

Sinexcel



2022 Environmental, Social,
and Governance Report

About the Report

This report is the first Environmental, Social, and Governance (ESG) report released by Shenzhen Sinexcel Electric Co., Ltd. It discloses our ESG concepts, practices, and related performance in 2022. We expect to strengthen communication with the stakeholders, reach consensus and promote sustainable development by publishing the ESG report.

Reporting Period

The reporting period is from January 1, 2022, to December 31, 2022. For a more comprehensive comparison, some of the information will be moderately extended to the previous and subsequent years.

Scope of Report

This report focuses on "Shenzhen Sinexcel Electric Co., Ltd. ", including its subsidiaries and joint ventures.

Compiling Basis of the Report

- Global Reporting Initiative *Sustainability Reporting Guidelines* (GRI Standards)
- Chinese Academy of Social Sciences *Guidance on Compiling China's Corporate Social Responsibility Report* (CASS-CSR5.0)
- United Nations Sustainable Development Goals 2030 (SDGs)
- Shenzhen Stock Exchange *Guidelines on Social Responsibility of Shenzhen Stock Exchange Listed Companies*
- International Organization for Standardization *ISO 26000: Guidance on Social Responsibility* (2010)

Data Sources

The data used in the report are sourced from official documents, statistical reports, or public information.

Reliability Assurance

The company hereby ensures that there are no false records, misleading statements, or significant omissions in the materials of this report.

Definitions

For the convenience of expression and reading, "Shenzhen Sinexcel Electric Co., Ltd.", hereinafter referred to as "Sinexcel Co., Ltd.", "Sinexcel", "The Company" or "We" in this report. The abbreviations used in the report have the same meaning as those defined in the 2022 annual report.

Access to Report

This report is available in both paper-based and electronic versions. The e-copy can be accessed and downloaded from the official website of Sinexcel (www.sinexcel.com) or the Shenzhen Stock Exchange website (www.szse.cn). Please do not hesitate to email us: stock@sinexcel.com or call us at 0755-88999771 to request a paper version of the report.

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Message from the Chairman



In response to the increasingly severe climate change, on September 22, 2020, Chinese President Xi Jinping, solemnly announced at the 75th United Nations General Assembly: "China will increase its intended nationally determined contributions, adopt more powerful policies and measures, strive to peak carbon dioxide emissions before 2030, and achieve carbon neutrality by 2060." As a result, China has embarked on a new journey towards the carbon peaking and carbon neutrality goals.



Achieving the carbon peak and neutrality targets is a widespread and profound economic and social systemic transformation that requires collective efforts of the whole society. As a key group, carrying and implementing the "dual carbon" targets, enterprises are the backbone of this global carbon reduction movement.

Facing the more severe global energy crisis and climate risks in 2022, Sinexcel marked the 15th anniversary of the establishment. From the beginning, we have regarded "improving the energy efficiency and achieving energy freedom" as the mission. We have always focused on the application of power electronics technology in industrial power supply and new energy fields, providing high-quality electricity support for industrial and commercial customers. We spared no efforts to make contributions to the development of clean energy and promote low-carbon transformation of society over the past 15 years.

We are convinced that sustainable development of enterprises cannot be achieved without good corporate governance. Over the past year, we have continuously enhanced our corporate governance, regulated the operations of the general meeting

of shareholders, the board of directors and the supervisory board, strengthened risk prevention and control, implemented business ethics, enhanced anti-corruption efforts, thus effectively protected the rights and interests of investors. We have also continuously improved the digital level of company operations and production, enhanced information security management, and laid a solid foundation for the company's sustainable development.

We firmly believe that providing customers with reliable, efficient, and high-performance products and solutions is the "golden key" that enables Sinexcel to remain invincible. Over the past year, we have continuously improved our research and innovation system, strengthened investment in product R&D, to support low-carbon transformation with the improvement of product performance. In the power quality management segment, we broken through the performance limitations of existing products and introduced a silicon carbide solution for power quality that achieves the machine operating efficiency of up to 99%. In the EV charger segment, we launched the industry's first 50kW charging module using SIC MOS, with an energy conversion efficiency of over 97%. In the reporting period, we invested RMB 147.9745 million

in R&D expenses, accounting for 9.84% of the revenue. We provided power supplies for industrial applications with a total capacity of 2,679,285.09 kW and new energy industry products with a total capacity of 2,460,086.02 kW to the market.

We are well aware that sustainable development requires not only enterprises to leverage the competitive advantages to address social issues, but also to pay attention to the impact of their own operations on the environment and society. Over the past year, we have integrated the concept of green development into the entire process of company management and operations, continuously creating a new situation for low-carbon development. We minimized the impact on the environment by creating green factories, conserving resources, and managing pollutants.

We also hold the belief that companies should exert their positive influence to make more contribution to the society. Over the past year, we have maintained our commitment to employee compensation and benefits, career development and training, and employee care. By providing competitive compensation and career development opportunities and organizing cultural and sports activities, we have continuously

improved satisfaction and happiness of the employees. In the reporting period, the employee satisfaction rate was 89%. In addition, we established the Shenzhen Charity Association •Sinexcel Electric Public Welfare Fund, with the core themes of promoting the healthy growth of minors, supporting technological development, and providing educational assistance. The fund will provide financial support for underage protection projects, technological innovation projects, and educational assistance projects.

With the flat tides and the strong winds, it is the right time to set sail. In the future, Sinexcel will continue to be guided by the ESG concept and collaborate with more partners to empower a "zero-carbon" future with green "intelligence" to ensure a sustainable high-quality growth of the society.

Chairman of the Board

Fang Xing

About Sinexcel

Since its establishment, Sinexcel Co., Ltd. has been engaged in the application of power electronics technology in power supplies for industrial applications and new energy sector providing efficient and safe electrical energy security for high-end manufacturing, data centers, energy, and rail transportation industries. It also provides core equipment and comprehensive solutions for energy storage micro-grid systems, charging and swapping, consumer and vehicle battery manufacturing companies in the new energy sector. With the goal of peaking carbon emissions and achieving carbon neutrality and the rapid advancement of the construction of a new power system, the quality management of grid power has become particularly important. The company has entered this specific market segment to seize new opportunities and focus on the new energy and power supplies for industrial applications industries, building a stable business loop pattern.

Company Overview

Sinexcel is a leading global provider of energy internet core power equipment and solutions that integrate R&D, production, and sales, owning independent intellectual property rights. Our main business focuses on five major sectors: power quality management, industrial power supply, EV charger, energy storage and microgrid solutions, battery formation and testing, providing customers with a one-stop solution from new product research and development, production and manufacturing to sales services.

Sinexcel was established in 2007 and headquartered in Shenzhen, China. In 2008, we launched the first modular APF (Active Power Filter) product in China. In 2017, Sinexcel was listed on the ChiNext Board of the Shenzhen Stock Exchange, becoming the first public company in the field of low-voltage power quality.



To be a world-class power electronics technical company



Improving the Energy Efficiency, Achieving Energy Freedom, and Supporting Hardworking Individuals

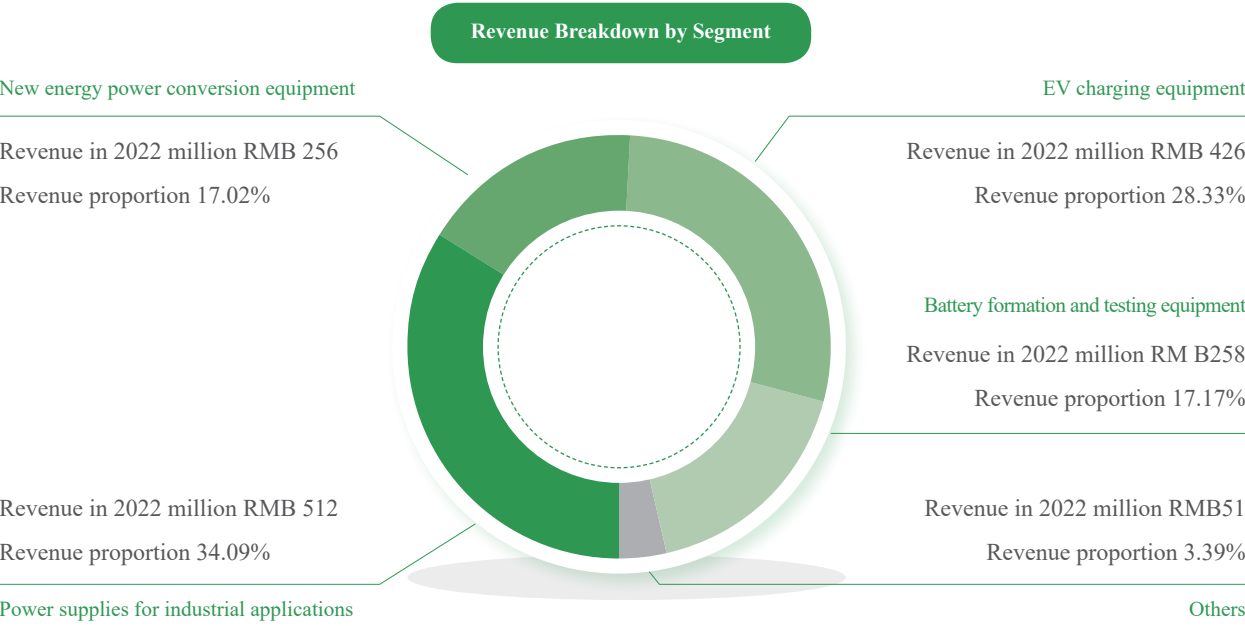
- Long-term oriented
- High-quality development
- Customer value-centered
- Offering competitive products
- Talent development
- Building a harmonized organization
- Scientific decision-making
- Integrated collaboration
- Continuous improvement
- Embracing changes



Services and Solutions

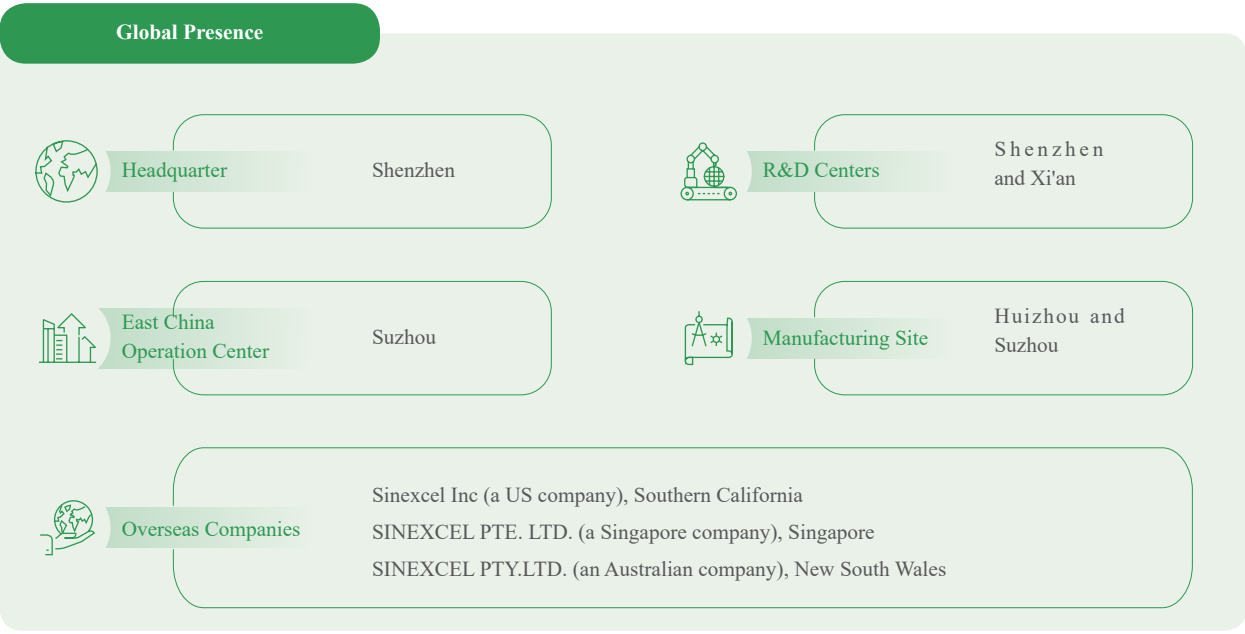
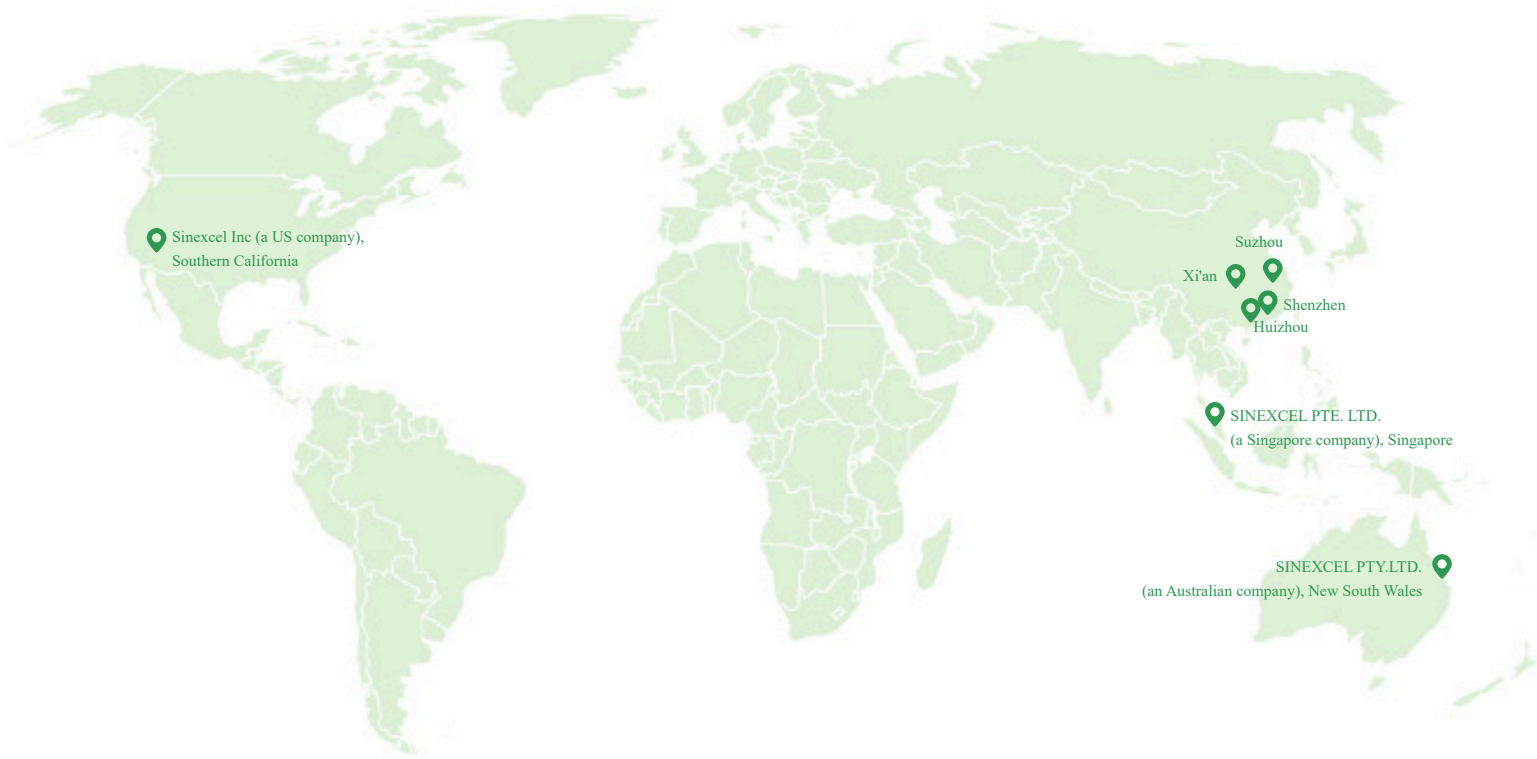
Sinexcel always adheres to the core concept of "Customer-centric", creating a diversified industrial layout and business segments to meet the diverse needs of customers. Sinexcel takes the power quality business as its main focus, continuously empowering technology, reusing systems, and providing talents to the charging and energy storage sector. Charging and swapping service is developing rapidly, and energy storage and microgrid solutions services are advancing at full speed.

Business Sector	Business Segment	Industry Status	Development
Power Supplies for Industrial Applications	Power quality	Top 1 of the world in low voltage APF	16 years of production and R&D experience, full coverage of voltage and current quality products, business coverage in over 50 countries and regions, application of over 2000 power management projects, and application of nearly 10 million A active filter capacity
	Industrial power supply	Collaborative development with power quality business	Focusing on digital technological innovation of power supply, including laser processing equipment power supply, industrial intelligent equipment power supply, semiconductor processing equipment power supply, etc.
New Energy	Charging and swapping services	Top 10 Core Module Brands and Top 10 Influential Brands in China's Charging and Battery Swap Industry in 2022	13 years of production and R&D experience, 50+ charging products of different specifications, 100+ unique charging control technology, online operation of 6W+ charging systems, and application of 60W+ charging modules in the market
	Energy storage and microgrid solutions	Top 5 Chinese Companies in Global Energy Storage Converter Shipments	4GW cumulative global installed capacity, 5000+ energy storage project applications, global business coverage on 5 continents, 60+ countries and regions, and 60+ certified models
	Battery formation and testing	On a leading position in China	11 years of production and R&D experience, achieved technical advantages such as 0.02% FS ultra high precision, 3ms light speed dynamic response, 1ms high-speed record, 20ms road spectrum, 96% feedback efficiency, 10+ types of equipment peripheral linkage, and comprehensive safety protection



Business Layout

Sinexcel is based in China but has a worldwide footprint, leading high-quality development with a global mindset. Our products cover more than 60 countries and regions worldwide. Many products have been certified and tested by many international authoritative certification organizations such as ETL, TUV, CE, SAA, UL, etc., to meet domestic and international product standards.



Fifteen Years of Growth

On September 28, 2007, Sinexcel was established. After 15 years of ups and downs, Sinexcel has always focused on the field of power electronics technology, continuously researching, breaking through, and innovating, and moving forward step by step towards the established goals.

The honor along the way has witnessed the extraordinary growth of Sinexcel and laid a solid foundation for Sinexcel’s future success. With 15 years of collaboration, we are embarking on a new journey. In the future, Sinexcel will always maintain an enterprising and innovative mindset, walk with those who strive, and continue to strive for becoming a world-class power energy technology enterprise.

2007

Sinexcel was established in Shenzhen



2008

Sinexcel launched the first modular APF in China and became the first enterprise in China to apply modular technology to manufacture power quality products



2009

Sinexcel participated in the Nanshan Entrepreneurship Star Competition and won the runner up. The team quality, corporate planning and the business model were all recognized by investors as the star enterprise. In the same year, it obtained a "Double High and Double Soft" certification.



2010

We developed the milestone product APF100A in the power quality product line, becoming a leading brand in low voltage power quality.

