

Environmental, Social and Governance(ESG) Report 2022

LongShine Technology Co., Ltd.



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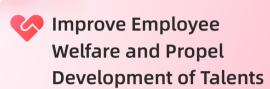
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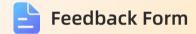


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This report is the second Environmental, Social and Governance (ESG) Report issued by LongShine Technology Group Co., Ltd. Based on the principles of objectivity, standardization, transparency and comprehensiveness, it discloses in detail the practice and achievements of LongShine Technology in practicing sustainable development.

Time Frame

The time frame of this report is from January 1, 2022 to December 31, 2022, with part of its contents trace back to previous years.

Organizational Scope

This report takes LongShine Technology Group Co., Ltd. as the principal part, and further includes its branches, subsidiaries and directly affiliated organizations.

Compilation References

This report is compiled and edited with extensive reference to the Shenzhen Stock Exchange Guidelines for Self-regulation of Listed Companies No. 2 - Standardized Operation of Listed Companies on the Growth Enterprise Market, the Guidelines for the Disclosure of Environmental, Social Responsibility and Corporate Governance Information of Listed Companies of Shenzhen Stock Exchange (Draft for Advice) and the Dow Jones Sustainability Indexes.

Abbreviation Description

For ease of expression and reading, LongShine Technology Group Co., Ltd. is also represented by "LongShine Technology", "Company" and "we" in this report.

Data Description

All information and data quoted in this report are quoted from the Company's official documents, statistical records and financial reports. The content of this report is provided by employees and partners of LongShine Technology. The sole purpose of this report is to disclose the progress of sustainable development management of LongShine Technology, not for commercial purposes.

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Message from the Chairman



In 2022, our business development, work, and life were inevitably affected in many ways due to the fluctuating macroenvironment, such as delayed bidding and delivery, and the majority of our colleagues and their families also suffered from illness. In these trying times, everyone at LongShine rose to the occasion, worked tirelessly, served our customers day and night, and left countless touching moments! The Company has made significant progress in project construction, market development, and new business exploration in the field of digital energy; in the field of energy internet, the Company has achieved rapid growth in areas such as aggregated electric vehicle charging, distributed photovoltaic platform, and green power trading. In 2023, we will step out of the shadow of the virus and embark on a new development phase through concerted efforts.

The 20th National Congress of the Communist Party of China called for promoting the deep integration of the real economy and the digital economy, as well as accelerating the growth of the digital economy. At the same time, it made the point that promoting green and low-carbon economic and social development is a crucial step toward achieving high-quality development. The energy industry is undergoing a magnificent revolution as a result of China's steadfast promotion of the "carbon peaking and carbon neutrality" strategy. The constantly deepening reform of the power system will unleash huge market vitality and innovation momentum. Integrating power and digital technology will significantly improve energy efficiency. A slew of new electricity load and energy consumption scenarios, such as electric vehicle charging, are constantly emerging, and virtual power plant development is brisk. All of these small but significant changes give us reason to believe that the powerful energy field will benefit from the process of innovation and prosperity that has occurred in information and communication technology and consumer internet over the last 20 years, giving birth to new and massive industrial systems and technological civilization.

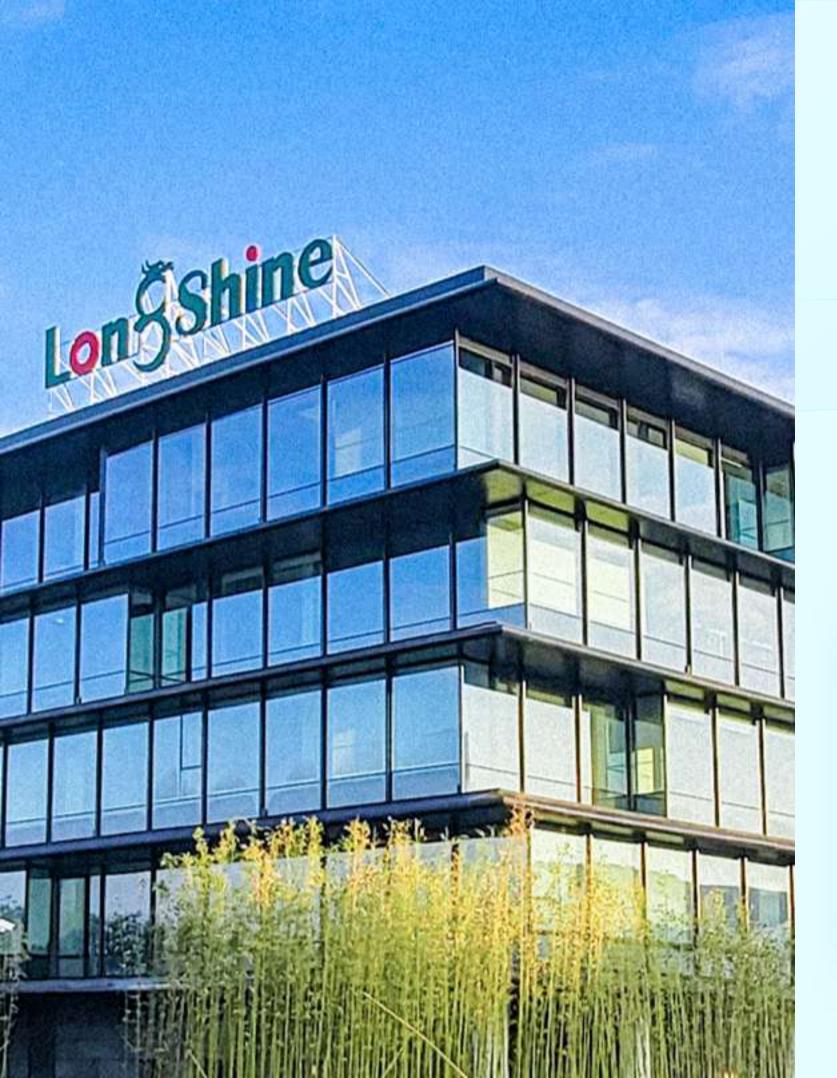
The first phase of the "CPU Space" in LongShine Technology Industrial Park was completed and put to use in 2022, and for

the first time, all LongShine employees had their own "home." The industrial park combines a technological sense with a humanistic touch, providing employees with a clean and orderly working environment while creating a warm, comfortable, and moderately stress-free environment. The industrial park integrates photovoltaics, energy storage, and charging, demonstrating LongShine's nature as an energy technology company and serving as a green and low-carbon park model in every way. It is a vivid representation of the Company's commercial and technological capabilities. We will continuously improve the park's overall green energy utilization efficiency. LongShine's green, low-carbon, and digital technology industrial park will greatly stimulate the creativity and continuous fighting spirit of all LongShine people and become the starting point of LongShine's new journey!

We firmly believe that an undertaking can flourish only with a surge of talent. LongShine's new journey will necessitate a large number of management cadres who share LongShine's vision, understand business, management, and technology, are willing to take on responsibilities, excel at innovation, and collaborate with LongShine to achieve its goals. Additionally, we require a team of professional and technical talents who are eager to join us and capable of fighting once they arrive and winning the battle through fighting. We see caring for employees as an important part of fulfilling our social responsibility, and we actively promote employee health care, improve employee training, promotion, and career growth systems to help employees maximize their happiness in the workplace, and strengthen the talent foundation for LongShine's long-term development.

We keep consolidating the foundation of the enterprise. While pursuing the improvement of business performance, we also enhance corporate governance in areas such as information security management, intellectual property protection, and business ethics, thereby effectively improving the level of corporate governance. We actively fulfill the enterprise's social responsibility and continuously explore the path of driving sustainable social development. In 2022, the Company established the Wuxi LongShine Public Welfare Foundation, donated RMB 11 million to the Xinwu District of Wuxi City, and donated 1,000 blood oxygen meters to some elderly care institutions in Wuxi City. LongShine was named "the Most Caring Charity Donation Enterprise" in the 6th Jiangsu Charity Awards; we assist the Beijing Daisy Public Welfare Foundation in assisting left-behind girls and poor groups in the western region, and we actively participate in the national rural revitalization strategy.

The sun rises and clears the sky, bringing a sense of brightness and freshness. LongShine Technology's business follows the pace of the times, national strategy, and industrial innovation trends. Digitization enables greener, more convenient, and more efficient energy consumption. This is not only a historic opportunity but also our lofty mission! We will rely on technological, product, and model innovations to propel the long-term development of LongShine and society through sound management, continuous development, and excellent service. We will create more value for employees, customers, shareholders, and society. We will create more small joys and beautiful moments for society in the energy revolution through our unwavering efforts.



01

About LongShine Technology

LongShine Technology has long been deeply committed to the field of electricity and energy consumption, and it is the industry's leading energy technology company. The Company is unwavering in its belief that digitization enables greener, more convenient, and more efficient energy consumption. By leveraging leading digital capabilities and rich scenario operation experience, we strongly support sustainable development, actively communicate with all stakeholders, and contribute to energy transition and carbon neutrality efforts.



LongShine Technology Co., Ltd. has been serving the field of power and energy consumption since its inception in 1996. The Company is concentrating on the growth driven by energy digitization and the energy Internet. On the one hand, it focuses on large energy customers and enhances digital energy services centered on applications; on the other hand, it focuses on user needs and expands scenario-driven energy services and energy operations centered on loads. LongShine Technology was successfully listed on the Shenzhen Stock Exchange in August 2017 under the stock code 300682 and was chosen for the Shenzhen Stock Exchange's Growth Enterprise Market Index, Shenzhen Component Index, Carbon Technology 30 Index, and FTSE Global Equity Index Series (GEIS).

