐ very poor
3. How well do you think we do in terms of product liability?
- ☐ Very good☐ good☐ fair ☐ poor☐ very poor
4. How do you think we're doing with the environment?
- ☐ Very good☐ good☐ fair ☐ poor☐ very poor
5. How well do you think we are doing in terms of environment, safety and occupational health?
- ☐ Very good☐ good☐ fair ☐ poor☐ very poor
5. How do you think we're doing in terms of employee responsibility?
- ☐ Very good☐ good☐ fair ☐ poor☐ very poor
6. How well do you think we are doing in terms of corporate governance?
- ☐ Very good☐ good☐ fair ☐ poor☐ very poor
7. What other recommendations do you have for our ESG work and this report?

You can contact us in the following ways:

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