2016

The four pillars of business advanced together: SVG experienced explosive development; EV charger witnessed the first independent station construction project; The energy storage products headed to the other side of the ocean; and the battery formation and testing business became a supplier of multiple domestic battery giants with its own brand.



2015

The company was restructured into a joint-stock limited company. The EV charger product line experienced explosive growth. The energy storage business enables multiple applications such as micro-grid and off-grid systems. Battery equipment, high-power charging and discharging equipment entered the charging station matching field.



2014

Sinexcel became a practitioner of the energy Internet. Through power electronics technology, we connected energy nodes from various aspects of power generation, transmission, and distribution, achieving the "intelligence" of energy and transmission processes.

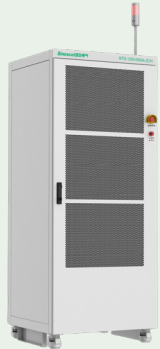
2013

The revenue exceeded RMB100 million. The company moved to the headquarters of Piowangxin to achieve integration of R&D, manufacturing, and marketing.



2012

A photovoltaic and energy storage product line was established to define the value of photovoltaic and energy storage in the energy internet. A battery formation and testing business line was established to escort the safe and stable operation of batteries.



2011

An electric vehicle product line was established. The company achieved leading position in EV charging modules and systems leveraging its three-level modular technology platform.



2017

Over the past decade, the company forged ahead and successfully listed on the Shenzhen GEM with stock code 300693.



2018

The company's performance continued to rise and the revenue maintained a stable increase in the face of complex macroeconomic changes.



2019

The company accelerated the pace of market expansion by adding Xi'an Sinexcel R&D base and putting Huizhou Sinexcel manufacturing base into use.



2020

We supported each other to combat pandemic. The profit of Sinexcel exceeded RMB 100 million.

The Huizhou Sinexcel manufacturing base has officially been put into use. The revenue exceeded RMB 1 billion with multiple business lines continuously and steadily developing.



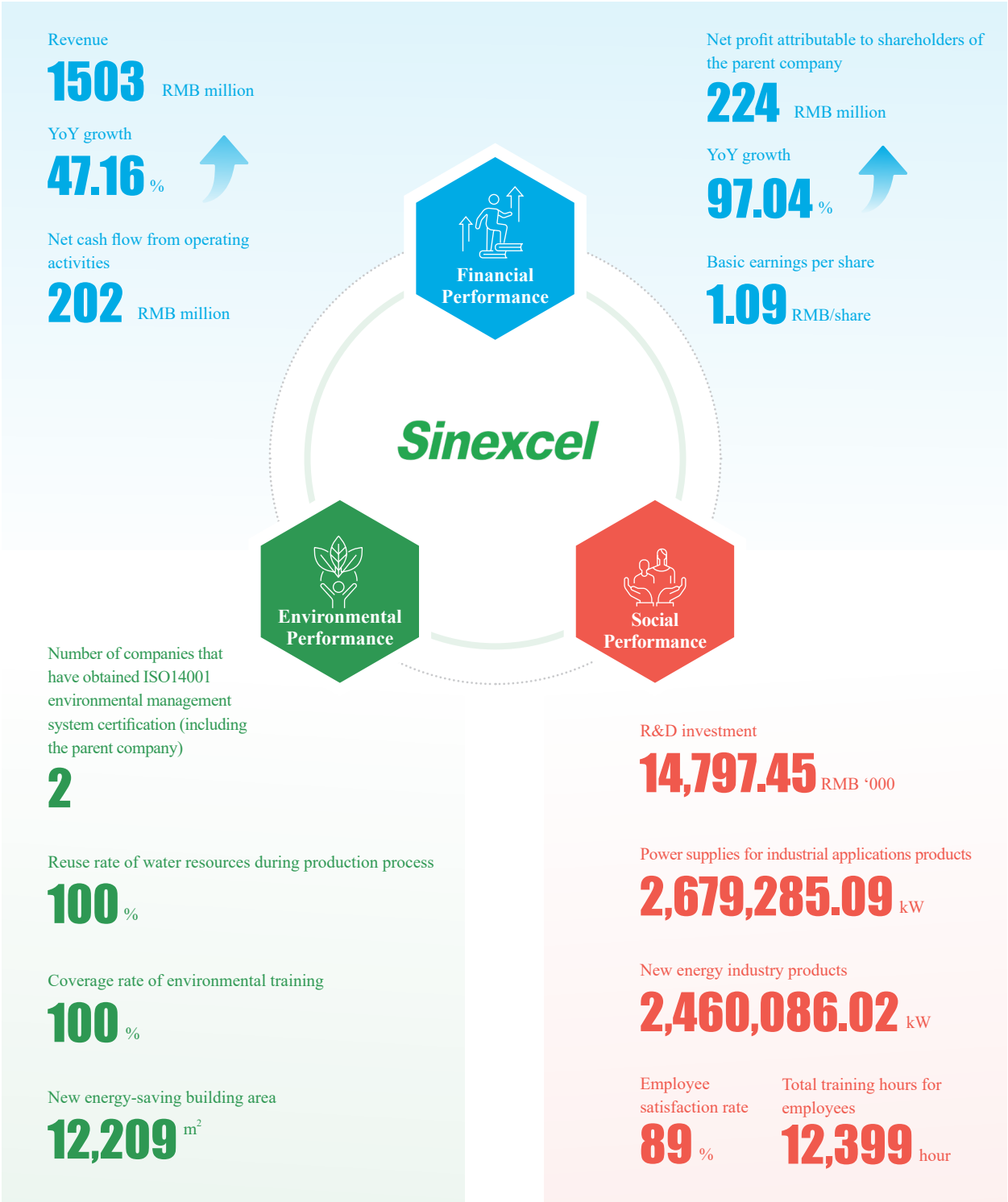
2021

2022

The revenue reached RMB 1.5 billion.

A Recap of 2022

Key Highlights



Key Events



Significant Steps in Globalization

We have established deep cooperation with elaxon GmbH, Germany, and become the core supplier of EV charger for elaxon.



Supporting the Beijing Winter Olympics

The application of active power filters in the harmonic control project of the LED display system at the Beijing Bird's Nest Stadium provides reliable power supply and contributes to the green and low-carbon Winter Olympics.



Promoting the Construction of Green Energy System in Universities

In the construction project of the State Grid Smart Campus, a campus photovoltaic storage+V2G low-carbon EV charger solution is proposed to achieve intelligent utilization of photovoltaic power generation, energy storage, and V2G (Vehicle-to-grid) energy. This helped universities to develop a green, low-carbon, safe and efficient new energy system.



Achieving Green Momentum

A 630 kW modular multi-branch energy storage converter device was applied to the Huadian Inner Mongolia Alxa Right Banner 150 MW wind power project with a 50 MW/100 MWh energy storage system. After the project is put into operation, it is expected to generate an annual electricity output of 390 million kilowatt hours, saving 111,000 tons of standard coal and reducing 305000 tons of carbon dioxide emissions annually.

Annual Honors



Honors/Awards	Awarded by
Guangdong-Hong Kong-Macao Greater Bay Area Strategic Emerging Industry Leader in 2022	Shenzhen Strategic Emerging Industry Development and Promotion Association
SGS Recognized Cooperative Suppliers	Societe Generale de Surveillance S.A.
Industry Qingfeng Post	Shenzhen Nanshan District Commission for Discipline Inspection and Supervision
Outstanding Partner of the Year 2022	Henan branch of Energy Tower Corporation Limited
2022 Power Swapping Technology Award	Organizing Committee of the China International EV Charging & Swapping Battery Industry Forum
2022 China Charging and Swapping Industry - Top 10 Core Module Brands	Organizing Committee of the China International EV Charging & Swapping Battery Industry Forum
2022 China Charging and Swapping Industry - Top 10 Influential Brands	Organizing Committee of the China International EV Charging & Swapping Battery Industry Forum
Excellent Provider Of EV Charging Equipment And Operation Solutions In 2022	Guangdong Static Transportation Association

Honors/Awards	Awarded by
Top 10 Charging Equipment Brand Enterprises In China In 2022	New Energy Vehicle Industry Network
Outstanding Supplier of the Year 2022	Dongfeng Motor Co., Ltd. Dongfeng Nissan Passenger Car Company
Top 10 Global Market PCS Shipment Provider for Energy Storage in China	Organizing Committee of the Energy Storage International Conference
2022 Excellent Energy Storage Converter Brand In China's Energy Storage Industry	International Energy Network
Top 30 Energy Storage Industry Chain in 2022	High Tech Energy Storage
2022 Most Influential Enterprise Award in China's Energy Storage Industry	Organizing Committee of China International Energy Storage Conference
2022 China's Most Influential Enterprise Award	China Leader Energy Storage Alliance
2022 Best Energy Storage High Power Bidirectional Converter Supplier Award	China Leader Energy Storage Alliance

Strengthening

the Foundation of Sustainable Development

Our Philosophy

Sinexcel strictly complies with laws and regulations, and continuously improves its corporate governance system. The company follows best practices in business ethics, effectively protects the rights and interests of investors, and creates a clean and upright industry environment. Meanwhile, Sinexcel continues to promote information technology construction and improve the level of intelligent in production and operation. Sinexcel incorporates the ESG concept into operations, laying a solid foundation for the company's sustainable development.

Our Actions

- Reinforcing Corporate Governance
- Upholding Business Ethics
- Digitization and Information Security,
- Sound ESG Management

Contributing to SDGs

5
GENDER
EQUALITY

9
INDUSTRY, INNOVATION
AND INFRASTRUCTURE

16
PEACE, JUSTICE
AND STRONG
INSTITUTIONS



Reinforcing Corporate Governance

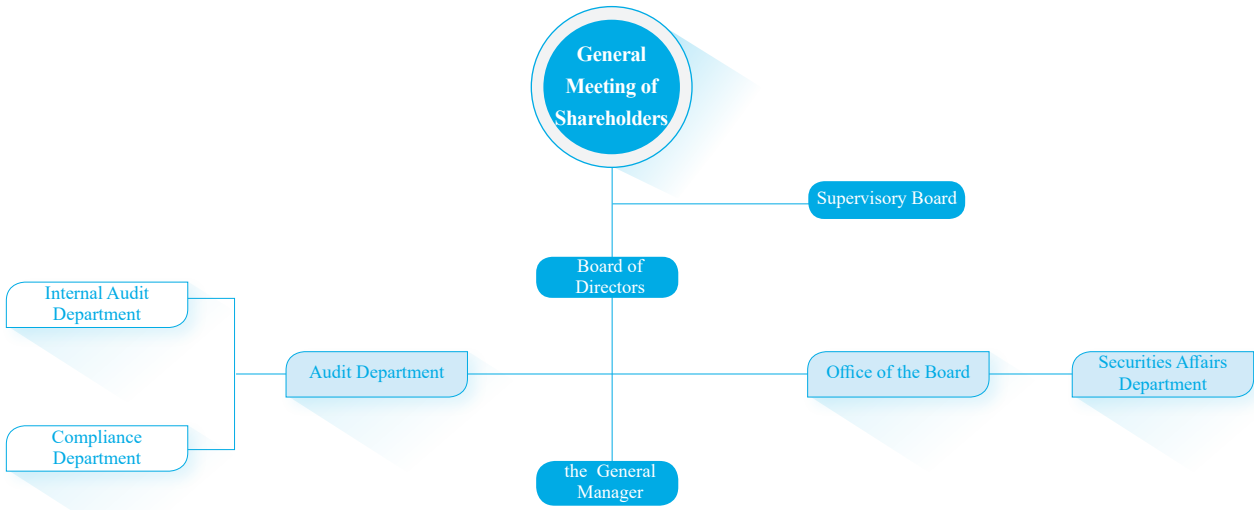
Sinexcel attaches great importance to corporate governance and strictly adheres to the laws such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Governance Standards for Listed Companies*, *Shenzhen Stock Exchange GEM stock listing rules*, *Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 2 - Standardized Operation of GEM Listed Companies*, and regulations from regulatory authorities such as the China Securities Regulatory Commission. Sinexcel carries out rules such as the *Articles of Association*, *Rules of Procedure for Shareholders' Meetings*, *Rules of Procedure for Board of Directors*, and *Rules of Procedure for Board of Supervisors* to improve the company's governance structure. The company continuously enhance internal standards and regulations, promotes standardized management, strive to reduce operational risks, and ensure the effective operation of the corporate governance structure.

Board Structure and Governance

In the reporting period, the Shareholders’ Meeting, the Board of Directors, and the Board of Supervisors, and management of the company strictly performed their duties and operated in accordance with the company's articles of association and the respective rules of procedure.

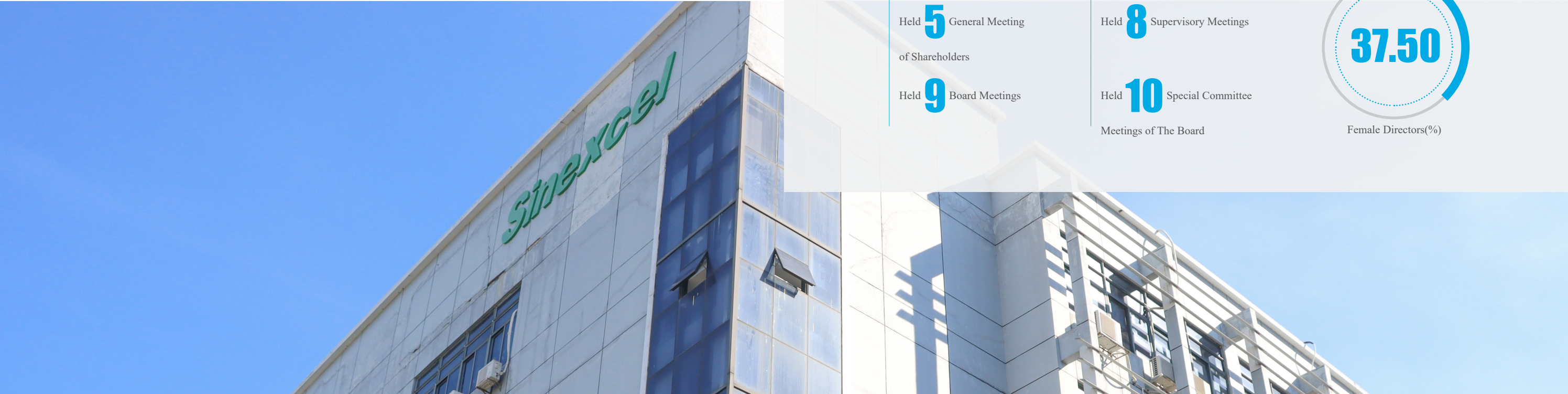
The Board of Directors consists of 8 directors, including 3 independent directors and 1 external non-independent director. We actively promote the diversification of the board of directors, with 3 female directors, accounting for 37.50%. The current directors all have high level of expertise and good educational backgrounds, covering diverse professional backgrounds such as energy, accounting, law, and management, which can effectively ensure the scientific decision-making of the Board.

The Board of Directors consists of four committees, namely the Strategy Committee, the Compensation Committee, the Audit Committee and the Nomination Committee. The proportion of independent directors in the Compensation Committee, the Audit Committee, and the Nomination Committee is 2/3. These committees have independent responsibilities and operate in accordance with the relevant rules and regulations. The committees perform and cooperate well for sound decision-making and compliant operations.



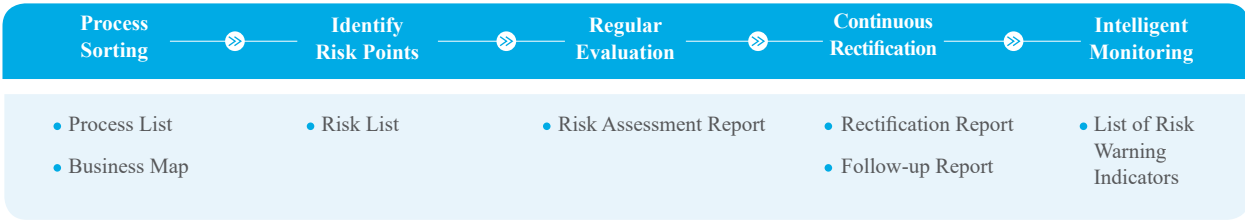
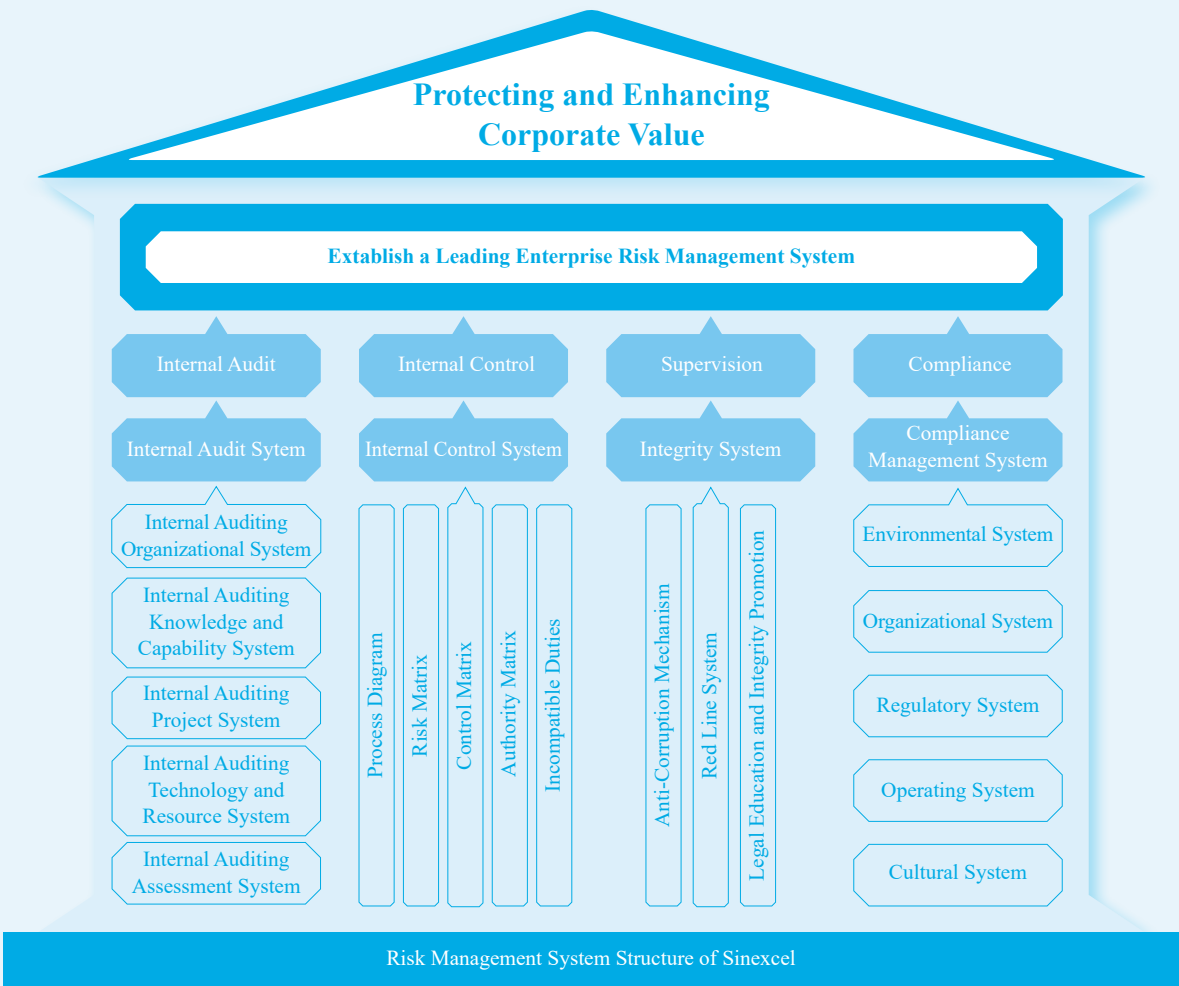
▲ Governance Structure of Sinexcel

In order to enhance the compliance and professionalism of the directors, supervisors and senior executives in performing their duties, we organize them to attend the "Series of Training for Directors, Supervisors and Senior executives " hosted by the Shenzhen Public Companies Association every year. In the reporting period, our directors, supervisors, and senior executives participated in two sessions of the training program.