LongShine Technology has its headquarters in Wuxi City, Jiangsu Province, and currently employs 5,716 people. Its operations span 31 provinces and regions of the nation, serving more than 12,000 institutional clients as well as more than 400 million Chinese households and car owners.

Performance Indicators in 2022



Operation revenue

RMR 4.552 million



Net income

RMR 514 million



Cash dividend

RMR 133 million



Total number of employees

5.716

Beijing LongShine Co., Ltd was founded.

Hangzhou LongShine Co., Ltd was established.

company in the US NASDAQ Stock Exchange, invested in LongShine Technology, and fully introduced the world's leading management system.

Amdocs, a listed

The headquarter of LongShine relocated to the IDG Capital invested Wuxi City, Jiangsu in LongShine Province. Technology.

LongShine built a domestic energy service scenario and introduced the strategic investor Ant Group.

LongShine deployed charging piles, distributed photovoltaic and other new energy services.

2015

LongShine was listed on Stock Exchange GEM sector.

LongShine completed the restructuring of Bang Dao Technology and YSTen Technology.

driving development strategies of "Energy Digitization + Energy Internet".

LongShine formulated two

The "CPU Space" in Wuxi LongShine Technology Industrial Park was completed and put into use.

11)

1996

2003

2005

2010

2012

2014

2017

2019

2021

2022

Calendar Year Honor

2022 Top 100 Competitive Enterprises in Software and Information Technology Service Sector

 Enlisted as one of the Top 150 Software Enterprises by The Ministry of Industry and Information Technology in 2022

 2022 AAA Credit Enterprise in Enterprise Credit Evaluation by China Software Industry Association

2022 "BJX Cup" Influential Enterprise in Carbon Peaking and Carbon Neutrality Practice

2022 Top 500 High-tech Chinese Enterprises on Charity

2022 Jiangsu Charity Award - Most Caring Charity Donation Enterprise

Development History of LongShine Technology

Corporate Culture



Mission statement

Digitization makes the digital world a better place, and enables greener, more convenient and more efficient energy consumption.



Value proposition

Rely on digital services and digital operation, create new values, share new values



Five principles of business operation

Insist on creating value through technology innovation
Adhere to central customer spirit
Adhere to lawful and legally compliant operation
Adhere to the mission of enabling employees to gain the sense of fulfillment
Adhere to the establishment of a sound corporate ecology

朗新 LongShine

LongShine, which originated from the phrase in the book Huainanzi: The sun rises and clears the sky, bringing a sense of brightness and freshness. Its meaning is to describe the fresh and clear weather of the universe's formation at the beginning of heaven and earth. LongShine Technology, inspired by the spirit of the dragon, constantly makes breakthroughs, boldly innovates, focuses on digitization, creates new value, and makes the digital world a better place.

Main Business

LongShine Technology is a leading energy technology enterprise that provides electricity and energy consumption services. It is dedicated to the energy industry and has established a complete solution system assisting customers such as State Grid, China Southern Power Grid, and CHN Energy in achieving digital upgrading. It focuses on the double development strategies of "energy digitization + energy Internet" with a B2B2C business model. It increased the capacity of its Mid-End (service and resource allocation platform), and its platform products contributed to the market-driven development of new power systems as well as the innovation and upgrading of energy industry services. On the other hand, by developing its own energy Internet platform, the Company collaborates with strategic partners to carry out energy demand-side services and operations and by aggregating demand-side resources such as distributed photovoltaics, electric vehicles, small and medium-sized businesses, and residential terminals, the Company creates a variety of new energy service scenarios for end users. We recognize the interaction between electric energy supply and demand, as well as the optimal allocation of resources, and we promote the development of terminal energy consumption electrification and electricity marketization.

Energy Digitization

LongShine Technology provides complete solutions for large enterprise customers in the electricity industry, such as State Grid and China Southern Power Grid. The Company serves over 270 million power end users in 22 provinces/autonomous regions/municipalities directly under the central government. The Company provides core system solutions to large gas enterprises such as China Resources Gas and China Gas in the gas industry. The Company actively expands its customer base in the energy industry and offers digital energy management products and solutions to both traditional and new energy power generation groups.

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By building its own energy internet platform and joining hands with strategic partners to carry out energy demand-side services and operations, LongShine Technology builds a variety of new energy service scenarios for end-users by aggregating demand-side resources such as distributed photovoltaic, electric vehicles, small and medium-sized industrial and commercial, and residential ends, realizing the interaction between supply and demand of electric energy and the optimal allocation of resources, and promoting the electrification of end-use energy consumption and the development of the electricity market.

On the energy supply side, the Company's "Xinyao PV Cloud Platform," powered by energy IoT technology, offers software products and SAAS services for distributed PV power plants via comprehensive monitoring, intelligent alarms, AI fault diagnosis, big data analysis, and refined operation and maintenance services to improve power plant generation efficiency while lowering costs and increasing efficiency. We have begun a pilot project to aggregate distributed PV in order to participate in green power trading in the electricity market.

Energy Internet

On the demand side of energy, the Company has created a living bill payment scenario, and through collaboration with Alipay and other portals, it has now provided over 400 million residential and commercial users with a closed-loop online service of "inquiry-payment-bill-invoice" for utilities such as water, electricity, and heat, covering 400+ cities nationwide and connecting 5,600+ utility providers of water, electricity, and heat. LongShine's third-party aggregated charging service platform "Xindiantu" aggregates vehicle/pile networks via interconnection technology and provides "faster and better" charging services for new energy vehicle owners via mature portals such as Alipay, Gaode, WeChat, and Baidu. The service is available to more than 550 new energy vehicle owners. The number of new energy-charging vehicle owners served exceeds 5.5 million, and the cumulative charging volume exceeds 2.6 billion kWh.

The Company's energy internet platform is conducting market-based electricity sales, demand response, and integration of light storage and charging based on the consolidation of a significant amount of distributed new energy and load resources, forming a typical energy operation model that will propel the Company's future energy internet business to develop at a rapid pace.

Smart TV

In order to better serve Home Smart TV users, the Company has forged partnerships with China Mobile's operators, Future TV, the holder of the Smart TV license, and regional radio and television stations. As a provider of technical services, the Company guarantees standardized business practices, effective operation, and positive user experiences. It is accountable for building the Smart TV platform, system maintenance, operation support, big data analysis, business promotion, after-sales, and customer service to ensure the viewing experience of smart TV family users and presents rich, smart TV content to home users in a smooth, stable, and high-quality manner.

Sustainable Development Management

Based on our mission that digitization improves the digital world and enables greener, more practical, and more energy-efficient energy consumption, we actively provide economic, social, and environmental values for customers, employees, investors, partners, and other stakeholders through our efforts to achieve sustainable development. For the purposes of developing a strategic plan for sustainable development, supervising and guiding the formulation and implementation of ESG objectives, and coordinating the management of ESG matters, the Company relies on a sustainable development management system that is overseen by the Board of Directors, guided by the ESG Working Group, and implemented by pertinent functional departments. By establishing a sustainable development management system, the Company performs better in terms of the environment, society, and corporate governance. It also raises the management level.

Board of Directors ESG working group **Environmental affairs group** Social affairs group **Goverance** group Procurement service department Human resources department Securities department Administration department Public welfare service department Legal affairs department Operation and management department Public relations and marketing department Accounting and internal control department Corporate development department Quality management department

Safety management and product department

Longshine Technology's ESG Governance Structure

Stakeholders Communication

LongShine Technology pays great attention to the demands of stakeholders. We identify internal and external stakeholders and set up a productive communication system based on the characteristics of the Company, market dynamics, and requirements for sustainable development. Through shareholder meetings and performance presentations, participation in investment seminars, and receiving visiting investors from the Mainland and abroad, we actively communicate with stakeholders, listen to their suggestions, and promptly respond to them.

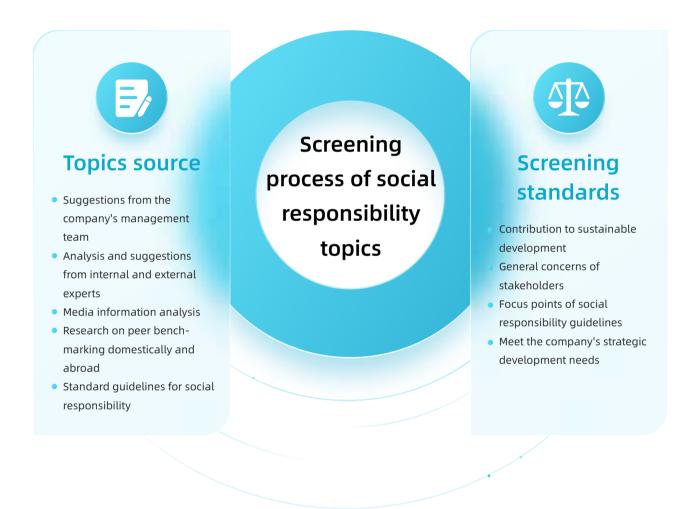
The Company provides direct communication channels for stakeholders worldwide in order to listen to their opinions. Any party interested in the Company's business and development may contact us directly at the company level at ir@longshine.com. (E-mail). We value the concerns and suggestions of all parties involved and will respond promptly and appropriately.

