

Table of Contents

| | | | |
|---------------------------|-----------|--------------------------|-----------|
| Preface | 01 | Index | 93 |
| About This Report | 01 | Readers' Feedback | 95 |
| Message from the Chairman | 03 | | |

01 Overview of XGD INC

| | |
|--------------------------------|----|
| About Us | 07 |
| Performance Highlights in 2025 | 15 |

02 ESG Management

| | |
|---------------------------------|----|
| ESG Goals and Vision | 19 |
| ESG Governance | 21 |
| Communication with Stakeholders | 22 |
| Materiality Issues Management | 23 |

03 Compliant Governance, Consolidating the Foundation

| | |
|--|----|
| Strengthening the Foundation of Party Building | 27 |
| Standardizing Corporate Governance | 28 |
| Protecting Investors' Rights and Interests | 34 |
| Practicing Business Ethics | 35 |

04 Green Development, Low-carbon Pioneering

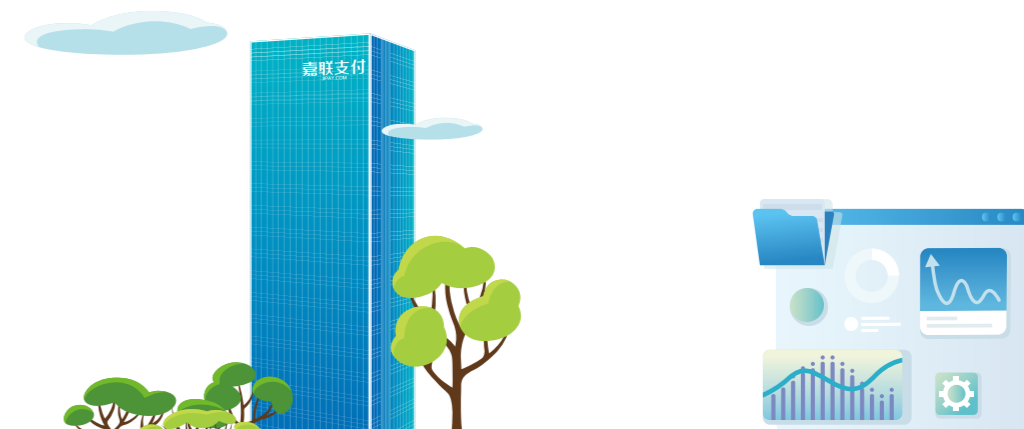
| | |
|---|----|
| Response to Climate Change | 39 |
| Environmental Compliance Management | 43 |
| Resource Management | 46 |
| Ecosystem and Biodiversity Conservation | 50 |

05 Innovation-driven, Deep Value Creation

| | |
|--|----|
| Innovation Drive | 53 |
| Supply Chain Management | 62 |
| Product and Service Safety and Quality | 65 |
| Data Security and Privacy Protection | 71 |

06 Caring for Employees, Empowering Growth

| | |
|---|----|
| Occupational Health and Safety | 79 |
| Protecting Employees' Legitimate Rights and Interests | 82 |
| Staff Training and Development | 88 |
| Social Contribution | 91 |



Preface

About This Report

Introduction

This report represents the fourth Environmental, Social and Governance (ESG) Report issued by XGD Inc. It presents a comprehensive and transparent overview of the Company's ESG strategy, management approach, and performance for the year 2025.

Prepared in accordance with the principles of objectivity, standardization, transparency, and completeness, this report outlines the key initiatives undertaken by XGD Inc. and its subsidiaries, as well as the progress achieved across environmental, social, and governance dimensions.

Through this report, the Company aims to enhance stakeholder understanding of its sustainability practices and demonstrate its ongoing commitment to responsible and sustainable development.

Reporting Scope

Reporting Period: This report covers the period from January 1, 2025 to December 31, 2025 (hereinafter referred to as the "Reporting Period"). To enhance the report comparability and completeness, some contents include retrospective descriptions of previous years or forward-looking statements.

Organizational Scope: This report focuses mainly on XGD INC. and covers its subsidiaries and branches. Unless otherwise specified, the scope of this report aligns with the scope of the Company's annual report.

Release Cycle

This report is an Environmental, Social and Governance (ESG) report and is published on an annual basis.

Preparation Basis

- ▶ *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange-Sustainability Report (For Trial Implementation)*
- ▶ *Self-Regulatory Guidelines No. 2 for Companies Listed on Shenzhen Stock Exchange- Standardized Operation of Listed Companies on the Growth Enterprise Market*
- ▶ *China Enterprise Reform and Development Society Guidelines for Sustainable Development Reports of Chinese Enterprises (CASS-ESG6.0)*
- ▶ *Global Reporting Initiative's Sustainability Reporting Standards (GRI Standards)*
- ▶ United Nations Sustainable Development Goals (SDGs)
- ▶ Task Force on Climate-related Financial Disclosures (TCFD)
- ▶ Sustainability Accounting Standards Board (SASB)

Data Sources

The data cited in this report are sourced from XGD INC.'s internal data, corporate documents, audited statements, and other materials. Some financial data are extracted from the Company's 2025 annual report. Unless otherwise specified, all monetary amounts in this report are denominated in RMB(Yuan).

Notes on Appellation

For the convenience of expression and reading, "XGD", "the Company", "the Group", and "we" all refer to XGD INC. Please see the "Interpretations" section for appellations of subsidiaries/affiliates.

| Short Name | Interpretations (Full name) |
|------------|--|
| NEXGO | Shenzhen Xinguodu Technology Co.,Ltd. |
| JL PAY | JL PAY Co., Ltd. |
| XGD Energy | Shenzhen Xinguodu Energy Technology Co.,Ltd. |

Report Availability and Feedback

This report can be viewed and downloaded on the website of the Shenzhen Stock Exchange (www.szse.cn) and Juchao Information Network (www.cninfo.com.cn). For any questions or suggestions regarding the report, please send an email to xgd-zqb@xgd.com for feedback.

Message from the Chairman



As time advances, new chapters unfold. The year 2025 is not only a year in which China's digital payment industry accelerates iteration and deeply empowers the real economy, but also a milestone year marking the 24th anniversary of Shenzhen XGD Co., Ltd. and the 15th anniversary of its listing on the capital market. Looking back to 2010, when the Company was listed on the ChiNext board of the Shenzhen Stock Exchange and began with electronic payment, it embarked on a journey of technology-driven development and global service. Over fifteen years of trials and perseverance, leveraging deep industry experience, solid technical capability, and comprehensive integrated solutions in electronic payment technology, we have gradually evolved from a domestic payment terminal service provider into a leading global payment technology service provider, achieving high-quality, leapfrog development amid the currents of the era.



In 2025, in the face of profound adjustments in the global economic landscape and transformative opportunities in the digital payment industry, we anchored our strategy on "Technology for Good, Green Development, and Shared Responsibility." While maintaining prudent operations, we have continued to deepen our ESG practices and delivered results that combine development quality with a strong sense of responsibility.

Practicing green development and strengthening environmental protection foundations, we take concrete actions to support the implementation of the nation's "Carbon Peaking and Carbon Neutrality targets".

XGD has consistently integrated the concept of green development into its overall corporate strategy, scientifically formulated low-carbon development plans, and promoted the deep integration of green development with operational growth. We focus on energy conservation and consumption reduction across the full value chain of products and operations, intensify R&D of low-power payment terminals, standardize the recycling and destruction process for scrapped devices, and promote the recycling of packaging materials. We strictly implement environmental compliance requirements and have established a process-based waste management system, actively advocates company-wide green office practices, and adopts multiple measures to continuously reduce XGD's carbon footprint. Through pragmatic actions, XGD fulfills its environmental protection responsibilities and contributes to the steady advancement of the nation's "Carbon Peaking and Carbon Neutrality" targets.

Upholding a sense of responsibility and mobilizing the power of symbiosis, we work together with customers, employees and society toward a better future.

XGD always adheres to a "Customer-Centric" operating philosophy, places the protection of customers' rights and interests first, continuously optimizes its customer service system, enforces strict product quality controls, and reinforces data security safeguards to fully protect the legitimate rights and interests of every user. We have always attached importance to employee growth and rights protection, built an all-round and multi-level employee training and career development platform, strictly implementing labor protection policies, and rolling out diversified employee care initiatives to align employee development with the Company's growth and achieve mutual success. We actively participate in social public welfare initiatives, regularly conduct financial security education activities such as anti-fraud and anti-money laundering campaigns, continuously optimize foreign card payment services, and support the development of inclusive finance and the strengthening of social safety defenses, thereby conveying corporate care through responsible action.

Perfecting the governance system and consolidating the cornerstone of development, we support the Company's steady and long-term development with standardized operations.

XGD has always abided by laws, regulations and regulatory requirements, and established a coordinated and efficient operation mechanism with clear division of powers and responsibilities and effective checks and balances among the Shareholders' Meeting, the Board of Directors, various Specialized Committees and Functional Departments. We always uphold the baseline for protecting investors' rights and interests, strictly standardize information disclosure processes, broaden investor communication channels, and implement a proactive profit distribution policy to deliver tangible returns in gratitude for shareholders' trust and support. At the same time, we are steadily enhancing our ESG practices and performance, and upholding high-standard corporate governance to safeguard the Company's long-term development.

As a publicly listed company rooted in the digital payment sector, we firmly believe that long-term corporate development is intrinsically aligned with environmental sustainability, shared social prosperity and high-standard governance. ESG is not an additional obligation but a core competency embedded in corporate strategy and integrated throughout operations. It is XGD's vivid practice of the mission "Co-creating a Better Life" and the vision "Sustainable Operations," and it has been the fundamental principle guiding our steady progress since our listing fifteen years ago. Looking ahead, XGD will continue to be guided by ESG, further promote the deep integration of payment technology with the real economy, and contribute to the high-quality development of the digital payment industry.

Chairman of XGD INC.
Liu Xiang

01

Overview of XGD INC.

| | |
|--------------------------------|----|
| About Us | 07 |
| Performance Highlights in 2025 | 15 |



About Us

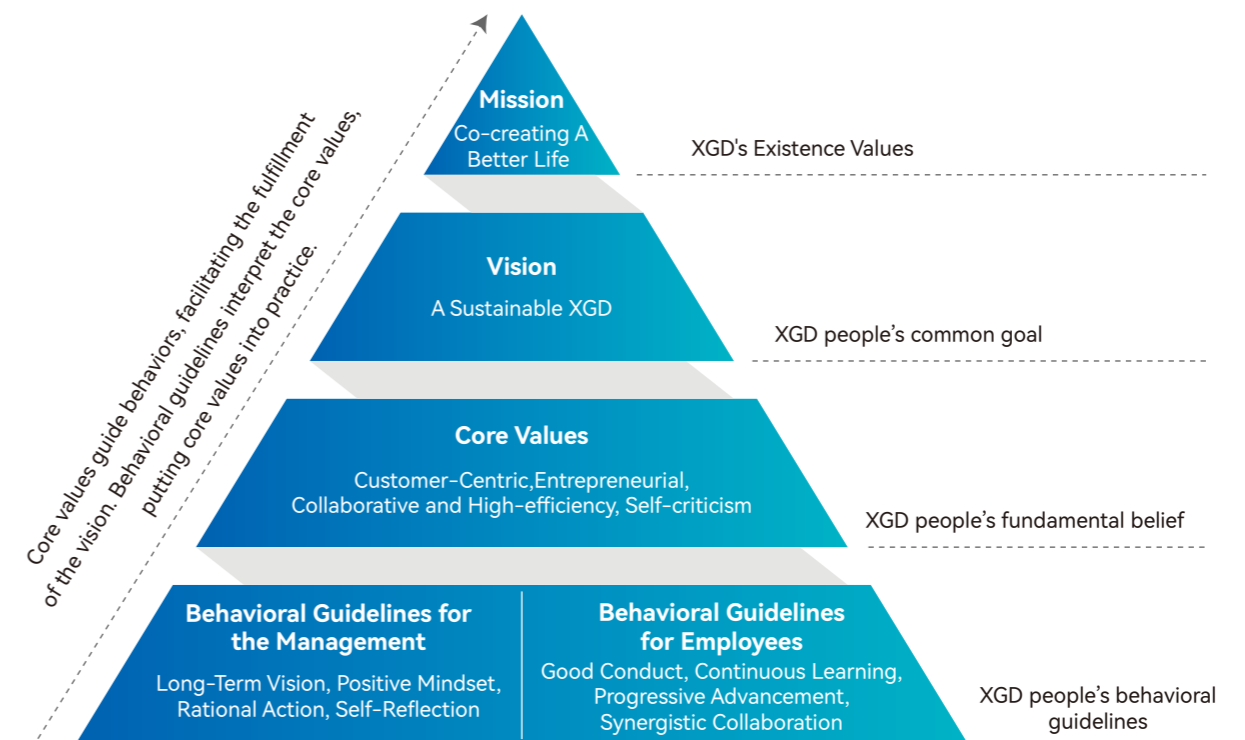
Company Profile

XGD INC. (Stock Code: 300130) was founded in 2001 and listed and traded on the Shenzhen Stock Exchange in October 2010. After over two decades of development, XGD has become a globally leading digital payment technology company. The Company specializes in the design, R&D, production, sales and service of payment terminal devices, and is able to provide integrated electronic payment technology services. With the development of economic globalization and digitalization, XGD has carried out continuous strategic upgrading and transformative reform, emerging as a leading global payment technology service provider whose products and services span payment services, electronic payment devices, artificial intelligence and other key fields.

From the past to the future, XGD has always taken "Co-creating a Better Life" as its mission and "Sustainable Operations" as its vision. Rooted in China, expanding overseas and facing the world, XGD seeks innovative opportunities with its advantaged industries and joins hands with all stakeholders to build a harmonious and win-win international industrial ecosystem in the digital economy era.

Corporate Culture

Based on the Company's core values "Customer-Centric, Entrepreneurial, Collaborative and Efficient, Self-Criticism", XGD people will adhere to the behavioral principle "Good Conduct, Continuous Learning, Progressive Advancement, Synergistic Collaboration" and the behavioral standard "Long-Term Vision, Positive Mindset, Rational Action, Self-Reflection" to achieve the vision of "A Sustainable XGD" while following the corporate mission "Co-creating a Better Life".



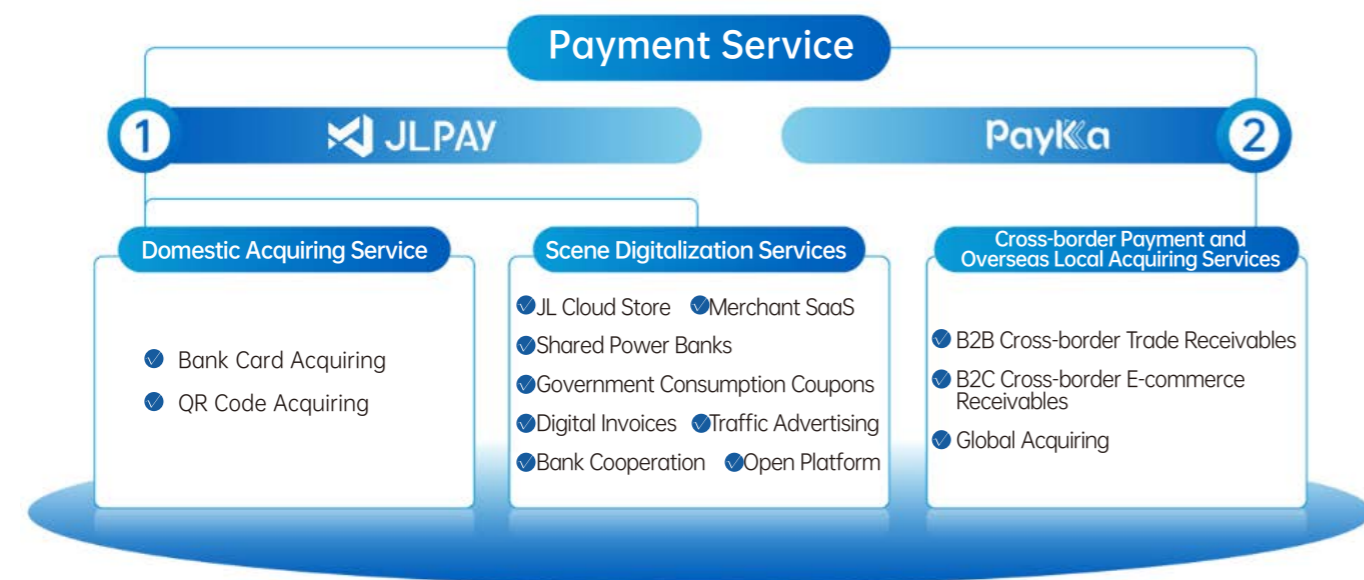
Business Layout

Amid the further implementation of the Company's international business strategies and plans, XGD has perfected its marketing and service network worldwide, amassed a large number of high-quality customer resources, and successfully obtained multiple important overseas payment licenses. As of the end of the reporting period, the Company's marketing and service network covered 300-odd cities across the country (including Hong Kong, Macao, and Taiwan) and multiple overseas regions, enabling it to quickly respond to customers' demands for electronic payment acceptance terminal devices and electronic payment services. Based on its extensive service network and high-efficiency service management platform, the Company is capable of providing global partners, merchants, and consumers with premium electronic payment products/services and all-around digital economy industry solutions. In the meantime, the Company keeps tempering its competitiveness in the international market. XGD is continuously improving its overseas license planning, and so far, it has already procured the Luxembourg PI license, the Hong Kong MSO license, and the US MSB license, laying a strong foundation for the Company's expansion in global cross-border payment services.

Payment Services

JL PAY, a wholly-owned subsidiary of the Company, is a third-party payment agency with a national bank card acquiring business license. JL PAY specializes in providing convenient payment and settlement services for clients in different industries and of different scales. Moreover, through the "Payment + Operation" service system, JL PAY fully integrates into merchants' business scenarios with payment as the entry point. Based on the characteristics of different industries, JL PAY leverages SaaS mode to provide clients with one-stop services such as value-added services (including membership management, store management, marketing management, and report form management) and industry solutions, empowering small, medium, and micro merchants to operate efficiently and facilitating their digital transformation.

The Company has established a cross-border Business Division, which is responsible for cross-border payment service and global acquiring businesses. At present, the Company has procured the Luxembourg PI license, the Hong Kong MSO license, and the US MSB license, making it meet the licensing requirements for cross-border payment service and global acquiring businesses. Besides, PayKka, the Company's proprietary cross-border payment brand, has launched a full range of payment service products including B2B cross-border payment collection, B2C cross-border e-commerce payment collection and global acquiring. It supports collection services for more than 10 major global currencies and acquiring services for over 150 currencies worldwide, enabling the Company to provide one-stop cross-border payment solutions for overseas enterprises and address customers' needs in terms of fund collection, disbursement, settlement, exchange and management.









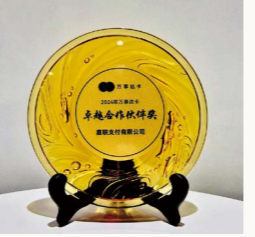

Electronic payment Devices

NEXGO, a wholly-owned subsidiary of the Company, specializes in the production, research and development, as well as sales of software and hardware for electronic payment acceptance terminal devices, with financial POS devices at the core. Moreover, it is committed to providing customers with all-around solutions based on electronic payment. The electronic payment acceptance terminal serves as the fundamental physical platform for facilitating electronic payment, and it is the terminal medium for exchange of funds and information among consumers, merchants, and payment institutions.








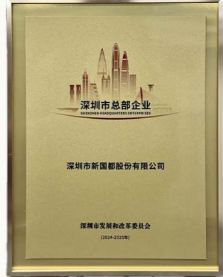
The Company's electronic payment devices mainly refer to POS devices (namely, intelligent POS terminal, QR code POS terminal, facial payment terminal, intelligent cloud speaker, and new-type payment terminals), password keyboards, and external devices, with their application domains covering catering, hotel, retail, transportation, logistics, banking, and medical care. Based on the characteristics of different industries, the Company's electronic payment devices can be further developed into specialized and innovative product devices that are more in line with the requirements of various sectors.



☆☆☆ Honors and Awards

| Award-winning Entity | Award Name | Awarding Organization | Certificate | Award-winning Entity | Award Name | Awarding Organization | Certificate |
|----------------------|---|---|---|----------------------|---|--|---|
| NEXGO | Certificate of Famous and Excellent High-tech Products of Guangdong Province 2024 | Guangdong High-Tech Enterprise Association |  | JL PAY Dalian Branch | Award for Optimizing Payment Services and Expanding Foreign Card Business 2024 | The People's Bank of China Dalian Branch |  |
| NEXGO | Shenzhen Science and Technology Progress Award | CPC Shenzhen Municipal Committee and Shenzhen Municipal People's Government |  | XGD | Top 100 List of Best Progress in ESG Rating of A-Share Listed Companies 2025 | Sino-Securities Index Information Service (Shanghai)Co.Ltd |  |
| JL PAY | Co-creation Award in Payment Scenarios | American Express |  | XGD | Investor Relations Management and Shareholder Return Award | Securities Times |  |
| JL PAY | Excellent Partner Award | Mastercard |  | XGD | Outstanding Case of A-Share Value in the 2025 China Listed Companies Excellence Award | China Fund |  |

☆☆☆ Honors and Awards

| Award-winning Entity | Award Name | Awarding Organization | Certificate | Award-winning Entity | Award Name | Awarding Organization | Certificate |
|----------------------|---|--|---|----------------------|--|--|---|
| XGD | Excellent Practice of the Board Office of L isted Companies 2025 | China Association for Public Companies |  | XGD | ESG Value Communication Award for Listed Companies 2025 | Shenzhen VALUEONLINE Information Technology Co., Ltd |  |
| XGD | Golden Information Disclosure Award 2024 | China Securities Journal |  | XGD | AI Frontier Innovation Award 2025 | Shenzhen VALUEONLINE Information Technology Co., Ltd |  |
| XGD | Excellent Investor Relations Construction Award for Listed Companies 2025 | Shenzhen VALUEONLINE Information Technology Co., Ltd |  | XGD | Excellent Case Award for Going Global in the Annual Going Global Enterprise List | CLS CN |  |
| XGD | Best Practice Award for Digital Innovation of the Board Office 2025 | Shenzhen VALUEONLINE Information Technology Co., Ltd |  | XGD | Shenzhen Headquarters Enterprise | Development and Reform Commission of Shenzhen Municipality |  |

Performance Highlights in 2025

Operating Performance

Operating Income

RMB **3,179,898,428.81**

Net Assets Attributable to Shareholders of the Listed Company

RMB **4,402,927,873.99**

Dividend amount as a percentage of net profit attributable to parent company

72.60%

Net Profit Attributable to Shareholders of the Listed Company

RMB **468,814,770.93**

Proposed annual Cash Dividends (tax-inclusive)

RMB **340** Million (Including 2025 interim Dividends and proposed annual Dividends)

Governance Performance

Independent Director Ratio of the Board of Directors

33.33%

XGD Integrity Perception Index

96.28 Points

Remuneration of Directors and Senior Executives (Including Incumbents and Departed)

RMB **20,165,000**

Communication with investors

129 times

Environmental Performance

Total Environmental Protection Investment

RMB **23,100**

Total GHG Emissions

1,350 tCO₂e

Number of Environmental Penalties and Irregular Incidents

0 Case

Water Consumption Intensity

5.71 Tons/RMB 1 Million of Revenue

Social Performance

R&D Total Investment

RMB **286,790,299.17**

Cumulative Number of Software Copyrights Obtained by the End of the Period

542 Items

Signing Rate of Integrity and Honesty Commitment Letters by Partners

100%

Work Safety Investment Amount

RMB **25,000**

Proportion of Female Managers

29%

Number of Employees with Disabilities

1 Person

Assistance Fund for Disadvantaged Employees

RMB **30,000**

Cumulative Number of National Invention Patents Obtained by the End of the Period

103 Items

Localization(Guangdong Province) Ratio of Suppliers

77%

Customer Satisfaction Rate

96.89%

Work-related Injury Insurance Coverage Rate

100%

Number of Ethnic Minority Employees

88 Persons

Employee Satisfaction Rate

89.35%

Total Employee Training Investment

RMB **300,200**

02

ESG Management

| | |
|---------------------------------|----|
| ESG Goals and Vision | 19 |
| ESG Governance | 21 |
| Communication with Stakeholders | 22 |
| Materiality Issues Management | 23 |



ESG Goals and Vision

XGD integrates the ESG concept organically into the Company's long-term development strategy, promotes the close alignment of the Company's development with the United Nations Sustainable Development Goals (SDGs), actively explores the path of a new type of green circular economy, continuously improves the level of sustainable development management, achieves the coordinated development and sustainable growth of the Company's economic, social and environmental benefits, and contributes to the achievement of these goals.