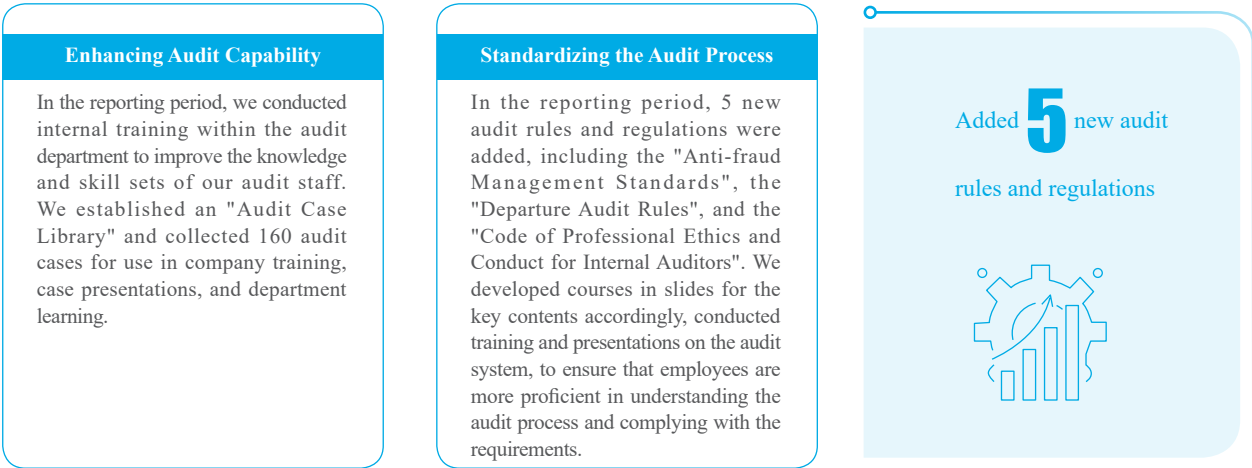
Risk Prevention and Control

Sound and compliant corporate governance is the cornerstone of the stable operation of the company. We attach great importance to the construction of the risk control system and establish a risk management system structure consisting of internal audit, internal control, integrity, and compliance management systems. In the reporting period, we further improved the construction of the internal audit and integrity system, as well as the risk control system, providing strong guarantees for the achievement of the company's strategic goals.



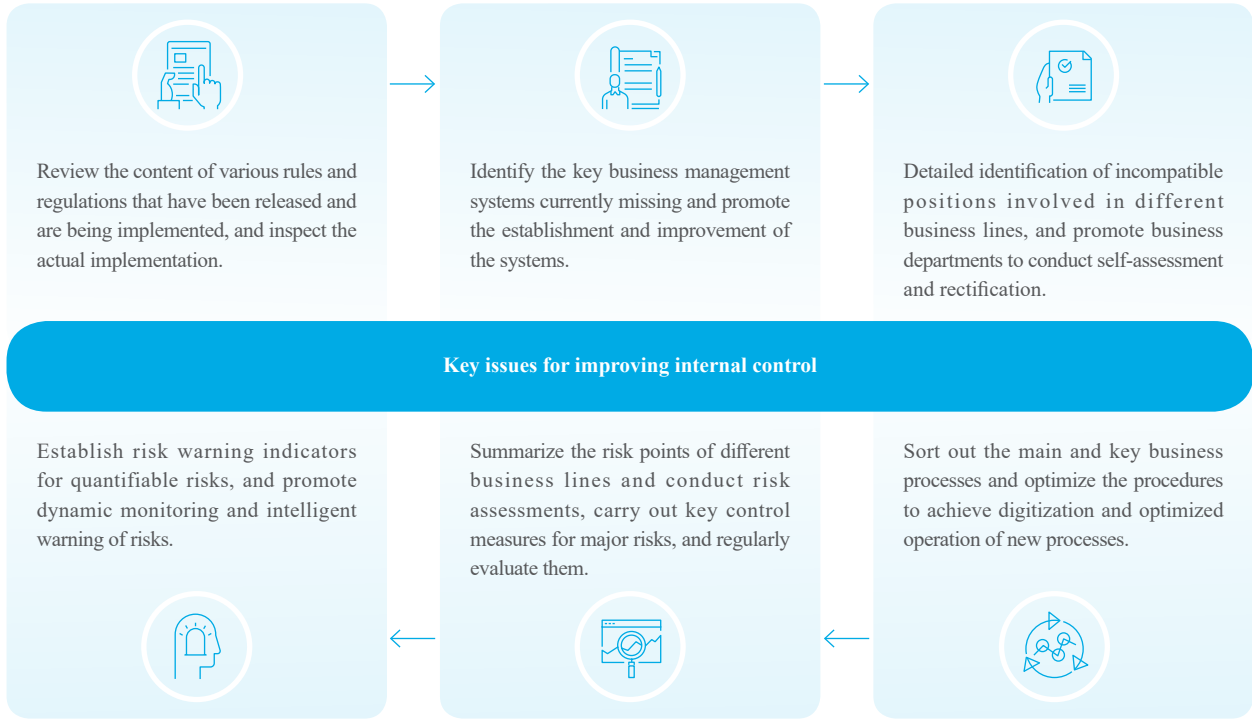
▲ Sinexcel's Risk Management Implementation Plan

Construction of Internal Audit System



Internal Control System

By reviewing the company's business processes, we have identified operational risks for key businesses and developed and optimized corresponding rules and regulations. We have also established a control matrix table by delineating departmental management boundaries. We organized all employees to participate in training on the separation of incompatible duties to enhance their awareness of compliance. We continue to optimize the authorization system by reviewing and analyzing the job descriptions and revision responsibility matrix to strengthen the authorization and accountability mechanism, and streamline the system operation through information systems.



Investor Relations Management

We always safeguard investors' rights and promote the sustainable development of the company through smooth communication with investor and standardized information disclosure.

Investor Communication

To better respect and protect the rights and interests of investors, we formulated the "Investor Relations Management Guideline" in accordance with relevant laws and regulations, the *Articles of Association* and normative documents, which clarifies the principles, objectives, content, scope, and methods of investor relations management.

We attach great importance to maintaining smooth communication with investors and interacts with investors via multiple channels, with the securities department specifically responsible for managing investor relations. In the reporting period, we provided an online voting platform for the shareholders' meeting to ensure that minority investors exercise shareholder rights and participate in company decision-making. We also held performance conferences, timely disclosed investor-related announcements,

kept the investor hotline (0755-88999771) open, promptly responded to Shenzhen Stock Exchange Interactive Platforms and arranged on-site visits to address investor's queries. In addition, we have set up an investor relations column on the company's official website, and updated company stock prices and relevant announcements in a timely manner, establishing a good capital market image.

In the reporting period, taking into account the company's operating performance and shareholder interests, we decided to repay the shareholders and share the profits with them. On May 31, 2022, we implemented the 2021 equity distribution, with a total of 205,275,493 shares as the base, and distributed cash dividends of RMB 1.20 per share (including tax) for every 10 shares to all shareholders.

Information Disclosure

We continuously improve the level and quality of information disclosure, promote the compliant operation of the company and safeguards the interests of investors. We formulated *Information Disclosure Standards* and the *Accountability Rules for Material Errors Disclosure of Information in Annual Reports* etc. in accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* (hereinafter referred to as the "Securities Law"), the *Measures for the Administration of Information Disclosure of Listed Companies*, *Shenzhen Stock Exchange GEM Stock Listing Rules*, *Articles of Association* and relevant laws and regulations. We strictly comply with

the information disclosure requirements of the Shenzhen Stock Exchange and released regular reports and interim announcements to the public. Please refer to relevant announcements posted on CNINFO website (<http://www.cninfo.com.cn/new/index>) for more details. We proactively maintains good communication with the capital market through voluntary disclosure, timely discloses information that might have a substantial impact on the decisions of shareholders and other stakeholders to ensure that all shareholders have equal opportunities to obtain the information. In the reporting period, a total of 163 announcements were disclosed.



Business Ethics

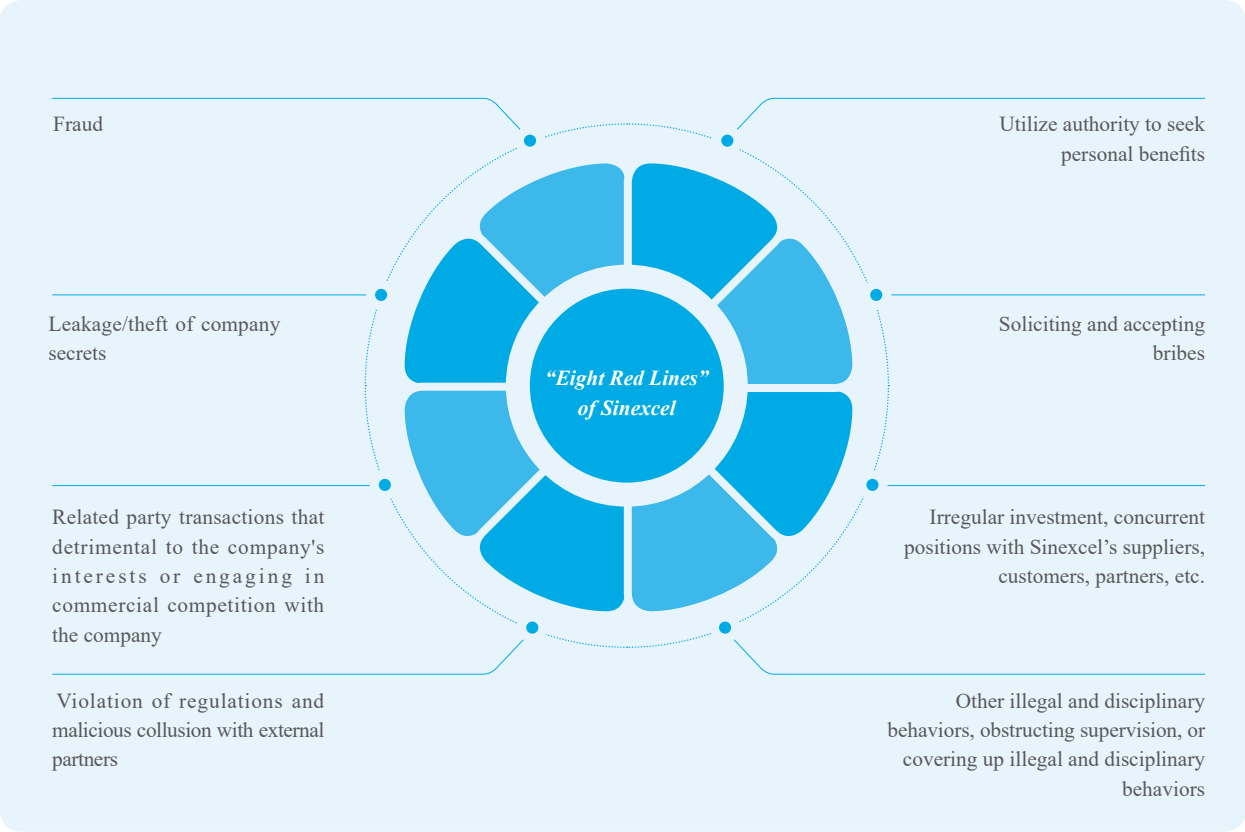
Sinexcel adheres to the business philosophy of fair competition and integrity. We formulated a series of business ethics related documents to regulate employees' business ethics, including the *Regulations on Anti Unfair Competition Management*, *Responsible Marketing Management Guidelines Code of Conduct*, and *"Eight Red Lines" of Sinexcel* in accordance with the *United Nations Convention against Corruption*, the *Law of the People's Republic of China on Anti Unfair Competition* and other laws and regulations. These regulations define the commercial ethics behavior expected of employees and prevent commercial corruption and money laundering. Employees are required to sign the *'Employee Commitment Letter'* and participate in business ethics policy training. In the reporting period, Sinexcel compiled the *Anti-fraud Management Standards and Sunshine Procurement Agreement* for suppliers, established reporting channels, operated an integrity official account, to standardize the company's business behavior.

Anti-fraud Management

The board of directors leads the anti- fraud work and urges the management to create a company-wide anti-fraud cultural and establish a sound internal control system including fraud prevention. The management should bear responsibility for the occurrence of fraudulent behavior and be the primary contact for anti-fraud work. The audit department is the permanent body for the company's anti-fraud work, specifically organizing and implementing anti-fraud work within the company. Audit personnel must comply with the *Code of Professional Ethics and Conduct for Internal Auditors*.

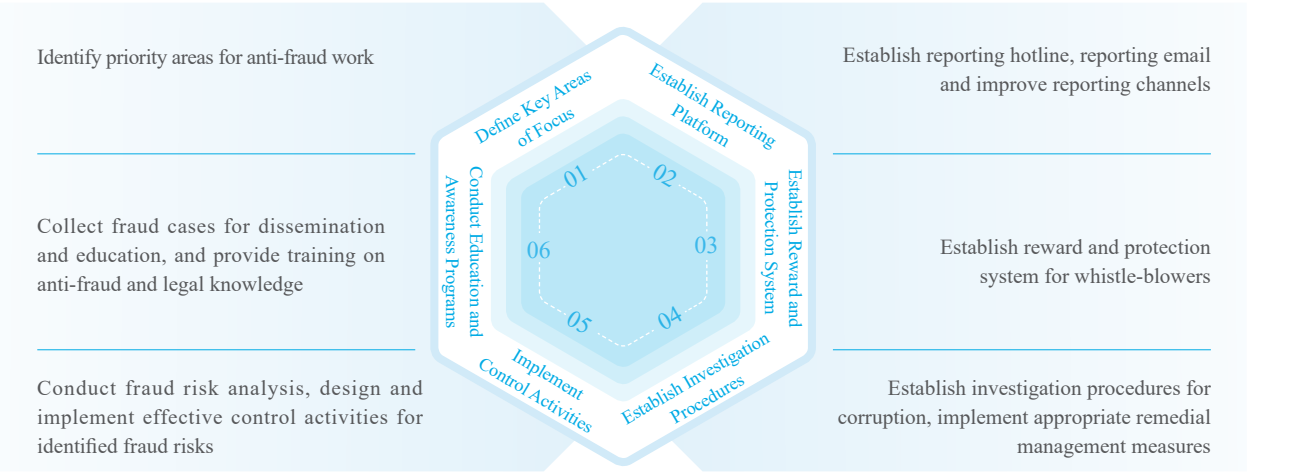
Employee Code of Conduct

In order to regulate the behaviour of employees, the audit department has formulated the *"Eight Red Lines"of Sinexcel*. Once employees cross the lines, they will subject to severe punishment (warning, dismissal etc.). Any external companies involved will also be included in the blacklist and will never cooperate again. If there is any suspected illegal or criminal behavior, it will also be handed over to public security and judicial authorities to pursue legal responsibility.



Anti-fraud Prevention

We have established an anti-fraud reporting platform, developed a system of rewards and protection for whistle-blowers, and established fraud investigation procedures and an accountability mechanism. In addition, we collect fraud cases to educate employees and provide anti-fraud and legal knowledge training to enhance their awareness of integrity.



▲ Anti-fraud Management

Whistle-blower Protection

To encourage employees to safeguard the company's interests, those who report issues that are verified to be true and result in recovered losses for the company will receive rewards. We support both anonymous and real-name reporting. For real-name reporting, regardless of whether an investigation is launched, the audit department will provide feedback to the whistle-blowers on whether to file the case and the investigation results. Whistle-blowers are protected during the investigation process, and we take strict measures to keep their identity information and reporting materials confidential, prohibiting any form of discrimination or retaliation. Those who violate regulations by disclosing whistle-blowers' information or taking retaliatory actions against whistle-blowers will be subject to penalties such as warnings, dismissal from their positions, and termination of their employment contracts. Those who violate the law will be handed over to the judicial authorities for legal treatment.

Employees and all stakeholders who have direct or indirect business relations with Sinexcel who comes across or suspects any unlawful activity shall inform the company via phone calls, emails letters, face-to-face meetings, and other means.

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Email: shenjibu@sinexcel.cn

Official Account: Integrity Sinexcel

Mailing address: Audit Department, 5th Floor, Building 6, Zone 2, Baiwangxin High tech Industrial Park, No. 1002 Songbai Road, Nanshan District, Shenzhen

Postal Code: 518000

Anti-fraud reporting channels

Digitization and Information Security

Digitization is an inevitable trend for enterprise development. Sinexcel continuously promotes the upgrading of the main support system, and accelerates the digital construction in a hierarchical and step-by-step manner. While achieving effective results in digital construction, Sinexcel continues to strengthen data security management, prevent information security risks, and ensure the safety and stability of production and operation.

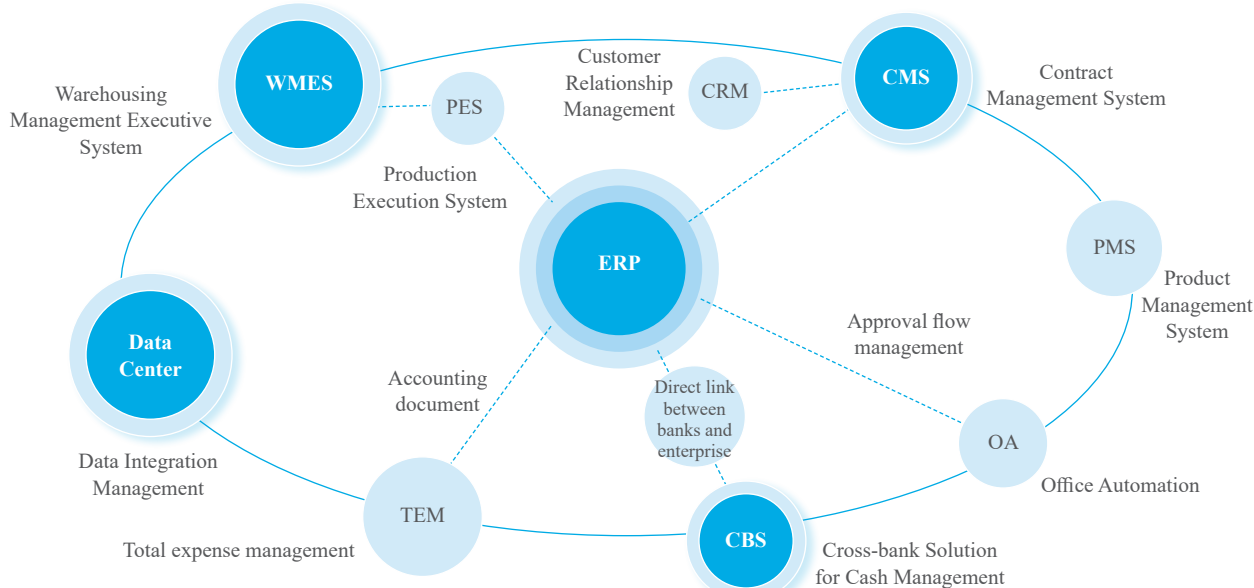
Digital Construction

We accelerate the digital construction and upgradation, and achieve digital transformation based on the principles of “strategic leadership, business driven, value oriented, and technology empowerment”. We conduct strategic top-level design for the company's information construction, ranging from system construction to implementation, empowering all links of the company's value chain, and focusing on building a visual digital factory.