| Stakeholders | Issues of concerns | Response channel | Communication effectiveness |
|--|--|--|--|
| Government and supervising institutions | Lawful operation Pay taxes according to law Increase employment opportunities Promote sustainable and healthy economic development | Daily report and communication Special research and on- site meeting Forum and exchange project | Strategic cooperation with local governments Create a good external environment for corporate development |
| hareholders nd investors | Satisfactory return on investment Good market value | Annual report and announcement Road show Investor conference Shareholders meeting | Establish good relationship with investors Improve investor trust Obtain support from shareholders and investors in major decisions |
| Customers | Stable product supply High quality and safe products Considerate and convenient service Smooth communication channels | Customer Symposium Telephone service hot- line Customer satisfaction survey | Continuously improve the business according to customer feedback Customers' demands are effectively and timely solved The level of customer service has been continuously improved |
| Business partner | Fair procurement Honesty and mutual benefit Long term stable cooperation | Supplier conference Strategic cooperation | Strengthen supplier management and improve supply chain efficiency Drive the common development with partners |
| Staff | Complete protection of rights and interests Career development platform Work life balance Occupational health | Staff congress Complaint mailbox | Communication and interaction between employees Clear career development path Create a harmonious working environment Build a healthy and safe working environment |
| ommunities and NGOs | Community development Build a harmonious community | Community publicity Participation in public welfare activities | Establish good community relations Create a good external environment for corporate development |
| Media | Financial performance Corporate governance Information disclosure | Annual report and announcement Press conference Press releases and publications Media interview | Establish good relationship with the media Maintain the company's image and obtain public recognition |
| invironment | Practice energy conservation and emission reduction Practice green operation Develop environmentally friendly products | Annual report and announcement Public survey of project and environmental impact Environmental protection organization communication | Practice energy conservation and emission reduction plan Launch environmental protection products |
| | | | |

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Determination of Material Issues

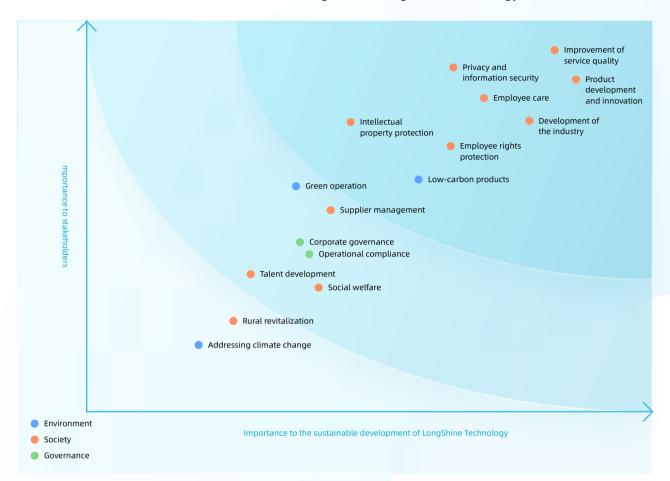
With reference to the social responsibility requirements in The Guidelines for The Standardized Operation of Listed Companies on the Shenzhen Stock Exchange, we identified and screened the sustainable development issues related to LongShine Technology through the suggestions of the Company's management, peer-to-peer benchmarking research at home and abroad, media information analysis and on-site research, so as to understand the degree of concern of stakeholders and identify material issues.



We have prioritized the sustainable development issues of LongShine Technology for this year by taking into account the focus of ESG rating indicators in the capital market, the development trends of the software service industry, the business development priorities of LongShine Technology, and communication with internal and external stakeholders. The disclosure degree and the boundary of the topic are finally determined. Based on these, the analysis matrix of the significant issues on sustainable development of LongShine Technology is drawn.

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Matrix of material issues concerning ESG of LongShine Technology in 2022



| Highly important issues | Moderately important issues | Low-importance issues |
|------------------------------------|-----------------------------|---------------------------|
| Product development and innovation | Green operation | Rural revitalization |
| Improvement of service quality | Supplier management | Addressing climate change |
| Development of the industry | Corporate governance | |
| Privacy and information security | Operational compliance | |
| Employee care | Social welfare | |
| Employee rights protection | Talent developmen | |
| Intellectual property protection | | |
| Low-carbon products | | |

100% 90% 80% 701 60% 100% 501 46% 30% 20% 10"

02

Empower Energy Transition for A Beautiful Low-Carbon Future

China is firmly promoting the "dual carbon" strategy, and a dramatic revolution in the energy sector is underway! LongShine Technology, as a leading technology enterprise in the energy industry, pursues the development strategy of "Energy Digitization and Energy Internet" and adheres to current trends, national strategies, and industrial innovation. We propel the sustainable development of enterprises and society by relying on technological, product, and model innovation, and we make energy consumption greener, more convenient, and more efficient through consistent operation, sustainable development, and excellent service.

Empower Energy Transition Through Digital Technology

The Company has been serving the energy field for 25 years. In the power industry, it provides complete solutions for large enterprise customers including State Grid and China Southern Power Grid. The customers cover 22 provinces/autonomous regions/municipalities directly under the central government. We serve more than 270 million power end users, provide digital energy management products and solutions for traditional power generation groups and new energy generation groups, and help to build a new national power system. We also actively develop overseas power service market. Our power marketing software has expanded to Southeast Asia, Central Asia, Africa and other regions, and we continuously enhance



Coverage **22** provinces

Power terminal users exceeded **270**million

The IoT platform is connected with the over 100 million terminal acquisition devices in the power grids

- Marketing core business
- Energy data servic
- Construction of new electricity system
- Electricity market reform support
- Energy service operation

Offer Convenient Low-Carbon Life Service

Household Payment







With the product mission of "let everyone enjoy convenient services" and "let every family practice energy conservation", Bang Dao Technology has developed an online payment platform, provided a number of convenient payment services, and realized the online utility bill payment service, including utility fees for water, electricity, gas, and property service.





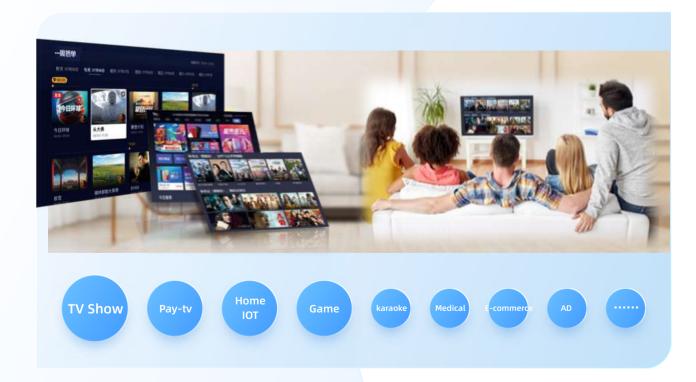




Smart TV



LongShine Technology focuses on the research and development of core technologies such as OTT-TV and IPTV-based "new TV" services, cross-screen services, intelligent terminals and artificial intelligence, as well as the promotion of products and services. The Company serves Smart TV users in collaboration with operators, licensees and local radio and television stations. As a technical service provider, LongShine Technology guarantees standardized business, efficient operation and good user experience, and is responsible for Smart TV platform construction, system maintenance, operation support, big data analysis, business promotion, after-sales service and customer service to ensure the normal viewing of home users, and present rich Smart TV content to home users smoothly, stably and with high quality.



Offer Low-Carbon Energy Services

By building its own energy internet platform, the Company offers energy demand-side services and operations. By aggregating demand-side resources such as distributed photovoltaic energy, electric vehicles, small and medium-sized industries and businesses, it builds a variety of new scenarios of energy services for end-users, realizes the interaction between supply and demand of electric energy and optimal allocation of resources, promotes the consumption of green new energy and provides low-carbon energy services.

Aggregated Charging







The Xindiantu aggregated charging platform integrates upstream and downstream industry resources through digital technology, breaks down the information barriers between different charging piles and builds an interconnected charging network with extensive nationwide coverage. It provides car owners with more, faster, better and more economical charging experience and continues to improve user activity and charging pile operation efficiency.







Distributed Photovoltaic Cloud Platform



The Company's Xinyao PV Cloud Platform is supported by Energy Internet of Things technologies to escort more efficient power generation of many distributed photovoltaic power stations. Through comprehensive monitoring, intelligent alarm, AI deficit diagnosis, big data analysis, refined operation and maintenance, and other core capabilities, the platform improves the power generation efficiency of the power station by digital and intelligent means. It further reaches the low-cost operation and management goal of "unattended operation and few people on duty", and eventually maximizes the outcome of the photovoltaic power station. We have also started to pilot the aggregation of distributed PV in green power trading in the electricity market to increase the revenue of PV plants and promote the consumption of new energy.



25)

Low-Carbon Park Operation

The foundation for achieving carbon reduction is energy monitoring. LongShine Technology's energy and carbon operation management platform, based on mature information collection technology, can collect and statistically analyze energy sources such as water, electricity, and gas in the park. This contributes to the goals of digital energy collection, dynamic energy monitoring, energy consumption visualization, and energy management refinement. The platform allows for accurate conversion of carbon emissions based on water, electricity, gas, and other types of energy consumption, as well as real-time monitoring of energy activities and carbon emissions. With a clear understanding of the energy situation, LongShine improves energy operation and scheduling, optimizes the energy supply structure using micro-grids, integrated energy management, and PV storage and charging, providing clean, green, and dependable electricity for production and habitation in the park while actively participating in peak and frequency regulation of the power grid and helping to reduce peaks and fill valleys.



Clarifying the carbon footprint and calculating the carbon data is a key step for industrial parks to reduce energy consumption and achieve the "dual carbon" target. The carbon emission management module of our carbon operation and management platform is capable of monitoring, accounting and verifying the carbon emissions of the park, and formulating carbon emission reduction and carbon neutrality recommendations. Based on the energy data collected from the park, and relevant statistical data and standards, it can build an energy and carbon calculation model, realize panoramic monitoring and management of carbon emissions, and comprehensively present the operation and management indicators with carbon data as the core, thus providing intelligent research and exclusive solutions for the park's carbon emission reduction.





Strengthen Compliance Management and Escort Sustainable Development

LongShine Technology has continuously improved its corporate governance system, management system, and risk control mechanism, as well as increased its management level in compliance management, product quality, information security, responsibility supply, and other areas, laying the groundwork for steady, efficient, and sustainable growth.