ESG

| SDGs | Sustainable Development Goals Content | XGD's Actions |
|------|--|--|
| | End poverty in all its forms everywhere | Participate in social public welfare and assist in community development |
| | Ensure healthy lifestyles and promote the well-being of people of all ages | Implement work safety and safeguard occupational health |
| | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | Streamline career development channels and improve the employee training mechanism |
| | Achieve gender equality and empower all women and girls | Oppose gender discrimination and care for female employees |
| | Ensure access to safe drinking water and basic sanitation for all | Stress water conservation and ensure compliant wastewater treatment |
| | Ensure that everyone has access to affordable, reliable, and sustainable modern energy | Carry out energy conservation and emission reduction campaign, use clean energy |

| SDGs | Sustainable Development Goals Content | XGD's Actions |
|------|---|---|
| | Promote sustained, inclusive, and sustainable economic growth, achieve full and productive employment, and ensure decent work for all | Insist on equal employment, safeguard employees' rights and interests |
| | Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation | Encourage R&D innovation, protect intellectual property rights |
| | Ensure sustainable consumption and production patterns | Attach importance to product quality management, protect customers' rights and interests, focus on information security |
| | Take urgent action to combat climate change and its impacts | Promote energy conservation and carbon reduction, promote green operation, identify climate risks and opportunities |
| | Promote peaceful and inclusive society for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels | Standardize corporate governance, adhere to compliant operation, abide by business ethics |
| | Strengthen means of implementation and revitalize the global partnership for sustainable development | Build a sustainable supply chain, persist in responsible procurement |

ESG Governance

ESG Governance Structure

XGD attaches great importance to the construction of the ESG governance system and is committed to integrating ESG into the Company's development strategy, major decision-making and daily operations. The Company has formulated the *ESG Management System* and built a sustainable development management structure of Board of Directors - Strategy Committee - ESG Working Group with clear responsibilities at all levels to ensure the orderly development of ESG work. The Company has established and improved a restraint mechanism linking Senior Executives Remuneration to the fulfillment of responsibilities, and directly binds Senior Executives Remuneration to performance indicators such as compliance in performance of duties to ensure the standardized and sound operation of the enterprise.

| Governance Level | Governance Body | Responsibilities |
|-----------------------|--------------------|--|
| Decision-Making Level | Board of Directors | Responsible for making decisions on major matters related to the Company's sustainable development, including ESG development strategies and goals, major issues, management structure and management systems, and is also responsible for reviewing the Company's annual Sustainability Report. |
| Management Level | Strategy Committee | Responsible for researching and formulating the Company's ESG development strategies and goals, major issues and management systems, and identifying and controlling risks related to the daily management of ESG. For external publicity content, the Strategy Committee is responsible for ensuring the quality and continuity of disclosed information. |
| Execution Level | ESG Working Group | Responsible for performing work responsibilities related to sustainable development, and providing support and professional assistance for it. |

ESG Risk Management

XGD incorporates ESG factors into its risk management framework, establishes and improves the ESG risk management organizational system, and formulates the *ESG Risk Management System*. This system provides guidance for the Company to identify, assess and monitor ESG-related risks and opportunities, enhances the enterprise's ESG risk response capability, and ensures the sound operation of the Company's business. The Board of Directors is the leading and decision-making body for ESG risk management work, and the Strategy Committee of the Board of Directors is the research and guidance body for ESG risk management work. The existing senior management is responsible for coordinating the overall ESG risk management work, and the person in charge of each business department and subsidiary specifically promotes the implementation of ESG-related work within their respective responsibilities.

The Company regularly sorts out the risk list for issues such as climate change and greenhouse gas management, energy consumption, data security and customer privacy, and product liability, and proactively captures ESG risk signals through internal regulatory screening and external consulting and communication. On this basis, the Board of Directors reviews and prioritizes major ESG risks against criteria including strategic relevance, financial impact, value chain scope and regulatory urgency, and approves the relevant risk assessment and mitigation plans. At the same time, the Company has established a comprehensive ESG risk monitoring system, which regularly tracks the implementation progress of various risk response measures, timely identifies new risk points or changes in risks, and ensures that risks are kept within an acceptable range.

ESG Training

XGD attaches great importance to ESG capacity building. During the Reporting Period, the Company invited third-party institutions to conduct ESG training sessions for Directors and Senior Executives, covering the ESG requirements of the Hong Kong Stock Exchange (HKEX) for listing applicants. This helps the core management team accurately grasp regulatory developments and industry norms, and continuously enhance the capabilities of ESG risk management and compliant operation. In 2025, the Company held a total of 2 training sessions, covering 14 participants of Directors and Senior Executives.



▲ Directors and Senior Executives in ESG Training Session

Communication with Stakeholders

XGD focuses on key stakeholders including shareholders and investors, customers, employees, suppliers, communities, government and regulatory authorities, and the media. Through diversified communication channels, the Company understands and timely responds to the expectations and requests of stakeholders.

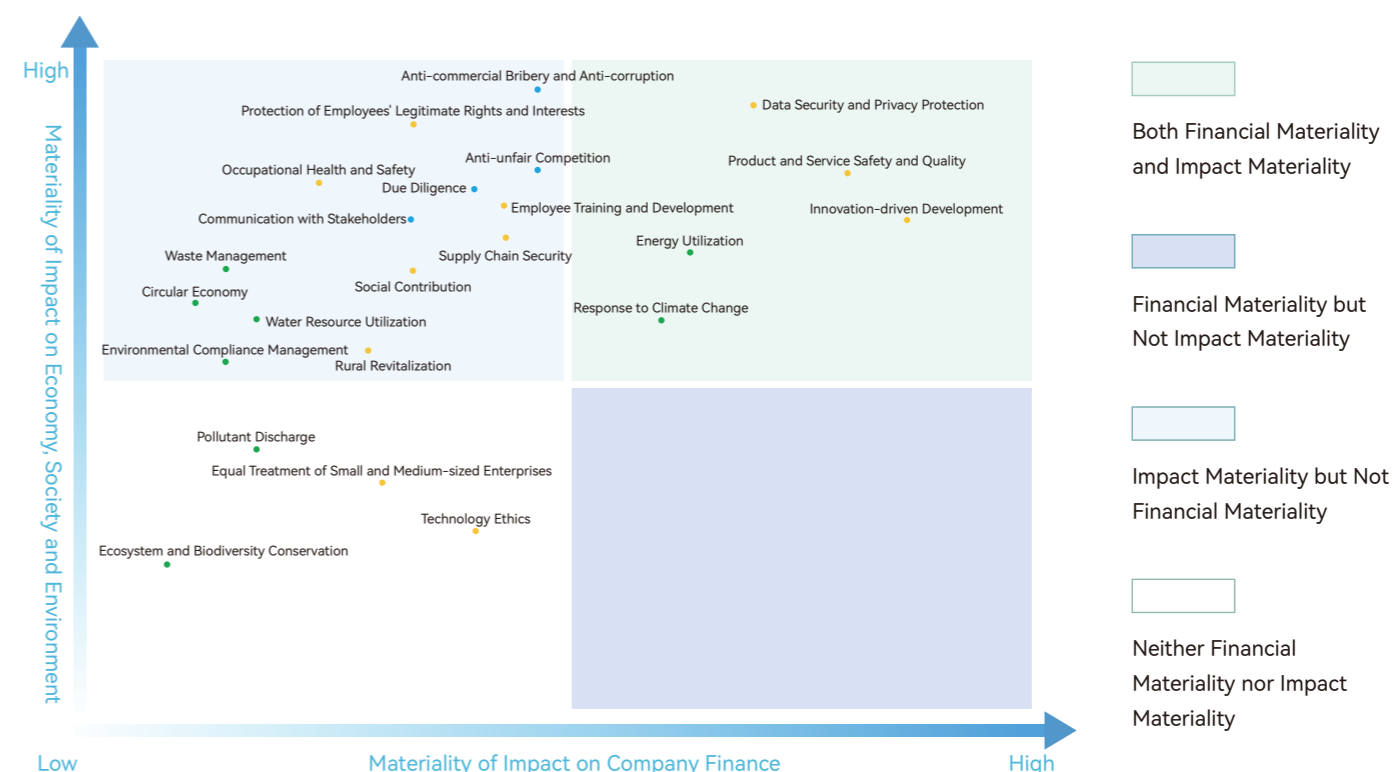
| Stakeholders | Expectations and Requests | Our Responses |
|---------------------------------------|--|--|
| Government and Regulatory Authorities | Operate in Compliance with Laws and Regulations Support Local Development Protect the Environment | Improve Corporate Governance Accept Regulatory Review Pay Taxes in a Timely and Full Amount Adhere to Green Operation |
| Shareholders and Investors | Achieve Sustained and Stable Returns Ensure Transparent and Open Information Disclosure | Maintain Sustained and Sound Operation Strengthen Investor Communication Implement Transparent Information Disclosure |
| Employees | Obtain Training and Development Opportunities Secure Protection of Basic Rights and Interests Ensure Occupational Health and Safety Receive Humanistic Care | Carry out Employee Training and Development Guarantee Employee Remuneration and Benefits Strengthen Occupational Health and Safety Management Implement Employee Care Initiatives |
| Customers | Ensure Product Quality and Safety Optimize Customer Services Protect Privacy and Information Security | Improve the Customer Service Management System Provide High-quality Products and Services Respond to Customer Requests Ensure Information Security |
| Suppliers | Abide by Business Ethics Conduct Honest Cooperation | Build a Sustainable Supply Chain Adhere to Responsible Procurement |
| Communities | Engage in Public Welfare and Charity Promote Regional Development | Carry Out Social Public Welfare Activities Participate in Voluntary Services |

Materiality Issues Management

The Company fully refers to the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange-Sustainability Report (For Trial Implementation)* (hereinafter referred to as the *Guidelines*), and fully combines the characteristics of its industry and the actual operation of the Company to comprehensively evaluate the Company's performance on various relevant issues. It judges whether such issues have a material impact on the economic, social and environmental dimensions (i.e., Impact Materiality), and at the same time assesses whether each issue exerts a significant impact on the Company's business model, business operations, development strategy, financial condition, cash flow, financing methods and costs, value chain and other aspects (i.e., Financial Materiality). Based on the consideration of this Dual Materiality and in reference to the relevant requirements of international mainstream sustainability reporting standards, the Company conducts a Materiality Analysis on the issues in its Issue Pool. The specific implementation steps are as follows:

| Process of Issue Assessment | Analysis Method |
|---|--|
| Step 1: Understand the Company's Background | Analyze based on the macro environment of global megatrends and China's industrial development trends, the industry in which the Company operates, and the Company's business model, so as to identify the Company's stakeholders and the impacts, risks and opportunities faced by the Company. |
| Step 2: Preliminary Screening of Issues | Take the 21 issues set out in the <i>Guidelines</i> as the basis of the issue list, refer to the relevant requirements of international mainstream sustainability reporting standards and related topics in the same industry, align with the United Nations Sustainable Development Goals (SDGs), and establish the Company's 2025 ESG Issue Pool with a total of 23 issues. |
| Step 3: Issue Materiality Assessment | <p>Impact Materiality Assessment</p> <p>Sort out the potential or actual positive and negative impacts of each topic on the external environment, society and economy, and combine with expert judgment to assess the issues with impact materiality.</p> <p>Financial Materiality Assessment</p> <p>Identify and assess the risks and opportunities under relevant issues through the analysis of impacts, dependencies and other factors, combined with expert judgment and the risk identification and assessment lists of various departments of the Company, so as to assess the issues with financial materiality.</p> |
| Step 4: Confirmation and Approval of Issues | Form a list of issues with impact materiality and financial materiality, and ensure that the relevant issues are disclosed in the report in a transparent, balanced and complete manner. |

XGD Materiality Issue Matrix



XGD Materiality Issue Identification List

| Materiality Description | Issue | | |
|--|---|---|--|
| | Environmental Dimension | Social Dimension | Governance Dimension |
| Issues with Both Financial Materiality and Impact Materiality | Response to Climate Change Energy Utilization | Innovation-driven Development Product and Service Safety and Quality Data Security and Privacy Protection | / |
| Issues with Financial Materiality but No Impact Materiality | / | / | / |
| Issues with Impact Materiality but No Financial Materiality | Environmental Compliance Management Waste Management Water Resource Utilization Circular Economy | Occupational Health and Safety Protection of Employees' Legitimate Rights and Interests Employee Training and Development Supply Chain Security Social Contribution, Rural Revitalization | Anti-commercial Bribery and Anti-corruption Anti-unfair Competition Due Diligence Communication with Stakeholders |
| Issues with Neither Financial Materiality nor Impact Materiality | Pollutant Discharge Ecosystem and Biodiversity Conservation | Technology Ethics Equal Treatment of Small and Medium-sized Enterprises | / |

Compliant Governance, Consolidating the Foundation

| | |
|--|----|
| Strengthening the Foundation of Party Building | 27 |
| Standardizing Corporate Governance | 28 |
| Protecting Investors' Rights and Interests | 34 |
| Practicing Business Ethics | 35 |

Corporate governance is the core cornerstone for the sound operation and long-term sustainable development of an enterprise. XGD has deeply integrated the concept of standardized governance into its strategic layout and the entire process of daily operations, continuously improved the modern corporate governance system in line with regulatory policies, optimized the governance structure, improved the internal control mechanism, strengthened compliance management and information disclosure, and consolidated the foundation for development through scientific and efficient governance practices.

Responding
SDGs



Strengthening the Foundation of Party Building

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, XGD has continuously strengthened the "Four Consciousnesses" (namely, to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment with the central Party leadership), firmly stressed the "Four-Sphere Confidence" (namely, confidence in the path, theory, system, and culture of socialism with Chinese characteristics), resolutely lived up to the "Two Upholds" (upholding General Secretary Xi Jinping's core position in the CPC Central Committee and the whole Party, and upholding the authority of the CPC Central Committee and its centralized, unified leadership), and steadfastly supported the "Two Establishments" (the establishment of Comrade Xi Jinping's core position in the CPC Central Committee and the whole Party, and the establishment of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as the guiding ideology). The Company has comprehensively implemented the spirit of the 20th National Congress of the CPC and the spirit of the Central Economic Work Conference, earnestly fulfilled various decision-making arrangements of the superiors, and actively promoted the in-depth integration of Party building and production and operation. Under the XGD General Party Branch are the First Party Branch and the Second Party Branch of XGD, with a total of 62 Party members.



▲ XGD Party Branch

In 2025, the General Party Branch of XGD steadily promoted various Party building activities. In terms of routine organizational development, it held a total of 12 Party committee meetings and organized 1 special Party lecture. For featured learning activities, it launched the themed activity "With Your Contribution, Learning Rewarded", and commended outstanding Party members with outstanding annual points on the "Xuexi Qiangguo" platform. In regard to themed practical activities, it organized Party members to carry out the Party building study activity "Seeking Original Aspiration at Sea, Inheriting Red Genes" on March 23, and organized all Party members to watch the Military Parade marking the 80th Anniversary of the Victory of the Chinese People's War of Resistance Against Japanese Aggression on September 3, consolidating the ideological foundation of Party members through diverse activities.



▲ Party members watching the Military Parade collectively



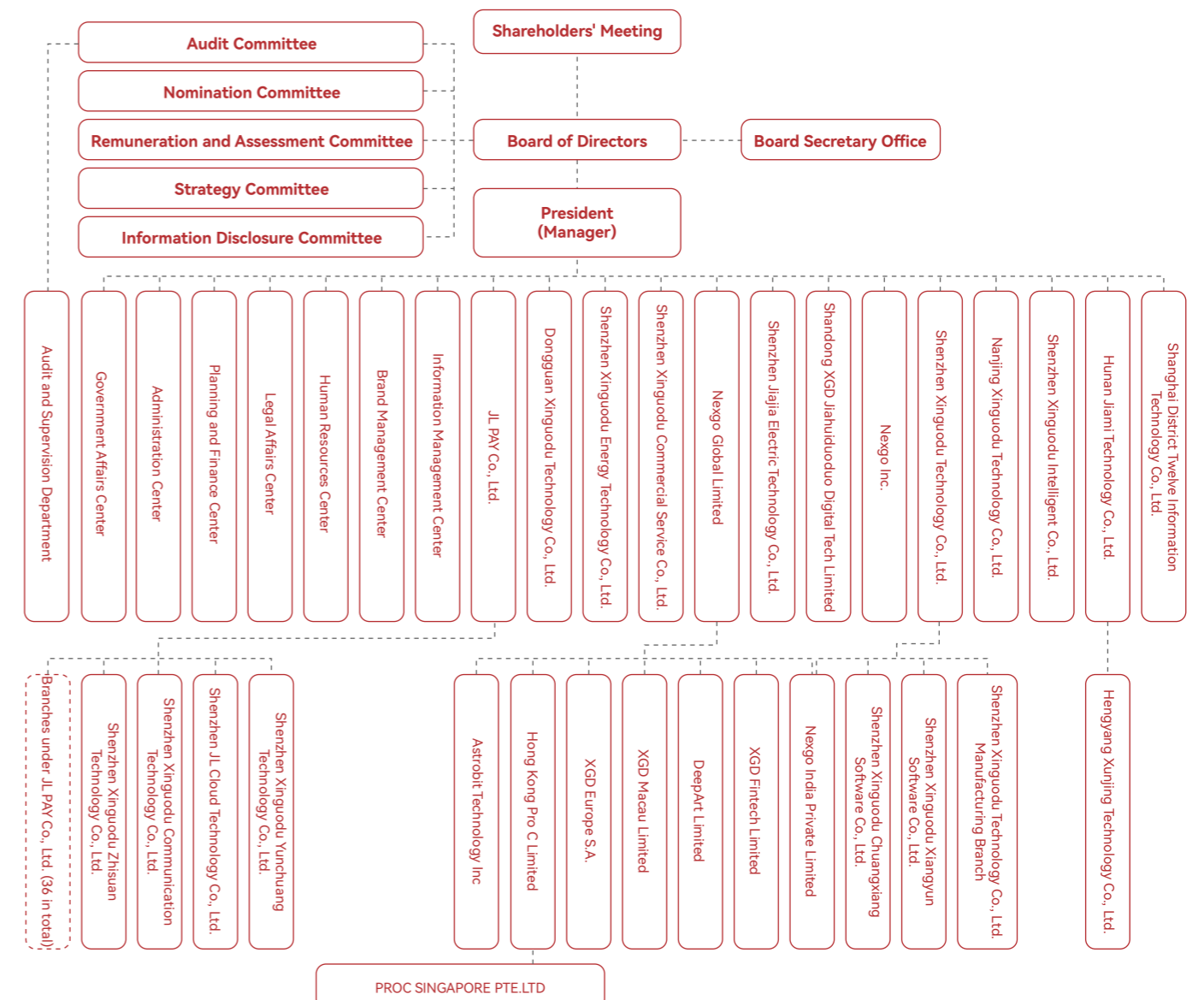
▲ Party building Study Activity

Standardizing Corporate Governance

Governance Structure

XGD strictly complies with the *Company Law of the People's Republic of China* (hereinafter referred to as the "Company Law"), the *Securities Law of the People's Republic of China* (hereinafter referred to as the "Securities Law"), the *Guidelines for the Articles of Association of Listed Companies*, as well as the relevant provisions of the China Securities Regulatory Commission and the Shenzhen Stock Exchange. It has formulated the *Articles of Association of XGD INC.* (hereinafter referred to as the "Articles of Association") and established a standardized and orderly corporate governance structure composed of the Shareholders' Meeting, the Board of Directors and its special committees, and relevant functional departments. The Company has clearly defined powers and responsibilities among its decision-making body, supervisory body, authority body and senior management, forming a sound operation mechanism featuring self-development and self-restraint.

Organizational Structure of XGD¹



¹The organizational structure of XGD disclosed in this report is the version as of December 31, 2025. Shenzhen Xinguodu Technology Co., Ltd. was renamed in January 2026.

Operating Mechanism

Shareholders' Meeting

The Company has formulated the *Rules of Procedure for the Shareholders' Meeting* in strict accordance with the *Company Law*, the *Rules for the Shareholders' Meetings of Listed Companies* and the *Articles of Association*, so as to regulate the procedures for the convening, holding, deliberation of proposals and voting of the Shareholders' Meeting. A combination of on-site meetings and online voting is adopted to facilitate shareholders' participation in decision-making. For major matters affecting the interests of small and medium-sized investors, separate vote counting shall be conducted for voting, and the results shall be publicly disclosed in a timely manner to effectively protect the participation and voting rights of small and medium-sized shareholders.

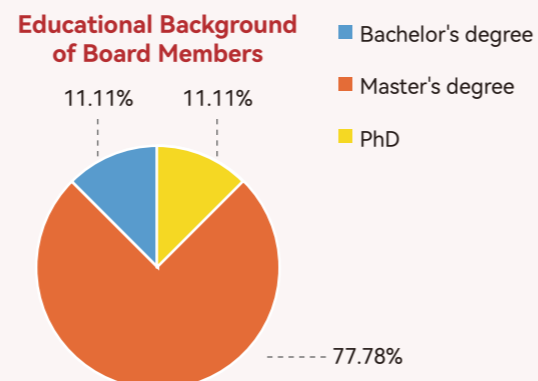
During the reporting period, the Company convened **2** Shareholders' Meetings, at which **28** proposals were deliberated and adopted.