Top-level design of IT strategy

- Establish a regular meeting for digital transformation strategy system
- Select the appropriate technical framework platform based on business needs
- Regularly schedule digital transformation strategy meetings
- Unify the layout and follow up on the specific progress of strategy implementation
- Improve and enhance the service with technology

We focus on resource planning management system(ERP) and production execution system(MES) (including WMS), integrated with the central database bus system, the data platform system, the product management system(PMS), the production process management system(SDMS), the testing platform ATE, the terminal scanning system, the customer relationship management system(CRM), and the OA system. We connect all links of R&D design, production management, procurement and supply, warehousing management, after-sales service and other full chains to truly achieve a high degree of unity of logistics, capital flow, and information flow. Through data sharing and data analysis of interconnected systems using data platforms, equipment is connected on-line, and key data such as production data, warehousing data, and equipment utilization rates are collected and analyzed in real-time through means such as production dashboards, station scanning, and intelligent sensors. Finally, we achieve the goal of digitization, precision, collaboration, and service of R&D design, testing analysis, production manufacturing, and operation management. In addition, supported by a unified technical architecture platform, we achieve unified portals, single sign-on, and message integration to facilitate management personnel's use and work handover. We gradually build a visual digital factory following the steps of "system deployment - system integration - unified portal". In the reporting period, we completed multiple iterations of platform construction and business system optimization to further improve the work efficiency.



▲ Information System of Sinexcel

Information Security Management

We strictly comply with laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *Management Measures for Information Security Level Protection*. We have formulated the *Company Information Management System*, strengthened the standardized management of the company's information tools and business information systems, ensuring systematic and orderly operation. We attach great importance to the construction of the information security management system, deploy terminal detection and response systems and internal network security software, to comprehensively safeguard against various terminal intrusions and solve intranet security challenges. In the reporting period, the company did not experience any data leakage incidents. To further enhance our information security management level, we are currently promoting the certification of ISO27001 information security management system.

Data Security Management Measures(partial)

- **Computer room management:** Provide access management, security management, and IT equipment operation management for personnel who need to enter and exit the IT room for work or business, ensuring the normal operation of the room's equipment and systems and the safety of the items in the room.
- **Computer user management:** Manage the permissions and passwords of Windows users, emails, office systems, servers, and various computer software and hardware systems users.
- **Account and permission management of information systems:** Manage the account setup, removal, and permission and changes of application systems, server operating systems, database management systems, and domain servers.
- **Data backup management:** The document and backup server are backed up weekly (including system data and program files). All important data and source programs of information management systems are backed up separately. Data is backed up before major program updates or modifications. Each unit's workstation is backed up monthly, with data saved to the server hard drive. Non-shared files cannot be set as network shared, and shared documents must have corresponding permissions.
- **System failure contingency and recovery plan:** First-line operators should report system failures to system administrators in a timely manner. The troubleshooting time for server failures is generally less than 2 hours, and in special cases, it does not exceed 4 hours. If the server cannot be repaired or the data cannot be recovered, the document server or data server will be reinstalled within 2 hours, and the backup data will be restored to the server.



Sound ESG Management

Sinexcel incorporates the ESG concept into the company's strategy and daily operations and establishes an ESG management structure. The company conducts regular stakeholder surveys, maintain open communication channels with stakeholders and integrates important stakeholder concerns identified during the process into the company's development strategic plan to promote deep understanding and execution of the ESG strategies across all departments.

ESG Management Structure

The Board of Directors is the highest decision-making body, the ESG committee as the leading and discussion body, and the ESG work execution group as the specific work execution agency. The Board of Directors is responsible for formulating the company's ESG strategic goals and reviewing and deciding on major ESG related matters. The Chair of the Board serves as the chairman of the ESG committee, and the leaders of the key departments related to ESG serve as members of the committee. The ESG committee is responsible for studying, analyzing, and evaluating the company's ESG work and proposes ESG development suggestions to improve the company's ESG governance capabilities. The committee regularly reports the issues, makes proposals to the Board and reviews the annual ESG report before submitting it to the Board for approval and disclosure. There is an ESG work execution group led by the committee responsible for daily matters and executing committee resolutions, including but not limited to preparing committee meetings, executing specific ESG work of the company and preparing ESG reports, etc.

We incorporate ESG related performance indicators into the compensation system for management and take corresponding reward and punishment measures based on the annual assessment results to further enhance the effectiveness of ESG governance and management.



▲ ESG Management Structure of Sinexcel



Incorporating ESG Indicators into Executive Compensation Assessments

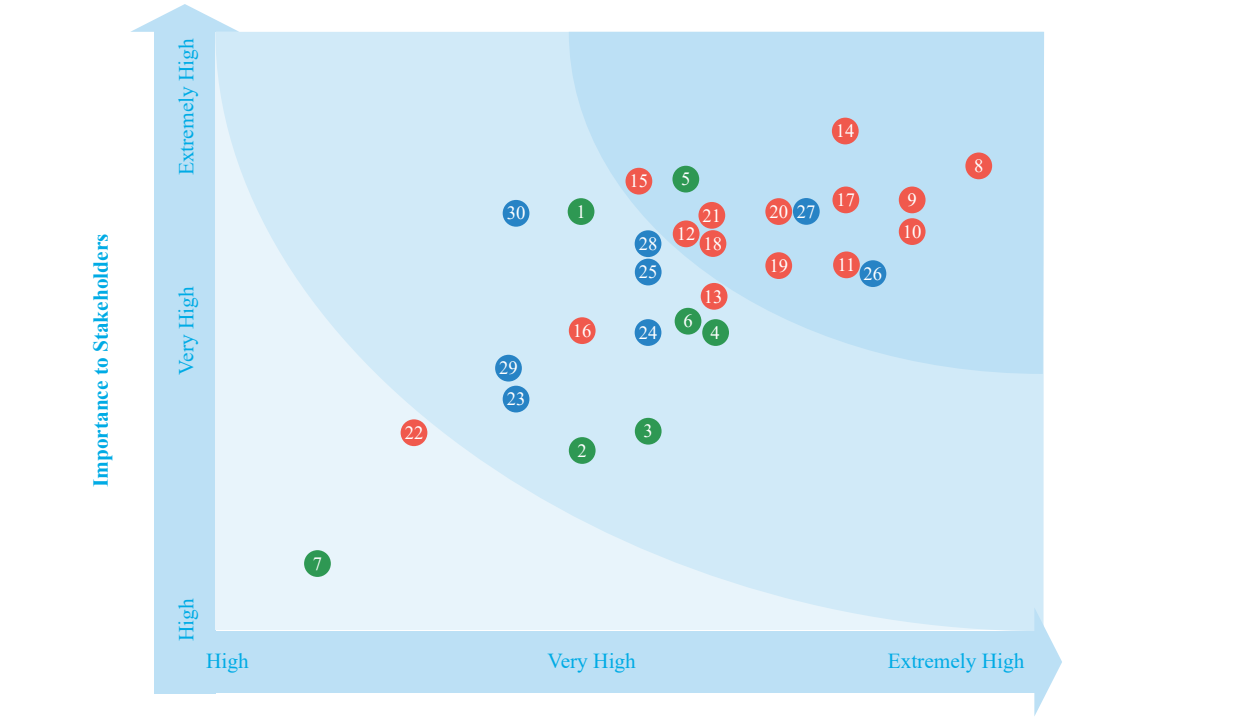
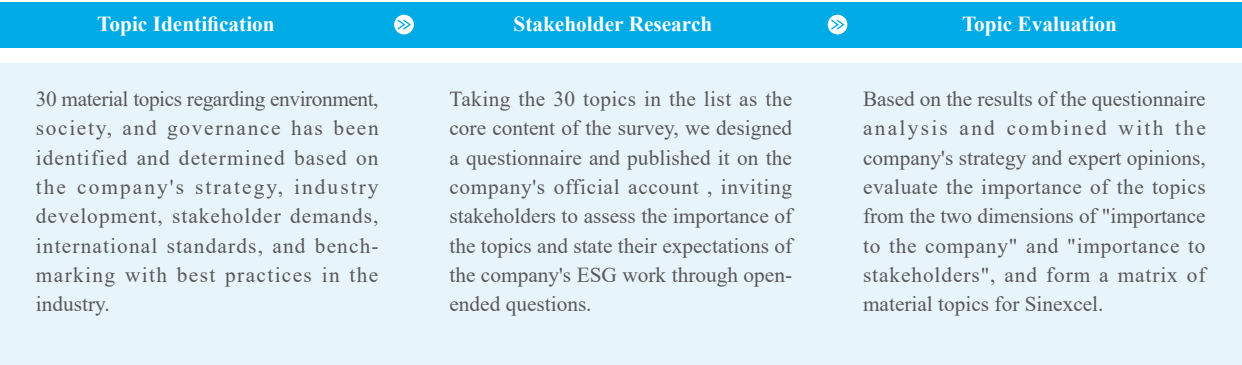
In the performance evaluation of executives, the key position talent retention and the competency of management talents accounts for 20% of the organizational capability indicators in each department. We evaluate the organizational capability indicators of each deputy general manager, and then each deputy general manager conducts a detailed appraisal of the departments under his/ her supervision. Through KPI, ESG strategies will be incorporated into departmental priorities to implement ESG decisions. Additionally, we review the achievement of key indicators on monthly and quarterly basis to ensure the timely completion of annual KPIs, including environmental health and safety indicators such as the number of emergency accidents, recordable work-related accident rate, lost time injury rate, severe work-related accidents, and environmental indicators such as power consumption intensity, water consumption intensity, carbon emissions intensity, and other environmental indicators.

Stakeholder Communication

Key Stakeholders	Key Topics of Concern	Engagement Channels and Actions (partial)
 Shareholder	<ul style="list-style-type: none">• Corporate governance improvement• Shareholders' rights and interests• Internal control and risk management• Diversification of the Board of Directors	<ul style="list-style-type: none">• Shareholder meetings and performance conferences• Regular operational and financial information disclosure• Regular and daily communication with investors• Strengthening risk control system• Gender and background diversity in the Board of Directors
 Customers	<ul style="list-style-type: none">• Product quality and safety• Information security and privacy protection• High quality customer service• R&D innovation• Digital Transformation• Low-carbon green products• Waste management• Pollutant management	<ul style="list-style-type: none">• Quality management system and safety management system improvement• Strengthening information security and privacy protection• Timely responding to customer needs and improving action plans• Customer training and technical support• Long-term partnership relationships• Continuous innovation and building digital capabilities• Advancing eco-design for the whole product life cycle
 Employees	<ul style="list-style-type: none">• Intellectual property protection• Safety production• Employee rights and interests protection• Employee care• Employee training and development• Occupational health and safety• Competitive compensation and benefits	<ul style="list-style-type: none">• Intellectual property database• Talent development• Strengthening occupational health and safety management• Festival care and cultural and sports activities• Fair and equitable compensation and promotion channels
 Government and Regulatory Bodies	<ul style="list-style-type: none">• Business ethics• Corporate governance improvement• Energy saving and carbon reduction	<ul style="list-style-type: none">• Strict compliance with laws and regulations in all operating locations• Strengthening anti-fraud management and improving reporting mechanisms• Operating with integrity and paying taxes in accordance with the law• Lean energy management to achieve sustainable development
 Suppliers	<ul style="list-style-type: none">• Responsible sourcing	<ul style="list-style-type: none">• Fair and transparent procurement principles and processes• Signing the 'Sunshine Procurement Agreement' with the supplier• Regular communication and training with suppliers
 Community	<ul style="list-style-type: none">• Community public welfare	<ul style="list-style-type: none">• Sinexcel Public Welfare Fund• Implementing industrial poverty alleviation
 Partners	<ul style="list-style-type: none">• Promote industry development	<ul style="list-style-type: none">• Industry standard compilation• Industry summits and forums participation• Becoming a member of industry-related associations

Analysis of Material Topics

Sinexcel conducts a three-stage statistical analysis and evaluation of the company's material topics through "topic identification - topic research - topic evaluation" and addresses them in the report, based on the company's development strategy, industry development trend, feedback and expectations from internal and external stakeholders and rating agencies, and referring to relevant standards, guidelines, initiatives and best practices in the industry for sustainable development and social responsibility domestically and internationally.

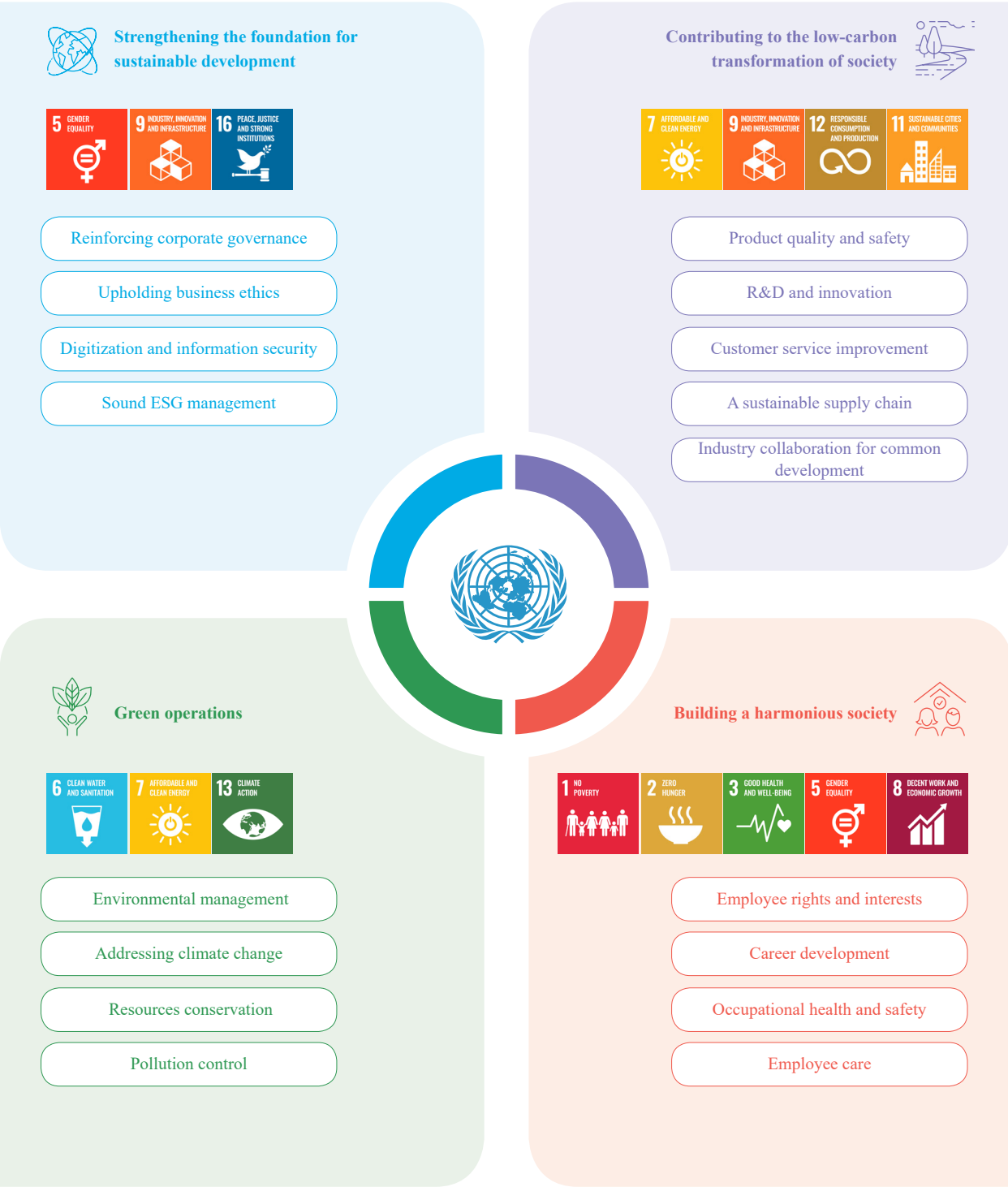


▲ Material topics Matrix of Sinexcel

Social			Environmental			Governance		
8 Product quality and safety	19 Employee training and development		1 Low-carbon green products	4 Pollutant management	7 Biodiversity conservation	23 ESG governance	26 Corporate governance	29 Diversification of the Board
9 R&D innovation	20 Occupational health and safety		2 Product ecological design	5 Waste management		24 ESG risk and opportunity management	27 Internal control and risk management	30 Investor rights and interests
10 Digital transformation	21 Competitive compensation and benefits		3 Resources saving	6 Energy saving and carbon reduction		25 Stakeholders communication	28 Business ethics	
11 Intellectual property protection	22 Community public welfare							
12 Information security and privacy								
13 Responsible procurement								
14 Safety production								
15 High quality customer service								
16 Industry development promotion								
17 Employee rights and interests								
18 Employee care								

Contribution to SDGs

Sinexcel conducts a three-stage statistical analysis and evaluation of the company's material topics through "topic identification - topic research - topic evaluation" and addresses them in the report, based on the company's development strategy, industry development trend, feedback and expectations from internal and external stakeholders and rating agencies, and referring to relevant standards, guidelines, initiatives and best practices in the industry for sustainable development and social responsibility domestically and internationally.



Contributing

to the Low-carbon Transformation of Society

Our Philosophy

Sinexcel adheres to its original aspiration of "improving the energy efficiency and achieving energy freedom", and gradually builds its service capabilities in green and low-carbon fields such as power supplies for industrial applications, energy storage and microgrid solutions, charging and swapping services, battery formation and testing, based on its decades of professional accumulation and strong R&D innovation capabilities in the field of power quality. Through a comprehensive product quality management system and after-sales service system, Sinexcel provides high-quality products and services to customers, and contribute to the low-carbon transformation of society.