Ensure Compliance

LongShine Technology strictly abides by the requirements of the Company Law of The People's Republic of China, the Securities Law of The People's Republic of China, the Listing Rules of Shenzhen Stock Exchange, the Shenzhen Stock Exchange Guidelines for Self-regulation of Listed Companies No. 2 - Standardized Operation of Listed Companies on the Growth Enterprise Market, and other relevant laws, regulations and normative documents. The Company continuously improves its corporate governance mechanism, updates the management system, optimizes the management and control mechanism, and ensures the legal and compliant operation.

Corporate Governance

LongShine Technology has established a legal and operational structure in accordance with the requirements of laws, regulations, and normative guidelines issued by the China Securities Regulatory Commission and the Shenzhen Stock Exchange. We constantly improve the composition of the shareholders' meeting, the Board of Directors, the Board of Supervisors, and senior management while also reasonably safeguarding investors' rights and interests and taking into account the Company's business prospects and shareholders' investment income and we strive to increase the proportion of women on the Board of Directors, the Board of Supervisors, and senior management.



Shareholders Meeting Shareholders' meeting represents the highest decision-making authority of the Company. In accordance with the requirements of the Company Law, the Securities Law and other legal regulations, as well as the Articles of Association and the Rules of Procedure of Shareholders' Meeting, the Company standardized the convening procedures for shareholder meetings, recruited lawyers to provide legal advice on the legitimacy of shareholder meetings. All shareholders are treated equally, to ensure that all shareholders, especially small and medium-sized shareholders, have equal status and hold legitimate rights and interests. In 2022, the Company held three shareholder meetings.

Board of Directors

As the decision-making body of the Company's daily management, the Board of Directors operates in strict accordance with the Company Law, the Securities Law, the Shenzhen Stock Exchange Guidelines for Self-regulation of Listed Companies No. 2 - Standardized Operation of Listed Companies on the Growth Enterprise Market, and the Articles of Association, the Rules of Procedure of the Board of Directors and other rules and regulations. It diligently carries out its responsibilities for the Company's development and shareholders' rights and interests, puts the resolutions approved at the shareholders' meeting into action, and organizes the Company's daily operations to ensure its steady, effective, and long-term growth. The Strategy Committee, Remuneration and Appraisal Committee, Nomination Committee, and Audit Committee are all the Board of Directors subcommittees. Each committee works on the advancement of the Company in accordance with its specific mandates and offers advice and recommendations to the Board of Directors for its deliberations. The Company held 19 annual meetings of the board of directors in 2022.

The Board of Directors of the Company is made up of eight members, including two female directors and three independent directors, to ensure fairness and professional ability in carrying out duties. The Board of Directors members have extensive backgrounds in their respective fields, professional financial auditing expertise, or extensive enterprise management experience.

A Strategy Committee, an Audit Committee, a Nomination Committee, and a Remuneration and Appraisal Committee comprise the Board of Directors. The committee positions held by each board member are as follows:

| Board Membe | Gender | Independent Director or not | Strategy Committee | Audit Committee | Nomination Committee | Remuneration and Appraisal Committee |
|----------------|--------|--------------------------------|-----------------------|--------------------|-------------------------|---|
| Xu Changjun | Male | No | ~ | | | |
| Zhang Mingping | Male | No | | | ~ | |
| Zheng Xinbiao | Male | No | | ~ | | |
| Peng Zhiping | Male | No | | | | ~ |
| Ni Xingjun | Male | No | ~ | | | |
| Lin Le | Female | Yes | ~ | ~ | ~ | |
| Lin Zhong | Male | Yes | | ~ | | ~ |
| Yao Lijie | Female | Yes | | | ~ | ✓ |

Board of Supervisors

As the Company's decision-making supervisory body, the Board of Supervisors operates in strict accordance with the Company Law, the Securities Law, the Shenzhen Stock Exchange Guidelines for Self-regulation of Listed Companies No. 2 - Standardized Operation of Listed Companies on the Growth Enterprise Market, and the Articles of Association, the Rules of Procedure of the Board of Directors and other rules and regulations. It independently and impartially supervises the Company's operation and fully safeguards the legitimate rights and interests of the Company and shareholders. In order to ensure the independence and impartiality of performance of duties, the Company's Board of Supervisors consists of three supervisors (two are female), including one employee representative supervisor. In 2022, the Board of Supervisors of the Company held nine meetings.

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Investors' Rights and Interests

LongShine Technology understands the value of healthy investor relations in the sustainable development of businesses. The Company has formulated a stable and sustained cash dividend policy, realized equal and healthy investor relationship management, and shared the Company's development achievements with investors by creating an open, transparent, efficient, and comprehensive investor communication channel.



Investor Communication

LongShine Technology values communication and interaction with investors, actively builds communication bridges with them and improves communication methods with investors and potential investors. The Company holds regular performance exchange meetings and roadshows to share its governance and operations with the market and investors and collect and listen to feedback and suggestions from all stakeholders. To ensure smooth communication with small and medium investors, we established a variety of investor communication channels, including e-mail, a telephone hotline, and an official website column. In order for the market and investors to stay informed about the Company's business development performance in a wider context, the Company held an annual report performance exchange meeting online in 2022 as soon as the results were announced. It also formed and announced a record form of investor relations activities.



Shareholders' Return

LongShine Technology respects the views of its shareholders and looks out for their interests. The Company carefully considers the feedback and suggestions of minority shareholders when drafting the shareholder return plan and the views of shareholders, independent directors, and supervisors. In terms of institutional profit distribution policy, we consider the interests of all shareholders as a whole and prioritize cash dividends based on the long-term development requirements in order to maintain a balance between the Company's growth and shareholder income. The Company has distributed five consecutive cash dividends totaling RMB 371 million since its listing in 2017.

Internal Controls

In accordance with the Company Law of the People's Republic of China, the Securities Law of the people's Republic of China, the Basic Regulations of Enterprise's Internal Control, Work Rules for Compliance Supervision and other relevant rules, laws, and regulations, and in combination with the actual circumstances and management needs of the Company, LongShine Technology has developed a suitable internal control system and improved the internal control policy, in order to standardize business behavior, control business risks and ensure the stable operation of the Company.

The Company has been continuously committed to optimizing the internal control management system. We set up the Audit Department as a special internal audit institution, which is responsible to the Audit Committee of the Board of Directors, and formulated the Internal Audit Management System. The Audit Department carries out audit work according to the work plan, covering subsidiary management, financial management, project management, completion of target responsibilities, employee compensation and other aspects, and audits and makes a fair evaluation on matters such as foreign investment, disposal of major assets, related transactions and financial reports, so as to avoid financial and legal risks and increase the corporate governance level and efficiency.

With the joint efforts of the Board of Directors, management and all employees of the Company, we established a relatively complete and continuously effective internal control system, and established necessary internal control measures from the company level to the business process level, providing reasonable protection for the legal compliance of the Company's operation and management, asset safety, financial reporting and the truthfulness and completeness of relevant information, and ensuring that there are no major defects in the company's overall internal control.



Business Ethics

LongShine Technology strictly complied with the Company Law of the People's Republic of China and other relevant laws and

regulations, and followed the requirements of the Code of Governance for Listed Companies, the Rules Governing the Listing

of Stocks on the Shenzhen Stock Exchange, the Guidelines for the Standardized Operation of Listed Companies on the

Shenzhen Stock Exchange and other series of guidelines to implement the construction of the Company's business ethics and

maintain the integrity and compliance of the Company's operations. In 2022, the Company established a Compliance Supervision Department to carry out integrity, compliance and anti-corruption work under the leadership of the Group

Management Committee. In 2022, the Company did not have any corruption-related litigation cases throughout the year.

The Company revised the Anti-Bribery System and formulated the Integrity and Compliance Management Regulations to

provide detailed guidance on procurement, conflict of interest, whistleblowing, anti-corruption, fair competition, information

confidentiality and other related work in the course of business management, and required employees in key positions to

sign the Letter of Commitment to Integrity to continuously promote the level of business ethics management of the Company.

In 2022, the Company conducted a total of eight "LongShine Technology FAMILY New Rules Promotion Sessions" for all

employees to promote and implement Integrity and Compliance Management Regulations and ensure that they understood

the relevant regulations.

The Company accepts letters, visits and telephone reports, and publishes the reporting telephone number and email

address, and exercises disciplinary functions in accordance with the Integrity and Compliance Management Regulations. In

the investigation process, employees strictly implement the confidentiality and challenge system, control the scope of

reporting information and clues, and strictly prohibit the disclosure of problem clues and their disposal. No one is allowed to access clues without approval. We strictly keep confidential the information on whistleblowers, and control the process of

verification to ensure the safety of whistleblowers and prevention from retaliation.

LongShine Technology Integrity and Compliance Reporting Center

Reporting hotline: 0510-66676900

Email: compliance@longshine.com

Address: LongShine Technology Industrial Park, No.118 Jinghui East Road, Xinwu District, Wuxi City, Jiangsu Province

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Upgrade Product Quality

LongShine Technology adheres to high standards and strict requirements for product quality and maintains quality from the product to the client by improving technical requirements, controlling quality standards, managing intellectual property rights, and optimizing customer service, in order to provide users with excellent products and quality services.

Research and Development Innovation

LongShine Technology has always considered leading technology application capability to be one of its core competitive advantages. The Company closely monitors market demand trends, develops innovative technology products, expands innovative business areas, and strives to maintain an industry-leading position in technology. In 2022, the Company continued to optimize the product R&D system, increased investment in product R&D, defined the market trend and customer demand for R&D innovation, and pointed out the direction for the Company's overall innovation business development by creating an integrated management system for R&D and innovation.