Board of Directors

The Company has formulated the *Rules of Procedure for the Board of Directors* to regulate the proceedings and decision-making procedures of the Board, ensure its efficient and orderly operation, and guarantee the legality, effectiveness and impartiality of its decisions. During the reporting period, the directors performed their duties diligently, attended the meetings of the Board on time, and safeguarded the legitimate rights and interests of the Company and all shareholders. The Board has established the Strategy Committee, Audit Committee, Nomination Committee and Remuneration and Assessment Committee, forming a governance structure featuring clearly defined rights and responsibilities, effective checks and balances, scientific decision-making and coordinated operation. Each special committee performs its duties in accordance with its respective working rules, provides professional support for the Board's decision-making, and promotes the efficient and standardized operation of the Company. During the reporting period, the Company adjusted and optimized its governance structure. It does not establish a Board of Supervisors, and the Audit Committee exercises the functions and powers of the board of supervisors as prescribed in the *Company Law*.

Diversity

The Company adheres to the diversity policy of Board of Directors and has formulated the *Diversity Policy for Board Members and Employees (Draft)*. It comprehensively considers multiple factors in nomination and appointment, including gender, age, educational background, professional experience and other aspects. The Board of Directors comprises 9 directors, with 1 newly added employee representative director and 1 female director. Each director has extensive industry experience and professional expertise covering legal services, finance, economic development and other sectors, forming a diversified knowledge structure. During the reporting period, 2 members of the Company's senior management were female.



Independence

The Company has formulated the *Work System for Independent Directors* in accordance with applicable laws, regulations, regulatory documents and the provisions of the *Articles of Association*. Independent Directors perform the functions of decision-making participation, supervision, checks and balances, and professional consultation on the Board of Directors, effectively safeguarding the overall interests of the Company and the legitimate rights and interests of minority shareholders. Independent Directors shall conduct annual self-examination on their independence and submit the self-examination results to the Board of Directors. The Board of Directors shall assess the independence of serving Independent Directors on an annual basis, issue a special opinion, and disclose such opinion concurrently with the annual report. As of the end of the reporting period, the Company had 3 Independent Directors, representing 33.33% of the Board members.

| Board Special Committees | Proportion of Independent Directors |
|---------------------------------------|-------------------------------------|
| Audit Committee | 100% |
| Nomination Committee | 66.67% |
| Remuneration and Assessment Committee | 66.67% |

During the reporting period, the Company convened **6** meetings of the Board of Directors, which deliberated and adopted **49** proposals with a **100%** attendance rate of directors; **1** special meeting for Independent Directors was held to deliberate **7** proposals; the Strategy Committee convened **1** meeting to deliberate **4** proposals; the Nomination Committee convened **1** meeting to deliberate **3** proposals; the Audit Committee convened **5** meetings to deliberate **16** proposals; and the Remuneration and Assessment Committee convened **6** meetings to deliberate **7** proposals.

Remuneration Management

The Company continuously improves the remuneration management system for Directors and senior executives. The Remuneration and Assessment Committee established under the Board of Directors is responsible for the performance assessment of the Company's Directors and senior executives. The total remuneration of senior executives consists of basic salary, performance-based remuneration and medium- and long-term incentive income, in which the proportion of performance-based remuneration shall in principle not be less than 50% of the total amount of basic salary and performance-based remuneration. Meanwhile, the Company has successively launched equity incentive plans covering middle and senior management employees and technical backbones, and grants incentives to employees with outstanding contributions, establishing a sound incentive system for senior executives. The remuneration philosophy is consistent with the Company's value orientation and corporate culture, supporting the implementation of the Company's development strategy.

The remuneration plan for the Company's Directors shall be deliberated by the Board of Directors and then submitted to the Shareholders' Meeting for approval. The remuneration plan for the Company's senior executives shall be approved by the Board of Directors, and the allowances for Independent Directors shall be deliberated and decided by the Shareholders' Meeting. The Company truthfully discloses the remuneration information of Directors and senior executives in the annual report to ensure openness and transparency of remuneration.

| Indicator | Unit | 2025 |
|--|------------|----------|
| Remuneration of Directors and Senior Executives (including incumbent and former) | RMB 10,000 | 2,016.50 |

Compliance Construction

Compliance Management

The Company's compliance management system is deeply rooted in actual business operations, and targeted management measures are adopted based on the characteristics of different business segments. Adopting a business group organizational structure, the Company has set up a Legal Affairs Center under the Service Business Group to take overall charge of the compliance management of the Company's domestic legal affairs, international legal affairs and intellectual property rights; it has established a Regulatory Affairs Center under the Payment Service Business Group, with a Business Compliance Department set up within the center to be specially responsible for the compliance management of the entire process of payment services; it has also launched a Risk Control and Compliance Center under the Cross-border Business Group, which consists of functional departments including the Policy Management Department, Regional and License Compliance Management Department, and Operation Management Department, to fully coordinate the risk control and compliance management of cross-border businesses.

Internal Control

In accordance with the *Basic Norms for Enterprise Internal Control* and other relevant laws and regulations, the Company has established and improved its internal control system, clarified the basic requirements for internal control, and promoted the standardized operation of the Company. The responsibilities of relevant internal control institutions of the Company are clearly defined: the Board of Directors is responsible for the establishment, improvement and effective implementation of internal control, and the General Manager and management team are responsible for organizing and leading the daily operation of the Company's internal control. The Audit Committee established under the Board of Directors takes charge of internal audit. The Audit and Supervision Department, set up under the Audit Committee, inspects and supervises the establishment and implementation of the Company's internal control system and the authenticity and integrity of the Company's financial information. It puts forward timely control and management suggestions on problems identified in supervision and inspection, and urges relevant departments to conduct timely rectification to ensure the effective implementation of internal control. The Company conducts a comprehensive and in-depth effectiveness assessment of internal control every year and truthfully discloses its *Self-Assessment Report on Internal Control*.

The Company has built a comprehensive internal audit system and formulated the *Internal Audit System*. The Audit and Supervision Department conducts inspections on the effectiveness of internal control, audits of financial revenues and expenditures, and assists in establishing and improving the anti-fraud mechanism for all internal institutions and controlled subsidiaries of the Company. During the reporting period, there were no material weaknesses in the Company's internal control, the overall compliance remained stable, and effective internal control was maintained in all material aspects.

In 2025, the Company conducted a total of **13** legal training sessions, including **4** on-site training sessions with a total duration of **4** hours and **36** participants, and **9** written training sessions with a total of **52** participants.

Risk Management

The Company adheres to building a systematic, forward-looking and implementable risk management system, and continuously enhances its risk response capacity in a volatile environment by strengthening internal control and improving information transmission and response capabilities. External stakeholders are paying increasing attention to enterprises' ability to identify and address risks in strategic, operational, environmental and social governance. In response, the Company has established and improved its risk management system, integrated internal and external data to strengthen risk identification, and realized timely information communication and rapid response across the organization. The Board of Directors serves as the leading and decision-making body for risk management; the Strategy Committee of the Board of Directors acts as the research and guidance body for risk management; and the management team oversees the overall risk management efforts.

While the Company carries out unified risk identification and response, all subsidiaries are encouraged to conduct targeted risk management based on their actual business situations. To establish a standardized and effective risk control system and enhance risk prevention capabilities, JL PAY has formulated the *Risk Management Policy*, which specifies risk categories, risk management scope and risk management procedures, thereby building a full-scope risk management system.

Risk Management Organizational Structure

JL PAY has established a Risk Management Committee composed of the management team as the risk decision-making body, which is responsible for advancing the development of risk management strategies and culture, formulating and adjusting risk management strategies and their implementation mechanisms, and reviewing risk management policies and procedures. Functional departments including the Risk Management Department, Business Compliance Department and Anti-Money Laundering Department are set up under the Risk Management Committee, which are respectively responsible for formulating risk control strategies and procedures, coordinating with regulatory and compliance system development, and formulating and optimizing internal anti-money laundering control systems, forming a division-of-labor mechanism for risk decision-making, management, execution and supervision.

Risk Identification and Assessment

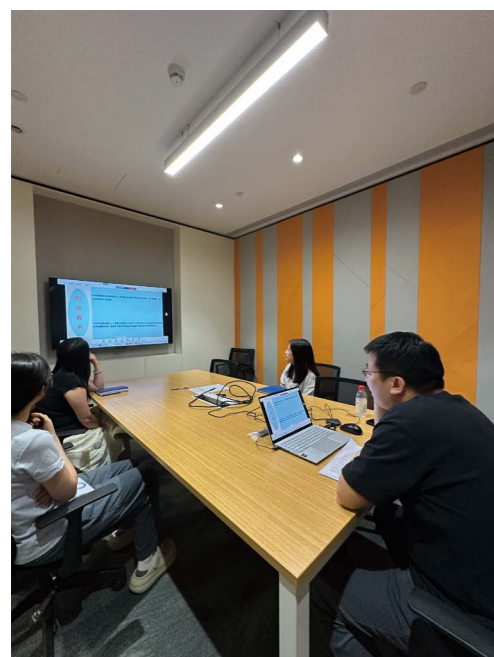
In light of the industry characteristics and operation of JL PAY, risks inherent in its business activities are identified. According to risk sources, the risks are classified into market risk, operational risk, credit risk, reputational risk, liquidity risk, money laundering risk, merchant risk and transaction risk. The severity and occurrence frequency of the identified risks are evaluated to determine corresponding risk response measures.

Risk Response Measures

JL PAY adheres to the principles of comprehensiveness, independence, compatibility and effectiveness in risk management. In the event of an unexpected major risk incident, the staff who discovers the risk shall report to the Risk Management Department. Members of the Risk Management Department shall immediately formulate an emergency response plan and submit it to the person-in-charge of the Risk Management Department and the Company's Risk Management Committee for approval. Upon approval of the emergency response plan, relevant personnel shall handle the risk incident immediately. After the resolution of the risk incident, the drafter of the emergency response plan shall compile the incident process, response plan and approval process of the plan into a risk incident handling report, which shall be submitted to the compliance post for unified archiving.

Risk Management Training

To foster company-wide risk awareness, improve the enterprise's risk management capacity and employees' risk control competence, and ensure the achievement of the Company's risk management objectives, the Company integrates risk management culture into the whole process of corporate culture development. Meanwhile, focusing on the priority of money laundering risk prevention and control, the Company builds a cultural ecosystem of proactive management and compliant operation, and deeply integrates money laundering risk management culture into the development of the overall risk management culture.



▲ Training on the Interpretation of the Anti-money Laundering Law of the People's Republic of China



| Indicator | Unit | 2025 |
|---|---------|------|
| Number of Legal Risk Training Sessions | Session | 4 |
| Total Participants in Legal Risk Training | Person | 29 |
| Number of Operations and Management Risk Training Sessions | Session | 5 |
| Total Participants in Operations and Management Risk Training | Person | 79 |

Related-party Transaction Management

In accordance with the *Company Law* and the *Articles of Association*, the Company has formulated the *Related-party Transaction Decision-Making System*, which clearly specifies the subjects, types, pricing principles, decision-making authority and information disclosure requirements of related-party transactions. It ensures the fairness of the Company's related-party transaction decision-making, complies with the regulatory requirements of competent authorities, and protects the legitimate rights and interests of the Company, shareholders and creditors. To ensure the objectivity and impartiality of decision-making, the Company strictly implements the related-party transaction abstention voting system. When the Board of Directors deliberates on related-party transaction matters, related directors shall abstain from voting; when the Shareholders' Meeting deliberates on such matters, related shareholders shall also abstain from voting and shall not exercise voting rights on behalf of other shareholders.

Protecting Investors' Rights and Interests

Information Disclosure

In strict compliance with the *Measures for the Administrative of Information Disclosure of Listed Companies*, the *Shenzhen Stock Exchange ChiNext Listing Rules* and other relevant provisions, the Company has formulated the *Information Disclosure System*, the *Accountability System for Major Errors in Annual Report Information Disclosure* and other systems. These systems ensure that the Company's information disclosure is true, accurate, complete, timely and fair, enabling investors to keep abreast of the Company's development and meet their needs for making investment decisions and exercising shareholders' rights. During the reporting period, the Company duly fulfilled its information disclosure obligations in accordance with relevant regulations and did not receive any regulatory penalties for violations of information disclosure rules. The Company was rated Class A in the Shenzhen Stock Exchange's information disclosure work evaluation for 2024-2025.

To strengthen internal control over information disclosure and improve the quality of information disclosure, the Company has formulated the *Working Rules for the Information Disclosure Committee* and established the Information Disclosure Committee. As a cross-departmental coordination body, the Information Disclosure Committee does not alter the Company's existing information disclosure system or replace the functions of the Board Secretary. It is mainly responsible for establishing supplementary channels for information reporting and transmission, promoting the establishment and improvement of the internal control mechanism for information disclosure, deliberating on disclosure matters, supervising implementation and providing consulting advice. In 2025, the Company's Information Disclosure Committee convened 2 meetings.

In 2025, the Company disclosed a total of **4** regular reports and **125** temporary announcements.

Investor Relations Management

To further enhance information communication between the Company and its existing and potential investors, deepen investors' understanding of and recognition of the Company, and foster positive relationships between the Company and investors, the Company has formulated the *Investor Relations Management System* to protect investors' legitimate rights and interests including the right to know and the right to vote.

The Company maintains communication with investors through diverse channels, and vigorously strengthens the frequency and depth of engagement with institutional investors. It maintains positive interactions with investors through multiple channels including answering investor hotline calls, communicating via the "Hudongyi" platform, organizing on-site visits and research for investors, and participating in strategy conferences.

During the reporting period, the Company conducted **2** open exchange sessions with investors through performance briefings and collective reception day activities, and communicated with investors **129** times via the Hudongyi platform.



Protection of Shareholders' Rights and Interests

The Company attaches great importance to investor returns and has formulated the *Profit Distribution Management System*, which clarifies that profit distribution shall balance investors' reasonable investment returns and the Company's sustainable development, and stipulates the forms, conditions, decision-making procedures and supervision mechanisms for profit distribution. The Company timely discloses the formulation and implementation of its cash dividend policy in the annual report every year. When formulating profit distribution plans, it comprehensively considers factors such as the Company's development stage, profitability, capital demand and future development plans, actively responds to the call for multiple dividend distributions in a year, and has implemented semi-annual profit distribution for two consecutive years.

The 2025 semi-annual profit distribution plan: a cash dividend of RMB **3.0** per 10 shares (tax-inclusive) was distributed to all shareholders, with a total cash dividend of RMB **170,189,736.90** (tax-inclusive).

To balance reasonable returns for shareholders and the Company's sustained and steady development, combined with the 2025 operating results and future development plans, the Company has formulated the 2025 annual profit distribution plan as follows:

The Company intends to distribute a cash dividend of RMB **3.0** per 10 shares (tax-inclusive) to all shareholders, with a total cash dividend of RMB **170,189,736.90** (tax-inclusive), 2025 interim Dividends and proposed annual Dividends accounting for **72.60%** of the net profit attributable to shareholders of the listed company in the consolidated financial statements.

Practicing Business Ethics

Anti-Bribery and Anti-Corruption

Integrity System

XGD always adheres to compliant operation, abides by business ethics and strictly follows relevant laws and regulations. It has formulated internal management systems including the *Integrity Management Standards* and *Conflict of Interest Management Standards*, clarifying the six non-negotiable red lines for employees in anti-fraud work. The Company's Audit and Supervision Department is responsible for the daily and continuous integrity supervision within the Company and its subsidiaries, fostering a sound atmosphere of integrity and dedication, and safeguarding the legitimate rights and interests of all stakeholders. No corruption incidents occurred in the Company during the reporting period.

Integrity Supervision

In September 2025, the Company's Audit and Supervision Department launched the "XGD Integrity Perception Questionnaire Survey", with a total of 369 participants. The survey results showed that XGD's integrity perception index in 2025 reached 96.28 points, and 98.38% of respondents scored above 80 points, a slight increase compared with 2024, reflecting an overall sound integrity environment within the Company.

To strengthen integrity supervision over partners, the Company signs the *Partner Integrity and Honesty Commitment* with suppliers and other cooperative parties, explicitly prohibiting any form of bribery, improper interest conveyance and illegal related-party transactions. For violations of relevant provisions, the Company adopts graded handling measures based on the severity of the circumstances, including warnings, economic penalties, termination of cooperation and even pursuit of legal liability, and lists the violating parties in the cooperation blacklist. This move aims to strengthen integrity supervision over the supply chain and promote the building of compliant, transparent and sustainable partnerships.

Integrity Culture Construction

The Company continuously deepens the construction of integrity culture, and strives to enhance all employees' awareness of integrity in practice by combining systematic training with interesting activities. During the reporting period, the Company held the 2025 Integrity Culture Month activity, integrating games like shuttlecock kicking and jigsaw puzzles with the spirit of integrity to convey integrity values in a lively way, attracting a total of 301 participants. In addition, the Company strictly implements pre-job education, and carried out 8 special integrity training sessions for new employees, covering 149 people.



▲ Integrity Culture Month

Reporting Channels

XGD has established reporting channels including telephone and email, and set up a reward reporting mechanism to encourage internal and external personnel to report illegal and irregular acts such as corruption and bribery. After receiving reporting information, the Audit and Supervision Department shall register the information and fill in the *Detailed Reporting Information Record Form*; after preliminary verification, it shall fill in the *Investigation and Case Filing Approval Form*, and conduct investigations and issue investigation reports upon approval. If any violation of disciplines, rules or laws is verified, we will handle it in accordance with the Company's relevant systems and national laws and regulations.

We prioritize the confidentiality of reporting matters. In accordance with the requirements of the Company's *Integrity Management Standards*, we strictly keep confidential the personal information of reporters and all reporting materials provided by them. Any form of retaliation is strictly prohibited, and such acts shall be dealt with severely and harshly; if a crime is constituted, criminal liability shall be pursued in accordance with the law, so as to fully protect the legitimate rights and interests of reporters from infringement.

Reporting Channels:

Reporting Email: sjc@xgd.com

President's Email: zc@xgd.com

Reporting Telephone: 0755-83286546

Anti-Monopoly and Anti-Unfair Competition

XGD always upholds the principle of fair and free competition, strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China* and the *Anti-Monopoly Law of the People's Republic of China* and other relevant laws and regulations, systematically regulates market competition practices, and is committed to maintaining an honest, fair and free market order and business environment. No vicious competition incidents occurred in the Company during the reporting period.

04 Green Development, Low-carbon Pioneering

| | |
|---|----|
| Response to Climate Change | 39 |
| Environmental Compliance Management | 43 |
| Resource Management | 46 |
| Ecosystem and Biodiversity Conservation | 50 |

XGD adheres to the green development philosophy and strengthens environmental protection supervision. Through energy conservation and consumption reduction, compliant disposal of waste, and guiding employees to adopt green office practices, the Company continuously reduces environmental impacts in its operational links, providing strong support for the Company to achieve high-quality and sustainable development.

Responding SDGs



Response to Climate Change

Governance

The Company integrates climate change-related functions into its governance structure and clarifies the responsibilities of the Board of Directors and the management team, forming a top-down management system. The Board of Directors supervises the management and progress of climate change issues. The Strategy Committee under the Board of Directors, as the administrative body for ESG affairs, leads the Carbon Peaking and Carbon Neutrality Working Group to conduct research on relevant strategies and action plans, develop relevant rules and regulatory systems, and carry out supervision and administration. By studying international greenhouse gas accounting standards, the Working Group explores appropriate pathways for energy conservation and emission reduction for the Company. In business development, the Company focuses on providing low-carbon solutions and scenarios for industries, and strives to drive its own operations and the upstream and downstream of the industrial chain to jointly explore and support low-carbon development.

| Climate Change Governance Body | Role | Responsibilities |
|--|-----------------------|---|
| Board of Directors | Decision-making Level | Reviews and approves the systems and mechanisms for climate change response, and examines the effectiveness of risk management and internal control systems relating to climate change; reviews ESG strategies and plans (including climate change), annual key performance indicators and target achievement, and approves budgets for climate change response. |
| Strategy Committee of the Board of Directors | Management Level | Guides the design and implementation of strategies, objectives and measures on climate change-related issues; assesses and manages climate change-related risks and opportunities; communicates with relevant stakeholders on climate change matters, and conducts publicity and capacity-building activities; reports regularly to the Board of Directors to ensure effective oversight. |
| Carbon Peaking and Carbon Neutrality Working Group | Execution Level | Coordinates with all departments, entities and subsidiaries of the Company to fully implement the management of climate change issues, regularly compiles and summarizes the progress and effectiveness of relevant work, and reports to the Strategy Committee. |

Strategy

XGD actively responds to international and domestic requirements, identifies the impacts of climate change on the Company from two dimensions: physical risks and transition risks, and takes proactive countermeasures while tapping potential opportunities, helping the Company foster new growth drivers in the low-carbon transformation.

| Risk/ Opportunity Category | Risk/Opportunity Description | Likelihood of Occurrence ² | Impact Duration ³ | Expected Financial Impact | Countermeasures |
|----------------------------|--|---------------------------------------|------------------------------|---|---|
| Physical Risk | Acute Risk Extreme weather such as typhoons and rainstorms affect factories, which may damage equipment and facilities and disrupt the value chain. | Medium | Short to Medium Term | Costs of facility restoration, business interruption and alternative supply chain increase; revenue loss caused by production or service disruption | Formulate the <i>Typhoon and Rainstorm Emergency Plan</i> and implement disaster emergency plans to ensure rapid resumption of operations. |
| | Chronic Risk Continuous sea level rise, rising average temperature, extreme changes in precipitation and weather patterns, etc., affect the normal operation of the enterprise. | Medium | Medium to Long Term | Operation cost increases; revenue decline caused by lower sales/output | 1. Formulate corresponding response plans and closely follow climate change-related information; 2. Develop high-temperature emergency plans and monitor temperature and humidity in real time. |
| Transition Risk | Policies and Regulations Continuous introduction of "Carbon Peaking and Carbon Neutrality" regulations, increased carbon emission costs, more requirements for environmental information disclosure, and rising compliance costs. | High | Short to Medium Term | Failure to meet requirements will result in fines and costs increase | Keep abreast of changes in laws and regulations, explore a green energy structure, and disclose ESG reports in a timely manner. |
| | Market Risk Amid the global transition to a low-carbon economy, customers give priority to purchasing low-carbon and energy-saving payment terminals. | High | Short, Medium and Long Term | Failure to meet customer needs may lead to loss of the Company's revenue and market share | Pay more attention to environmental protection factors in product design and production, and explore the development of green products. |
| | Reputational Risk Increasing requirements from customers, investors and other external stakeholders on green and low-carbon development; inadequate actions or information disclosure may cause negative reputational impacts. | Low | Medium to Long Term | Operating income decrease | Strengthen communication with stakeholders, enhance environmental management, and actively respond to capital market requirements. |
| Opportunity | Products and Services Develop new products or services through R&D and innovation to build differentiated competitive advantages. | High | Short, Medium and Long Term | Sales revenue increase | Continue R&D and innovation to develop green and low-carbon products. |
| | Resource Efficiency Adopt more efficient transportation modes and apply recycling technologies. | High | Short, Medium and Long Term | Operating cost decrease; improve production capacity and revenue increase | Improve production efficiency, enhance resource recycling and implement a circular economy development model. |