Our Actions

- Product quality and safety
- R&D and innovation
- Customer service improvement
- A sustainable supply chain
- Industry collaboration for common development

Contribution to SDGs

7

AFFORDABLE AND CLEAN ENERGY



9

INDUSTRY, INNOVATION AND INFRASTRUCTURE



11

SUSTAINABLE CITIES AND COMMUNITIES



12

RESPONSIBLE CONSUMPTION AND PRODUCTION



Product Quality and Safety

Sinexcel adheres to the principle of "Customer-centric and Full Participation in Quality Control" and is committed to providing customers with satisfactory services and solutions. Sinexcel has established a comprehensive quality management system. We conduct systematic and standardized management of material procurement, material warehousing, material inventory management, finished product inspection, inventory management of finished products, and shipment of finished products, comprehensively ensuring product quality and safety.

Quality Management System

We obtained certification for the GB/T19001-2016 idt ISO9001:2015 quality management system in 2020 and it remains in effect. Our main manufacturing site, Huizhou Sinexcel, also obtained certification for the IATF 16949:2016 automotive industry quality management system in the reporting period. Additionally, we actively cultivate a quality culture by conducting an annual "Quality Guardian Award" selection, encouraging all members to actively participate in quality protection actions.



Hazardous Substances Control

We have established a hazardous substances management system, which is led by the general manager. We have set strict standards for the control of hazardous substances in finished products, components, parts, raw materials, packaging materials, and auxiliary materials used in the production process to ensure the health and safety of our products.

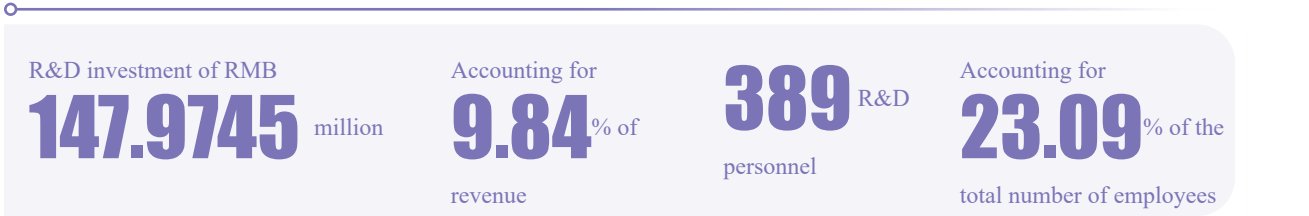
Control Process	Control Content
Development design	The requirement of hazardous substances control is implemented throughout the design development process to ensure that the front-end design meets the requirements of hazardous substances control.
Raw materials	Suppliers are required to sign a certificate of conformity for hazardous substances content, provide regular hazardous substances test reports and hazardous substances management measures, and provide third-party RoHS and REACH test reports if necessary.
Production process	Control over production tools, equipment and fixtures is implemented to prevent mixing and contamination. Goods in process and finished goods are properly identified and segregated to prevent contamination.
Finished product inventory	Standardized management of finished products is implemented to avoid contamination during storage.

R&D and innovation

Sinexcel always adheres to the concept of "product quality comes first", focusing on technological progress and innovation, and responding to new customer needs and pain points by continuously innovating technologies and products. We are committed to providing more friendly and green solutions for the low-carbon transformation of society, and achieving sustainable development for the company and society.

Innovation Management

We have established an advanced testing center management platform in the large-scale laboratory field that utilizes big data, information technology, high performance, and security. The platform can significantly improve resource efficiency, achieve standardized process flows, intelligent scheduling, remote control, data analysis, as well as managing different equipment, providing solid support for product R&D and innovation.



Ecological R&D Concept

Product Design	On the basis of ensuring product functionality, we optimize the design to determine the best routing and cable length of the product, reducing cable materials and the number of product samples, thereby reducing material usage and scrapping. We also continuously improve the energy efficiency of products and reduce carbon emissions during the product use phase, select environmentally friendly galvanized parts to reduce the negative impact of material processing, and optimize the product design and reduce noise impact during use.
Packaging Design	We try our best to use recyclable cardboard instead of non-recyclable wooden boxes to reduce resource waste caused by product packaging and use paperboard instead of plastic foam to reduce the use of disposable plastics.

R&D Process

We have established a 5-stage and 4-supporting processes to ensure the efficient implementation of R&D work.

5 major R&D stages	4 major supporting processes
Concept stage, planning stage, development stage, pilot stage, and mass production stage	Concept decision review, plan decision review, transition to pilot review, and transition to mass production review

Innovative Achievements

We have achieved fruitful results in research and innovation centering on power supplies for industrial applications, new energy power swapping equipment, EV charger, and battery formation and testing equipment. As of the end of the reporting period, we have accumulated 214 authorized patents and software copyrights, and have been recognized as a National High-tech Enterprise, Guangdong Province Engineering Technology Research Center, Shenzhen Enterprise Technology Center, Shenzhen Industrial Design Center, and National Specialized and Innovative Small and Medium Sized Enterprise.



Silicon Carbide APF (Active Power Filter)-P5

The Sinexcel APF P5 model adopts silicon carbide switch technology, breaking through the performance of traditional IGBT (Insulated Gate Bipolar Transformer) solutions in the industry and filling the technical gap of similar products.

High performance

The average switching frequency of the switch module is 40 KHz, with a maximum of 90 KHz, which is significantly improvement over the IGBT solution.

Green

The faster switching frequency effectively reduces the power loss during switching and conduction processes, and the peak working efficiency of the whole machine increases to 99%. Compared to conventional models, the volume is reduced by over 50% and the weight is reduced by over 40%, which can effectively reduce carbon emissions per unit during transportation.

Reliable

The fully carbon silicon material switch has a wider band gap and can be designed to block voltages up to 15kV. Silicon carbide is more than 10 times the withstand voltage of equivalent silicon devices, and the enhancement of the withstand voltage of power switching devices greatly improves the reliability and stability of equipment operation.

Convenience

There is no limit to the number of parallel models, and a single centralized monitoring can come with 16 power modules to achieve more integrated control of modules, meeting the high integration requirements of equipment and saving monitoring resources.



UPS (Uninterruptible Power Supply) 30KVA Module

We use innovative designs in terms of volume, heat consumption, heat dissipation, and other aspects. The module height is reduced to 2U, resulting in a significant improvement in overall performance and obtaining China Energy Conservation Product certification and European Conformity certification.

Green

The small size saves space, and Sinexcel is one of the few manufacturers with the same capacity. It is compatible with lead-acid batteries, lithium batteries, super capacitors and other energy storage methods. There is no need for a neutral wire in the battery pack design. The on-line dual transformation efficiency is up to 96%, which is energy-efficient and low-consumption.

Reliable

It adopts unique thyristor fast-cut technology. Once the voltage exceeds the set range, the inverter module will work as a voltage source and output reverse voltage to the SCR (Silicon Controlled Rectifier), forcing the SCR current to rapidly decrease to zero, ensuring that the SCR is fully turned off within 2ms (typical). The key components adopt 1+1 redundant backup design without single point failure to further improve equipment reliability. It supports a wide input voltage range of 138~485Vac, suitable for poor grid conditions.

Convenience

It combines with a 4G cloud monitoring platform to achieve centralized monitoring and management of UPS products without other monitoring products, and is not limited to local area networks.



50kW DC Charging Module

The first industry-leading 50kW charging module using SIC MOS, with a maximum efficiency of over 97% and superior overall module performance.

Green

Through technologies such as dual DSP control, SIC MOS tube application, and intelligent fan speed control, the module significantly reduces electrical energy loss, achieving a maximum charging efficiency of 97%. It is currently the highest measured efficiency 50kW module in the industry. Taking a 250kW DC charger as an example, 1.25 kWh of electricity loss and 0.71kg of carbon dioxide emissions can be reduced per hour. It has an ultra-high power density of 58.37W/in³, which is 23% higher than the industry average, with a higher utilization rate of EV charger space and reduces the consumption of construction and operation resources.

Reliable

It analyses the proportion of active and reactive power intelligently, supporting functions such as dust screen blockage alarm, fan fault alarm, X capacitor failure alarm, intelligent voltage relief and protection, effectively ensuring module safety and enhancing system stability.

Flexibility

It supports an output voltage range of 50-1000Vdc, meeting the charging needs of almost all electric vehicles on the market. The module supports a maximum stable output current of 133.3A with strong compatibility.



800kW High-Power Flexible Distributed Charger

This is a high-power charging product that combines the advantages of intelligent charging, efficient charging, and safe charging, suitable for complex charging scenes, helping charging stations maximize utilization.

Flexibility

The whole machine has an output power of up to 800 kW, which can charge electric vehicles through flexible and intelligent allocation of power. The number of connectors is compatible with 10-16 connectors, providing single or dual connector output at any power and fully meeting power allocation requirements between multiple connectors. This design has lower charging energy consumption and effectively improves station resource efficiency.

Multi-scene application

It is suitable for complex charging scenes such as public charging stations, bus charging stations, dedicated charging stations, and hybrid charging stations, providing efficient charging services for various types of electric vehicles.

Green and efficient

The host communicates with the terminal through a CAN (Controller Area Network) bus to exchange data with the vehicle in real time, achieving multi-channel sequential charging. It is equipped with 600A liquid-cooled ultra-fast charging terminals that have a maximum output power of 600 kW, truly achieving "3 minutes of charging for 200 kilometers of driving distance". It is also equipped with self-developed 40kW constant power DC charging modules that have a maximum efficiency of 97%, which is 0.5% higher than the industry average. The modules use dual DSP control, SIC MOS tube application, and intelligent fan speed control to effectively reduce additional losses. Taking a 120kW charger as an example, it can reduce losses by 0.6 kilowatt hours of electricity per hour.

Reliable

The product can reach a high protection level of IP54, waterproof and dustproof, can withstand harsh environments. It ensures that the equipment components can operate stably in high salinity, high humidity, and high temperature conditions. It has multiple protective functions such as over-temperature protection, over-current protection, output short circuit protection, and battery active protection to perfectly handle various severe weather conditions.



Interstellar AC charger

This product features an elegant appearance and unique built-in intelligent algorithms that enable intelligent switching of charging scenes, automatic adjustment of charging speed and power to meet the optimal charging curve. The product combines elements of the universe, humans, nature, and different species to express the beautiful vision of harmonious development between humans and nature and the unremitting pursuit of sustainable development.

Flexibility

It automatically senses and adjusts charging speed and power to optimize the charging curve and provide "customized" services for different electric vehicles.

Green

It adopts ABS+PC materials with excellent heat resistance and chemical resistance, effectively extending product life, and achieving secondary utilization after scrapping.

Multi-scene application

It can cover all areas of daily life, including schools, hospitals, parking lots, supermarkets, residential areas, and apply industry-leading IP65 dust and waterproof technology. It can still operate efficiently and maintain excellent performance in harsh conditions such as extreme humidity, salt, cold, and heat.

Friendly

The all in one injection molding process has a high-end and round shape, smooth lines and is attractive and inclusive. The small size is convenient for quick disassembly and installation, and the upright support can be removed according to user needs. The product interface adopts oversized text display to help users receive information instantly. It reduces the number of touch screen function buttons to save users' time in selection. The hot zone of each button is increased o facilitate user operation.

Safety

It is equipped with 8-fold protection functions that can easily respond to problems during charging, ensuring stable operation of the charger and safety for users

Customer Service

Sinexcel is committed to providing customers with one-stop solution and superior services, tailored technical support catering to different technical requirements to maximize the satisfaction of customers. Sinexcel has established a systematic after-sales technical service system with a high degree of specialization and fast response speed, dedicated to providing customers with attentive services and addressing their problems promptly.

Customer Service management

We have formulated standards such as *Customer Service Procedure*, *After Sales Dispatch Management Guidance*, *After Sales Service Process*, and *Customer Satisfaction Measurement Procedure* to regulate the entire customer service process and enhance customer satisfaction.

Pre-sales and Sales Process

- We communicate with customers via phone, internet, face-to-face meetings, etc., to address potential issues.
- For product-related technical questions from customers, our technical staff will communicate with customers and resolve the issues on site if necessary.
- We will provide explanations to customers for issues that cannot be resolved at the moment.

After-sales:

- **Installation and Debugging Support.** For products that require on-site installation support, we arrange on-site installation and debugging support personnel in accordance with the *After Sales Dispatch Management Guidance*.
- **Trouble Shooting.** When a product malfunctions during operation on site, we will take measures such as replacing parts and modules and arranging personnel to repair on site based on the severity, to help customers resolve the problem promptly.

Customer Satisfaction Survey

We conduct regular customer satisfaction surveys every six months to assess customers' satisfaction with factors such as product performance, product eco-friendly and safety performance, delivery time, service, and price. Based on the research and analysis results, we develop improvement plans to continuously enhance customer satisfaction.

Holding **161** authorized patents

Holding **53** software copyrights

Adding **15** new patent applications

Adding **14** new authorized patents

Highlights and Honors



Provided **2,679,285.09** kW of industrial power supply products and **2,460,086.02** kW of new energy industry products.

Customer complaint handling rate **100%**

Number of products recalled due to safety and health issues: **0**

Customer satisfaction rate **90** %

Obtained the GB/T27922-2011 *Commodity After-sales Service Evaluation System* certification

Case

Power Quality Management Supported Winter Olympics to Achieve "Carbon Neutrality"

To align with the "green Olympics" concept, the Beijing Winter Olympics Organizing Committee has carried out modifications to multiple facilities in the Bird's Nest National Stadium, which hosted the opening and closing ceremonies of the Beijing Winter Olympics and Paralympic Games respectively. These modifications include adding various technological, green, and intelligent elements to the landscape lighting system and other facilities.

To create the lighting and stage effects for the opening and closing ceremonies, a large number of large LED screens, stage lights, lifting screens, frequency converters and other non-linear loads are distributed in the power distribution system inside the Bird's Nest Stadium. These non-linear loads inject harmonics into the power system during normal operation, causing the system bus voltage distortion rate to increase, with a maximum value of up to 13%, far exceeding the national power quality standard "GB/T14549-93" requirement of voltage distortion rate less than 5% for 380V system. Therefore, it is necessary to configure power quality management equipment.

Sinexcel's APF provided support for the Bird's Nest LED display system harmonic management project in this renovation, with a cumulative installation capacity of 5,200A, providing high-quality power security for the Bird's Nest National Stadium and helping the green and low-carbon Winter Olympics to be held smoothly.



▲ Bird's Nest National Stadium

Make Clean Energy More Affordable

We have collaborated with partners to provide sustainable power supply for areas with limited or weak electricity access and remote regions, such as Myanmar, Indonesia, Thailand, Africa, and North America. Through flexible and modular energy storage solutions, we have built integrated systems for clean energy generation and energy storage. These systems provide sustainable power supply to the areas, improving the living conditions of local people.

Case

Assisting in Building a "Low-carbon Campus" in Remote Areas

To alleviate the difficulties of electricity supply in remote areas and the high cost and pollution of diesel generators, Sinexcel has collaborated with partners to apply energy storage equipment in a photovoltaic energy storage project with a capacity of 250kW/518MWh at the MOHH Titanyen campus in Haiti, North America. After the project is put into operation, it's projected to generate 538,348 kWh of electricity per year, which can save 132 tons of diesel and reduce 419 tons of carbon dioxide emissions. This helps optimize the energy structure of the campus, and promote green and low-carbon development of the campus.



▲ On-site Photovoltaic Project

Make Green Transportation a Reality

EV charger is an important component of building a new energy vehicle power network and a core infrastructure for the transportation industry to achieve low-carbon transformation. We are dedicated to researching core technologies in the field of EV charger, continuously setting industry-best product performance records. We work with our customers to provide cutting-edge charging solutions for transportation departments and contribute to the low-carbon transformation of the transportation industry.



Pafu New Energy Wulongkou Charging Station:

Equipped with 4 sets of 480kW towed 8-connector distributed chargers, 3 sets of 400kW towed 6-connector distributed chargers, 15 sets of 7kW EV chargers, with a total of 64 charging parking spaces



China Tower Automobile Charging Station:

Equipped with 6 sets of 480kW towed 8-connector distributed chargers and 6 sets of 120kW dual connector DC integrated chargers, with a total of 60 charging spaces



Charging Station on Xiuhu West Road, Yiwu City:

Equipped with 10 sets of 120kW dual connector DC integrated chargers, with a total of 20 charging parking spaces

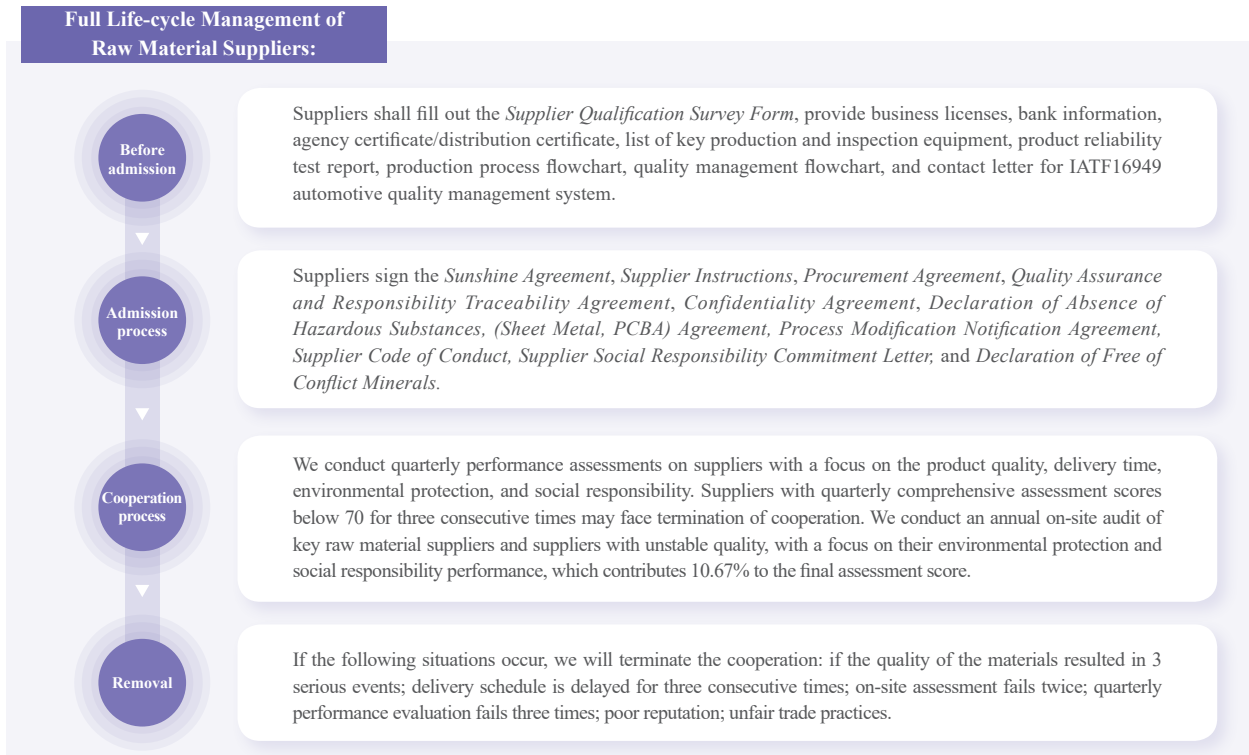


Since the charging station has been put into use, the equipment has had zero malfunctions and operates safely, efficiently and intelligently. It has been widely recognized by customers. Currently, a single-connector efficiency can reach 350 degrees per connector per day.