• Research and Development System

LongShine Technology has many years of practical experience in R&D management. In 2011, it introduced the industry-leading product development concept and management system, Integrated Product Development (IPD), and in 2014, it passed the information security service certification based on Security Development Lifecycle (SDL). In 2020, the Company completed the re-certification of CMMI L5 qualification (Capability Maturity Model Integration). Through continuous precipitation and iteration, the Company has improved the integrated product R&D management system and the corresponding project management process that integrates IPD+CMMI+SDL, making it more mature and stable.

In order to promote innovative R&D products to the market and support the Company's business development, in 2022, the Company established a qualification management system and a qualification pre-research system, and carried out a variety of qualification research such as reactive, main business line initiative and multi-business field initiative, covering fields including low-carbon energy conservation, power engineering, and information security.

Key qualifications that LongShine Technology has obtained in 2022

| Entity | Qualification Name |
|--------|--------------------|
| | |

LongShine Technology

Co., Ltd.

CMMI Certificate ML5

Information System Construction and Service Capability Level Certificate Excellent Grade (CS4)

Information Security Service Qualification
Certificate (Security Development Category)
Level 1

Certificate of Quality Management System
Certificate (ISO9001)

Certificate of Environmental Management System
Certificate (ISO14001)

Certificate of Occupational Health and Safety Management System Certificate (ISO45001)

Information Technology Service Managemen System Certificate (ISO20000)

Certificate of Information Security Managemer
System Certification (ISO27001)

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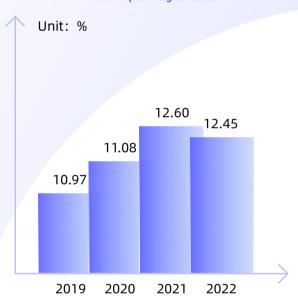
O Investment in Research and Development

The Company values the development of its R&D talent team and has a sufficient pool of high-quality R&D talent. We have 3,268 R&D employees, making up 57.17% of our workforce. LongShine has established a research institute and a technology R&D center in order to consolidate our basic research findings and keep up with the industry's forward-thinking research. The Company is continuing to invest in energy digitization and has a talent pool for cutting-edge technologies such as the Internet of Things, cloud computing, blockchain, and artificial intelligence. We currently have over 100 industry leaders with over 20 years of experience and over 600 senior experts with over 10 years of experience.

Total investment in research and development



Proportion of R&D expenses within operating revenue



Quality Management

LongShine Technology has continuously strengthened the Company's quality management norms. We formulated a series of management systems, such as Full Process Management Measures for Construction Projects, Management Measures for Key Construction Projects, Management Measures of Operational Project Delivery and Maintenance, and Management Measures for Consulting Projects. These systems clarified the standardization process of quality management and the quality control responsibilities of various departments and steadily improved the product quality level. In 2022, the Company revised the Full Process Management Measures of Construction Projects, and the new specification outlined the guiding requirements for unified project management and control through the use of integrated tools of research, development, and transportation, to improve the effectiveness of quality management.



The Company improves project management standards, monitors quality for projects throughout their life cycle, such as construction, delivery, operation and maintenance, consulting, operation, and management, and implements milestone management at stages such as project initiation, demand, design, development, testing, release, launch, and closing to ensure that various types of projects are effectively controlled at key nodes. In 2022, the Company implemented quality control on the integrated platform of research and operation. A total of 83 construction projects have been fully implemented, as well as operation and maintenance, consulting, and operating cash projects. Year on year, the delay rate decreased by 8.53%, the quality abnormality rate remained stable, and the abnormality rate was kept under control at around 3%.

LongShine Technology organized subsidiaries and business departments to carry out many quality training and project reflection activities to increase employees' awareness of quality and safety and further deepen quality and safety control. In 2022, the Company organized a quality improvement exchange and training activity for subsidiaries, ten training sessions on improvement methods and standards for provincial centers and business departments, and led business and technical departments in 18 project reflection activities.



O Product Quality Training

In September, the Quality Management Department held an online promotion training meeting on "Information System Security Platform" and "Chilong Intelligent Operation and Maintenance Platform". Through the application of IT technology and system platform tools, the efficiency of on-site edition distribution management, business system operation monitoring, archiving and so on was effectively improved, and the quality and automation level were increased. More than 80 employees participated in this training.



The Company strictly controls the safety and quality of products, requiring that both the baseline version and the online version of products pass an internal safety inspection and that all middle- and high-level loopholes are addressed according to the test report in order to minimize product risks and related losses caused by security loopholes. In 2022, 149,407 baseline security tests and major Internet application security loopholes were closed.

The Company focuses on fostering a product safety culture by conducting special training on product safety management on a regular basis, explaining classic product safety cases, spreading safety technical knowledge, and updating technical safety information through various publicity methods such as online live streaming and Dingtalk classes. In 2022, the Company provided special training on third-party product safety management to 337 employees through various methods such as centralized live streaming training and Dingtalk online learning.

Customer Service

LongShine Technology continues to prioritize customer needs. We will continue to provide quality services to customers while also developing and growing with them. In accordance with the requirements of the People's Republic of China's Law on the Protection of Consumer Rights and other laws and regulations, the Company has developed customer service-related systems such as the Customer Complaint Handling Management System and the Operation and Maintenance Service Handling Process, which cover early-stage consultation, scheme planning, actual construction, after-sales operation and maintenance, and so on, in order to build a professional service tea.

The Company values the after-sales operation and maintenance service experience of its customers. The Company uses hierarchical management for various service requests such as consulting, operation, data, and configuration to solve customers' operation and maintenance problems at various levels. We respond to problems quickly, actively communicate with them, and solve them efficiently. For the contentious fault events, the Company takes responsibility for coordination and follow-up, and after confirming the completion of the treatment process, the Company pays a satisfaction visit to customers.

The Company has established customer complaint acceptance channels and corresponding standardized handling procedures to ensure that customers' feedback can be received in a timely manner and customers' complaints can be handled appropriately. This is done in order to track customers' actual experiences. Additionally, after resolving customer complaints, the business will visit the customers again to get their feedback on the plan for handling complaints, present correction suggestions to the appropriate departments, and put improvement measures into action to prevent the recurrence of the same complaint problem.

LongShine Technology conducts customer satisfaction surveys on a regular basis in order to continuously improve the quality of customer service. The satisfaction survey covers many aspects of product design and offers valuable suggestions for improving product rationality, safety, and stability, resulting in a better customer service experience. In 2022, the Company's overall customer satisfaction score was 92.42.

Strengthen Information Security

LongShine Technologies considers information security management to be a critical component of its operations. To provide customers with a better information technology service experience, the Company continues to improve its network and information security management system, strengthen information security protection, and expand its technical services while protecting customer privacy. In 2022, the Company hired a professional lawyer in information security to sort out, review, and revise the information security-related business specifications, management systems, and user agreements involved in the Company's main business, as well as carry out network security level protection filing work for a number of businesses.

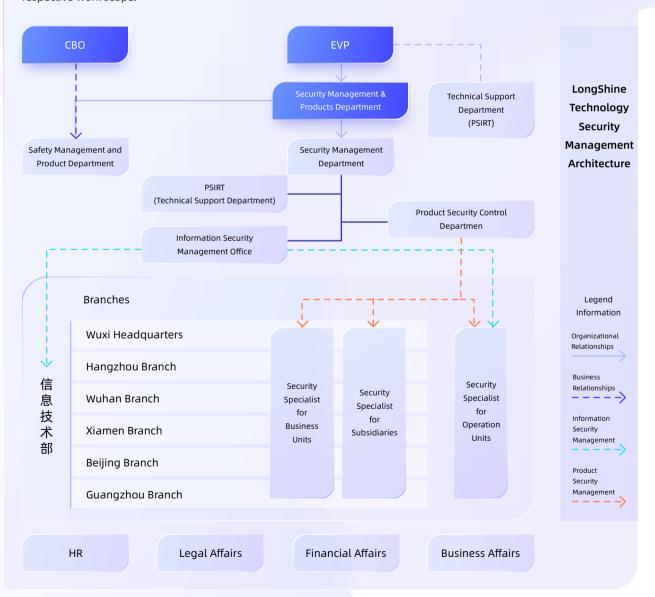


Network and Information Security Management

LongShine Technology abides by the Cybersecurity Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, the Data Security Law of China and other laws and regulations. We promote the construction of network and information security management systems, continuously optimizes compliance management mechanisms and strategies, and supports and empowers the Company's digital business development.

O Security Management Structure

The Company implements an information security responsibility management system with unified leadership and hierarchical management according to LongShine Security Governance and Organization Structure. The Company appoints the person in charge of special posts on network security and personal information protection, and sets up full-time security management employees in each subsidiary, business unit and operation unit. They are guided by the Security Management Department, and responsible for promoting the network security control within their respective work scope.



Data Security Management

The Company continues to establish a sound data security management system, promoting and implementing data security control at the levels of system, technology, audit and intelligence. We have formulated a series of standardized systems such as the Network and Information Security Management Measures, Data Security Management System, Data Classification Management Measures and Data Security Training System to clarify the security requirements and control measures for different levels of data at various stages in the life cycle of data. We strictly control data compliance risks, strengthen data compliance management in key areas such as nationally important data, corporate secret data, personal privacy data and intellectual property rights, and ensure the standardization of data management mechanisms in data collection, transmission, storage, processing, use, internal sharing, external opening and destruction to safeguard the legitimate rights and interests of the Company and its customers.