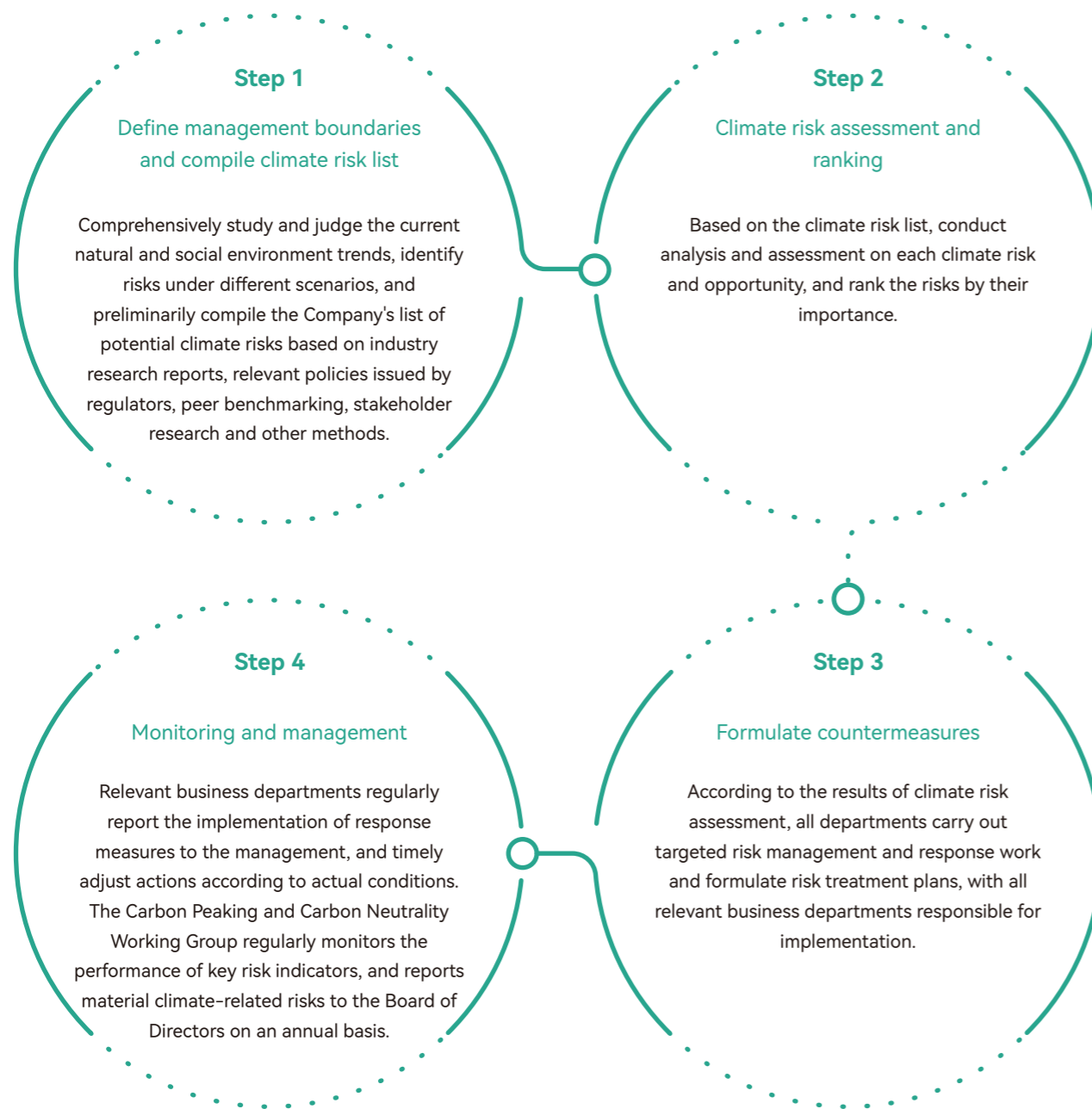
²The likelihood refers to the frequency interval and occurrence probability of risks/opportunities, mainly judged based on historical occurrence probability, external scenarios, policy implementation progress and expert forecasts. The likelihood ranges from "Low" to "High".

³The Impact Duration refers to the different climate-related risks and opportunities will affect the Company in different time periods. The Company divides the impact time horizon into short-term (0-1 year), medium-term (1-5 years) and long-term (more than 5 years).

Impact, Risk and Opportunity Management

XGD integrates climate change risks into the Company's risk assessment and control system, formulates standardized processes for climate risk identification, assessment and management, systematically identifies and analyzes climate risks and opportunities faced by the Company's business and operations, develops forward-looking response policies and measures, and continuously enhances the Company's climate risk resilience and green competitiveness.

Climate-Related Risk Identification, Assessment and Management Process



Indicators and Targets

Targets

XGD continuously improves its climate change management system, sets the target of year-on-year reduction in carbon dioxide emissions per RMB 10,000 of revenue, and formulates a series of energy conservation and consumption reduction measures, which are implemented in all operational links.

| Target Content | Achievement Status |
|--|--------------------|
| Year-on-year reduction in carbon dioxide emissions per RMB 10,000 of revenue | In progress |

Indicators

| Indicator ⁴ | Unit | 2025 |
|----------------------------------|---|--------|
| Indirect (Scope 2) GHG Emissions | tCO ₂ e | 1,350 |
| Total GHG Emissions(Scope 2) | tCO ₂ e | 1,350 |
| GHG Emission Intensity (Scope 2) | tCO ₂ e per RMB 1 Million of revenue | 0.4245 |

⁴The statistical caliber of greenhouse gas(GHG) emission data covers the electricity consumption of the Company's office buildings and factories.

Greenhouse Gas(GHG) Emission Management

XGD actively promotes greenhouse gas(GHG) emission management and fulfills its corporate low-carbon governance responsibilities with concrete actions. The Company has digitalized internal processes and effectively reduced resource consumption and carbon emissions in office operations by promoting paperless practices such as electronic reimbursement.

The Company and its subsidiaries operate in the payment-related industry. The two core subsidiaries, NEXGO and JL PAY, mainly engage in payment services, scenario digitalization services, electronic payment equipment and other businesses. Based on its actual business operations, the Company leverages its technological advantages externally. By exploring and supporting the development of low-carbon technologies, it provides users with more low-carbon lifestyle options and delivers more digital low-carbon transformation solutions for the industry. The development and application of smart payment terminals and digital RMB terminals have provided convenient and stable low-carbon payment methods for relevant scenarios. JL PAY, a subsidiary of the Company, has launched tools including JL Cloud Store and JL Instant Invoicing, which assist small and medium-sized merchants in digitalization upgrading, enabling one-stop invoice management and order management to reduce paper and resource consumption.

Environmental Compliance Management

Environmental Management

Environmental Management System

XGD consistently adheres to the environmental policy of "Conserving Earth's Resources and Protecting the Living Environment", strictly complies with the *Environmental Protection Law of the People's Republic of China*, *Law of the People's Republic of China on Environmental Impact Assessment* and other laws and regulations, and has formulated environmental management documents including the *Quality, Environment and Safety Management Manual*, *Environmental Safety Management Regulations*, and *Management Procedures for Environmental/Safety Objectives, Indicators and Programs*. The Company regularly tracks the implementation effect of environmental management and continuously improves its environmental management system. No environmental penalties or violations occurred within the Company during the reporting period.

The Company headquarters has established full-time dedicated posts to promote the operation and maintenance of management systems covering quality, environment, occupational health and safety, so as to ensure the effective implementation of all management systems. The Administrative Center organizes the identification and evaluation of environmental aspects and hazard sources to determine significant environmental aspects and hazard sources, providing a basis for setting environmental and safety management objectives and indicators as well as operational control. In 2025, the Company's total investment in environmental protection reached RMB 23,100.

As of the end of the reporting period, XGD, XGD Energy, NEXGO and JL PAY have obtained the ISO 14001:2015 Environmental Management System certification.



▲ XGD Environmental Management System Certification
 ▲ XGD Energy Environmental Management System Certification
 ▲ NEXGO Environmental Management System Certification
 ▲ JL PAY Environmental Management System Certification

Environmental Risk Management

XGD has formulated procedural documents including the *Control Procedures for Environmental Aspects and Hazard Sources and Control Procedures for Environmental and Safety Monitoring and Measurement*, to comprehensively and accurately identify and evaluate environmental aspects in the Company's activities, products and services, continuously strengthen the capacity building of environmental monitoring, and minimize potential hazards caused by environmental aspects.

In terms of emergency management, the Company strictly complies with the *Measures for the Environmental Emergency Response Management* and other regulatory requirements, and has developed control procedures and emergency plans such as the *Control Procedures for Emergency Preparedness and Response*, *Emergency Plan for Hazardous Chemicals Leakage*, and *Typhoon and Rainstorm Emergency Plan*. The manufacturing branch has formulated the *Emergency Plan for the Manufacturing Branch*. The CEO organizes the heads of all level-1 departments to form the company-level emergency command team for decision-making and deployment. Meanwhile, the Company conducts emergency drills to test the feasibility and effectiveness of emergency plans, and continuously optimizes the emergency mechanism based on drill results, effectively improving the overall emergency response and risk control capabilities. In 2025, the Company organized a total of 1 environmental emergency drill.

Case Hazardous Chemicals Leakage Drill

On May 13, 2025, XGD organized employees to carry out an emergency evacuation and escape drill for hazardous chemicals leakage. The drill included exercises such as leakage plugging and fire fighting for hazardous chemicals leakage, which effectively improved employees' emergency rescue response and disposal capabilities for environmental emergencies.



▲ 2025 Hazardous Chemicals Leakage Drill

Environmental Protection Training

The Company regularly conducts special environmental protection education and training, focusing on systematic explanations of key aspects such as wastewater and waste gas emission standards and classified disposal of wastes, so as to improve employees' professional capabilities in identifying, controlling and legally disposing pollutants and wastes in practical operations, and provide personnel support for the continuous optimization of the environmental management system. In 2025, the Company held 1 environmental protection training session with 19 participant times.



▲ 2025 Waste Discharge Training

Pollutant Discharge

The Company and its subsidiaries are not key pollutant discharge units announced by environmental protection authorities. In daily production and operation, we strictly comply with the *Water Pollution Prevention and Control Law of the People's Republic of China*, *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* and other relevant laws and regulations, and formulate corresponding internal management systems for pollutants such as wastewater and waste gas. The Company controls activities, products and services related to the generation of pollutants including wastewater, waste gas, noise and solid waste, and regularly entrusts qualified third-party professional institutions to conduct environmental monitoring and issue test reports, so as to ensure the normal operation of environmental protection facilities, as well as the up-to-standard discharge and compliant disposal of wastewater and waste gas. No penalties or violations related to pollutant discharge occurred during the reporting period.

The Company has formulated the *Hazardous Chemicals Management System*, implements the green design concept in the manufacturing of electronic payment equipment, and imposes strict restrictions and controls on toxic and hazardous substances in products and consumables. By introducing innovative technologies and environmentally friendly materials and optimizing production processes, we strive to avoid the use of high-risk chemical elements and continuously reduce the usage and residue of hazardous chemicals in the production process. The Company implements safe and clean production standards in all production links, and all products meet RoHS testing requirements after inspection.

Waste Management

XGD strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and other relevant laws, regulations and standard documents, and has formulated management systems including the *Waste Management Specification* to establish and continuously improve the waste management system. The Administrative Department takes overall responsibility for the storage, disposal and other management of the Company's waste. In 2025, the Company's hazardous waste generation amounted to 0.25 Tons.

Meanwhile, the Company systematically promotes waste reduction actions and implements the concept of clean production. Clean production technologies are prioritized in all production links to reduce waste generation at the source. In addition, the Company actively implements the resource utilization strategy, fully applies various technologies and management measures for comprehensive waste utilization, and improves the recycling efficiency and rational utilization level of waste.

Waste Management Measures

General Waste

- ▶ General waste is stored in ordinary trash cans distributed in each office;
- ▶ Cleaners of the Factory Administrative Department conduct daily cleaning and store the waste in designated locations in accordance with their job responsibilities;
- ▶ Administrative cleaners transport the waste to the garbage recycling station.

Hazardous Waste

- ▶ Containers or sites for storing hazardous waste must be anti-loss and anti-leakage, or other measures to prevent environmental pollution shall be taken;
- ▶ Hazardous waste collected by various departments is handed over to the Factory Administrative Department and transferred to the Company's hazardous waste storage site for centralized storage;
- ▶ The Purchasing Department transfers the waste to suppliers, or the Administrative Department transfers it to a third party with hazardous waste treatment qualification for disposal, and the *Hazardous Waste Transfer Manifest* is kept;
- ▶ The Factory Administrative Department is responsible for reviewing the valid qualifications of third-party waste treatment companies, and signing and renewing hazardous waste treatment agreements.

Case Disposal of Scrapped POS Devices

In view of the Company's business characteristics, we have formulated the *Specifications for Recycling and Destruction of Scrapped POS Devices* to standardize the recycling and destruction of scrapped POS devices, and clarify the responsibilities and operating procedures of each department. The business department is responsible for coordinating recycling and transportation arrangements with customers, and registering the *Recycling Form for Scrapped POS Devices*. The manufacturing branch is responsible for clearing business data, disassembling and crushing the recycled POS devices within the specified time. The operation center is responsible for reviewing relevant documents and managing seal usage, and finally issues the *Commitment Letter for POS Device Destruction* to customers. These departments work together to ensure the security of end-user information.

Resource Management

Resource Management System

Governance

XGD always places resource management in a key position of enterprise development, strictly abides by the *Energy Conservation Law of the People's Republic of China*, *Water Law of the People's Republic of China* and other national and local laws and regulations of the operation places, and formulates the *Resource and Energy Management Procedures* to ensure full compliance in energy consumption, water resource utilization, material handling and other links. The Board of Directors of the Company is responsible for controlling the overall strategic direction of energy and resource management; the Strategy Committee takes charge of the research and review of strategic issues related to energy and resources, and identifies risks and opportunities associated with energy management; meanwhile, the management team coordinates and promotes the implementation of energy and resource management work. The daily resource and energy management of the Group is undertaken by the Administrative Center. Meanwhile, the Energy Business Center is established to be responsible for the technical implementation and solution provision related to energy management, and regularly reports work to the Group's management team, forming a top-down and efficiently coordinated energy management organization system.

The Company actively promotes the construction of energy management system. During the reporting period, the subsidiary JL PAY has passed the ISO 50001 Energy Management System Certification, and XGD Energy has passed the ISO 10012 Measurement Management System Certification, achieving breakthroughs in energy conservation, consumption reduction and energy management.



▲ JL PAY Energy Management System Certification



▲ XGD Energy Measurement Management System Certification

Strategy

XGD conducts identification of energy-related risks and opportunities centering on the core scenarios of business operations, helping the Company seize the initiative in development during the energy transition.

| Risk/Opportunity Category | Risk/Opportunity Description | Likelihood of Occurrence | Impact Duration | Expected Financial Impact | Countermeasures |
|---------------------------|---|--------------------------|----------------------|---------------------------|---|
| Risk | Risk of Rising Energy Costs The Company's main energy consumption is electricity. With the expansion of business scale and the increase of office facilities, electricity consumption will continue to rise, which may lead to higher operating costs. | Medium | Short to Medium Term | Costs increase | Improve energy efficiency, implement energy-saving measures, carry out energy-saving publicity activities, and encourage employees to turn off lights and non-essential equipment when leaving. |
| Opportunity | Products and Services Against the background of global low-carbon transition, customers' demand for low-energy-consumption payment terminals is growing. | High | Short to Medium Term | Operating income increase | Focus on low-energy-consumption payment terminals and continuously expand market channels. |

Impact, Risk and Opportunity Management

XGD continuously improves the processes for the identification, assessment and management of energy-related risks and opportunities, and integrates them into the Company's overall risk management system. The Company regularly sorts out the list of energy-related risks and opportunities, and judges the impact degree of energy-related risks and opportunities from the dimensions of business operation, development strategy, financial status and other aspects to clarify the priority. In response to energy-related risks, the Company formulates corresponding measures, establishes a comprehensive energy risk monitoring system, regularly tracks the implementation progress and evaluates the effectiveness of the measures, reports the monitoring status to the Board of Directors and relevant departments, and conducts timely summary and review after the disposal of risk events, so as to continuously improve employees' awareness and ability to respond to energy risks.

Indicators and Targets

With the overall goals of energy conservation, consumption reduction and improvement of electricity efficiency, XGD continuously promotes the conservation of office electricity consumption and optimizes the power consumption of terminal equipment. The Company regularly monitors and counts energy consumption, supported by safeguard measures such as energy-saving publicity and employee training, so as to steadily improve the Company's green operation capacity.

Energy Utilization

The Company attaches great importance to energy conservation and emission reduction, actively responds to various environmental protection instructions issued by environmental protection authorities, cooperates with all work assigned by environmental protection departments, and regularly carries out training and publicity to enhance employees' awareness of environmental protection and energy conservation. During the reporting period, the Company replaced LED energy-saving lighting lamps and implemented refined electricity consumption control for the office building. Through measures such as optimizing air conditioning air volume and temperature settings, and turning off idle lamps during night inspections, the electricity consumption of the office building decreased by approximately 520,000 kWh compared with 2024.

Energy Saving Measures

- ▶ Keep the air conditioning temperature at 25°C, and it will be automatically turned off once every hour starting from 7 p.m.
- ▶ Turn off the power supply of equipment and lighting in a timely manner when production operations stop and employees get off work.
- ▶ Do not turn on or minimize the use of lighting equipment when the light meets production requirements, and reduce the number of centrally set switches.
- ▶ Fluorescent lamps are preferred for indoor lighting in the Company.
- ▶ Clean the air conditioner filters every six months to ensure their cooling efficiency.
- ▶ Do a good job in the maintenance of instruments and equipment, reduce equipment loss, and improve equipment efficiency.

| Indicator | Unit | 2025 |
|------------------------------|---|--------------|
| Purchased Electricity | kWh | 2,007,542.17 |
| Total Energy Consumption | Ton of standard coal equivalent(Tce) | 246.73 |
| Energy Consumption Intensity | Ton of standard coal equivalent(Tce) per RMB 1 Million of revenue | 0.0776 |

Water Resource Utilization

XGD strictly abides by the *Water Law of the People's Republic of China* and other relevant laws and regulations, and fulfills its corporate water conservation responsibility through standardized management. The Company's main water source is municipal water supply. We continuously strengthen the whole-process water-saving management of water intake and use to realize the recycling of water resources; regularly inspect various equipment and facilities, and timely repair those with running, emitting, dripping or leaking phenomena to strictly prevent water resource waste.

Water Conservation Measures

- ▶ Keep faucets tightly closed in daily use to prevent dripping and leakage.
- ▶ Replace bathroom sanitary wares with intelligent sensor devices to effectively control water flow.
- ▶ Use recycled water for daily cleaning, operation and greening maintenance (e.g., floor cleaning, plant watering, etc.).
- ▶ Report and repair water leakage in water supply systems such as faucets and water pipes in a timely manner.
- ▶ Retrofit toilet flush valves to reduce water waste caused by repeated flushing.
- ▶ Reuse domestic water.

| Indicator | Unit | 2025 |
|-----------------------------|-------------------------------|-----------|
| Total Water Consumption | Ton | 18,143.00 |
| Water Consumption Intensity | Tons/RMB 1 Million of Revenue | 5.71 |

Circular Economy

XGD attaches great importance to material management and practices the circular economy concept through standardized processes and detailed control. The Company has formulated systems including the *Logistics Operation Procedures*, strictly screens and evaluates logistics suppliers and international freight forwarders, ensures safe and efficient material transportation from the source and reduces resource waste. Meanwhile, the Company posts identification cards in material areas to facilitate classified management and rapid traceability of materials.

In addition, XGD prioritizes green packaging materials that are harmless to the ecological environment and human health and feature recyclable properties, and innovative packaging processes. The entire life cycle of the Company's packaging products, from raw material selection, manufacturing to use and disposal, meets ecological environment protection requirements. During the reporting period, all packaging materials used by the Company have passed environmental protection tests conducted by third-party testing institutions. Furthermore, the Company extensively uses recyclable packaging boxes and returnable turnover boxes, and collaborates with upstream and downstream plastic suppliers to promote the recycling of packaging materials to reduce consumption. The Company practices the circular economy development model with concrete actions. During the reporting period, the total consumption of packaging materials of the Company amounted to 655.43 Tons.

Green Office

XGD actively promotes green office and has formulated the *Guidelines for Water, Electricity and Paper Conservation* to clarify resource management and control standards in office scenarios, guide employees to practice the green office concept, and consolidate the foundation of the Company's low-carbon operation. Heads of all departments are responsible for publicizing and supervising employees in their respective departments to save water, electricity and paper. The Administrative Center and the Factory Administrative Department are responsible for registering the monthly consumption of water, electricity and paper in the Company and the factory, and calculating the monthly consumption volume. The Quality Center continuously compares the annual monthly statistical data with the electricity and water control targets in the Company's environmental management plan, and takes timely countermeasures for those that fail to meet the standards.

Paper Conservation

- ▶ Control the amount of office paper used for printing and copying, and promote paperless office.
- ▶ Regularly inspect and maintain copiers to prevent paper waste caused by abnormal functions.
- ▶ Confirm the correctness of documents before printing to avoid incorrect printing.
- ▶ Encourage information transmission via electronic media to reduce paper usage.

Energy Saving and Consumption Reduction

- ▶ Put used batteries, damaged mice, keyboards and other office consumables into the recycling bins at the Administrative Center to reduce environmental pollution.
- ▶ Post water and electricity conservation slogans in public areas.

Garbage Classification

- ▶ Two classified trash cans are set up on each floor of the office area and cleaned by dedicated personnel.



▲ Electricity Conservation Sign



▲ Water Conservation Sign



▲ Battery Recycling

Ecosystem and Biodiversity Conservation

XGD strictly abides by national and local environmental protection laws and regulations, and attaches importance to ecological protection in its business activities. Its business operations do not directly affect ecosystems and genetic resources. In terms of site selection, the Company's office buildings and factories avoid areas such as nature reserves, key ecological function zones and other areas with important biodiversity value, and do not damage local water sources and ecosystems. In the future, the Company will continue to practice the green operation concept, actively fulfill its corporate environmental responsibilities, and promote the coordination of business development and ecological protection.



05

Innovation-driven, Deep Value Creation

| | |
|--|----|
| Innovation Drive | 53 |
| Supply Chain Management | 62 |
| Product and Service Safety and Quality | 65 |
| Data Security and Privacy Protection | 71 |



Based on the goals of industrial ecosystem co-construction and high-quality development, XGD takes innovation as the core driving force, consolidates market competitiveness through technological R&D and product iteration; takes product safety as the bottom line, builds a whole-life-cycle quality control system to ensure the reliable operation of products; takes supply chain collaboration as the support, strengthens the integration of upstream and downstream resources and risk prevention and control to ensure efficient contract performance; takes data security and customer privacy protection as its responsibility, improves the compliance management mechanism to safeguard users' rights and interests, and makes concerted efforts through multi-dimensional collaboration.