—Yiwu Zitian New Energy Technology Co., Ltd

Establishing a Sustainable Supply Chain

A resilient supply chain is very important for the stable operation of enterprises. Sinexcel attaches great importance to a resilient supply chain and has developed systematic and comprehensive system and procedures including "Supplier Management Process", "Procurement Management Procedure", and "Supplier Performance Management Process" around supplier admission, cooperation, and removal. This ensures that suppliers continuously meet the company's requirements for quality, delivery schedule, environmental protection, and social responsibility, ensuring efficient and stable operation of the supply chain. In addition, Sinexcel focuses on localizing supply chain by collaborating with local suppliers and continuously improving the competitiveness of local suppliers to drive prosperity and development of the region.



Promoting Industry Development

Sinexcel actively participates in industry associations, industry exchange activities, and industry standard research, utilizing our expertise to provide suggestions and contribute to the development of the industry.

Industry associations joined by Sinexcel (partially displayed)

Association Name	Title
China Power Supply Society	Executive Director
Shenzhen Battery Industry Association	Member
Guangdong Static Transportation Association	Member
Shenzhen Electric Vehicle Operating Association	Member
Shenzhen New Energy Vehicle Industry Association	Member
Guangdong Charging Facilities Association	Vice President
Pearl River Delta Bay Area Intelligent Connected New Energy Vehicle Industry Alliance	Member of Council
China Electricity Council	Member
China Association of Automobile Manufacturers	Member of Council
China Energy Storage Alliance	Member of Council
China Leader Energy Storage Alliance	Deputy Board of Directors
China Energy Storage Network	Member
Jiangsu Energy Storage Association	Member of Council
China Energy Research Association - Carbon Neutrality Committee	Executive Director
China Energy Storage Industry Alliance	Deputy Board of Directors
China Battery Industry Association Energy Storage Battery Branch	Vice President
Asia Power Quality Initiative	Member
Power Quality Committee of China Power Supply Society	Member

Published standards prepared with the participation of Sinexcel

Classification	Name of the Standard	Standard No.
National Standard	Requirements for Safety Technology and Prevention System of EV Charging and Swapping Facilities in Urban Public Facilities	GB/T37295-2019
National Standard	Specification for Operation and Management Services of EV Charging and Swapping Facilities in Urban Public Facilities	GB/T37293-2019
Industrial Standard	Technical Specification for Energy-saving Certification of Off-board EV Chargers	CQC3170-2018
Industrial Standard	Technical Specification for Energy-saving Certification of AC chargers	CQC3169-2018
Industrial Standard	Classification and Codes of Faults in EV Charging Facilities	NB/T 10905-2021
Industrial Standard	Parallel Active Power Filter Devices for Building Electrical Purposes	JGT 417-2013
Group Standard	Active Unbalance Compensation Device for Low Voltage Distribution Network	T/CPSS 1001-2018
Group Standard	Low Voltage Active Power Filtering Device	T/CPSS 1002-2018
Group Standard	Group Standard for Low-voltage Static Var Generators	T/CPSS 1003-2018
Group Standard	Technical Specification for Photovoltaic Storage Combined Power Generation Equipment	T CSEE 0092-2018
Group Standard	Test Methods for Three-level AC DC and DC Bidirectional Converters	T/CSEE/0213-2021
Group Standard	Evaluation of Green and Low Carbon Products - Integrated Energy Management System for Photovoltaic Storage and Charging	T/SGIPA 028-2023
Group Standard	Technical Requirements for Evaluating Green and Low-carbon Enterprises	T/SGIPA 027-2023



Participated in Industry Exchanges in the Reporting Period (partial)



On Sep 27- Sep 28, 2022

On Sep 27- Sep 28, 2022, Sinexcel participated in the 8th China International EV Charging and Swapping Battery Industry Forum. At the 2022 "Sinexcel-Charging and Swapping Night" held during the same period, we were awarded the "2022 China's Top 10 Influential Brands in the Charging and Swapping Industry" and "2022 China's Top 10 Core Module Brands in the Charging and Swapping Industry" awards.

On Nov 5, 2022

Sinexcel joined hands with Texas Instruments to attend the 5th China International Import Expo, where we jointly released a new charging and swapping product - Sinexcel 20kW bidirectional PFC DC charging module, sharing the latest innovation achievements with the industry.



On Dec 12- Dec13, 2022



The Annual High-tech Energy Storage Meeting was held in Shenzhen with the theme of "Energy Transformation, New Inflection Point for Energy Storage". The conference centered on in-depth discussions of 2022 energy storage development pain points, industrial technology evolution, industrial chain collaborative innovation, global competition response, and other topics. Sinexcel was invited to participate and awarded the "2022 High-tech Golden Ball Award - Enterprise of the Year 2022" award.

Green --- Operation

Our Philosophy

Sinexcel is committed to green operation by actively responding to the national strategic goal of "peaking carbon emissions and achieving carbon neutrality", integrates the concept of green development into the entire process of company operation and management. We continuously invest in environmental protection management, resource conservation, low-carbon actions, and pollution prevention and control, and continuously breaking new ground in low-carbon development.

Our Actions

- Environmental protection management
- Action on climate change
- Resources conservation
- Pollution control

Contribution to SDGs



Environmental Protection Management

Sinexcel strictly complies with environmental protection laws, regulations and relevant standards. In accordance with the relevant requirements of the ISO14001 environmental management system and based on our actual situation, we have complied 17 environmental related procedural documents, updates the environmental factor identification form every year, and formulated improvement plans. In addition, we continuously improve our environmental management structure and strengthen the construction of a responsibility system. The company's headquarters and main production base, Huizhou Sinexcel, passed the GB/T24001-2016 idt ISO14001:2015 environmental management system certification in 2020 and it remains effective.



2 companies (including the parent company) that have obtained ISO14001 environmental management system certification.



Establishing a Green Factory

As climate change and environmental issues become increasingly severe, stakeholders have higher expectations and requirements for the management of environmental impacts of enterprises. By establishing green factories, companies can gain competitive advantages in reducing environmental impacts, improving resource efficiency, and responding to market demands, while meeting society's expectations and requirements for environmental protection.

We are actively building a green factory in Suzhou, introducing rooftop photovoltaic, sponge facilities, and energy-saving building features during the factory construction process. We give priority to purchasing equipment with high energy efficiency levels for factory facilities, and strive to enhance the green and low-carbon level of the factory.

Green Projects	Content	Performance
Sponge Facility Project	Through the construction of facilities such as rainwater recycling ponds, plant vegetation, roof vegetation, grass bricks, and sunken green spaces, the infiltration of rainwater and purification of water quality by plant vegetation, soil, wetlands, etc. are fully utilized to enhance the resilience of factories to environmental changes and natural disasters.	Greenbelt rate 13.28%
Building Energy Efficiency Design	We adopt efficient insulation materials, energy-saving enclosure structures, energy-saving HVAC systems and other building energy-saving facilities to achieve the effect of reducing energy consumption and improving comfort.	Energy-saving floor area 12,209 m²
Rooftop Photovoltaics	Integrated design of building photovoltaic systems for roofs, bike sheds, and parking lot sheds	The planned installed capacity of rooftop photovoltaic is 3.02MW , with an average annual power generation capacity of 2.76 million kWh

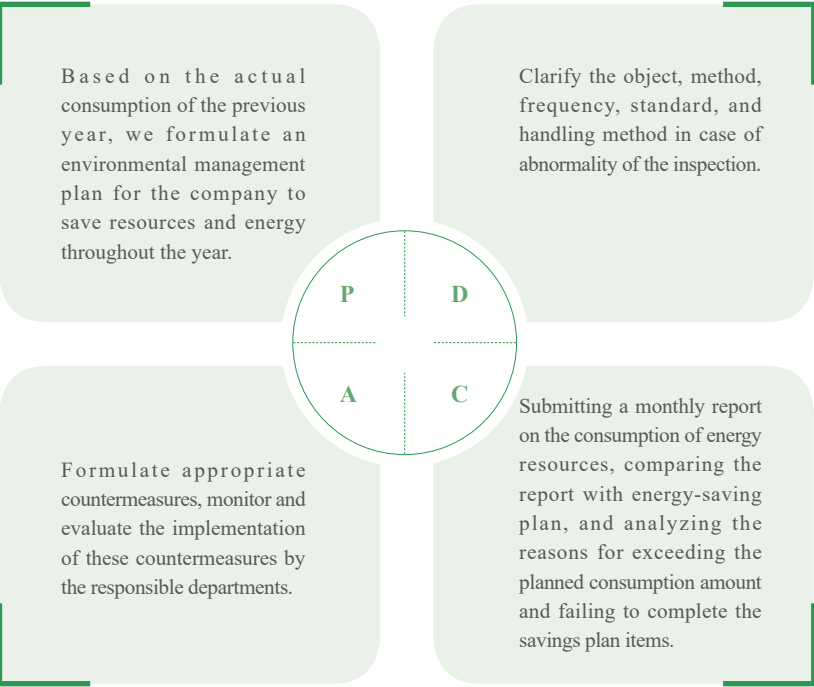
Action on Climate Change

Sinexcel is well aware that human activities are the main cause of climate change and acknowledges the climate science findings in the latest assessment report of the Intergovernmental Panel on Climate Change (IPCC). Sinexcel also recognizes that the current trend of climate change will lead to huge economic and social impacts if no action is taken. Based on the analysis of the risks and opportunities brought by climate change, Sinexcel strives to reduce the operational carbon footprint through energy management, low-carbon actions, and other means, enhance our resilience to cope with climate change, and also contribute to global greenhouse gas emissions reduction.

Energy Management

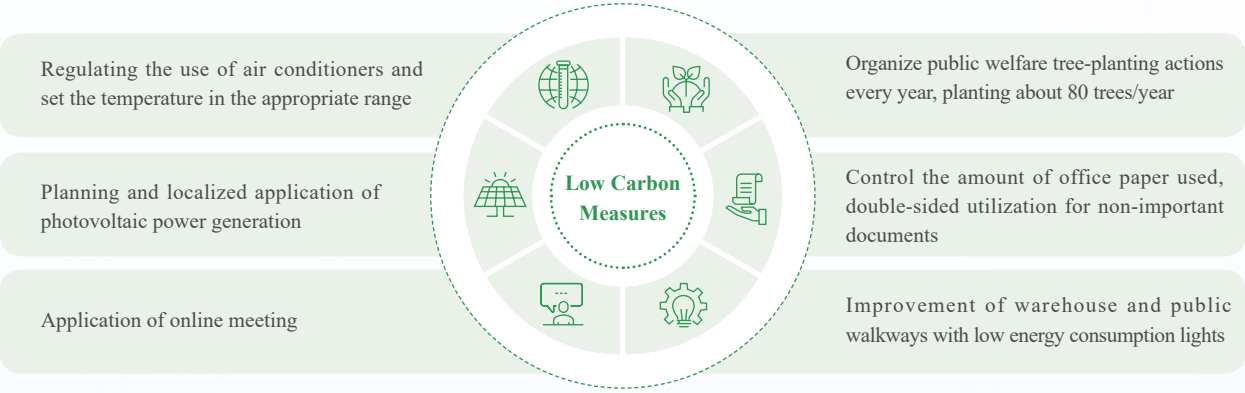
In our operation process, we strictly comply with laws and regulations such as *the Environmental Protection Law of the People's Republic of China and the Energy Conservation Law of the People's Republic of China*. We have formulated a *Procedure for Energy Resource Control* to ensure the rational use of energy. The main energy used during our operation includes electricity and fuel for vehicles, among others. Our manufacturing site set an annual target of a 2% reduction in energy intensity compared to the previous year. We develop energy-saving and emission-reduction implementation plans based on the target, and will be reviewed and followed up on the implementation by environmental protection specialist.

To address the high energy consumption during the motor testing process in product development and production, we independently developed a feedback-type electronic load testing equipment. Compared to ordinary resistive loads, feedback-type electronic loads do not cause significant power consumption and can return the electrical energy to the grid without pollution, achieving the recycling and reuse of the energy output of the tested current, resulting in energy conservation and consumption reduction.



Low-carbon Action

In the context of low-carbon transformation in the whole society, we actively respond to the national energy-saving and emission reduction policies, promote green office and production in manufacturing and operation sites, and implement the concept of low-carbon. We encourage our employees to participate in low-carbon actions to reduce their carbon footprint as much as possible.



Case

Installing Rooftop Photovoltaics and Using Low-Carbon Energy

We actively utilize the limited rooftop space to install photovoltaic power generation equipment to minimize the use of grid power. We plan to install rooftop photovoltaics on the roof of the headquarters office building with an installed capacity of 30kWh. The system is expected to generate 115kWh of electricity daily in summer and 90kWh in winter, reducing the company's purchased power and contributing to energy conservation and emission reduction.



Resources Conservation

Sinexcel adheres to environmental regulations and emphasizes resource conservation. We are committed to achieving both economic and environmental goals through measures such as conserving raw materials, packaging materials, water resources, and reducing waste.

Conserving Raw Materials

We adhere to selecting low environmental footprint raw materials to reduce the environmental impact of our products from the source. In the material selection process, we actively adopt materials containing recycled materials such as PCR (Post consumption recycling) materials and request upstream suppliers to provide LCA reports and UL2809 recycled content certification reports for validation. We also reuse the remaining materials generated during the production process (such as cables) when PCBAs malfunction, preferring repair over replacement when possible. If repair is not possible, they can be sent for scrap processing. In terms of packaging, suppliers are encouraged to recycle and reuse packaging materials such as turnover cardboard boxes, plastic boxes, and turnover pallets to reduce resource consumption.

Conserving Water

The production process of our product does not involve the use of water, mainly the cooling water from the testing equipment. Additionally, the company has assigned personnel to regularly inspect the water system and piping network to promptly address any issues of water leakage or waste. In the reporting period, we further strengthened our water resource management efforts and promoted the target of reducing water consumption intensity by 2% per year at our production sites.

The water sources are all municipal water supply and do not involve significant direct or indirect impacts on water resources caused by changes in water intake, consumption, drainage, or storage capacity.

Pollution Control

Sinexcel strictly adheres to laws and regulations such as the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, and the *Solid Waste Pollution Prevention and Control Law of the People's Republic of China*. The company formulates management systems for the waste water, waste gas, noise emissions, and solid waste generated during production and operations, ensures the normal operation of environmental protection facilities, and achieve compliant discharge of waste water, waste gas, and noise emissions, as well as the proper disposal of solid waste.

Waste water	Type: domestic wastewater Treatment: After undergoing pretreatment in a reinforced concrete septic tank and grease trap facility, it is connected to the municipal pipeline and sent to a sewage treatment plant for processing.
Waste gas	Type: tin and its compounds, particulate matter, and oil fume Treatment: Tin and its compounds generated during soldering are purified using a mobile smoke purifier. The cooking oil smoke is discharged after being treated by electrostatic oil removal equipment, with the smoke stack height being 22 meters.
General solid waste	Type: cardboard boxes, iron, aluminum, copper, stainless steel, scrap cabinets, scrap empty PCB boards, scrap cables, scrap connector wires, etc Treatment: Some of them are recycled and reused, and the ones that cannot be recycled are sold to renewable resources utilization companies for reuse.
Hazardous waste	Type: discarded electronic components, discarded PCBA boards Treatment: handed over to a qualified third party for hazardous waste treatment to carry out hazardous recovery and treatment.

Building

a Harmonious Society

Our Philosophy

Talent is the primary factor for the high-quality development of enterprises. Sinexcel always adheres to the development concept of "people-oriented", respects and safeguards the rights and interests of employees, establishes a comprehensive career development platform for employees, provides a safe working environment, organizes various spare-time activities, balances work and life, fully ensures employees' physical and mental health, and creates a happy workplace. In addition, Sinexcel actively fulfills corporate social responsibility, engages in charitable activities to make contributions to the society, helping to achieve common prosperity.

Our Actions

- Employee rights and interests
- Career development
- Occupational health and safety
- Employee care

Contribution to SDGs

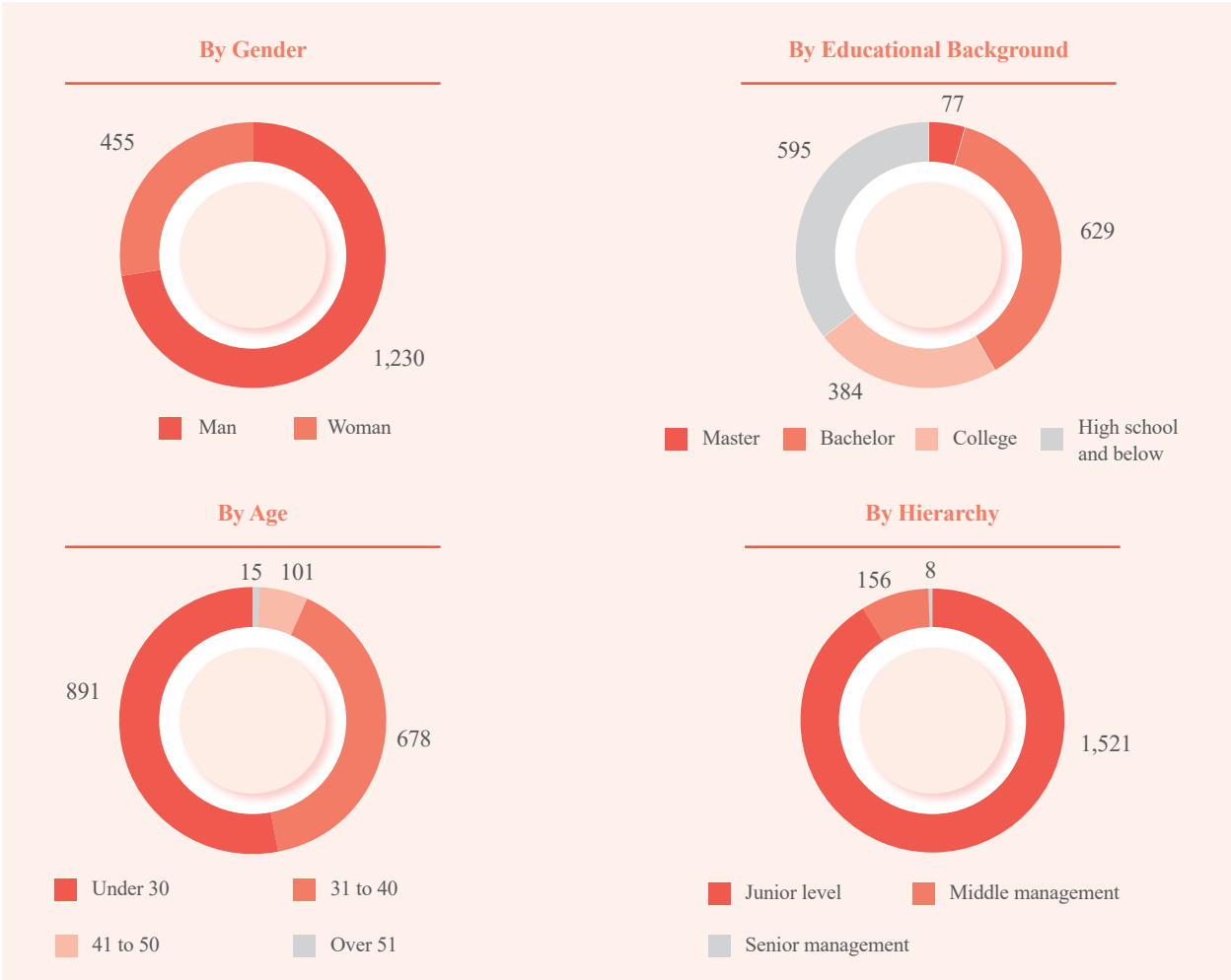


Protection of Employee Rights and Interests

Sinexcel adheres to the principles of fairness, justice, and transparency. In the recruitment process, we treat employees from different backgrounds equally. During management, we maintain good communication with employees and establish a salary and welfare system of "equal pay for equal work" and a career development system of fair competition, fully guaranteeing employee rights.

