

Summary of Democratic Communication Practices in 2024

Our group attaches great importance to democratic communication. In 2024, the mainland China subsidiaries of the group (hereinafter referred to as the "Company") carried out annual regular collective bargaining meetings and employee satisfaction and engagement surveys. Based on two-way communication channels, we continuously optimized management practices. The following is a summary of the achievements of democratic communication work in 2024.

1. Conduct of Collective Bargaining and Negotiation Work

(1) Meeting Organization

The Company holds regular collective bargaining and negotiation meetings every year. In 2024, the meeting was attended by 4 employee representatives and 4 enterprise representatives, who conducted in - depth negotiations around five major topics: **labor remuneration, working hours and leave, labor safety and hygiene, welfare and insurance, and employee learning and development.**

(2) Details of Negotiations on Each Topic

1. Labor Remuneration

The enterprise representatives introduced the annual salary adjustment plan: Oriented by strategic alignment and business results, following the principle of rewarding high - performance, taking into account the external competitiveness and internal fairness of salaries, and implementing a differential adjustment strategy in combination with departmental budgets and business development. The annual salary review is usually launched after the annual promotion is completed, and each department needs to complete the review of salaries and the approval and confirmation of salary adjustment results within one month.

The employee representatives suggested that business units should independently decide on the salary adjustment ratio and the effective time of the adjustment based on their own development and the use of the annual salary package budget.

Consensus reached through negotiation: The annual salary review is not a universal adjustment. Each unit can assess the scope and proportion of salary adjustment within the annual budget. The effective

time of salary adjustment should be unified at the company level and consistent with the effective time of employee annual promotion. At the same time, each unit can reserve some salary adjustment resources according to actual needs for salary adjustment applications due to special reasons during the year.

2. Working Hours and Leave

The enterprise representatives explained the unified working hours among every location.

The employee representatives proposed to upgrade the outdated attendance equipment to facial recognition equipment, open the attendance access of all access control devices, and send abnormal attendance reminders through the system.

Consensus reached through negotiation: The attendance equipment in the park will be uniformly replaced with facial recognition equipment; the attendance access of some access control devices will be retained; the attendance system will be optimized, and abnormal attendance reminders will be pushed via email and Corporate WeChat every Monday, the 1st and 3rd of each month.

3. Labor Safety and Hygiene

The enterprise representatives elaborated on the Company's work in labor safety (adhering to the principle of "safety first, prevention first" and implementing the responsibility system) and occupational health (establishing a management system and conducting full - cycle physical examinations).

The employee representatives reported that some old equipment lacked safety protection devices and had blurred warning signs, and there might be noise problems in some working environments. At the same time, the employee representatives put forward suggestions such as increasing the frequency of physical examinations and improving protective equipment.

Consensus reached through negotiation: A rectification plan will be developed, including inspecting old equipment, establishing a ledger and improving protective devices and warning signs to ensure that protective devices and warning signs are in place simultaneously before new equipment is put into use, and organizing special equipment safety activities. For positions exposed to noise, sound - absorbing cotton will be added and earplugs will be provided. Identify occupational hazard factors, establish a list, conduct regular inspections, and set up

information cards and warning signs.

4. Welfare and Insurance

The enterprise representatives introduced various non-salary benefits of the Company, such as commercial insurance and annual physical examinations.

The employee representatives proposed to solve the physical examination problem of expatriate employees and increase the level of business travel insurance.

Consensus reached through negotiation: expatriate employees can have physical examinations locally or claim reimbursement after return for self-arranged physical examinations. The Company will communicate with the physical examination institution to extend the validity period of the annual physical examination. As for the level of business travel insurance, since the existing accident insurance amount is at the industry average level and the disease - related death insurance has been doubled, the business travel insurance amount will not be increased for the time being, and it will be re - evaluated when renewing the insurance next time.

5. Employee Learning and Development

The enterprise representatives described the Company's leadership

training system, professional skills development training, and online and offline learning channels.

The employee representatives hoped to increase the number of leadership training courses and invite internal experts to share experiences.

Consensus reached through negotiation: The group will increase the frequency of course offerings and put the courses online. In addition, projects will be flexibly designed according to the needs of each department to meet personalized learning requirements.

(3) Implementation of Negotiation Results

The meeting reached a consensus on the above five major topics, formed a targeted adjustment and improvement plan, clarified the responsible persons and implementation time limits, promoted the orderly implementation of various negotiation contents, continuously optimized the labor management system, protected the rights and interests of employees, and contributed to the development of the enterprise.

2. Implementation of Satisfaction and Engagement Surveys

(1) Survey Organization Arrangements

The Company regularly organizes employee satisfaction and engagement surveys every year, aiming to understand employees' work experiences in aspects such as the working environment, salary and benefits, employee development, enterprise management, and team collaboration, and is committed to creating better working conditions for employees and enhancing team cohesion and employee happiness.

(2) Execution of the 2024 Survey

In 2024, the Company conducted the survey in an online anonymous form. The questionnaire used a five-level scale for scoring, with 5 points representing very satisfied/agree. Through data collection and analysis, the comprehensive average score reached 3.89 points, and more than 60% of employees showed a high degree of recognition of the Company, providing a strong basis for subsequent management optimization and improvement of employee well-being.

(3) Analysis and Application of Survey Results

The survey results show that the two dimensions with a relatively high degree of employee recognition focus on working conditions and

needs, and team collaboration, while salary and benefits, and the promotion mechanism are the two dimensions with a relatively low degree of recognition. Based on this, we developed action plans around salary and benefits and the promotion mechanism, and conducted long - term tracking of employees' subsequent work performance to dynamically understand the situation, so as to continuously optimize the Company's management and operation level, promote the iterative improvement of personnel management, system construction, and other aspects, and make the company's development rhythm resonate with employees' needs to achieve mutual benefits.

3. Arrangements for Next Year's Plan

After negotiation and confirmation between the enterprise side and the employee side, the Company's collective bargaining and negotiation meetings and satisfaction and engagement surveys for the next year will be carried out as normal in 2025. In the future, the Company will plan and prepare in advance, optimize the process and content to ensure the continuous and in - depth development of democratic communication work and lay a solid foundation for the coordinated development of the

enterprise and employees.

4. Summary and Outlook

In 2024, the Company used collective bargaining and negotiation meetings as a communication bridge, reached a consensus with employees on aspects such as labor remuneration and safety and hygiene, and promoted the implementation of improvement measures. At the same time, through satisfaction and engagement surveys, we gained an understanding of employees' needs and optimized management accordingly. In the future, the Company will deepen the democratic communication mechanism, enrich communication forms, expand communication content, enable employees to be more deeply involved in enterprise development, achieve a win - win situation for the enterprise and employees, and inject lasting impetus into sustainable development.