Responding SDGs



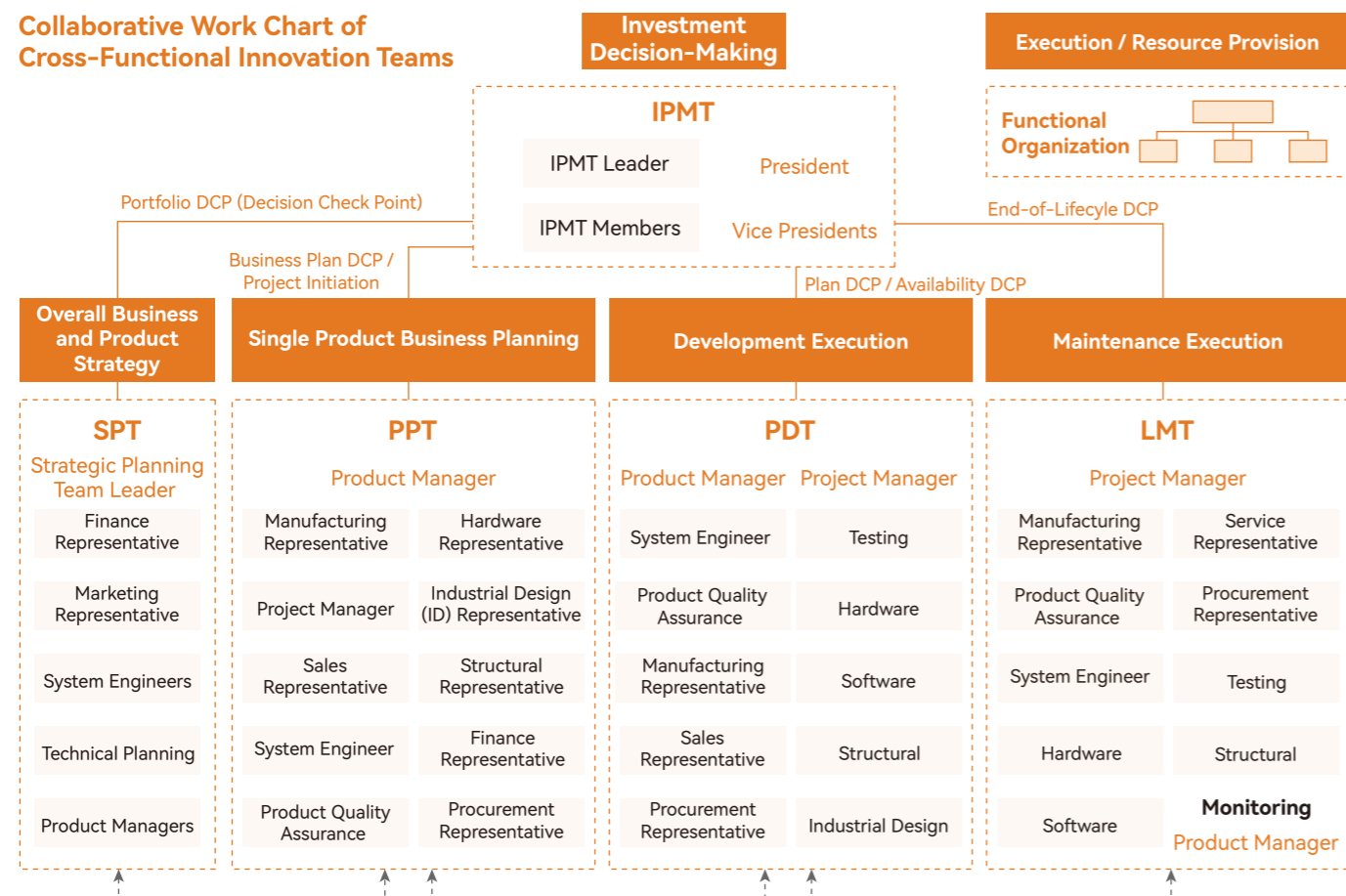
Innovation Drive

Innovation Management System

Governance

Innovation-driven development is a core strategy upheld by the Company over the long term, and the fundamental path to address market challenges, seize development opportunities and achieve value enhancement. As the primary driving force of enterprise development, innovation runs through the entire process of the Company's strategic planning, product R&D, business expansion and operation management. Relying on an efficient decision-making mechanism and cross-functional collaboration system, the Company focuses on its core business to deepen innovation, continuously increases innovation investment, improves innovation layout and strengthens innovation implementation, so as to steadily promote product iteration and upgrading, business model optimization and core competitiveness improvement. XGD has formulated systems including the *Initiation and Implementation Procedures for Innovation Projects*, *Hardware Development Control Procedures* and *Product Innovation Management Manual*, establishing a progressive innovation R&D management system. For the payment hardware business, led by the Payment Hardware Business Group/Product Center and R&D Center, the IPMT (Integrated Portfolio Management Team) is defined as the supreme decision-making body. The Company's President serves as the team leader, with vice presidents as members. The IPMT is responsible for the Company's business and product strategies, product planning and project initiation, as well as decision-making at product development decision checkpoints. Cross-functional teams including the SPT (Strategic Planning Team), PPT (Product Planning Team), PDT (Product Development Team) and LMT (Life Cycle Management Team) perform their respective duties with clear responsibilities and reporting lines, forming a hierarchical management structure.

Collaborative Work Chart of Cross-Functional Innovation Teams



As of the end of the reporting period, NEXGO and JL PAY have obtained the High-tech Enterprise Certification. NEXGO has been recognized as a national-level Specialized, Refined, Differential and Innovative (SRDI) "Little Giant" Enterprise. Its product "Intelligent Financial Payment Terminal" was selected as a Famous and Excellent High-tech Product of Guangdong Province, and was awarded the Second Prize of the Shenzhen Science and Technology Progress Award.



▲ Certificate of National-level Specialized, Refined, Differential and Innovative (SRDI) "Little Giant" Enterprise



▲ Certificate of Shenzhen Science and Technology Progress Award



▲ Certificate of Famous and Excellent High-tech Products of Guangdong Province

XGD has established a professional R&D team, centering on the core processes of MP (Market Planning) and IPD (Integrated Product Development). Through a variety of methods including in-depth training on institutional provisions, cross-functional team collaboration drills, technical review practices, and case review and discussion, the Company strengthens employees' execution capability and risk identification capability in key links of innovation.

R&D Team Performance

| Key Indicator | Unit | 2023 | 2024 | 2025 |
|-----------------------------|--------|-------|-------|-------|
| Number of R&D Personnel | Person | 557 | 563 | 545 |
| Proportion of R&D Personnel | % | 22.54 | 35.84 | 39.15 |
| By Education Background | | | | |
| Bachelor's Degree | Person | 460 | 462 | 452 |
| Master's Degree | Person | 31 | 37 | 46 |
| By Age | | | | |
| Under 30 years old | Person | 211 | 192 | 179 |
| 30-40 years old | Person | 295 | 312 | 302 |
| Over 40 years old | Person | 51 | 59 | 64 |

Strategy

In combination with the characteristics of hardware R&D and innovative business and the industry's technological iteration trend, the Company sorts out risks and opportunities related to innovation-driven development and formulates the following list for process-based management.

| Risk/ Opportunity Category | Risk/Opportunity Description | Likelihood of Occur- rence | Impact Duration | Expected Financial Impact | Countermeasures |
|----------------------------------|--|----------------------------------|---------------------|--|---|
| Risk | Risk of Technological Iteration | Medium | Medium to Long Term | Operating cost increase | We will implement a high-end talent acquisition and development program, with a focus on attracting core professionals who have demonstrated successful industry experience. We will allocate more R&D resources to emerging technology fields, establish a dynamic mechanism for tracking industry trends, strengthen in-depth research and forecasting of market demand, and enhance the efficiency of customized development responses. |
| | Risk of Overseas Market Competition | High | Medium to Long Term | Operating costs increase and operating income decrease | Create differentiated payment hardware products to improve product performance and cost performance; strengthen the brand building of PayKka, highlight core advantages such as one-stop cross-border payment solutions, multi-currency support, compliance and security, and enhance brand influence. |
| Opportunity | Overseas Expansion Opportunity of Payment Hardware | High | Medium to Long Term | Operating income increase | The Company actively explores new overseas markets, continuously improves the layout of overseas sales network, actively invests R&D resources in new technologies and new application scenarios such as SoftPOS and HarmonyOS, continues to consolidate its market share in major overseas markets, enters high-end markets such as Europe, the United States and Japan, and promotes localized delivery in key markets. For high-end markets, the Company has actively obtained certifications for payment software and hardware products, and has acquired a series of overseas certifications including MPoC, laying a foundation for the expansion of payment hardware products in overseas markets. |
| | Payment Service Business Opportunity | High | Long Term | Operating income increase | PayKka can provide one-stop cross-border payment solutions for overseas-expanding enterprises, covering the whole process of fund collection, payment, settlement, exchange and management. Relying on licenses such as Luxembourg PI License, Hong Kong MSO License and US MSB License, the Company has built a global compliance network to provide diversified payment services and multi-currency support. |

Impact, Risk and Opportunity Management

XGD systematically identifies core risks such as technological and market risks, dynamically assesses risk levels, monitors risk trends in real time, and strengthens the management and control of the whole R&D process, so as to effectively prevent innovation-related risks and steadily improve independent innovation capability.

Risk Identification

The Company defines the key points of innovation risk identification, collects and analyzes industry policies, customer needs, competitors and regulatory requirements, and identifies major innovation risks including technical risks, market risks, policy and legal risks, etc.

Risk Assessment

The Company conducts dynamic risk assessment for each stage of R&D projects, determines the specific value and scope of risks, including the probability of occurrence and impact degree of risks, forms a risk level matrix, and ranks risks according to their impact degree and occurrence likelihood.

Risk Monitoring

The Company carries out risk early warning, analysis and monitoring by using risk monitoring tools, establishing a real-time monitoring system, and holding regular risk review meetings.

Risk Management

The Company improves the initiation and tracking mechanism for R&D projects, pays close attention to the R&D progress of projects, timely and effectively controls the risk of failure in new product R&D, strengthens the whole-process management of R&D, standardizes R&D activities, and continuously improves the Company's independent innovation capability.

Indicators and Targets

R&D Innovation Target

| Target Content | Achievement Status |
|--|---|
| Continuously optimize the R&D and innovation system and increase R&D investment; actively make layout in emerging technology fields, accelerate the achievement transformation and application of new technologies, and inject innovation vitality into products and services. | Ongoing, with regular progress tracking |

R&D Investment

| Key Indicator | Unit | 2023 | 2024 | 2025 |
|--|-----------------|------|------|------|
| R&D Investment | RMB 100 Million | 2.76 | 2.77 | 2.87 |
| Proportion of R&D Investment in Operating Income | % | 7.27 | 8.79 | 9.02 |

R&D Innovation Initiatives and Achievements

Encouragement for R&D and Innovation

XGD actively fosters an atmosphere that encourages bold innovation and builds an open and supportive innovation environment. The Company has set up a reward mechanism to encourage employees to put forward innovative suggestions and put them into practice, and grants rewards for successful innovation projects to stimulate employees' enthusiasm for innovation. The Company has established the annual President's Innovation Award internally. Applications are submitted by all departments and project teams, followed by review, approval and final commendation. The award covers innovation categories including technological innovation, product innovation, market innovation, business model innovation and management innovation, aiming to reward teams with outstanding performance and remarkable innovation achievements in the past year.

R&D and Innovation Training

During the reporting period, the Company launched a number of targeted training sessions focusing on R&D innovation and technical capability improvement. The training maintained a high level of participation and satisfaction, which effectively supported R&D innovation and team capacity building.

Case AI Product Training

On September 6, the Human Resources Center invited professional external lecturers to organize and conduct the training course *Advanced Management Series · High-Level Practical Training on AI-Empowered Product Innovation and Planning*. A total of 90 trainees from the Payment Hardware Business Group, Payment Service Business Group, Cross-border Business Group, Domestic Channel Business Group, International Channel Business Group, Service Business Group and the Board of Directors participated in the training, including 63 offline participants and 27 online participants. The training satisfaction score reached 90.72.



Case Front-end Monitoring Training

On October 30, the Human Resources Center organized a special training session *Front-end Monitoring: From Technical Implementation to Business Empowerment* under the New Learning Society initiative. This training was delivered by in-house technical experts from the Payment Service Business Group/Technology Center. It focused on the system architecture, key technologies and business value of front-end monitoring, helping the team reach a new level in user experience optimization and system stability guarantee. A total of 44 trainees from the Payment Service Business Group, Payment Hardware Business Group and Cross-border Business Group participated in the training, with a training satisfaction score of 94.21.



Innovation Platform Development

As an important practitioner in the field of digital RMB, XGD has continuously increased its investment in the digital RMB sector since the establishment of its Digital Currency Research Institute in 2019. It has successively cooperated with the Suzhou Municipal Government to set up a Digital Currency Application Laboratory, and upgraded and established the digital RMB Headquarters in 2023, building full-link service capabilities covering hardware equipment, system support and scenario-based solutions. At present, the Company has completed the full-scenario solution design for the digital RMB Innovation Demonstration Park, to realize park-level large-scale pilot and application of digital RMB, and support the popularization of digital RMB.

Industry Standard Development

On November 20, 2025, the Suzhou Digital Finance High-Quality Development Conference and the inaugural Yangcheng Lake Financial Week (the 4th Yangtze River Delta Digital Finance Industry Innovation Week) kicked off. As an influential digital finance industry event in the Yangtze River Delta region, the event brought together representatives from government departments, universities and research institutes, financial institutions and technology enterprises, to explore the path of innovative development of digital finance. With its technological accumulation and scenario innovation in the digital RMB field, XGD stood out from numerous participating enterprises and was successfully included in the first national Digital RMB Innovation Application Pioneer List. In terms of industry standard development, the Company actively participates in the formulation of standards for digital RMB hardware wallets, has completed the R&D of card-based hardware wallets, and lays a solid foundation for the development of the digital RMB ecosystem through continuous technological accumulation.



▲ "Digital Integration of Suzhou and Hong Kong · Intelligent Innovation for the Future" Digital Finance Innovation Exhibition

R&D Achievements Display

AI Intelligent Applications

Against the backdrop of artificial intelligence empowering all walks of life, JL PAY has embraced the tide of the times and focused on investment in operation automation and AI intelligent applications. For the merchant onboarding scenario, JL Pay has continuously iterated and upgraded its intelligent merchant review model. On the basis of steadily improving review efficiency and optimizing resource allocation, it has further consolidated the quality of merchant review, laying a solid foundation for the compliant operation of the business. For middle and back-office operations, to break down data barriers and drive the intelligent upgrading of workflows, JL PAY has built a one-stop "AI+" platform from scratch. Relying on conversational interaction technology, it realizes fast response to customer services and one-click insight into business conditions. In the customer service link, JL PAY officially launched the "AI Jia" intelligent assistant on the user end of its products, which has integrated functions such as AI customer service, AI merchant application submission, AI daily business reports and AI marketing posters.

Merchant SaaS Products

JL PAY's merchant SaaS products focus on ecological integration and efficiency upgrading, helping merchants achieve an improvement in the efficiency of store management, product management and online operation. JL Smart Cloud Store has served a cumulative total of over 100,000 small and medium-sized catering merchants, with the daily transaction peak of the cloud store checkout counter exceeding 1.5 million transactions. JL PAY continuously optimizes the functions of the Guduo Cloud Open Platform has integrated "payment + scenario" solutions for various industries such as catering and retail, creating a one-stop payment and digital service hub tailored for developers and merchants. With full-stack interface capabilities covering the entire payment process, it supports payment needs across multiple scenarios and makes access simpler and more efficient. As of December 31, 2025, a total of 176 cooperative institutions have settled on Guduo Cloud Open Platform, including 51 SaaS software service providers.

Honors and Awards

During the reporting period, the American Express Ecological Partner Summit themed Payment for Innovation, Life for Heart, an event under the 2025 Inclusion·Conference on The Bund, was held in Shanghai. As a leading third-party payment institution in China, JL PAY was invited to the summit. With its outstanding achievements in payment scenario innovation, it won the Co-creation Award in Payment Scenarios issued by American Express.



▲ Award Ceremony

Intellectual Property Protection

Management System

XGD strictly abides by the *Patent Law of the People's Republic of China*, *Copyright Law of the People's Republic of China* and other relevant laws and regulations, and has established a multi-department collaborative intellectual property (IP) management framework. The Intellectual Property Division set up under the Legal Affairs Center serves as the competent department for IP protection, responsible for the overall planning of core work including IP infringement response and rights protection, formulation of application indicators, and quality control. The Process Management Department of the Administration Center is responsible for fee renewal, document archiving, statistics and maintenance. Departments including the Brand Management Center, Government Affairs Center, and all R&D departments participate in relevant work in accordance with their respective responsibilities. The Company has formulated systems including the *Intellectual Property Management Measures and Specification for Trademark Use and Authorization Management*, to standardize the key links of acquisition, maintenance, utilization and dispute resolution of IP rights such as trademarks, patents and software copyrights. During the reporting period, JL PAY and NEXGO passed the Intellectual Property Management System Certification, realizing the standardization and streamlining of IP management activities.



▲ JL PAY Intellectual Property Management System Certification

▲ NEXGO Intellectual Property Management System Certification

Intellectual Property Related Performance

| Performance | Unit | 2025 |
|--|--------------------|--------|
| Cumulative Number of Authorized Patents | Item | 200 |
| Number of Valid Patents per RMB 1 Million of Operating Income | Item/RMB 1 Million | 0.0629 |
| By Patent Type | | |
| Cumulative Number of Authorized Invention Patents | Item | 103 |
| Cumulative Number of Authorized Utility Model Patents | Item | 38 |
| Cumulative Number of Authorized Design Patents | Item | 59 |
| Other Intellectual Property Rights | | |
| Cumulative Number of Software Copyrights | Item | 542 |
| Number of Software Copyrights per RMB 1 Million of Operating Revenue | Item/RMB 1 Million | 0.1704 |
| Cumulative Number of Trademarks | Item | 524 |

Training, Promotion and Implementation

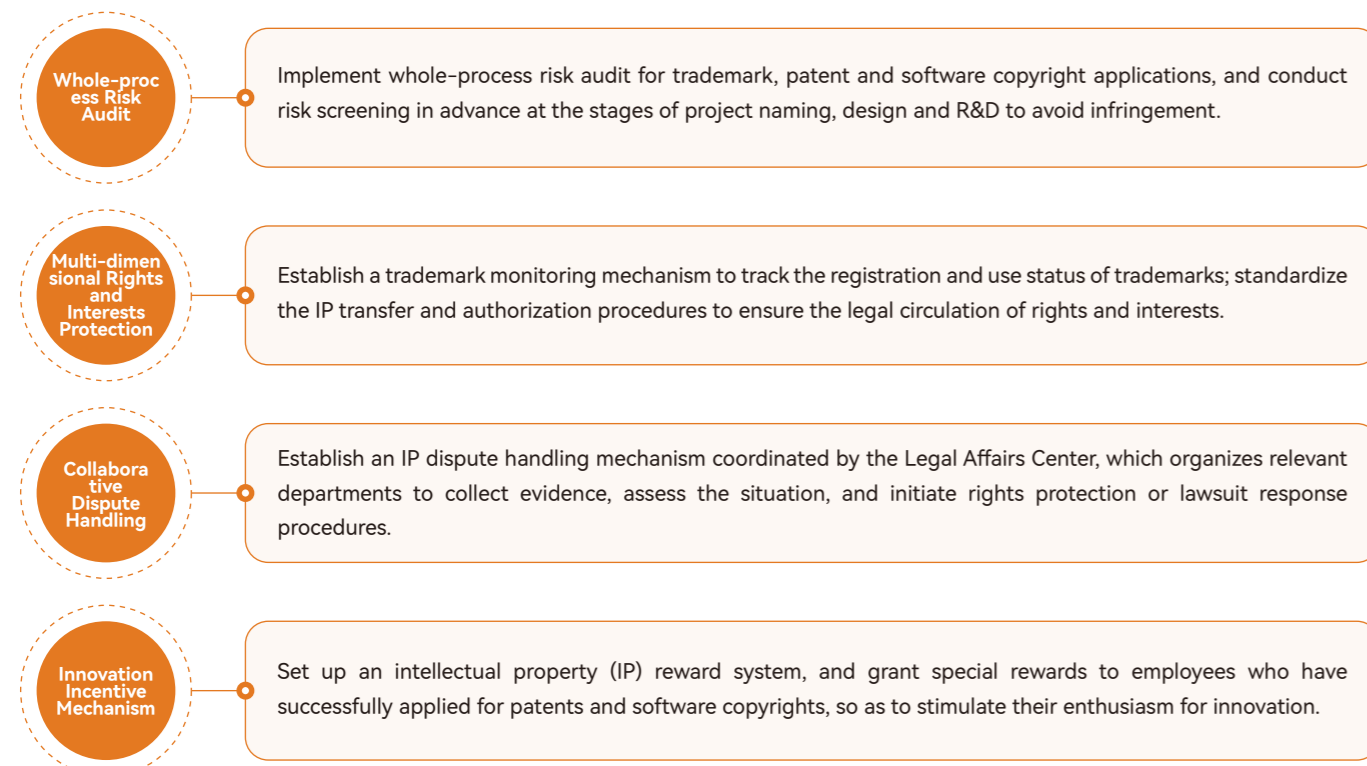
The Company attaches great importance to the promotion, implementation and training of intellectual property protection, and enhances employees' relevant awareness through diversified forms. During the World Intellectual Property Day, the Company organized the 4th prize-winning quiz, which covered employees from multiple business groups. The combination of quiz answering and detailed interpretation strengthened employees' understanding of knowledge including the exclusive right to use trademarks and copyrights. In January 2025, the Company launched the "IP Mini Class", which delivered lectures focusing on the infringement compensation liability for patents, trademarks and copyrights, and clarified the compensation calculation methods and statutory compensation standards. These promotion and implementation activities, in the form of interactive fun activities and knowledge popularization, have enhanced employees' awareness of intellectual property risks and compliance, and helped foster an internal atmosphere that attaches importance to intellectual property protection.

Protection Measures

XGD strengthens intellectual property management from the aspects of risk prevention and control, rights and interests protection, and incentive guarantee. It not only comprehensively avoids infringement risks, but also fully guarantees the transformation of innovation achievements, and continuously enhances the core competitiveness of independent intellectual property rights.

Core Measures

Specific Implementation



Scientific and Technological Ethics

Scientific and technological ethics refers to the values and codes of conduct that must be followed in scientific research, technological development and other scientific and technological activities, and serves as a critical guarantee for the sound development of scientific and technological undertakings. In its daily business operations, XGD is not involved in any matters related to scientific and technological ethics. All technologies applied and activities carried out by the Company strictly comply with existing laws, regulations and industry standards, and there are no potential risks arising from scientific and technological ethics issues.



Supply Chain Management

Supply Chain Management System

The Company has formulated systems including the *Sourcing and Supplier Management Measures* and *Supplier Sourcing and Access Management Process*, to establish a fair, impartial and transparent sourcing and access mechanism, standardize the whole-life cycle management of suppliers, implement closed-loop management of supplier performance, and continuously optimize the supplier pool. The sourcing and access of suppliers are mainly led by the Centralized Procurement Center. The R&D Center, Product Center, Factory, Quality Department and Operation Center participate in the supplier access review based on their respective departmental responsibilities. The whole-life cycle management and performance management of suppliers are the responsibility of the Material Procurement Department and Finished Product Outsourcing Procurement Department. The Quality Department and R&D Center participate in the on-site audit for supplier onboarding and the quarterly assessment of supplier performance.