Personal Information Protection

LongShine Technology carries out personal information handling activities in strict accordance with the provisions of the Civil Code, the Personal Information Protection Law and other laws and regulations on the protection of personal information, and follows the principles of legality, propriety and necessity. The Company has established a regulatory system such as the Personal Information Protection Management System, the Personal Information Protection Impact Assessment System, the Personal Information Rights Response Mechanism, and the Employee Information Protection System to clarify the rules for handling personal information and ensure the rights of users in personal information handling activities (the right to know, the right to decide, the right to inquire, the right to copy, the right to delete, etc.). The Company keeps user information and private data collected in the course of business activities strictly confidential, and designates a person in charge of personal information protection. We strengthen compliance audits and risk assessments, and take necessary technical measures such as access control, encryption and desensitization, anti-leakage, backup and recovery, and abnormality monitoring to ensure the security of collected personal information.

Product and Service Security

In 2022, the Company formulated the Internet Business Service Management System, and improved the On-site Service Management Specifications, the First Released Version and On-line Release Specifications, the Project Management Security Specifications and other systems and specifications. We carried out the construction and operation management of information technology systems, strictly followed the requirements of the national network security level protection system, and fulfilled relevant security protection obligations. All subsidiaries, business units and operation units, in accordance with the Company's network security protection system and security requirements, implement the requirements for research and development environment, demand design, code protection, security testing, operation and maintenance services, data security and personnel management to ensure product and service security.

Emergency Response

In order to improve the disposal of risk events and better prevent and resolve risks, the Company has formulated the Security Incident Emergency Response Process to clarify the disposal process and breach reporting system after a security breach has occurred. Network security events are divided into major security events, serious security events, general security events and daily potential security events, and the reporting process, disposal process and summary and reflection process for network security events are stipulated. In addition, the Company provides comprehensive management of network information security through mechanisms such as security systems, security departments and personnel, daily security monitoring, emergency response mechanisms, personnel security training and security supervision and inspection.

Security Inspection Audit

In order to correctly judge the security risk status and assess the security management level, the Company carries out regular security supervision and inspection checks. Each year, the Company formulates an inspection and examination program, conducts inspection and audit of the security work of subsidiaries and business units in network security and data security, puts forward rectification requirements for existing problems and loopholes, formulates rectification plans, discloses those who fail to make rectification after the deadline, and forms an annual report on the security inspection work.

The Company regularly conducts security inspection audits, which involve different aspects of the safety management system, personnel management situation, end use safety, data safety and office environment. In 2022, LongShine Technology conducted security inspection audits across 15 departments, including network and provincial centers, branches and subsidiaries, basic business departments and support departments, etc. In 2022, the Company reduced the number of security hazards by 72% and security incidents by 60% year on year, with no occurrence of major security incidents.

Security Education and Training

The Company issues the education manual LongShine Security Red Line 15 Prohibitions to new hires and requires all serving employees to sign a security-related Non-Disclosure Agreement and Letter of Commitment to Security, and requires employees leaving important projects to sign a Statement of Dimission and promise to continue to keep client information secure and private.

The Company emphasizes network and information security promotion to employees, regularly updates security micro-publications and other learning materials, and enhances employees' security awareness by conducting security training and assessments. The Company conducts awareness training on topics related to information security for all departments twice a year or more. In addition, the Company places particular emphasis on employees' awareness of the information security laws. We organized thematic studies on the Data Security Law and the Personal Information Protection Law, and required new employees to pass a test on basic legal knowledge of information security before joining the Company. In 2022, the Company set up a series of security training programs on topics such as phishing emails, data privacy and the security management of third-party products, as well as a designated training program for fresh graduates.

O LongShine Technology Security Month in 2022

In June 2022, LongShine Technology launched a series of activities in the Security Month. During the month, the Company designed security posters, micro-publications and other security publicity materials, held security education activities such as knowledge contests and lucky draw, and organized phishing email drills, special inspections with weak passwords and other security hazards inspection. Security Month series activities encouraged employees to participate by setting rewards, and more than 800 employees participated in the activities, achieving the overall goal of systematically cultivating employees' awareness and ability of network security.



Security Management Effects

With the core objective of supporting and promoting business development, the security management system of LongShine Technology proactively aligns with national laws, regulations and regulatory requirements, and covers all business and key areas comprehensively, systematically, efficiently and continuously, thus providing a strong guarantee for the stable development and business expansion of the enterprise. The Company has also gained high recognition and trust from customers and partners (Ali, Huawei, etc.).

The Company has obtained the qualification of "Information Security Service Qualification - Software Security Development", "Information Security Service Qualification - Security Operation and Maintenance", "Information Security Service Qualification - Security Integration", etc. The Company has also gained the ISO27001 information security management system certification, Ali eco-partner data security risk security level certification, Huawei trusted supplier security certification, etc., so as to improve the overall information security management level.









Intellectual Property Right Protection

LongShine Technology has continuously improved its IP management system and adhered to the management policy of "technological innovation drives growth, and IP protection ensures development," as well as the IP management strategy of "defending as attacking" to promote the smooth transformation of innovation results into core competitiveness. The Intellectual Property Management System and Intellectual Property Reward System are the foundation for the Company's IP management system, including content from legal, financial, human resources, sales, R&D, IT, procurement, guality, and other departments. In 2022, the Company passed the annual "Intellectual Property Management System Certification" review and kept the qualification valid.

To upgrade its intellectual property structure and strengthen its intellectual property content, the Company encourages core technology research and development and regularly tracks and reviews patent applications. The Company has established an inventor incentive mechanism to stimulate employee motivation and creativity: incentives are given to employees based on the type and difficulty of patent applications. The Company conducts regular IP training activities in order to promote the output of IP achievements by creating a favorable environment, managing IP scientifically, and implementing adequate protection.

2022年知识产权情况

Number of

406 Set

Number of patents applied 264 Set

Number of major patents authorized patents

193 Set 1.033 Sat

Number of licensed copyrights

Number of trademarks

483 501

45

Improve Supply Chain Management

LongShine Technology is dedicated to creating a fair, transparent, efficient, and well-organized supply chain and continuously optimizes supplier management. The Company manages suppliers throughout their life cycles in accordance with the Supplier Management Procedures. The business has a platform for managing operations online. We improve the compliance of the procurement process, organize the procurement process more effectively, and deliver better goods and services to meet customer needs through full-time and electronic whole-process procurement management. LongShine Technology has 934 cooperative suppliers as of 2022, all of whom are registered vendors in the Chinese Mainland.

LongShine Technology is also working to improve the supplier access-evaluation-elimination management mechanism in order to build a stable and high-quality supplier base. The Company establishes the corresponding access conditions for various types of suppliers during the supplier entry stage and requires suppliers to complete the Supplier Survey Form and submit relevant qualification documents. Only after they have been audited can suppliers be added to the "Qualified Supplier Directory." In 2022, the Company included in the requirements of supplier qualification documents the notice of environmental and occupational health and safety of relevant parties. The Company has added the audit process of the business department and the financial department for suppliers who meet the entry conditions and strives to evaluate the qualifications of suppliers more comprehensively.

Every year, LongShine Technology conducts an on-site inspection and evaluation audit of outsourced suppliers, which includes product and service quality, price level, reputation status, personnel qualification, and customer satisfaction, among other things. The Company improves the openness and transparency of the procurement process through the reasonable and scientific evaluation and encourages suppliers to improve their service level and business ability.

To assist suppliers in improving and growing, the Company will provide targeted rectification suggestions based on specific conditions for suppliers with unsatisfactory evaluation results. If suppliers continue to provide unqualified products or violate laws and regulations, the Company will eliminate them in order to keep its supply chain running smoothly.

The Company has strict requirements and careful supervision of suppliers' business ethics, adhering to the principle of honesty and mutual trust. LongShine Technology and its suppliers support one another, collaborate to create a supply chain culture of honesty and integrity, and collaborate to create a bright, transparent, and responsible supply chain. In 2022, the Company revised the Honesty and Integrity Agreement, requiring both new and existing suppliers to sign the agreement at the same time. More than 90% of LongShine technology suppliers had signed the agreement as of December 31, 2022.



04

Improve Employee Welfare and Propel Development of Talents

LongShine Technology adheres to the people-oriented management concept and is dedicated to creating a fair, harmonious, and healthy workplace. We continuously protect employees' rights and interests, improve their benefits, and provide them with as many professional training and career development opportunities as possible to maximize their potential and grow.

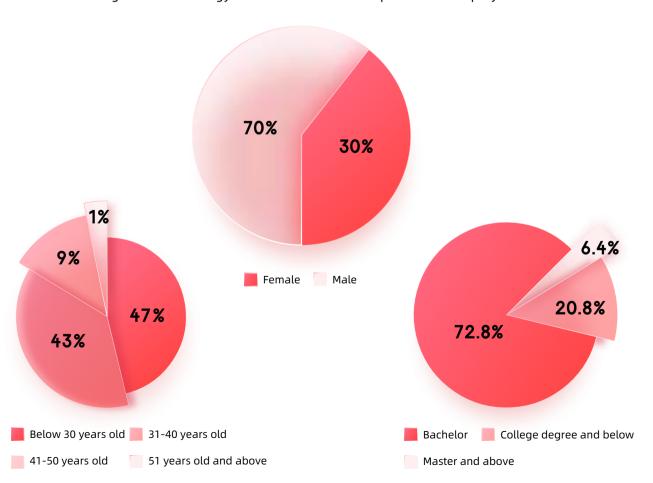
Enhance the Rights and Interests of Employees

LongShine Technology strictly complies with the laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and the Regulations on Work-related Injury Insurance, and has formulated internal regulations such as Recruitment Process, Dimission and Retirement Management System, Working Hours Management Regulations, and Remuneration Management System to protect the basic rights and interests of employees from the system.