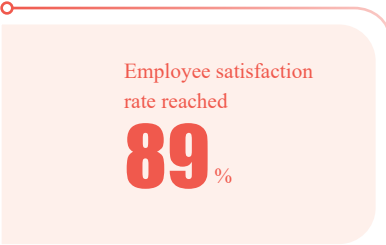
Employee Employment

We strictly abide by multiple laws and regulations such as the *Labor Law of the People's Republic of China*, the *Law on the Protection of Minors of the People's Republic of China*, the *Regulations on the Prohibition of Child Labor*, and the *Special Protection Regulations for Minors*. We have formulated the *Management Procedure for the Prohibition of Child Labor*, *Procedures for Saving and Protecting Child Labor*, *Remedial Procedure for Child Labor and Forced Labor*, and issued the *Announcement on the Reporting Process for the Use of Child Labor and Forced Labor*, are completely free of child labor and forced labor. We do not advocate for employees to work overtime. If overtime is required, an application must be submitted and approved in advance.



Employee Satisfaction Survey

To understand employees' satisfaction with their work and listen to their voices in a timely manner, we focus on issues that are important to employees, including compensation and benefits, working environment, job fit, company management mechanisms and systems, company culture, work methods and style, and logistics services. Every year, the human resources department conducts an anonymous satisfaction survey for all employees to identify areas for improvement and make timely improvements to address any shortcomings. We strive to create a satisfactory workplace environment for employees and enhance their sense of belonging and happiness.



Democratic Management

We firmly safeguard the rights and interests of employees and uphold employees' right to information, participation, and supervision. We actively promote communication and sharing between employees and the company. According to the *Employee Code of Conduct*, employees have the right to supervise and appeal against their own or other employees' rewards or punishments. If there are any objections or appeals regarding rewards or punishments received, employees can file them with the line manager or the HR department within 3 working days.

Case

Conducting democratic discussions on the 'Employees Code of Conduct'

On Jan 14, 2022, Sinexcel held a worker's congress to discuss on the "Employees Code of Conduct" (referred to as the "Code"). After thorough discussion, all attending representatives reached an agreement on the contents of the Code. After the meeting, the company announced the content of the Code through email and it officially came into effect on Feb 1, 2022. This meeting fully respected and listened to the opinions of employees, enhancing their sense of belonging and identification with the company.

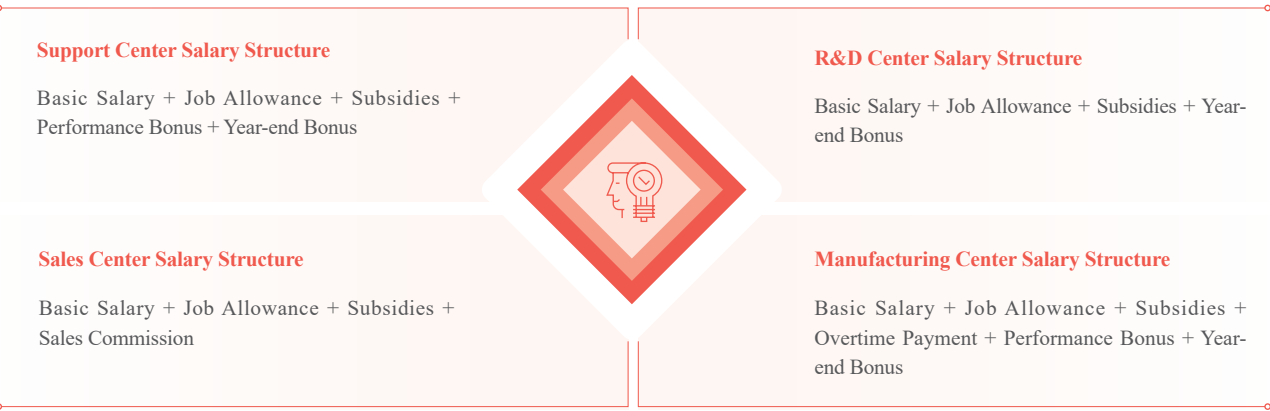


Compensation and Benefits

We adhere to the principle of equal pay for equal work. Based on employee positions, abilities and performance, as well as market salary levels, we design a matching salary structure and provide employees with a competitive compensation and benefits system, sharing the fruits of enterprise development with employees.

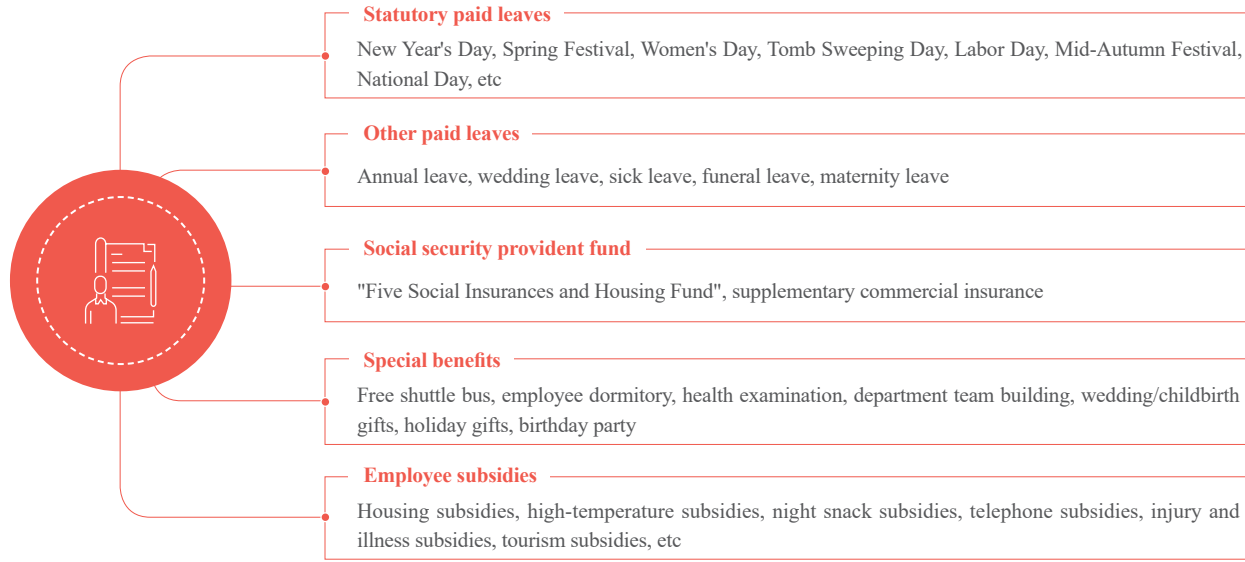
Compensation Structure

We have established a scientific compensation structure for different positions, departments, and functions, fully motivating the employees.



In order to benefit employees with the fruits of enterprise development and further stimulate the enthusiasm and innovation of core employees, in the reporting period, we announced and implemented the first employee stock awards plan, with a total of 238 employees being awarded a total of 3.971 million restricted shares.

Employee Benefits



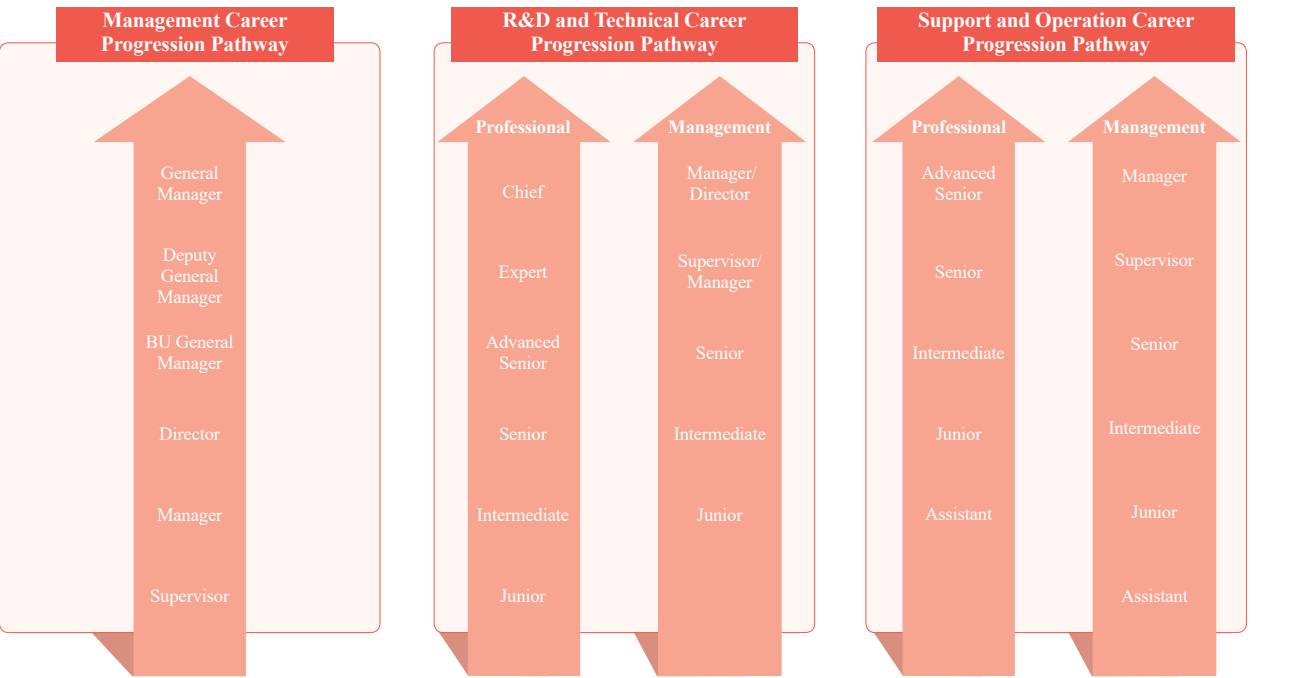
Career Development

Sinexcel has formulated the "*Career Progression Plan*" and "*Career Progression Pathways and Promotion Management Guidelines*" to provide comprehensive training systems and smooth career promotion paths for employees, promoting the mutual progress of employees and the company.

Career Progression

Based on the characteristics of the company, we have classified positions in five pathways namely management, profession, sales, technology, and operation. Considering the employees' career development aspirations, employees can not only be promoted within their own business lines, but also transfer roles internally. For example, employees in the technical career development channel can apply the sales career development channel, and employees working in sales can also move to technical positions, mainly through internal deployment and recruitment.

In promotion assessment, we conduct a 360 degree evaluation of employees from four aspects: basic qualifications, professional skills, work contribution, and behavioral performance. The HR department is responsible for reviewing the conformity of employee promotions to ensure that the promotion process is standard, fair, and equitable.



To ensure sufficient talents reserve and strengthen the construction of leadership teams, we have formulated the "*Regulations on the Selection and Management of Reserve Cadres*". Adhering to the principle of "combining both moral and professional qualities with moral qualities taking priority", we identify employees who possess self-criticism and a spirit of sacrifice, and have outstanding performance. Candidates who meet the qualifications for reserve cadre positions will be assessed by HR specialist and approved by the Director of HR before taking effect. When a cadre in the current management position leaves or is transferred, priority consideration will be given to reserve cadres to take over these roles.

Staff Training

To enhance the professional skills of our employees and improve their ability to adapt to market changes, we implement a dual mode of "pre-job training and on-the-job training". Each year, the HR Department guides each department to develop an "Annual Training Plan", and carries out employee training in form of means intensive lectures, demonstrations, conferences, and regular interviews. We record fixed training content on CD-ROMs and organize departmental viewing on demand to ensure that employees' work skills and awareness are comprehensively improved, and providing talent reserve for the sustainable development of the company.

Company level training

Orientation: company development history, regulations and guidelines, financial management and reimbursement procedures, product and market competitiveness, etc

General courses: executed according to the annual training plan of each department

Management staff training: led by the General Manager's Office and assisted by the HR department

Department level training

Executed according to the annual training plan of each department

To achieve the accumulation and inheritance of corporate knowledge and experience, we actively build an "internal lecturer" team to empower the employee growth in a more flexible and efficient way, continuously improving employee competitiveness.

For fresh graduates, we have developed the "Hongyi Plan" training program to help them form a complete knowledge system through a series of courses, helping them achieve role transformation, adapt to the workplace, company culture, and work atmosphere quickly. In the reporting period, we successfully completed the "Hongyi Plan" on-boarding training for the 2022 campus recruitment newbies, embarking 106 graduates on the path of career development.



Occupational Health and Safety

Sinexcel strictly complies laws and regulations such as the *Safety Law of the People's Republic of China* and *Law of The People's Republic of China on Prevention and Control of Occupational Diseases*, adheres to the concept of safety development, continuously improves the health and safety management system, and protects the production safety and physical and mental health of employees. The company's headquarter and main manufacturing site, Huizhou Sinexcel, passed the GB/T45001-2020 idt ISO45001:2018 Occupational Health and Safety Management System Certification in 2020 which is effective in real time.

Occupational Health and Safety Policy

- People-Oriented and Safety First
- In Compliance with Legal and Regulatory Requirements
- Continuous Improvement and Prevention
- Full Participation in Harmonious Development

Safety Management


Management system

Our headquarter and main manufacturing site Huizhou Sinexcel, passed the GB/T45001-2020 idt ISO45001:2018 Occupational Health and Safety Management System certification in 2020 which remains effective. We have compiled the "*Quality, Environment, Occupational Health and Safety Management Manual*" based on GB/T19001-2016, GB/T24001-2016, GB/T45001-2020, and combining with the situation of the company to achieve the integration of occupational health and safety management with existing management systems.

Safety inspection

We regularly conduct safety inspections on company's equipment, identify and eliminate potential accidents, and prevent accidents in a timely manner.

Safety Inspection System



Safety inspection of special equipment

- Regular spot checks of fire-fighting equipment, regular fire drills, training in the use of fire-fighting equipment, etc.
- Special equipment operators must be licensed.

Labor protection safety inspection

- Staff are equipped with appropriate personal protective equipment according to the needs of the workplace.
- Employees are trained in labor protection equipment to ensure that they use it correctly.

Occupational Hazard Inspection

- Annual testing of occupational hazards in the workplace, annual arrangements for occupational disease health checkups for personnel in positions with occupational hazards.
- occupational hazard labeling for personnel in positions with occupational hazards.
- Safety education and training for new employees before they are allowed to work.


Safety exercise and training

We improve our employees' safety awareness and enhance their emergency response capabilities through safety exercises, ensuring the safety of employees. We also carry out safety training for employees, including new employee on-boarding safety training, third-level safety training, and electrical safety training.

Case

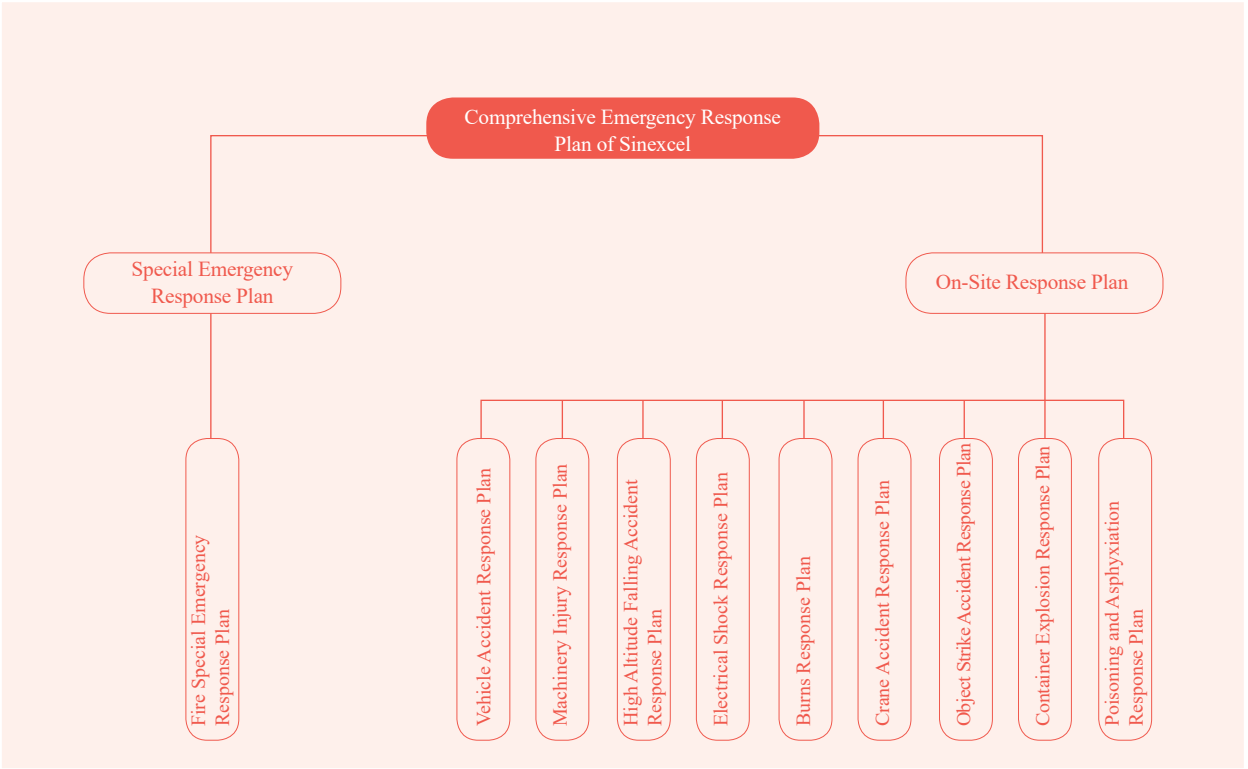
Conducting Fire Drills to Enhance Emergency Fire Prevention Capabilities

On May 11, 2022, the company organized a fire extinguishing and evacuation drill for all employees, and proposed a rectification plan for the issues identified during the drill. Employees had a deep understanding of the basic knowledge of firefighting knowledge and enhanced the ability to respond to sudden firefighting emergencies, including alarm, rescue, self-rescue, and escape abilities in this drill. It effectively strengthened the fire safety awareness of "prevention first, combination of prevention and firefighting".