Whole-life Cycle Management of Suppliers

| | | |
|----------------------------------|--|--|
| Supplier Sourcing and Access | <ul style="list-style-type: none"> ▶ The procurement engineer shall judge whether existing suppliers can meet the requirements based on the new product development demands. If not, the ERP04 process shall be submitted to explain the reasons for sourcing, and the sourcing process shall be initiated upon approval. | <ul style="list-style-type: none"> ▶ The procurement engineer shall invite the procurement manager to participate in the formulation of the new supplier access plan, and notify relevant departments participating in the review to attend the review via email. Upon approval of the review, the supplier shall submit the corresponding filing documents and be included in the Qualified Supplier List. |
| Supplier Hierarchical Management | <ul style="list-style-type: none"> ▶ Suppliers are divided into Qualified Suppliers, Temporary Suppliers, Restricted Suppliers and Eliminated Suppliers by status. ▶ Qualified Suppliers: available for normal use in all projects; ▶ Temporary Suppliers: suppliers for temporary use, with a limited validity period of no more than six months, and the VENDORCODE will become invalid upon expiration; ▶ Restricted Suppliers: normal order placement is allowed for ongoing projects, while use in new projects is prohibited; inventory can be used normally, and such suppliers will remain on the AVL List; ▶ Eliminated Suppliers: order placement is suspended, inventory use is stopped, and such suppliers will be removed from the AVL List. | <ul style="list-style-type: none"> ▶ Suppliers are classified into four grades: S, A, B and C. ▶ Grade S: Excellent suppliers for (key devices & finished products) and suppliers rated as Class S in the quarterly performance evaluation; ▶ Grade A: Good suppliers for (key devices & finished products), or excellent suppliers for (non-critical materials & finished products) and suppliers rated as Class A in the quarterly performance evaluation; ▶ Grade B: Qualified suppliers for (key devices & finished products), or good suppliers for (non-critical materials & finished products) and suppliers rated as Class B in the quarterly performance evaluation; ▶ Grade C: Qualified suppliers for (non-critical materials & finished products) and suppliers rated as Class C in the quarterly performance evaluation. |
| Supplier Performance Evaluation | <ul style="list-style-type: none"> ▶ The Company conducts quarterly assessment of suppliers from five dimensions, namely, comprehensive capabilities (qualification, product certification, after-sales service), cost, delivery, quality, and R&D technical capability. Suppliers with a Grade D assessment or a Grade C assessment for two consecutive quarters are required to conduct rectification and review, and the Company tracks the results of their improvement actions. | <ul style="list-style-type: none"> ▶ Based on the quarterly assessment data, the Material Procurement Department organizes a meeting semi-annually to review the suppliers on the AVL List. The review defines the status, grade and category of suppliers, and the Procurement Department shall submit the OA ERP05 process to change the supplier status according to the review results. |

Whole-life Cycle Management of Suppliers

Restricted and Eliminated Management of Suppliers

- ▶ Suppliers will be deemed as restricted or eliminated under any of the following circumstances:
- ▶ Rated as Grade D for two consecutive quarters or Grade C for three consecutive quarters;
- ▶ Suppliers with major quality incidents;
- ▶ Suppliers with operational risks, for which the assessment concludes that transactions need to be suspended;
- ▶ Suppliers with integrity issues, such as providing false materials or information, and supplying counterfeit materials;
- ▶ Suppliers that breach the terms of contracts or other agreements, or violate laws and regulations;
- ▶ Suppliers with no order transactions for 24 months or more;
- ▶ Suppliers subject to transaction freeze or withdrawal as determined by the Company's decision-making;
- ▶ Suppliers with no willingness to continue

In 2025, XGD had a total of **306** cooperative suppliers across the country. Among them, **237** suppliers are based in Guangdong Province, with the supplier localization rate reaching **77%**.



Supplier ESG Management

The Company has gradually integrated ESG requirements into the whole-life cycle management of suppliers. Through supplier access assessment, performance tracking and regular audits, the Company drives its partners to jointly improve the level of sustainable development. In the access stage, the Company focuses on the basic performance of suppliers in compliant operation, quality control, environmental protection, labor rights and interests and other related aspects. In daily management, the Company actively carries out ESG exchange and training with suppliers, communicates the Company's ESG philosophy, and helps suppliers enhance their ESG awareness and management capabilities.

Meanwhile, the Company attaches great importance to technical collaboration and joint capacity building with suppliers. In 2025, it organized a total of 10 exchange and training activities with various suppliers, focusing on key supplier categories such as storage, display screens and power supplies, to conduct in-depth learning on the development trend of new technologies and key technical points, so as to ensure product competitiveness and drive the overall supply chain to evolve into a more efficient, more collaborative and more sustainable cooperation ecosystem.

Responsible Procurement

The Company is committed to building a standardized, transparent, fair and integrity-based procurement environment, and deeply integrates responsibility and integrity requirements into the whole-process management of procurement. In terms of responsible procurement, the Company has formulated the *Procurement Management System* and *Procurement Price Supervision and Management System*, which clarify the procurement authority and responsibilities of each department, and ensure the compliance, fairness and cost controllability of procurement activities through process standardization and multi-level review. In terms of integrity-based procurement, the Company has formulated the *Integrity Management Specification*, which explicitly prohibits any form of commercial bribery, inappropriate gifts and other irregular acts, and requires all suppliers to sign the *Letter of Commitment on Integrity and Good Faith for Partners*.

In 2025, a total of **306** suppliers of the Company signed the *Letter of Commitment on Integrity and Good Faith for Partners*, reaching a signing rate of **100%**.

Equal Treatment of Small and Medium-sized Enterprises (SMEs)

Adhering to the cooperation principles of fairness, impartiality and transparency, XGD grants equal treatment to SMEs in the process of supplier selection, evaluation and cooperation, and actively builds an open, inclusive and sustainable supply chain ecosystem. During the reporting period, the Company had no overdue payments to Small and Medium-sized Enterprises (SMEs).

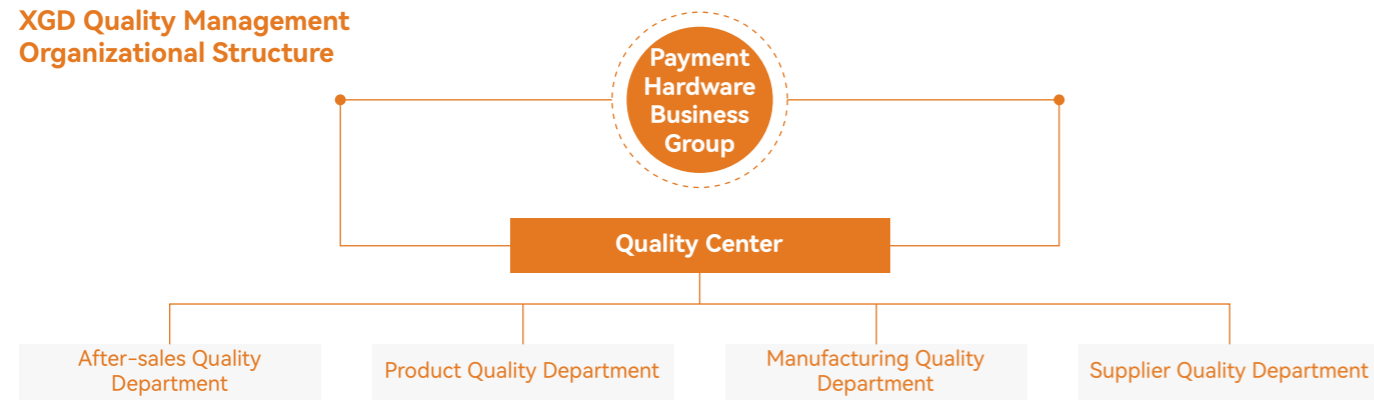
Product and Service Safety and Quality

Quality Assurance System

Governance

XGD has formulated a whole-process quality management and control system for product R&D and manufacturing, including internal systems such as *Design and Development Control Procedure*, *Project Management Control Procedure*, *Incoming Inspection Control Procedure*, *Manufacturing Process Control Procedure* and *Finished Product Inspection and Control Procedure*, to standardize every key link from the initial product conception to the final delivery to customers. The Quality Center set up under the Company's Payment Hardware Business Group serves as the competent department for product quality management. It implements strict quality control processes and inspection standards in accordance with relevant national laws, regulations and industry standards. The Quality Center oversees the overall management of the After-sales Quality Department, Product Quality Department, Manufacturing Quality Department and Supplier Quality Department. Each department has a clear division of responsibilities and performs its own duties to ensure that products can meet customers' expectations and requirements. During the reporting period, no major liability accidents related to product or service safety and quality occurred in the Company.

XGD Quality Management Organizational Structure



In terms of the development of the quality management system, as of the end of the reporting period, XGD and its subsidiaries have passed the ISO 9001:2015 Quality Management System Certification. In addition, NEXGO has passed the qualification review for the FinTech Product Certification. The review covers five aspects: security assurance testing, R&D environment, quality assurance capability, product consistency, and equipment safety management, which marks that the Company's products meet the stringent requirements of the development and regulation of the financial industry.



Strategy

Based on the characteristics of the Company's core businesses including the R&D and manufacturing of payment terminals and acquiring services, and in response to the growing trend of tightened industry regulation and the risk prevention and control requirements of all links in the value chain, the Company has identified and sorted out the risks and opportunities related to the safety and quality of products and services.

| Risk/Opportunity Category | Risk/Opportunity Description | Likelihood of Occurrence | Impact Duration | Expected Financial Impact | Countermeasures | |
|---------------------------|----------------------------------|--|-----------------|---------------------------|---------------------------|---|
| Risk | Quality and Safety Risk | In the production process of industrial products, omissions in links such as raw material inspection, production process control and finished product inspection, or inaccuracy of testing instruments may lead to hidden quality and safety hazards of products, which may trigger customer complaints or compliance risks. | Medium | Short Term | Operating cost increase | Establish a working mechanism of daily management and control, weekly inspection and monthly scheduling. Quality safety officers inspect key links in accordance with the risk management and control list on a daily basis; regularly calibrate testing instruments, standardize the disposal process for non-conforming products, and implement corrective and preventive actions (CAPA). |
| | Operational and Transaction Risk | In the acquiring business, illegal operation of merchants, fraudulent transactions or imperfect internal operation procedures may expose the Company to financial losses or reputational impact. | Medium | Short Term | Operating income decrease | Establish a merchant access review and regular inspection mechanism, and monitor abnormal transactions through the system; clarify the risk management responsibilities of each department, improve operation procedures and emergency response plans, and strengthen risk prevention and control training for employees. |
| Opportunity | Quality Improvement Opportunity | By continuously optimizing the product quality management and control system, the Company can improve product reliability and safety, enhance customer trust, and support the expansion of market share. | Medium | Long Term | Operating income increase | Deepen whole-process quality management and control, and promote advanced production and testing technologies; strengthen customer demand research, drive the coordinated improvement of product quality and service experience, and build differentiated competitive advantages. |

Impact, Risk and Opportunity Management

The Company has formulated documents including the *Risk Management Policy*, and established a management and control system covering risk identification, assessment, monitoring and management, to ensure that all types of risks are controllable and preventable.

Risk Identification

In accordance with relevant laws, regulations and industry requirements, the Company has formulated the *List of Industrial Product Quality and Safety Risk Management and Control*, which defines 14 categories of risk points including production qualification, testing and verification, and non-conforming product control. Through sorting out internal processes, collecting daily operation feedback, and aligning with regulatory requirements, the Company comprehensively gathers risk information in all links of product production and service provision, covering various risk types such as quality and safety, operation, merchant management and transaction.

Risk Assessment

The Company classifies the identified risks into key items and general items, and defines the corresponding risk levels. The Risk Management Committee takes overall charge of the risk assessment work, adopts professional analysis methods to study and judge the probability of risk occurrence and the degree of impact, formulates differentiated management and control strategies for different risk levels, and conducts special assessments on major potential risks and formulates response plans.

Risk Response

The Company has established a normalized monitoring mechanism of daily management and control, weekly inspection and monthly scheduling. Quality safety officers conduct inspections and keep records in accordance with the list on a daily basis; the Quality and Safety Director organizes risk inspections and forms a report on a weekly basis; the principal responsible persons hold a monthly scheduling meeting to review the rectification status. The Company monitors abnormal transactions, product quality data and other information through the information system, and cooperates with internal inspections and external regulatory inspections to realize dynamic tracking of risks.

Risk Management

For potential risks identified through monitoring, the Company clarifies the responsible departments and rectification requirements. Immediate rectification shall be carried out for issues that can be rectified on site; for those that cannot be rectified immediately, a time limit shall be set, and follow-up verification shall be conducted. The Company has formulated the *Management Procedure for Corrective and Preventive Actions (CAPA)* and *Non-conforming Product Management Procedure* to standardize the problem handling process. It has also established an emergency response mechanism for major sudden risk events, to quickly formulate handling plans, implement them in accordance with the approval process, and improve relevant systems and procedures after the incident.

Indicators and Targets

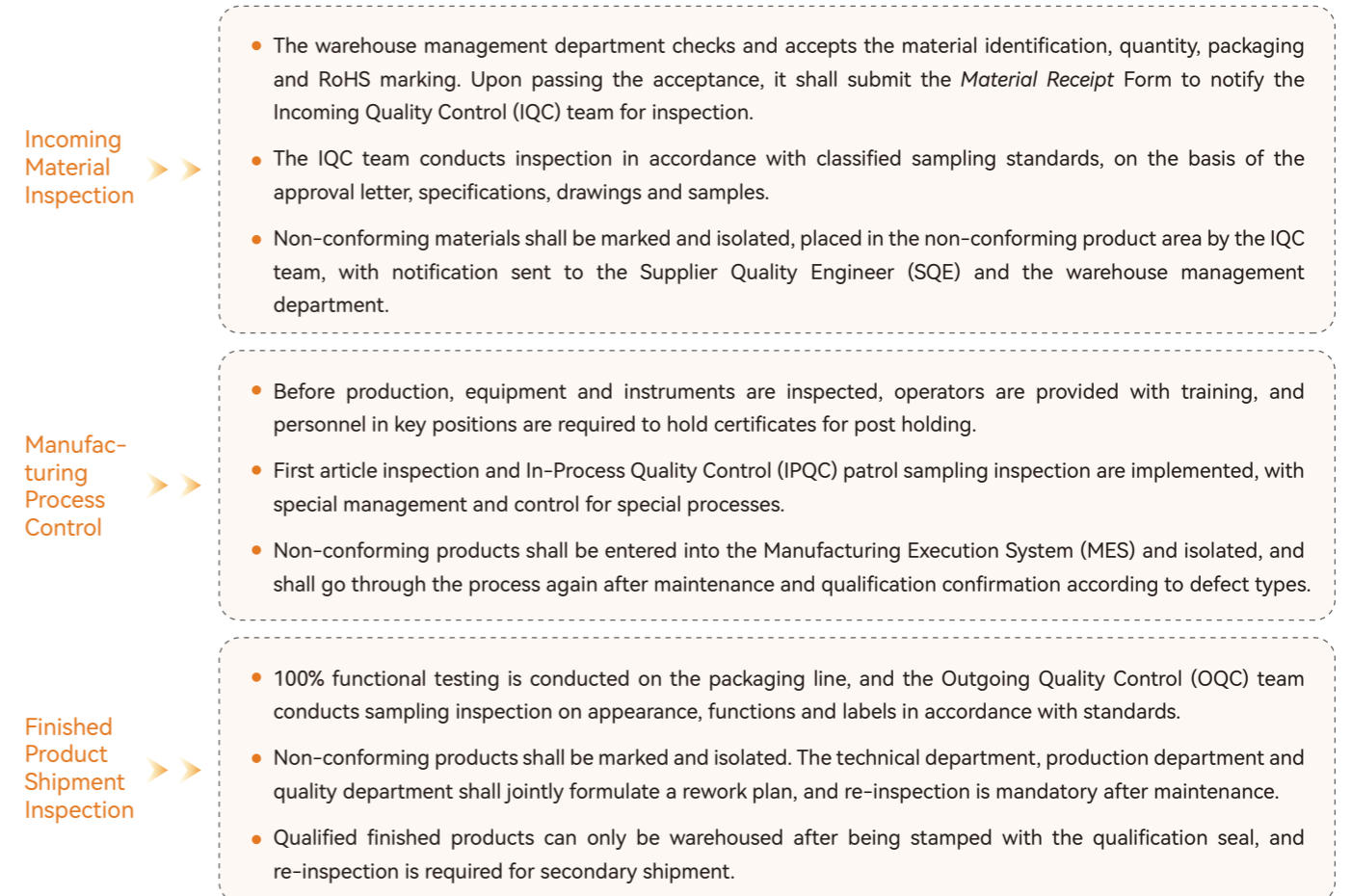
| 2025 Target | Achievement Status |
|--|--------------------|
| Product qualification rate ≥99% | Achieved |
| No major product recall incidents occurred | Achieved |

Product Quality Management Measures

Whole-life Cycle Management

XGD has established a quality life cycle management system covering the entire production process of products, with standardized procedures running through all links of incoming materials, manufacturing process and finished products.

Whole-life Cycle Quality Management Process



Product Quality Training

During the reporting period, focusing on the core links of R&D, the Company elaborately organized specialized training courses including *R&D Software Quality Management* and *R&D Quality Management*, and invited senior external industry consultants to give lectures. The course content deeply integrates quality management theories, practical business scenarios and typical cases. Through diversified forms such as theoretical explanation, tool operation practice and group discussion, the training helps R&D personnel proficiently master quality management methods and tools, and improve their capabilities in quality management and control as well as risk prediction in the R&D process.



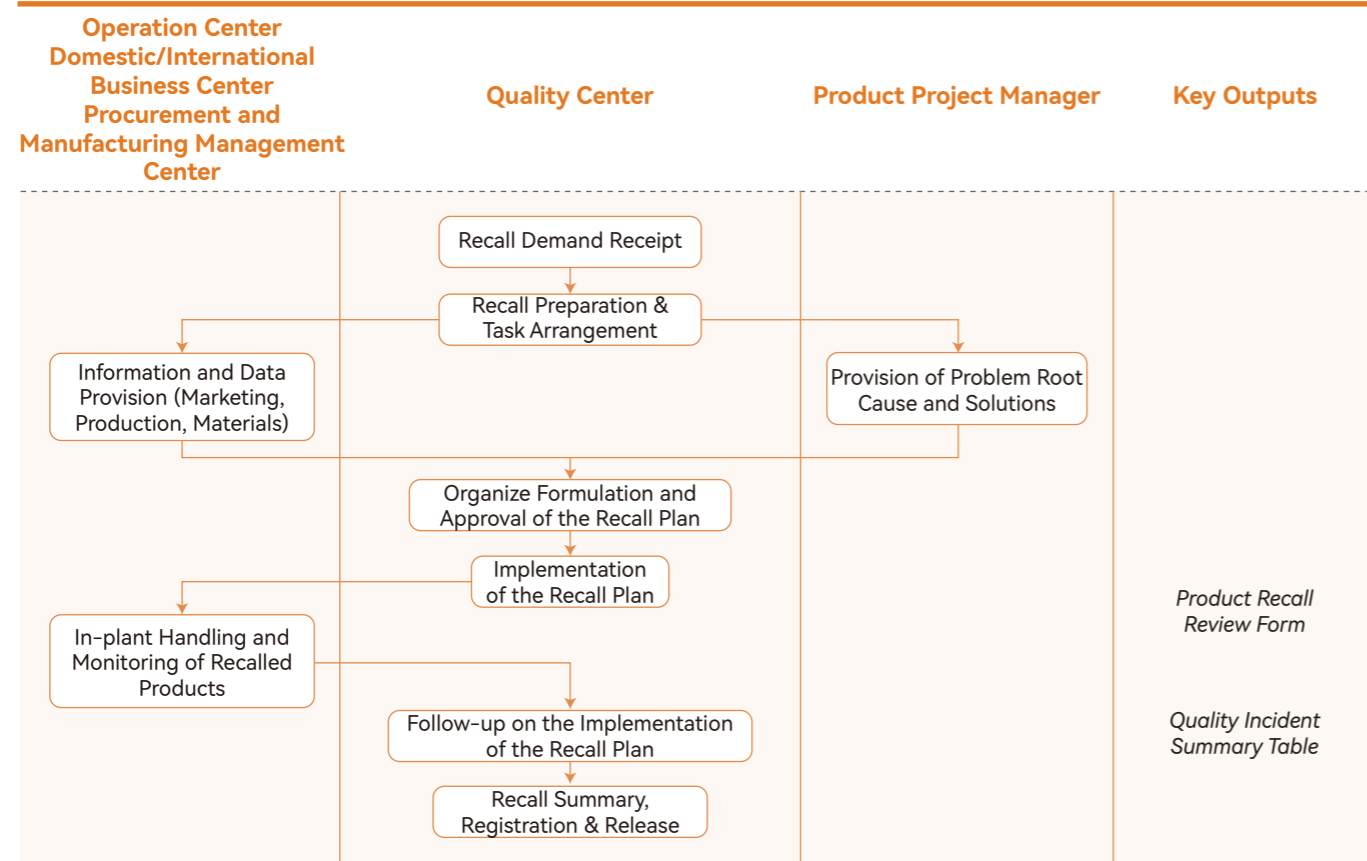
▲ Training Site of R&D Software Quality Management

▲ Training Site of R&D Quality Management

Product Recall

To protect customer rights and interests and public safety, the Company has formulated the *After-sales Support Business Management Specification* and set up a Quality Improvement and Handling Team to clarify the product recall process. It identifies and confirms defective products through internal quality inspection, consumer feedback, notifications from regulatory authorities and other channels. Once a product defect is verified, a detailed recall plan will be formulated immediately to minimize the losses incurred by the Company and customers due to defective products.

Product Recall Process



Production Equipment Management

The Company has formulated the *Equipment Maintenance Management Procedure*, which specifies key contents such as the workflow, methods, division of responsibilities and quality standards for equipment maintenance, to ensure the efficient implementation of equipment maintenance through standardized operating procedures. Meanwhile, the Company implements the *Regular Equipment Maintenance Schedule*, carrying out monthly maintenance on the equipment's appearance, tightness of screws, structural flexibility and other items. It refines long-term equipment maintenance tasks into daily work, so as to guarantee the stability and continuity of the production process.

Customer Service Management

Customer Service Management System

The Company has built an efficient customer service system through standardized governance, formulated the *After-sales Support Business Management Specification* as the core institutional support, and set up the Customer Service Department as the competent management department. It takes overall charge of the whole-process service operation including pre-sales consultation, technical support, troubleshooting and after-sales maintenance, and has established a cross-departmental collaboration mechanism to coordinate with R&D, production, sales and other relevant departments, so as to fully safeguard customer rights and interests.

Customer Complaint Response Mechanism

As the unified external window for complaint receipt, the Customer Service Department is responsible for receiving all types of customer complaints from the service hotline 952005. The Company's Consumer Rights Protection Office has a dedicated professional customer complaint handling team, which is responsible for processing complaints forwarded by the Customer Service Department, as well as various customer complaints received from external channels including the Company's consumer rights protection complaint email box, APPs of the Company's related products, regulatory authorities, and third-party complaint platforms. The team analyzes and formulates complaint handling solutions, communicates with customers to reach resolutions, and handles complaints directly.