Employee Recruitment

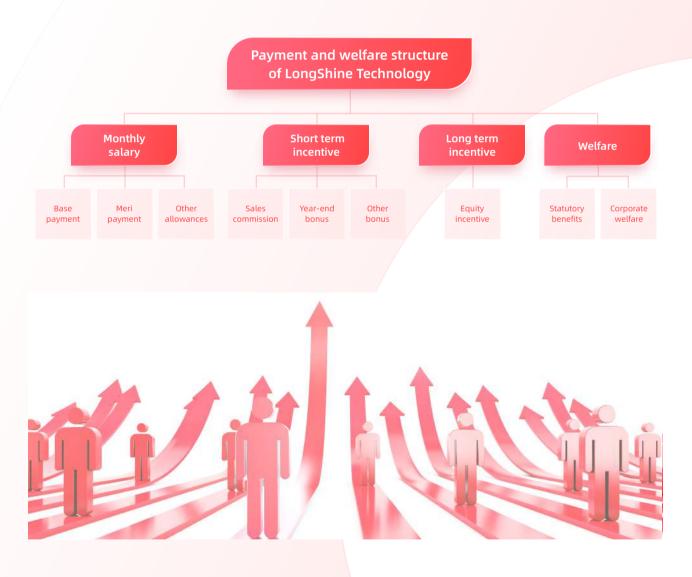
In the recruitment and hiring process, we always adhere to the principle of open and equal employment, strictly prohibit forced labour and child labour, provide equal employment opportunities for talents, never discriminate on the basis of gender, age, race, religious beliefs and physical condition, etc., and firmly eliminate child labour or forced labour.

LongShine Technology 2022 Number and Composition of Employees



Remuneration and Benefits

In accordance with the principle of "adapting to the market environment, reflecting the value of talents and playing the role of incentives", LongShine Technology has established a remuneration and incentive mechanism that is both fair internally and competitive in the market, and strives to achieve the goal of "aligning responsibility with interests, ability with value, risk with reward, and performance with income" in the remuneration distribution for employees. We give full play to the strategic role of remuneration to attract, retain and motivate talents. The Company pays five social insurance and one housing fund for employees in strict accordance with the standards of the place of operation, and purchases commercial insurance such as supplementary medical insurance for employees and assists employees in handling joint supplementary medical insurance for their family members. In addition to the stamentory holidays stipulated by the state, the Company also provides every employee with paid annual leave as welfare and 12 days of paid sick leave per year.



Support Career Development

LongShine Technology is committed to giving full play to every employee's value and growing together with the employees. We provide employees with clear paths for promotion and advancement so that they can better explore their potential, create value, and grow continuously for long-term development.

Talent Promotion

LongShine Technology provides dual career paths for professional and managerial employees, establishes internal promotion and rotation mechanisms, provides equal status, remuneration and development opportunities for professional and managerial employees, gives full play to employees' own strengths, and helps employees grow together with the Company while realizing their self-worth and career development. The Company regularly conducts annual merit evaluation activities, semi-annual and annual evaluation of employees according to their job responsibilities, adjusts remuneration incentives for employees according to performance assessment, and establishes a perfect promotion channel.

LongShine Technology Dual Career Development Paths

| Management Career Development Paths |
|--|
| General Manager M6 |
| Vice President/CXO M5 |
| Senior Director/Director M4 |
| Senior Manager M3 |
| Manager M2 |
| |

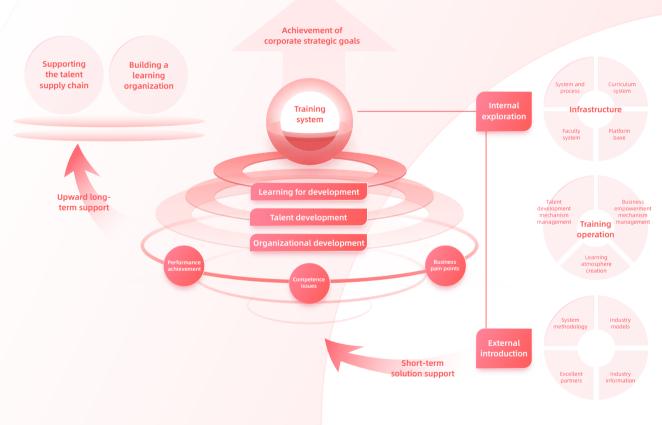
| | · |
|--|--|
| Name | Professional Career Development Paths |
| Scientist | P10 |
| Senior Researcher | P 9 |
| gh-level Researcher / Researcher | P8 Hi |
| Senior Expert | P7 |
| High-level Expert | P6 |
| Expert | P5 |
| Senior Engineer High-level Specialist | P4 /H |
| Engineer/Specialist | Р3 |
| Assistant | P2 |
| Junior Assistant | P1 |
| | |

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Employee Training

In order to enhance the leadership, professional and management skills of employees, LongShine Technology has been improving its employees training system, and systematically creating a learning and development ecology. We take advantage of technologies to upgrade LongShine's knowledge base, digitally manage qualification certificates, realize digital training and systematize the further training of talents. Key training programs are carried out for managers, technical talents and new talent at all levels, and value sharing activities are carried out for all employees from time to time. In 2022, on the M-learning online learning platform for all employees, 401.53 hours of courses and 470 new lessons were added to the LongShine's knowledge base, with training hours totaling 119,134.76 hours, or 20.25 hours per person.

Talent Development System of LongShine Technology



In 2022, we developed new training programs and launched the "LongShine Training Camp", the "Star General Program - Project Management Training" and the "Ladder Program - Technical Training" for all key talents. We have also attached importance to the cultivation of new personnel and the creation of technical learning atmosphere and updated our existing training programs, such as the "LongShine Value Sharing Session", "New Hires Training" and "New Star Program - Fresh Graduates Training", "Technical Experience Sharing Competition", etc., to continuously activate talent sharing and optimize the learning-type organization structure.

G) Report 2022

O New Star Program for Fresh Graduates

It focuses on improving the course syllabus, training paths and concepts, creating a "fun and educational training format", and providing a full range of training courses and activities for fresh graduates from three dimensions: managing relationships, managing self and managing business. The aim is to help fresh graduates to shift roles quickly and become competent for their jobs.



Management Training Series Star General Program

The Star General Program is a one-year systematic training program for project managers. It aims to enhance capabilities to provide better services to clients and to build a strategic talent pool. In 2022, there were eight classes in the first phase of the Star General Program, and more than 350 employees participated in the training.



O Ladder Program in the Technical Training Series

For the training plan of technical talents, we build an exclusive online platform for learning, mutual assistance and communication, and meet the needs of students with different skills by designing a "long-term & short, streamlined and fast" learning form. In 2022, the Ladder Program was launched, and more than 350 students participated in the training.

O Technical Practical Experience Sharing Contest

The contest for technical talents aims to create a sharing and display stage for technical talents with practical experience. This facilitates the learning of professional skills from each other and also accumulation of knowledge of high value for technical personnel. Over 76 contestants produced 49 works, and over 19,000 participants watched and commented on the works.

Improve Employee Welfare

LongShine Technology respects talents, pays attention to protecting employees' basic rights and interests, creates a good working atmosphere for employees, and provides colorful practical activities. We fully stimulate employees' enthusiasm and creativity through systematic training programs and incentive policies, and build a platform for employees to realize their values.

Employee Activities

LongShine Technology promotes a healthy lifestyle, communication among employees, and the team spirit of employees, enriches their daily life and helps them achieve a balance between work and life by holding diversified cultural and sports activities, such as holiday blessing activities, birthday parties and sports events.

O March 8 Women's Day

On March 8, 2022, in order to care for female employees, LongShine Technology's local offices presented small gifts (such as chocolates, flowers, skin care products, etc.) to female employees on the festival, and held flower arrangement and DIY activities.



O Badminton Competition

In order to enrich the life of employees, improve the physical quality of employees, cultivate the spirit of unity and cooperation, hard work and create a young, open interactive communication platform, the Company, adhering to the principle of friendship first, competition second, launched the LongShine Technology's first badminton competition themed flying shuttlecocks. In 2022, more than 200 employees signed up to participate in the competition.



O Anniversary of Employment

Every year, LongShine Technology sends good wishes to students on special employment anniversaries, thanking each other for their companionship and promising to still hold hands together for a better future. In 2022, a total of 810 employees participated in the anniversary celebration.





O 9.10 Mentor's Day

On September 10, 2022, LongShine Technology held an activity of extending gratitude to mentors with the theme of "thank you for taking me to learn and fly" on the traditional Teachers Day. On the day of the festival, we put flowers and greeting cards in office areas all over the country to encourage employees to express their gratitude and give commemorative gifts to mentors.



O 1024 Programmer's Day

On October 24, 2022, we took "making society better with digital technology, and becoming cool LongShine Technology employees" as the theme, focused on the fostering of technical atmosphere, and held LongShine Technology R&D Practical Experience Sharing Competition and 1024 Programmer's Livestream. Among them, the R&D Practical Experience Sharing Competition attracted more than 50 teams to participate.



O "Same Birth Month" Party

LongShine Technology regularly holds birthday parties for employees born in the same month, organizes employees to play games and eat cakes together, and strengthens employees' sense of belonging. This further promotes the fostering of good corporate culture, and makes every employee truly feel the warmth of LongShine Technology's big family.



O Caring Lectures

In 2022, in order to further pay attention to employees' physical and mental health, and create a healthy culture. Based on the actual needs of employees, we held a number of employee care lectures, including those with the themes "Protecting the money bag for the New Year" and "Are you ready to protect the neck and waist?" "Health checkup and life care", with more than 2,000 participants.