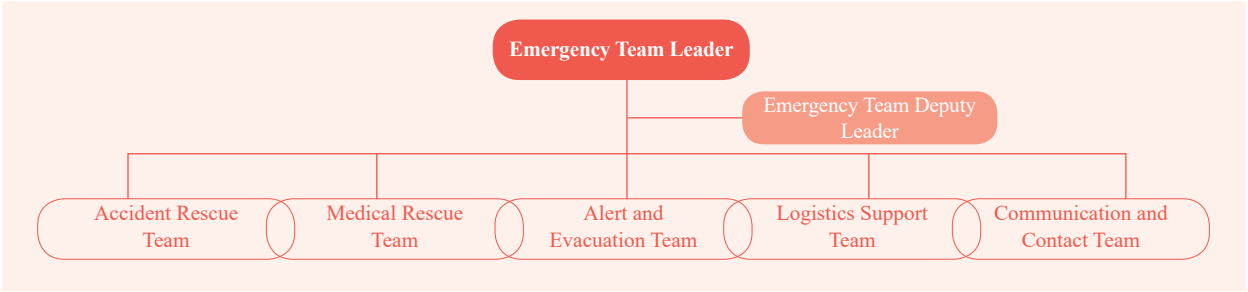


▲ On-site demonstration on the use of fire extinguisher

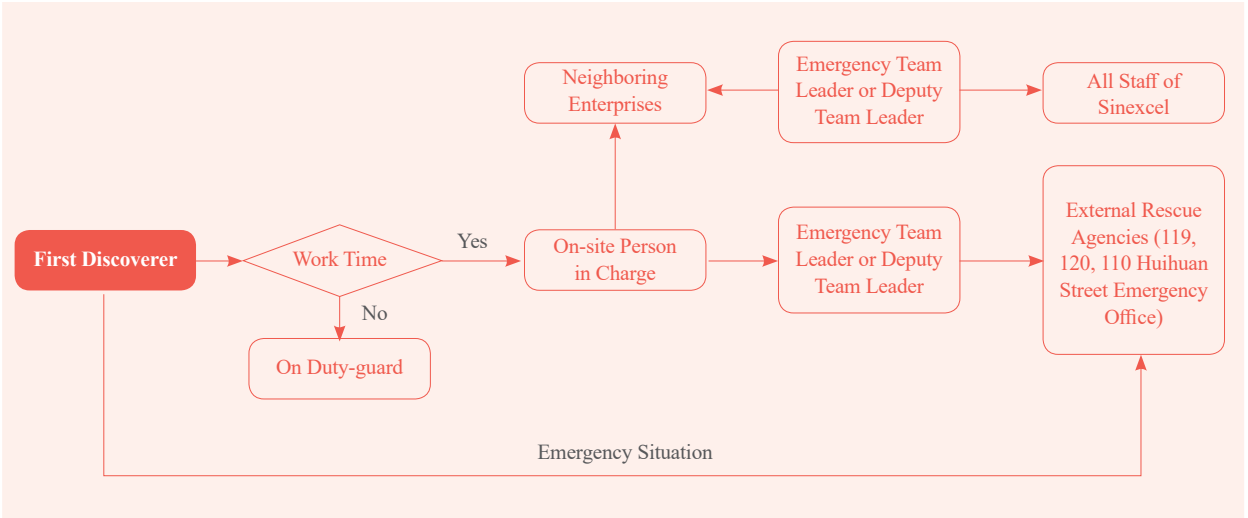
We prioritize ensuring the safety of our employees and have formulated the 'Emergency Plan for Production Safety Accidents' for our main manufacturing site. We have established a sound emergency response system with clear responsibilities for members of the emergency response team, and established a "warning information release" process for 10 types of accidents, including fire explosions, mechanical injuries, container explosions, falls from heights, and vehicle accidents, to respond as quickly as possible to minimize the hazards and impacts of accidents.



▲ Emergency Plan Structure

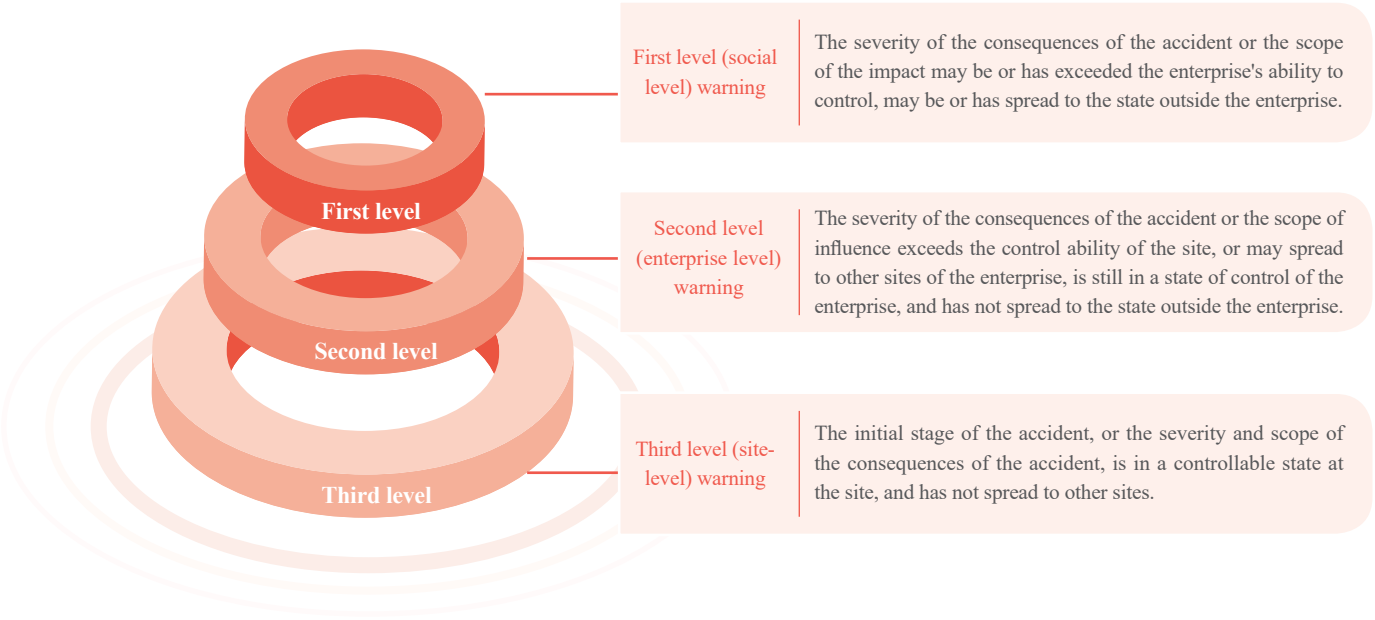


▲ Emergency Team Organization Chart



▲ Warning Information Release Process

We classify accidents into three levels based on the controllability of the accident, the severity of the consequences, the scope of impact, and the degree of urgency. We activate the corresponding early warning procedures according to the level of the early warning.



Employee Health

We care about the mental health of our employees and have established an employee listening room to provide employees with a channel to vent and alleviate their pressure, helping resolve their concerns.



▲ Employee Listening Room

Employee Care

Sinexcel organizes employees to participate in various cultural, sporting activities and holiday events, creates a good corporate atmosphere, and enhances employee cohesion.

Cultural and Sports Activities

To regulate the activity organization and ensure the normal and orderly conduct of company activities, we have formulated the "Management Measures for Recreational and Sports Activities". The HR department prepares an annual plan for cultural and sports activities, following the principles of openness, fairness, justice, and humanization, and fully utilizing spare time to carry out various forms of cultural and sports activities.



▲ Basketball Match



▲ Badminton Match



▲ Football Match

Festival Activities

We send festival greetings and welfare benefits to employees every year on different festivals, promoting and inheriting Chinese traditional culture, and enhancing employees' sense of happiness.



▲ Mid-Autumn Festival Employee Benefits



▲ Mid-Autumn Festival Gift Distribution Poster

Creating a Better Society

Sinexcel always adheres to the concept of "Originating from Society and Contribute to Society", focuses on social responsibility and social value creation, actively engages in social welfare, demonstrates corporate responsibility through practical actions.

Case

Establishing a Public Welfare Fund to Fulfill Corporate Social Responsibilities

Sinexcel established the "Shenzhen Charity Association•Sinexcel Electric Public Welfare Fund" in July 2022 in collaboration with the Shenzhen Charity Association. Sinexcel contributed 1 million initially, and will replenish the funds through further donations. The fund will focus on supporting the healthy growth of minors, promoting technological development, and assisting education, providing financial support for projects such as minor protection, technological innovation, and student assistance.

The official establishment of the Sinexcel Foundation marks a new stage for Sinexcel's public welfare efforts. In the future, Sinexcel will encourage more enterprises to join the public welfare cause. Starting with a single spark, we will bring about a prairie fire that will gather more charitable forces for the healthy and sustainable development of education and technology, allowing more kindness and love to be passed down!

A photograph of the foundation opening ceremony with Sinexcel staff members holding a plaque.

▲ Foundation Opening Ceremony

Looking Forward

Sinexcel will embark on a new journey when the wind blows. 2023 is a busy and fruitful year. Sinexcel will adhere to the concept of "improving the energy efficiency and achieving energy freedom", and move forward with determination and the original intention, contributing our solutions to support the green and low-carbon transformation.

In the coming year, we will continue to improve our sustainable development management system, closely incorporating into the company strategy, all business lines, and sustainable development. We will promote sustainable development company wide, ranging from the Board, the management team, and the execution group. We will continuously strengthen communication with stakeholders and

focus on key issues regarding governance, environmental protection, and society construction.

We will strengthen our investment in product innovation and continuously provide customers with superior, efficient, reliable, and green solutions to empower their low-carbon development.

We will continue to be committed to green operation, promote the continuous improvement of environmental management systems, increase the installation of rooftop photovoltaic power generation capacity, strive to become a green and low-carbon enterprise, and continuously reduce carbon emissions from operations.

We will continue to focus on employee growth and community development, providing employees with more vocational training and opportunities. We will carry out more projects that support the healthy growth of minors, promote technology development, and assist education by Shenzhen Charity Association·Sinexcel Electric Public Welfare Fund, contributing to social development and prosperity.



Key Performance Indicators

Indicator Category	Financial Performance Indicators	Unit	2020	2021	2022
Income Statement	Revenue	RMB Million	7.71	10.21	15.03
	YoY growth	%	21.31	32.41	47.16
	Net profit attributable to shareholders of the listed company	RMB Million	1.06	1.13	2.24
	YoY growth	%	70.99	6.93	97.04
Balance Sheet	Total Assets	RMB Million	12.42	15.08	22.61
	Equity attributable to shareholders of the listed company	RMB Million	7.55	8.46	10.62
Cash Flow Statement	Net cash flow from operating activities	RMB Million	1.12	1.06	2.02
Key Ratios	ROE	%	15.00	14.20	23.52
	ROA	%	9.15	8.25	11.86
	Net profit margin	%	13.76	11.11	14.87
Index Per Share	Basic earnings per share	RMB	0.78	0.55	1.09

Indicator Category	Governance Performance Indicators	Unit	2022
Board Structure and Governance	General meeting of shareholders	Number	5
	Board meeting	Number	9
	Supervisory meetings	Number	8
	Proportion of female directors	%	37.50
Risk Prevention and Control	Audit rules and regulations compilation	Number	5
	Audit document template compilation	Set	14
	Audit implementation guidelines compilation	Number	5
Investor Relations Management	Investor on-site communication, strategy meetings, telephone meetings	Number	11

Indicator Category	Environmental Performance Indicators	Unit	2022
Environmental Management	Number of companies that have obtained ISO14001 environmental management system certification (including the parent company)	Number	2
Energy Management*	Using purchased electricity	kWh	4,114,443.62
Environmental Training	Coverage rate of environmental training	%	100
	Average duration of employee environmental training*	Hour	0.5
Water Conservation*	Municipal water consumption	m³	15,753.23
Pollution Control*	Total recyclable waste	Ton	40
	Total amount of general solid waste	Ton	66.81
	Total amount of hazardous waste recycling	Ton	0.12

Note: Except for the environmental management indicators mentioned above, all other indicators are data from the production bases, namely Huizhou Sinexcel and Sinexcel Power Supply in the reporting period.

Indicator Category	Social Performance Indicators	Unit	2020	2021	2022
R&D	R&D expenses	RMB ‘000	8,038.53	11,347.69	14,797.45
	R&D expenses as a percentage of revenue	%	10.42	11.11	9.84
	R&D personnel	Number	265	305	389
	Percentage of R&D personnel to total employees	%	31.73	24.38	23.09
	Number of patents held	Number	120	138	161
	Number of trademark and text registration rights held	Number	10	10	13
	Number of software copyrights held	Number	48	52	53
	Number of new patent applications	Number	31	23	15
	Number of new software copyright applications	Number	9	4	1
	Number of new authorized patents	Number	20	23	14
	Number of newly obtained software copyrights	Number	9	4	1

Indicator Category	Social Performance Indicators		Unit	2022
Employee Employment	By gender	Male	Number	1,230
		Female	Number	455
	By employee type	Full-time employee	Number	1,576
		Contractor	Number	77
		Others	Number	32
	By education background	Master	Number	77
		Bachelor	Number	629
		College	Number	384
		High school and below	Number	595
	By age	Over 51	Number	15
		41 to 50	Number	101
		31 to 40	Number	678
		Under 30	Number	891
	By employee category	Junior level	Number	1,521
		Middle management	Number	156
		Senior management	Number	8
	Diversity	Minority employees	Number	103
	Employee satisfaction rate		%	89
	CEO to employee average salary ratio		%	776
Career Development	Total hours of training		Hour	12,399
	Average hours for training		Hour	10
Employee Safety*	Recordable rate of work-related accidents		——	0.83
	Lost time accident rate		——	0.33
	Serious work-related accidents		Number	0
	Days of work lost due to injury		Day	19
	Injured employees		Number	11
	Work-related accidents		Number	11
	Employee occupational health and safety investment		RMB'000	15.12

Note: The safety management indicators represent the production site, namely Huizhou Sinexcel and Sinexcel Power Supply in the reporting period.

GRI Content Index

Instructions	Sinexcel reported the information in accordance with GRI standards from January 1, 2022 to December 31, 2022.
The GRI 1 Standard Used	GRI1: Foundation 2021

GRI Standard	Disclosure Item		Chapters and Sections
GRI 2: General Disclosures 2021	2-1	Organizational details	Company Overview
	2-2	Entities included in the organization's sustainability reporting	About the Report
	2-3	Reporting period, frequency and contact point	About the Report
	2-4	Restatements of information	About the Report
	2-6	Activities, value chain and other business relationships	Services and Solutions
	2-7	Employees	Protection of Employee Rights and Interests Key Performance Indicators
	2-9	Governance structure and composition	Sound ESG Management Reinforcing Corporate Governance
	2-10	Nomination and selection of the highest governance body	Reinforcing Corporate Governance
	2-12	Role of the highest governance body in overseeing the management of impacts	Sound ESG Management Reinforcing Corporate Governance
	2-13	Delegation of responsibility for managing impacts	Sound ESG Management Reinforcing Corporate Governance
	2-14	Role of the highest governance body in sustainability reporting	Sound ESG Management
	2-16	Communication of critical concerns	Sound ESG Management
	2-17	Collective knowledge of the highest governance body	Sound ESG Management
	2-19	Remuneration policies	Protection of Employee Rights and Interests
	2-20	Process to determine remuneration	Protection of Employee Rights and Interests
	2-21	Annual total compensation ratio	Key Performance Indicators
	2-22	Statement on sustainable development strategy	Sound ESG Management Message from the Chairman
	2-23	Policy commitments	Message from the Chairman
	2-25	Processes to remediate negative impacts	Business Ethics
	2-26	Mechanisms for seeking advice and raising concerns	Business Ethics
	2-28	Membership associations	Promoting Industry Development
GRI 3: Material Topics 2021	2-29	Approach to stakeholder engagement	Sound ESG Management
	3-1	Process to determine material topics	Sound ESG Management
	3-2	List of material topics	Sound ESG Management
GRI 201: Economic Performance 2016	3-3	Management of material topics	Sound ESG Management
	201-1	Direct economic value generated and distributed	Key Highlights Key Performance Indicators
	201-3	Defined benefit plan obligations and other retirement plans	Protection of Employee Rights and Interests
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Creating a Better Society
	203-2	Significant indirect economic impacts	Creating a Better Society

GRI Standard		Disclosure Item	Chapters and Sections
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Business Ethics
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Key Performance Indicators
	302-3	Energy intensity	Action on Climate Change
	302-5	Reductions in energy requirements of products and services	Action on Climate Change
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Resources Conservation
	303-2	Management of water discharge-related impacts	Resources Conservation
	303-3	Water withdrawal	Resources Conservation
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Pollution Control
	306-2	Management of significant waste-related impacts	Pollution Control
	306-3	Waste generated	Key Performance Indicators
	306-5	Waste directed to disposal	Key Performance Indicators
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	Establishing a Sustainable Supply Chain
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Key Performance Indicators
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Protection of Employee Rights and Interests
	401-3	Parental leave	Protection of Employee Rights and Interests
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-5	Worker training on occupational health and safety	Occupational Health and Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9	Work-related injuries	Key Performance Indicators
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Key Performance Indicators
	404-2	Programs for upgrading employee skills and transition assistance programs	Career Development
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Key Performance Indicators
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Protection of Employee Rights and Interests
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Protection of Employee Rights and Interests
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Protection of Employee Rights and Interests
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	Business Ethics
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Occupational Health and Safety
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Digitization and Information Security

Feedback and Suggestions

This report is the first Environmental, Social and Governance (ESG) report released by Sinexcel.

In order to continuously improve the company's ESG management work and enhance our ability and level of fulfilling ESG responsibilities, we greatly appreciate your advice and suggestions. Please kindly assist us in completing the relevant questions in the feedback form and providing feedback to us through the contact information provided in "About This Report".

1. What’s your overall evaluation on the Report?

☐ Pretty Good ☐ Good ☐ General ☐ Relatively Bad ☐ Bad

2. Do you think the report can comprehensively and accurately reflect the Company’s significant economic, social and environmental influences?

☐ Pretty Good ☐ Good ☐ General ☐ Relatively Bad ☐ Bad

3. How do you rate the response and disclosure quality of this report to the concerns of stakeholders?

☐ Pretty Good ☐ Good ☐ General ☐ Relatively Bad ☐ Bad

4. How do you rate the clarity, accuracy, and integrity of the information, data, and indicators disclosed in the report?

☐ Pretty Good ☐ Good ☐ General ☐ Relatively Bad ☐ Bad

5. How do you rate the readability of this report, including its structure, content design, language and layout design?

☐ Pretty Good ☐ Good ☐ General ☐ Relatively Bad ☐ Bad

6.Open-ended questions

1) What is the most satisfying aspect of this report for you?

2) Do you have any other suggestions about the future ESG report?