The Company has formulated the *After-sales Support Business Management Specification* and *Customer Complaint Handling Specification*. Adhering to the handling principles of "Proactivity, Objectivity and Impartiality, Efficiency and Compliance", it standardizes the customer complaint handling process and sets clear service response time standards, to ensure that responses are provided to customers within the specified time limit.

Customer Satisfaction Improvement

Adopting a customer-centric approach, the Company has established a customer satisfaction improvement mechanism, and formulated the *Customer Satisfaction Survey Procedure* to specify the process of customer satisfaction surveys, so as to ensure the authentic and effective acquisition of customers' satisfaction feedback. The Company regularly conducts customer satisfaction surveys to closely track and deeply understand customer needs, accurately identify service shortcomings, and improve customer service quality in a targeted manner. It also learns about product usage and service satisfaction, collects demands for product application, and continuously improves customer satisfaction and loyalty. During the reporting period, the Company distributed the *Satisfaction Survey Registration Form* to customers, with a total of 15 merchants participating in the survey. The merchants scored ten dimensions under three core indicators (product usage, product performance and product after-sales service) according to the corresponding weights, and the final customer satisfaction score reached 96.89%. To continuously improve customer satisfaction, the Company has formulated special improvement measures for the dimensions with low customer scores. On the one hand, it strengthens the operation training and on-site guidance in the equipment installation process for users; on the other hand, it improves the regular return visit mechanism for follow-up user experience, to effectively solve various problems encountered by customers in the process of product usage.

The Company provides a variety of contact methods and communication channels for customers to obtain service support anytime and anywhere.

Service Hotline: 952005 (7×24 hours)

WeChat Group Service: 8:30-23:00

Online Customer Service: 8:30-21:30

Customer Service Training

The Company attaches great importance to customer service training, and improves service quality with customer satisfaction as the core starting point. It has assigned after-sales support engineers to take charge of the technical support work of the 400 hotline, and conducts regular customer service training and knowledge update to maintain the professionalism and accuracy of the service team.

Case AI Series Training – Engineering Practice of AI Customer Service

On December 10, 2025, focusing on the demand for digitalization upgrading of customer service, the Company organized a special training on AI customer service. In-house experts from the Payment Service Business Group / Technology Center were invited to serve as lecturers for the training. The course focused on the business process, core challenges and solutions of AI customer service, combined with real cases to explain from theory to practice, helping the participants systematically improve their AI engineering application capabilities, and optimize the response efficiency of customer service with AI tools.

Data Security and Privacy Protection

Governance

The Company strictly complies with laws and regulations including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. It has formulated internal rules such as the *Data Security Management Specification*, *Cybersecurity Management Procedure* and *Administrative Measures for Payment Information Security*, and established a three-dimensional management system covering networks, data and payment scenarios.

To promote the implementation of governance requirements for data security and privacy protection, the Company has clarified the implementation responsibilities at all levels. The Company's Board of Directors is responsible for the overall coordination of information security and privacy protection, and has established a Data Security Leading Group composed of the General Manager and the principals of the Technology Center, Project Center, Customer Service Center and Project Operation Department. The Leading Group is responsible for formulating policies, approving major security measures, coordinating emergency response and other related work. The Technology Center is responsible for technical protection and system authority management; the Project Operation Department is responsible for the supervision of system implementation, risk assessment and inspection; each business department is responsible for the self-inspection of usage compliance and employee training within its business scope.

In key areas such as payment business, JL PAY has set up the Data Service Department of the Payment Security Center as the data controller, which is responsible for reviewing the security of payment information usage and compliance management. Meanwhile, JL PAY has established an Information Security Working Group, which is responsible for security audit, compliance assessment, supervision and inspection, to ensure the smooth operation of processes and the effective implementation of systems.

The Company actively builds and continuously optimizes the information security management system, to provide a solid information security guarantee for its sustainable and healthy development. XGD, NEXGO and JL PAY have obtained the ISO/IEC 27001:2022 Information Security Management System Certification.



▲ XGD Information Security Management System Certificate

▲ NEXGO Information Security Management System Certificate

▲ JL PAY Information Security Management System Certificate

Strategy

| Risk/Opportunity Category | Risk/Opportunity Description | Likelihood of Occurrence | Impact Duration | Expected Financial Impact | Countermeasures |
|---------------------------|-------------------------------------|--------------------------|----------------------|--|--|
| Risk | Information Security Risk | Low | Short to Medium-term | Decrease in operating income and increase in operating costs | <ol style="list-style-type: none"> 1. Build a defense-in-depth system, and comprehensively apply advanced technologies such as end-to-end encryption and Tokenization to protect data; 2. Mandatorily implement the <i>Data Security Management Specification</i>, and enforce encrypted storage and strict access control for sensitive data; 3. Continuously conduct security vulnerability scanning and penetration testing, and establish a real-time intelligent monitoring and emergency response mechanism. |
| Opportunity | Market Access and Trust Opportunity | High | Medium to Long-term | Operating income increase | <ol style="list-style-type: none"> 1. Make the acquisition and maintenance of payment licenses in high-value markets such as the European Union and Hong Kong a strategic priority; 2. Proactively participate in national pilot projects such as cross-border payment of digital RMB and formulation of cross-border data transfer rules, to accumulate first-mover advantages; 3. Take the world's top international security certifications such as PCI, PIN as a key element of product and technology marketing, to build a professional and credible brand image. |



Impact, Risk and Opportunity Management

Risk Identification

The Company conducts comprehensive classification and grading of data assets, and identifies the security attributes and potential threats of data in different categories and levels (i.e., public level, internal level, sensitive level, confidential level). Meanwhile, it standardizes the management of network equipment and user behaviors, and identifies security risks in the process of network access and data transmission.

Risk Assessment

The Company regularly conducts security risk assessment on data processing activities, and evaluates the level of data security risks through personnel interviews, document inspection, security verification, technical testing and other methods. In the field of payment business, it regularly carries out security impact assessment of personal financial information.

Risk Monitoring

The Company conducts continuous monitoring of risks through technical protection measures (such as firewalls, intrusion detection, encryption) and management systems. It regularly verifies employees' data access authority, audits system logs, and conducts quarterly review of stored payment information, so as to monitor behaviors such as data abuse, data breach and unauthorized access.

Risk Response

The Company implements differentiated management and control for data of different levels, such as encrypted storage and strict authority approval for data above the sensitive level. It has formulated and implemented the *Employee Resignation Risk Management System* to timely recover access authority. For the identified risks, the Company takes disposal measures such as issuing rectification notices, improving systems, and carrying out security hardening, and conducts review and verification on the disposal results.

Indicators and Targets

| Target Content | Achievement Status |
|--|--------------------|
| Zero information security and privacy leakage incidents | Achieved |
| No fines incurred due to violations of relevant laws and regulations | Achieved |

Information Security Management Measures

Normalized Information Security Assurance Measures

Information Security and Data Privacy Protection Measures

Information Classification and Grading Management

The Company's data is divided into the following categories according to content and purpose: customer data, service process data, employee and partner data, system and IT data, public and derivative data, and financial data. According to the importance and sensitivity of the data, it is classified into public level, internal level, sensitive level and confidential level, with differentiated management and control measures formulated for each level.

Information Encryption and De-identification

In accordance with the *Administrative Measures for Payment Information Security*, the Company adopts state cryptographic algorithms to encrypt highly sensitive information in the data collection phase, encrypts data through state cryptographic SSL links in the data transmission phase, and applies encryption protection using cryptographic products certified by the State Cryptography Administration in the data storage phase. Meanwhile, when displaying payment-sensitive information on the front desk of the business system, mandatory desensitization or de-identification processing is implemented in compliance with clear desensitization rules. As specified in the *Data Security Management Specification*, data at the sensitive level and confidential level must be stored in encrypted form.

Information Security and Privacy Protection Technologies

The Company has deployed equipment such as firewalls and internet behavior management devices at the network boundary, as well as Web Application Firewalls (WAF) and bastion hosts, to defend against external attacks and manage and control internal operation and maintenance access. The Company requires all client computers to install and update anti-virus software to prevent and control computer viruses. In the field of payment business, the Company has implemented an authentication mechanism, integrity verification, and full-process security audit logs.

Supply Chain Security Management

Prior to cooperation with external institutions or outsourcing service providers entrusted with the processing of payment information, the Company must conduct qualification review and security assessment to ensure that they comply with national laws and regulations and have corresponding data protection capabilities. During the cooperation period, their data usage behaviors are restricted through contract terms, and they are required to implement security management and control measures. The Information Security Working Group is responsible for conducting regular security inspections and assessments on these entrusted parties, and requires rectification or suspension of cooperation for institutions that fail to meet the requirements.

Information Security and Data Privacy Protection Measures

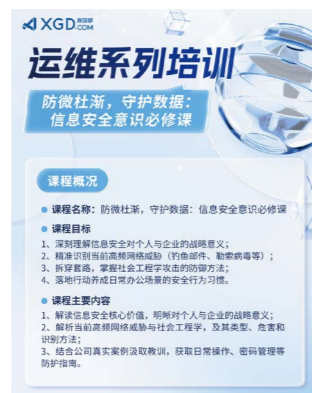
Core Data Backup The Company has equipped backup devices for core systems, including application servers, database servers, core switches and core firewalls. For payment information, real-time backup and off-site backup are adopted, and copies must be stored on more than three storage devices.

Backup Effectiveness Verification The Company has established a normalized emergency drill mechanism, and regularly organizes drills for scenarios such as database failure recovery and WAN line outage, including practical operation steps of system recovery using backup data. Through drills, it verifies the integrity of backup data, the effectiveness of the recovery process, and the response capability of the emergency response team, so as to ensure that the backup can be effectively activated and support business recovery in real extreme events.

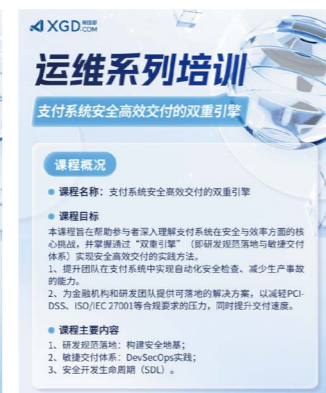
Data Security Audit The Company regularly conducts security audits on key information systems and data processing activities to evaluate the effectiveness of the data security management system and control measures, aiming to identify potential risks, promote rectification, and ensure the implementation of compliance requirements and internal systems. In December 2025, the Company carried out a data security audit of the R&D system, and no security risks were found in this assessment.

Information Security Training

The Company regards improving the information security awareness and job-specific professional skills of all employees as the cornerstone for consolidating its information security defense line. It regularly organizes information security and cybersecurity training covering employees at all levels and with different functions. The training content covers core areas including general security awareness, secure development and delivery of payment systems, and private information protection. It aims to enable employees to master the necessary skills for risk identification and protection through a combination of case analysis, interpretation of internal systems, and practical guidance.



▲ Nip Risks in the Bud, Safeguard Data Security: A Compulsory Course on Information Security Awareness



▲ The Dual Engines for Secure and Efficient Delivery of Payment Systems



▲ Consolidating the Privacy Defense Line: Whole-Process Protection from Identification, Assessment to Audit

Emergency Response Plan

To effectively respond to potential data and information security emergencies, the Company has formulated documents including the *Emergency Response Plan for Information Center Computer Room and Management System for Information System Emergency Response Plan*, which clarify the emergency organization structure, incident classification standards, response procedures and disposal measures. The Company regularly organizes emergency drills to verify the feasibility of the plans, improve the collaborative disposal capability of the emergency response team, ensure rapid action in the event of a real incident, and minimize the impact. During the reporting period, the Company carried out 3 data security emergency drills.

Case Emergency Drill for Server Hacking Attack

In August 2025, the Company organized and carried out the "Emergency Drill for Server Hacking Attack". The drill simulated a hacking attack on the OA server. The information security officer immediately reported the incident to the emergency command team, which launched the relevant emergency response plan and organized personnel to carry out rapid system recovery and reconstruction. The Company prepared a summary report after the drill. This drill verified the effectiveness of the whole process from incident reporting, emergency response to system recovery, and improved the practical capability of responding to cyber attacks.

Customer Privacy Protection

The Company attaches great importance to the protection of customer privacy and data rights and interests, abides by the principles of lawfulness, fairness and necessity, and has established a systematic customer privacy protection system by formulating and implementing the *Data Security Management Specification and Administrative Measures for Payment Information Security*. The Company adheres to the "minimum necessary" principle and customer authorization and consent in data collection; encrypts sensitive information with state cryptographic algorithms in data storage and transmission; enforces de-identification and desensitization in the data use and display process; and conducts pre-cooperation assessment and ongoing supervision on partners in links such as data sharing and entrusted processing. Meanwhile, through regular security audits, authority verification and emergency drills, the Company continuously supervises and strengthens the effectiveness of these protection measures, to ensure that customer data security and privacy rights and interests are fully and continuously protected.



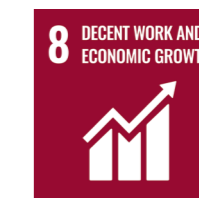
06

Caring for Employees, Empowering Growth

| | |
|---|----|
| Occupational Health and Safety | 79 |
| Protecting Employees' Legitimate Rights and Interests | 82 |
| Staff Training and Development | 88 |
| Social Contribution | 91 |

XGD is committed to building a broad development platform for its employees, safeguarding their legitimate rights and interests, and stimulating their innovation vitality. It also takes the initiative to engage in social public welfare programs and drive the development of the industry. Through practical actions, the Company achieves the coordinated and synchronized development of corporate growth, employee advancement and social value realization, ensuring that the fruits of the Company's development deliver greater and better benefits to all employees and all sectors of society.

Responding SDGs



Occupational Health and Safety

Occupational Health and Safety Management System

The Company attaches great importance to work safety management and the occupational health and safety of employees. It strictly complies with relevant laws and regulations including the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, the *Work Safety Law of the People's Republic of China*, and the *Regulations on Occupational Health Management in Workplaces*. It has formulated internal rules including the *Safety Investment Management System*, *Work Safety Reward and Punishment System*, *Hazardous Chemicals Management System and Safety Education and Training System*, and continuously improves the internal safety management system. This ensures that work safety management follows well-defined rules with clear responsibilities assigned to each individual, and effectively guarantees the safety of employees and the stable operation of the Company. During the reporting period, XGD, JL PAY and NEXGO have all obtained the ISO 45001:2018 Occupational Health and Safety Management System Certification.



▲ XGD Occupational Health and Safety Management System Certificate



▲ JL PAY Occupational Health and Safety Management System Certificate



▲ NEXGO Occupational Health and Safety Management System Certificate

Upholding the Safety Defense Line

Emergency Response Plans and Drills

The Company has formulated emergency response plans including the *Fire Emergency Response Plan*, *Hazardous Chemicals Leakage Emergency Response Plan* and *Work-related Injury Accident Emergency Response Plan*, to standardize the Company's emergency management and minimize accident losses. The Company holds fire drills every year to strengthen the fire safety awareness of all employees and test the capability of each emergency response team to handle emergencies. During the Reporting Period, the Company carried out 6 emergency drills, with the expenditure on safety emergency drills amounting to RMB 5,000.

Case Fire Evacuation Drill at JL PAY Building

On November 28, 2025, the property management of JL PAY Building organized the 2025 fire evacuation drill, with all employees of the Company actively participating. The drill mainly simulated emergency evacuation in the event of a fire, aiming to improve the ability of all staff to handle various emergencies, enhance fire safety awareness, and consolidate the safety defense line.



▲ Fire Evacuation Drill

Case Factory Emergency Evacuation and Fire Drill

To improve employees' emergency response capability for fire emergency evacuation and escape, and strengthen their fire safety awareness, the factory organized all employees to carry out an emergency evacuation and fire drill on July 30, 2025. The drill covered a series of items including personnel evacuation, assembly at the designated location and headcount reporting, explanation of safety rules and safety knowledge, instruction on the use of fire hoses, first aid methods, donning and operation of fire-fighting equipment, and simulated fire fighting.



▲ Emergency Evacuation and Fire Drill

Occupational Health Management

The Company attaches great importance to and cares for the physical health of employees. It organizes free annual physical examinations for employees every year to safeguard their health, and employees' family members can also enjoy a preferential welfare rate for physical examinations. The Company organized the 2025 annual employee physical examination at the end of October. Employees can make appointments for the examination at their own convenience within a 5-month period. A total of 847 employees were eligible for the physical examination, and the participation rate of employees who completed the annual physical examination reached 61% as of the end of 2025. In addition, the Company has launched a one-on-one doctor consultation service, inviting professional physicians to provide pre-examination consultation and medical report interpretation, to help employees gain a detailed understanding of all indicators in the examination reports.

| Indicator | Unit | 2025 |
|---|------------|------|
| Work-related Injury Insurance Coverage Rate | % | 100 |
| Rate of Special Operation Personnel Working with Valid Certificates | % | 100 |
| Investment in Work Safety Liability Insurance | RMB 10,000 | 1.1 |

Safety Facilities Management

The Company has equipped complete fire-fighting facilities in the office area, including fire extinguishers, fire hydrants, sprinkler systems, automatic alarm systems, emergency lighting, and emergency evacuation signs, to guarantee the safety of the working environment. The Company conducts regular and detailed inspection and maintenance of all fire-fighting facilities to ensure they are always in good working condition, and comprehensively protects the safety of employees' lives and property.

Hazardous Chemicals Management

The Company complies with national regulations and strictly manages hazardous chemicals in accordance with the *Chemical & Hazardous Substances Management Procedure*, to ensure personnel safety and work safety. Hazardous chemicals must be stored in designated special warehouses with dedicated and prominent signs posted. Management personnel for hazardous chemicals must receive professional training and work with valid certificates, and users must complete appropriate training and pass the qualification assessment.

Safety Education and Training

The Company actively carries out safety education and training. It organizes safety training at the factory on a quarterly basis, with a key focus on new employees, to comprehensively enhance employees' awareness of the importance of work safety and occupational health, as well as their self-protection capabilities. All these efforts help jointly build a safe and healthy working environment, and safeguard the steady development of the Company.

Case First Aid Skills Training

In November 2025, the Company organized the 5th First Aid Skills Training, with a total of 40 participants. The training covered cardiopulmonary resuscitation (CPR), operation of the automated external defibrillator (AED), emergency treatment for airway obstruction, etc., and included on-site practical operation assessment and theoretical examination. It effectively promoted the transformation of theoretical knowledge into practical capabilities, and comprehensively improved the participants' first aid literacy and confidence in rescue implementation.



▲ First Aid Skills Training

| Indicator | Unit | 2025 |
|---|--------------|------|
| Total Investment in Safety Training | RMB 10,000 | 0.5 |
| Number of Safety Training Sessions | Session | 44 |
| Number of Person-times Participating in Safety Training | Participant | 700 |
| Total Duration of Safety Training | Hour | 46 |
| Per Capita Duration of Safety Training | Hours/Person | 0.03 |
| Safety Training Coverage Rate | % | 47 |
| Total Investment in Work Safety | RMB 10,000 | 2.5 |
| Number of Work Safety Accidents | Case | 0 |
| Number of Work-related Fatalities | Person | 0 |
| Number of Work-related Injuries of Company Employees | Person | 1 |
| Working Hours Lost Due to Work-related Injuries | Hour | 32 |
| Rectification Rate of Hidden Risks Identified in Inspection | % | 100 |

Protecting Employees' Legitimate Rights and Interests

Employee Rights and Interests Protection

Human Rights Protection

The Company strictly complies with a series of laws and regulations including the *Labor Law of the People's Republic of China* (hereinafter referred to as the *Labor Law*), the *Labor Contract Law of the People's Republic of China* (hereinafter referred to as the *Labor Contract Law*), the *Special Rules on the Labor Protection of Female Employees*, and the *Provisions on the Prohibition of Using Child Labor*. It implements compliant recruitment and equal employment, and strives to foster a working atmosphere of equality, respect and harmony. We firmly resist all forms of workplace discrimination, including but not limited to discrimination based on gender, age, ethnicity, and any unfair treatment based on personal characteristics. We strictly prohibit the employment of child labor and actively protect the legitimate rights and interests of minors. We oppose and strictly prohibit forced labor, and ensure that employees participate in work on the basis of voluntariness, equality and respect. During the Reporting Period, no illegal or non-compliant incidents such as employment discrimination, child labor employment and forced labor occurred in the Company, and the signing rate of labor contracts, labor service contracts and internship contracts reached 100%. JL PAY has obtained the SA8000 Social Accountability Management System Certification.



▲ JL PAY Social Accountability Management System Certificate

Protection of Female Employees' Rights and Interests

The Company attaches great importance to protecting the rights and interests of female employees, strictly abides by the provisions on the scope of labor prohibited for female employees, and strengthens the labor protection for female employees. Female employees of the Company are legally entitled to statutory holidays including maternity leave, prenatal check-up leave and breastfeeding leave, as well as a half-day holiday on International Women's Day (March 8th). In compliance with relevant laws and regulations, the Company provides 178 days of paid maternity leave for female employees. In 2025, a total of 28 female employees of the Company took maternity leave.

The Company has always been committed to building a fair and inclusive working environment, helping every female employee fully unleash their potential and realize their personal value. The Company sincerely respects the firm determination of female employees to pursue their careers, and firmly opposes and strives to eliminate all forms of gender bias in the workplace. In 2025, the proportion of women in the Company's management team reached 29%.



▲ Mother-and-baby Room

▲ International Women's Day Special Salon Activity

Talent Recruitment and Retention

To meet the talent demand for the sustainable, stable and rapid development of the Company, we strictly comply with laws and regulations including the *Labor Law*, the *Labor Contract Law*, and the *Employment Promotion Law of the People's Republic of China*. We have formulated and continuously improved a series of human resource management systems including the *Employee Handbook*, *Recruitment Management System* and *Personnel Management System*, to standardize the employee recruitment process, improve the talent selection and appointment mechanism, and lay a solid talent foundation for the long-term development of the Company.

Employee Recruitment

The Company actively expands talent recruitment channels, and introduces talents through two approaches: internal recruitment (internal job posting) and external recruitment (social recruitment and campus recruitment). The Human Resources Center conducts unified management of the Company's internal and external recruitment channels, tracks all links of the recruitment process, and evaluates recruitment effectiveness. It also collects opinions and suggestions from job applicants on the recruitment work, analyzes the channels, timeline, cost and effectiveness of recruitment activities, and rationally adjusts recruitment resources to improve recruitment efficiency.

Internal Job Posting

To promote the reasonable flow of human resources within the Company, open competition is implemented for eligible vacant positions. All formal employees except those on probation are eligible to participate.

External Recruitment

Social Recruitment:

Media Recruitment: Release recruitment information through mass media, advertisements in professional journals, and relevant websites;

Headhunter Entrusted Recruitment: For senior management and key positions, recruitment can be entrusted to professional headhunting firms;

Internal and External Referral: Outstanding talents are recommended by internal employees of the Company and external personnel.

Campus Recruitment:

Media Recruitment: Release job vacancies on the Company's official campus recruitment website, career service websites of target universities, and other third-party recruitment platforms;

Job Fairs: Participate in targeted college & university recruitment events for campus recruitment;

Internal and External Referral: Outstanding talents are recommended by internal employees of the Company and external personnel (including faculty members of target universities, external applicants, campus ambassadors, etc.).

During the reporting period, the Company held **2** campus information sessions, with a total of **11** new recruits hired through campus recruitment.



▲ Campus Recruitment Event in Wuhan



▲ Campus Recruitment Event in Guangzhou

| Indicator | | Unit | 2025 |
|---|--|--------|------|
| Number of Newly Recruited Employees | | Person | 622 |
| Number of Newly Recruited Employees by Gender | Female | Person | 314 |
| | Male | Person | 308 |
| Number of Newly Recruited Employees by Region | Mainland China | Person | 610 |
| | Hong Kong, Macao and Taiwan Regions of China | Person | 3 |
| | Overseas Regions | Person | 9 |

Employee Structure

| Indicator | | Unit | 2025 |
|---------------------------|---|-----------------|--------|
| Total Number of Employees | | Person | 1,392 |
| By Gender | Female | Person | 616 |
| | Male | Person | 776 |
| By Age | Under 30 Years Old (excluding 30) | Person | 377 |
| | 30 to 40 Years Old (including 30, excluding 40) | Person | 727 |
| | 40 to 50 Years Old (including 40, excluding 50) | Person | 249 |
| | 50 Years Old and Above | Person | 39 |
| By Profession | Manufacturing | Person | 302 |
| | Technology | Person | 545 |
| | Sales | Person | 217 |
| | Finance | Person | 41 |
| | Administration | Person | 39 |
| | function | Person | 248 |
| | By Educational Background | Master's Degree | Person |
| | Bachelor's Degree | Person | 802 |
| | Below Bachelor's Degree | Person | 475 |

Employee Structure

| | Indicator | Unit | 2025 |
|----------------------|--|--------|-------|
| By Class of Position | Senior Management | Person | 21 |
| | Medium Management | Person | 224 |
| | Other Employees | Person | 1,147 |
| By Region | Mainland China | Person | 1,347 |
| | Hong Kong, Macao and Taiwan Regions of China | Person | 16 |
| | Overseas Regions | Person | 29 |
| | Number of Employees from Ethnic Minorities | Person | 88 |
| | Number of Employees with Disabilities | Person | 1 |

Remuneration and Benefits Management

Employee Remuneration

The Company adheres to the principles of "strategic alignment, internal equity, external competitiveness, performance orientation, cost efficiency, and salary confidentiality". It has formulated the *Remuneration Management System*, established a remuneration system that balances internal equity and external competitiveness, and continuously optimized the performance appraisal, incentive and restraint mechanisms in line with the Company's current development status, to provide a solid guarantee for the common growth of the Company and its employees. Employee remuneration consists of base salary and annual performance bonus, among which the annual performance bonus is variable labor remuneration paid to employees based on their annual performance results. Every year, the Company adjusts employees' remuneration levels based on its business operation, with reference to individual performance, work delivery, labor market conditions and other factors. It aligns the benefits of the Company's development with the personal interests of employees, to fully mobilize employees' enthusiasm and unlock their potential.

Employee Benefits

The Company is committed to building an employee benefits system that balances universal applicability and targeted customization, and provides generous benefits for employees. The Company strictly implements national and local laws and regulations, and pays social security insurance and housing fund for employees in full compliance with regulatory requirements. The Company provides employees with additional benefits including household registration transfer, training opportunities, allowances and subsidies, team-building activities, holiday benefits, and critical illness assistance, allowing every employee to truly feel the warmth of the Company's community. During the Reporting Period, the social security insurance coverage rate for employees reached 100%, and the work-related injury insurance coverage rate for specific personnel also reached 100%.

Performance Appraisal Management

The Company has formulated the *Performance Appraisal Management System*, established a standardized performance appraisal mechanism, and regularly organizes employees to conduct performance appraisals. To improve the efficiency of performance management, the Company has built an online performance management system and issued the *User Operation Manual for the Performance System*, to ensure the fairness and transparency of the appraisal process. During the Reporting Period, the proportion of employees who received regular performance and career development assessments in the Company reached 70%.

The Company continuously improves the performance communication and feedback mechanism, and provides regular performance interviews and feedback for employees. Each department conducts performance interviews with employees on the completion of performance targets during the appraisal period and the setting of performance targets for the next appraisal period. If an employee has any objection to the appraisal result, they may file an appeal with the Human Resources Center within 5 working days after the end of the appraisal, and the Human Resources Center will give feedback on the appeal result within 5 working days.

Equity Incentive

To establish and improve a long-term incentive mechanism for core employees, boost the coordination of various business segments and the enthusiasm of all employees, the Company has continuously rolled out equity incentive plans covering medium and senior management employees and key technical personnel, to reward employees who have made special contributions. During the Reporting Period, the grant conditions for stock options specified in the 2025 Stock Option Incentive Plan were satisfied. A total of 19 million stock options were granted to 73 eligible grantees.

Strengthening Democratic Management

Democratic Management Mechanism

The Company strictly complies with laws and regulations including the *Trade Union Law of the People's Republic of China* and the *Provisions on Enterprise Democratic Management*. It has formulated the *Management System of the Workers' Congress*, and established a sound management mechanism for the trade union and the workers' congress, to guarantee employees' democratic rights including the right to know, the right to participate, the right to express opinions and the right to supervise. The Company has set up a Trade Union Committee to ensure that the trade union organization can fully perform its functions and roles, protect and mobilize the enthusiasm and creativity of the majority of employees, effectively safeguard the legitimate rights and interests of workers, and promote the win-win development between the enterprise and employees.

| | Indicator | Unit | 2025 |
|--|---|--------|------|
| | Number of Projects Reviewed and Approved by the Workers' Congress | Item | 2 |
| | Number of Projects Reviewed and Approved by the Trade Union | Item | 2 |
| | Number of Trade Union Members | Person | 108 |
| | Proportion of Trade Union Members Among Active Employees | % | 8 |

Employee Communication and Exchange

The Company actively builds diverse and efficient internal communication channels, and fosters an open, transparent and integrity-based workplace atmosphere. We strongly encourage employees to put forward opinions and suggestions, or report problems encountered in their work. The Company's Audit and Supervision Department launches a monthly Sunshine(Transparent) Workplace Column. Employees can directly call the reporting hotline for workplace injustice and corrupt practices, or file a report through the President's Mailbox and the mailbox of the Audit and Supervision Department. The Company has set up differentiated feedback mechanisms tailored to different needs. For office-related issues, employees may provide feedback to the Administration Center; for technical problems, they may contact the Information Management Center, and so forth.

Employee Satisfaction Survey

To timely and accurately grasp the voice of employees, the Company conducts an annual Employee Satisfaction Survey, promptly addresses the feedback and opinions from employees, continuously improves the Company's services, steadily strengthens employees' sense of belonging and cohesion towards the Company, and builds a positive and progressive corporate culture atmosphere.

During the Reporting Period, the Company organized and carried out an Employee Satisfaction Survey, with a total of **243** participants, and the employee satisfaction score reached **89.35%**. The International Business Line organized an Employee Engagement Survey, with a total of **251** participants, and the employee engagement score reached **89%**.

Employee Care

The Company cares for its employees, actively organizes a rich variety of employee activities, delivers warm wishes and gifts to employees during festivals, and provides timely home visits and assistance to employees in difficulty. This enables employees to deeply feel the warmth and care of the Company, and enhances their sense of belonging and identity with the Company. In addition, the Company focuses on the development of employees' mental health, and regularly organizes psychological counseling activities to help employees relieve stress, adjust their mindset, improve work experience, and protect employees' mental well-being.

During the Reporting Period, the Company provided assistance to **1** employee in difficulty, with a total assistance amount of RMB **30,000**.



▲ EAP Emotional Salon

Employee Training and Development

Employee Training Management

The Company attaches great importance to talent development, and has built a comprehensive employee training system. It actively organizes and carries out pre-job training, job skill enhancement training, in-department training, external training, and various ad-hoc training programs. The training content covers professional skills, general competencies, management and communication, training and mentoring, etc., to meet employees' growth needs in terms of professional knowledge and basic vocational skills.

Internal Training

- The Company organizes learning activities for internal employees in the forms of training courses, business exchanges and seminars, including onboarding training, and in-house training delivered by external instructors invited by the Company.

External Assigned Training

- The Company provides internal employees with access to learning activities in the forms of training courses, business exchanges and seminars held by external institutions.

Job Retraining

- If an employee's performance appraisal results from the Company or department-level assessment fail to meet the corresponding requirements, the employee is required to receive job retraining, and can only resume their post after passing the re-assessment. The content of job retraining includes learning activities such as training courses, practical operation exercises, and communication sessions designed to help employees improve their business skills and work attitude.

| Indicator | Unit | 2025 |
|--|--------------|-----------|
| Total Training Investment | RMB 10,000 | 30.02 |
| Employee Training Coverage Rate | % | 68 |
| Number of Training Sessions | Session | 508 |
| Total Number of Employees Trained | Person | 952 |
| Total Number of Training Participants | Participant | 4,149 |
| Total Training Hours | Hour | 11,665.71 |
| Average Annual Training Hours Per Employee | Hours/Person | 8.38 |

Employee Training Programs

New Employee Training

During the Reporting Period, the Company organized 8 sessions of the "Rising Star Program" new employee onboarding training, with a total of 155 participants. Instructors from different business groups were invited to deliver courses including *Introduction to XGD*, *Corporate Culture of XGD* and *Integrity at XGD*, to help new employees quickly integrate into the team and smoothly launch their work.



▲ New employee orientation training

Leadership Training

During the Reporting Period, to continuously improve the comprehensive capabilities and leadership competencies of the Company's management team, the Company organized the Management Advancement Series Training and Manager Competency Upgrading Series Training. External instructors were invited to deliver courses including *Three Core Tools for Efficient Management*, *Employment Risk Training* and *The Exceptional Interviewer*, with a total of 209 participants.



▲ *Three Core Tools for Efficient Management* Course

▲ *Employment Risk Training* Course

▲ *Exceptional Interviewer* Course

Professional Skills Training

During the Reporting Period, the Company organized a series of professional skills training including AI Series Training, Operation and Maintenance (O&M) Series Training, Operation Series Training, and Introduction to EMV, with a total of 322 participants. The training has effectively enhanced the team's comprehensive skill reserves and practical capabilities, and provided strong support for the innovative development of the Company's business.



▲ *AI Application and Scenario Implementation* Training

▲ *Introduction to EMV* Training

▲ *Mandatory Course on Information Security Awareness* Training

▲ *Operational Practice Sharing for Acquiring Outsourcing Service Providers* Training

Incentives for Qualification Certification

The Company implements a learning bonus and learning points benefit system. Employees can obtain points through various means including on-the-job training, part-time teaching, mentoring, and self-directed learning. The Company establishes and manages personal learning points files for each employee. The Human Resources Center compiles statistics on all employees' learning points at the end of each year, and grants rewards in accordance with the relevant reward measures. Eligible employees who have completed on-the-job education and obtained corresponding academic degree certificates and professional qualification certificates through examinations may apply for the learning incentive fund after verification and approval by the Human Resources Center.

Employee Development Pathways Class of Position System

The Company has formulated the *Career Development Management System*, adheres to the principles of "strategic orientation, openness, fairness, upward and downward mobility, and step-by-step promotion", established a career development system that matches the Company's development, and smoothed the development pathways for all types of talents. The Company implements classified and graded management of existing employees, divides job positions into different sequences, sets distinct class of positions within each sequence, and carries out hierarchical management. The Company has opened up multi-track career development paths for management personnel (M Track), technical personnel (T Track), professional personnel (P Track) and support personnel (S Track), to meet the personalized growth needs of employees with different positions, interests and capabilities, and provide broad growth opportunities for employees.

| Management Personnel (M Track) | Technical Personnel (T Track) | Professional Personnel (P Track) | Support Personnel (S Track) |
|--------------------------------|-------------------------------|----------------------------------|-----------------------------|
| M9 | | | |
| M8 | | | |
| M7 | T8 | P8 | |
| M6 | T7 | P7 | |
| M5 | T6 | P6 | |
| M4 | T5 | P5 | |
| M3 | T4.3 | P4.3 | |
| | T4.2 | P4.2 | |
| | T4.1 | P4.1 | |
| | T3.3 | P3.3 | |
| | T3.2 | P3.2 | S5 |
| | T3.1 | P3.1 | |
| | T2.2 | P2.2 | |
| | T2.1 | P2.1 | S4 |
| | T1 | P1 | S3 |
| | | | S2 |
| | | | S1 |

↑ Vertical Promotion
 ↔ Horizontal Cross-Track Development
 ↕ Cadre promotion and demotion

Internal Job Posting

The Company has formulated the *Management Measures for Internal Job Posting*, to encourage employees' self-improvement and development, promote healthy internal competition and talent mobility within the Company, and support the sustainable and sound development of all the Company's businesses. Each competitive appointment activity is announced through public notice. All regular employees of the Company are eligible for the competition, and may voluntarily apply for positions that match their qualifications. Each employee may apply for a maximum of two positions, and is entitled to one participation opportunity within a two-year period. The competition process focuses on competency assessment, comprehensive performance evaluation, as well as interview and defense performance, to ensure the selection of the most suitable candidate for the position. Upon successful appointment, the employee shall retain the original remuneration and class of position in the new position, and the class of position and remuneration can be re-determined only after the six-month assessment period. If the employee fails in the competition, they may return to their original position, and the original department shall not refuse such return under any pretext.

Social Contribution

Social Public Welfare

The Company actively fulfills its social responsibilities, focuses on the field of financial security, and continuously carries out a series of public welfare publicity and education activities including anti-fraud and anti-money laundering through diverse forms such as entering business districts, campuses and communities. It effectively enhances the public's awareness of risk prevention, and contributes to building a solid financial security barrier.

Case "National Anti-Fraud, We Walk Together" Themed Publicity Campaign

On August 7, 2025, the Company organized the "National Anti-Fraud, We Walk Together" themed publicity campaign, targeting the staff and merchants near the JL PAY Building. The campaign popularized the common types, modus operandi and prevention techniques of telecom and network fraud, to enhance public anti-fraud awareness and improve the overall ability to guard against telecom and network fraud.



▲ National Anti-Fraud Publicity Campaign

Case 2025 "Anti-Fraud and Anti-Gambling Campus Tour" Campaign

On October 23, 2025, the Company organized the regular publicity campaign of the 2025 "Anti-Fraud and Anti-Gambling Campus Tour". The publicity and education activities were carried out in key sections around primary and secondary schools through on-site lectures, interactive Q&A, and material distribution. The campaign directly covered approximately 400 person-times of teachers and students in total, and distributed more than 100 promotional leaflets. It effectively popularized anti-fraud and anti-gambling knowledge, and practically improved students' ability of risk prevention, fraud identification and fraud prevention.



▲ Anti-Fraud and Anti-Gambling Publicity Campaign

Case

Anti-Money Laundering Publicity and Education Campaign of the "Finance for the People" Warm-hearted Project

On April 15, 2025, JL PAY, together with member units of China Everbright Bank Shenzhen Branch and the Counter-Terrorism Office, launched the anti-money laundering publicity and education campaign under the "Finance for the People" Warm-hearted Project at UpperHills, Futian District, Shenzhen. The campaign actively responds to the national call, enhances the public's anti-money laundering awareness, and jointly builds a solid financial security barrier.



▲ Anti-Money Laundering Publicity and Education Campaign

Social Services

JL PAY has continuously optimized the foreign card acceptance environment, improved the convenience of payment services, significantly enhanced the payment experience of overseas individuals, and helped payment services empower the rapid development of the real economy. In 2025, JL PAY made remarkable progress in improving the convenience of payment services. Throughout the year, it added nearly 30,000 new merchants supporting foreign card acceptance, driving the total number of foreign card-supporting merchants nationwide to nearly 200,000, with a significantly expanded coverage of the acceptance network. In addition, JL PAY has actively launched themed publicity campaigns for foreign card payment, which has effectively improved overseas users' awareness of and confidence in the domestic payment environment.

Case

Comprehensive Payment Service Publicity

To further enhance the public's awareness of the "Optimizing Payment Services" policy and better meet the diverse payment service needs of groups including foreign nationals visiting Harbin, JL PAY, together with China UnionPay, launched a joint publicity campaign at Harbin Taiping International Airport. We set up a Comprehensive Payment Service Center, actively promoted and introduced a variety of convenient payment methods, removed bottlenecks in travel and payment services, and delivered barrier-free payment with more considerate services.



▲ Comprehensive Payment Service Publicity Campaign

Case

JL PAY Partners with WeChat Pay to Realize "Overseas Wallet Usage in Mainland China", Facilitating Convenient QR Code Payment Experience for Overseas Visitors to China

JL PAY and WeChat Pay have reached cooperation on the Unified Cross-border QR Code Gateway and completed the docking of relevant capabilities, becoming one of the first institutions in the industry to support this capability. The two parties jointly enable more overseas visitors to China to complete payments in mainland China through WeChat Pay, and optimize the payment experience for cross-border consumption. No additional registration or complicated setup is required for overseas users, who can scan the QR codes of JL PAY merchants for consumption in mainland China directly using their original wallet App. JL PAY's merchants can maintain their original cashier habits and acquiring process, and accept payments from various overseas wallets through a single QR code via WeChat Pay's capabilities, covering more inbound customer sources.

Index

| Table of Contents | | Global Reporting Initiative's Sustainability Reporting Standards (GRI Standards) | Guidelines for Sustainable Development Reports of Chinese Enterprises (CASS-ESG6.0) | Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange-Sustainability Report (For Trial Implementation) |
|--|--|--|---|--|
| Preface | About This Report | 2-2/2-3 | P1.1/P1.2 | Article 4 Article 6 |
| | Message from the Chairman | / | P2.1 | / |
| Overview of XGD INC. | About Us | 2-1 | P3.1/P3.2/P3.3 | / |
| | Performance Highlights in 2025 | 201-1 | A2 | / |
| ESG Management | ESG Goals and Vision | / | / | / |
| | ESG Governance | 2-14/2-17 | G1.1.1/G1.1.2/G1.1.3/G1.1.5/ G1.1.8/G1.2.4 | Article 12 |
| | Communication with Stakeholders | 2-16/2-29 | G1.3.2 | Article 9 Article 53 |
| | Materiality Issues Management | 3-1/3-2/3-3 | G1.1.9 | Article 5 |
| Compliant Governance, Consolidating the Foundation | Strengthening the Foundation of Party Building | / | / | / |
| | Standardizing Company Governance | 2-9/2-10/2-11/2-12/2-13/2-18/2-19/2-20/2-27 | / | Article 51 |
| | Protecting Investors' Rights and Interests | 2-16 | / | Article 53 |
| | Practicing Business Ethics | 2-26/205-2/205-3/206-1 | G2.1.1/G2.1.2/G2.1.3/G2.1.8/ G2.2.3 | Article 54/Article 55 Article 56 |

| | | | | |
|--|---|--|--|---|
| Green Development, Low-carbon Pioneering | Response to Climate Change | 201-2/305-2/305-4 | E1.1.1/E1.1.2/E1.1.3/E1.1.4/ E1.1.5/E1.1.6/E1.1.8/E1.1.16 /E1.1.19 | Article 11/Article 20/Article 21 Article 22/Article 23 Article 24/Article 26 Article 27/Article 28 |
| | Environmental Compliance Management | 306-2/306-3/306-5 | E2.1.1/E2.2.1/E2.2.5/E2.2.6/ E2.4.1/E2.4.2/E2.4.3/E2.4.4/ E3.3.4 | Article 29/Article 30 Article 31/Article 33 |
| Innovation-driven, Deep Value Creation | Resource Management | 301-1/302-1/302-3/302-4/ 303-3/303-5/306-2 | E3.1.1/E3.1.2/E3.1.3/E3.1.5/ E3.2.1/E3.2.2/E3.2.3/E3.2.4/ E3.3.1/E3.3.2 | Article 11/Article 34 Article 35/Article 36 Article 37 |
| | Ecosystem and Biodiversity Conservation | 102-2/101-8 | E2.3.2/E2.3.3 | Article 32 |
| Caring for Employees, Empowering Growth | Innovation Drive | / | S2.1.1/S2.1.2/S2.1.3/S2.1.4/S2.1.5/S2.1.6/S2.1.7/S2.1.10/S2.1.11/S2.1.12/S2.1.13 | Article 11 Article 41 Article 42 |
| | Supply Chain Management | 2-6/308-1/308-2/414-1/414-2 | S3.1.1/S3.1.2/S3.1.3/S3.1.4/ S3.2.1 | Article 45 Article 46 |
| | Product and Service Safety and Quality | 416-1 | S3.3.1/S3.3.2/S3.3.4/S3.3.5/ S3.3.6 | Article 11 Article 47 |
| | Data Security and Privacy Protection | 418-1 | S3.4.1/S3.4.2/S3.4.3/S3.4.4 | Article 11 Article 48 |
| Index | Occupational Health and Safety | 403-1/403-3/403-5/403-6/ 403-7/403-8/403-9/403-10 | S4.2.1/S4.2.2/S4.2.3/S4.2.4/ S4.2.5/S4.2.6 | Article 49 Article 50 |
| | Protecting Employees' Legitimate Rights and Interests | 2-7/201-3/401-1/401-2/404-3/405-1/406-1/408-1/409-1 | S4.1.1/S4.1.3/S4.1.4/S4.1.5/ S4.1.6/S4.1.8/S4.1.9/S4.1.10 /S4.1.11/S4.1.12 | Article 49 Article 50 |
| | Staff Training and Development | 404-1/404-2 | S4.3.1/S4.3.2/S4.3.3/S4.3.4/ S4.3.5/S4.3.6 | Article 49 Article 50 |
| | Social Contribution | / | S1.2.1 | Article 38 |
| Index | / | A3 | Article 57 | |
| Readers' Feedback | / | A6 | / | |

Readers' Feedback

We sincerely appreciate your patience in reading the *Shenzhen XGD INC. Environmental, Social, and Governance (ESG) Report 2025*. We highly value and eagerly await your valuable insights and suggestions regarding the Company's ESG initiatives and sustainability governance. Your feedback serves as a critical foundation for our continuous improvement in ESG practices and sustainability management, for which purpose we cordially hope you could complete the following questions and send back to us via the channels below. Thank you again for your steadfast support of our ESG efforts!

Tel.:0755-83481391

Fax:0755-26901850

E-mail:xgd-zqb@xgd.com

Address:11F, JL PAY Building, 20 S Keji I2th RD, High-tech Park, Yuehai Sub-district, Nanshan District, Shenzhen

For XGD, you are:

- Shareholder & Investor Government & Regulatory Agency Client Partner Employee
 Industry Association & Organization Community/Public/Media Others _____ (Please specify)

1.How do you rate this ESG Report?

- Excellent Good Average Below Average Poor

2.Do you think the information disclosed in this Report is accurate, clear, and complete?

- Excellent Good Average Below Average Poor

3.Do you think this Report is readable?

- Excellent Good Average Below Average Poor

4.Do you think if this Report can thoroughly reflect the Company's major impacts on the economy, society, and environment?

- Excellent Good Average Below Average Poor

5.How do you assess the logical structure and layout design of this Report?

- Excellent Good Average Below Average Poor

6.What ESG topics do you care most in this Report?

7.What other information would you like to seek from this Report?

8.What are your suggestions for our ESG reporting and management?