O Opening Ceremony of LongShine Technology Industrial Park (CPU Space)

In 2022, on the occasion of the opening of the CPU Space, LongShine Technology created a carnival for employees in its new home, and carried out many interesting activities such as love recycling stalls, fun games, energy refilling stations and so on. We share our joy with our employees, and introduce company culture into various activities to convey company values and enhance organizational cohesion. More than 1,000 employees participated in the event.







Employee Assistance

In 2022, LongShine Technology formally established LongShine Love Society, a non-profit non-governmental self-governing public welfare association organized by employees spontaneously. The members of the Love Society started from helping LongShine people who have difficulties around them and actively participated in the volunteer activities of the Company's related public welfare foundations, contributing to the promotion of LongShine public welfare culture and social public welfare undertakings. At present, there are 120 members of the Love Society.





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Practice Green Operations and Promote Social Responsibility

LongShine has established a mission as a leading company in the energy technology industry that digitization enables greener, more convenient, and more efficient energy consumption. We are implementing green and low-carbon corporate practices in the hope that this will lead to the long-term development of the surrounding communities and the region. We are also actively engaged in corporate social responsibility, investing in and driving the development of public welfare and encouraging our employees to actively participate in charitable causes.

Practice Green Operation

LongShine Technology takes concrete steps to put the idea of sustainable development into practice, advance quality development, and work toward becoming carbon neutral in its operations. We use energy technology to run our industrial park operations in a green and lowcarbon manner, organize a number of environmental protection activities, and encourage our staff to take unplanned environmental protection measures in their daily lives and work to do their part to preserve and replenish the planet on which we all depend.



Low-Carbon Park

In the process of building the energy internet, LongShine Technology has integrated both "low-carbon" and "green" into the "wish" and "vision" of its self-built industrial park. Digital intelligent solutions such as integration of PV power generation, energy storage batteries and charging piles and micro-grid have been applied in the park. In 2022, LongShine Technology Industrial Park (CPU Space) was officially established in Wuxi High-Tech Zone, as one of the first technology industrial parks featuring low carbon in Jiangsu Province. CPU Space integrates a series of green and low-carbon solutions developed by LongShine Technology, giving full play to the Company's unique technological and operational advantages in the field of energy digitization and energy internet, and enabling a green and low-carbon park model in all aspects.

system of the park.

Low-Carbon Life

The project of PV power generation, energy storage batteries and charging piles in LongShine Technology Industrial Park (CPU Space) integrates generation, storage, consumption and management. We established a circular ecological chain of "production, storage, consumption and reuse" of clean energy, with digital intelligence such as big data monitoring and intelligent operation and maintenance. This makes the daily use and operation and maintenance of the power station more convenient and efficient. The integrated power station is also equipped with a micro-grid energy management system, so we can unify the management and scientific scheduling of new energy sources, select the optimal strategy based on data information such as weather, electricity prices and the status of car batteries, and intelligently schedule the orderly charging and discharging of photovoltaic, energy storage and vehicles to help the park run at a low-carbon level.

Compared with traditional charging stations, the power station featuring integration of PV power generation, energy storage batteries and charging piles has the ability of flexible regulation, and the whole system can achieve intelligent interaction with the main network by seamlessly switching between parallel and off-grid operation modes, so as to achieve the purpose of cutting peaks and filling valleys and maintaining the stability of the power grid; at the same time, it can also achieve the goal of charging new energy vehicles by virtue of the "charging the piles with stored PV electricity" feature. At the same time, it can also achieve the perfect cycle of zero carbon emission by charging and using green electricity for new energy vehicles, promoting greener mobility with higher quality.

In addition, using "IoT + AI" technology, LongShine Technology has created a set of intelligent urban carbon management system, including carbon detection, carbon tracking and carbon emission reduction, to achieve the dynamic management of energy production, transmission and distribution, use and energy-using equipment on the basis of comprehensive energy management. In this way, we make carbon data visible and traceable, and showcase carbon emissions, carbon reduction, carbon assets, carbon neutrality and carbon inclusion in a carbon equivalent format to reflect the park's green and low-carbon development philosophy.

O Case Study

Focusing on the mission of "making the digital world a better place", LongShine Technology actively responds to the national call for carbon peaking and carbon neutrality. We launched the "I am a Low-carbon Practitioner" environment protection week in CPU Space to drive employees to take practical actions to save energy and reduce consumption, and actively practice a green lifestyle.



Emissions Management

LongShine Technology's emissions during operations come from office. We abide by the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste and the Environment Protection Law of the People's Republic of China, and are committed to creating a green office by setting up recycling bins for used batteries, using double-sided printing and recycling plastic bags and document baskets to reduce office waste emissions, and by posting signs in the office to cultivate green office habits among employees to reduce environment pollution and resource and energy waste. As of December 31, 2022, there were no environmental accidents or violations related to emissions at LongShine Technology.



Energy Consumption Management

The Company attaches great importance to energy management, strictly abides by the Energy Conservation Law of The People's Republic of China, defines the responsibilities of administrative departments, develops digital energy consumption management system, standardizes daily behaviors such as air conditioning, electricity and paper in office areas, and realizes accurate and dynamic management of the whole process of energy consumption. As of December 31, 2022, LongShine Technology and its four subsidiaries have acquired the ISO14001 Environmental Management System Certification, and the Company's daily operation and production have not affected the environment and natural resources.

Data of Emissions and Energy Consumption in 2022

| | | Types of emissions, energy consumption and utilization | Unit | 2022 | 2021 |
|------------------------|-------------------------|--|-----------|-----------|-------|
| | | Waste batteries | Tonnes | 0.011 | 0.009 |
| | | Waste selenium drum | Tonnes | 0.093 | 0.071 |
| Waste and contaminants | | Waste ink cartridge | Tonnes | 0.026 | 0.023 |
| | | Office paper consumption | Tonnes | 5.01 | 4.42 |
| Use of | | Fresh water consumption | Tonnes | 9,760 | 9,458 |
| Use of Resource | Electricity consumption | KWh | 4,365,403 | 1,573,200 | |

Note: The scope of environmental performance statistics includes LongShine Technology's headquarters and all branches except for fresh water consumption, which only the data of includes LongShine Technology's Wuhan and Xiamen branches.

Develop Public Welfare

Public welfare activities provide continuous spiritual nourishment to human society. LongShine Technology gathers the strength of the Company and calls on employees to carry out a series of public welfare activities and volunteer services with partners in the supply chain, so that the light of happiness can radiate everywhere. In 2022, our public welfare projects covered various fields such as education, children and rural revitalization, with a total investment of RMB 14.57 million.

In November 2022, Wuxi LongShine Public Welfare Foundation, a non-public foundation initiated and established by LongShine Technology Group Co., Ltd, was established as a public welfare platform created by LongShine Technology to actively respond to the call of the Communist Party of China and the State, practice corporate social responsibility, carry forward the humanitarian spirit and contribute corporate power to the development of public welfare. With the advantages of digital technology of LongShine Technology, we will inject new strength into the development of public welfare, so that we can be better help more people in need and promote the building of a better and harmonious society.



"June 1 Wish" - Fulfilling a wish for leftbehind girls

On the occasion of Children's Day in 2022, LongShine Technology joined hands with the Daisy Public Welfare Foundation to help realize wishes of left-behind girls and girls in need in the west and give them have a happy, healthy and memorable Children's Day. We collected the wish lists of 100 left-behind girls and girls in need from Tacheng No.3 Primary School in Xinjiang and Hailuogou Primary School in the Tibetan region of Ganzi Prefecture, Sichuan Province, and sent these wish lists to the volunteer group. Positive responses were received from the Company's volunteers.



O Book donation project

In 2022, we donated books to schools several times through the Daisy Public Welfare Foundation. LongShine Technology donated books worth RMB 60,000 to Xinjiang University of Science and Technology and 1,000 books to Huade County No.1 Middle School, Inner Mongolia to help the school improve the literacy and relieve the pressure on its library resources so that students can have more quality extracurricular books to read.



LongShine Technology participated in the construction of book corners in poor rural primary schools in Hubei Province. We helped 31 poor rural schools with 355 classes to set up book corners, and donated 159 bookcases and 41,089 books to them, with an expenditure of over RMB 770,000 for the project. In the process of setting up the book corners, LongShine Technology actively involved its employees to learn more about the society and the lives of children in rural poor primary schools through participating in charity activities and assuming social responsibility.

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Participate in Community Affairs

LongShine Technology regards community development as its responsibility. We leverage professional strengths to give back to the community with development achievements and deliver care through practical actions.

O Walk for Love

In November 2022, the China Lingshan Charity Promotion Association and the Lingshan Charity Foundation jointly launched and organized the Walk for Love activity featuring "sports + charity + tourism". The event was designed to raise funds for public welfare projects with the themes of "common prosperity", "rural revitalization" and "good community governance". The LongShine Charity Foundation called on 221 LongShine employees and their relatives to actively participate in the Walk for Love activity.



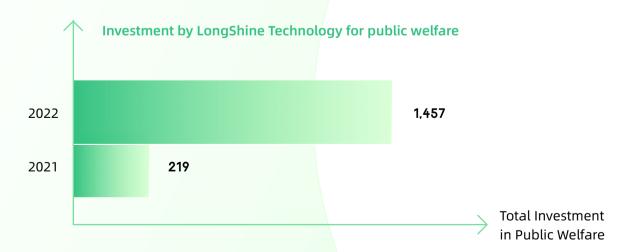
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O Online Senior Citizens' University Charity Project

In order to solve the problem of difficulties in enrolling in senior citizen universities and travelling to classes for the elderly population, and to help them adapt to the digital age faster and better and develop digital habits, the Wuxi LongShine Public Welfare Foundation fully combined the resources of local public senior citizen universities and leveraged the strengths and values of the community to launch an online senior citizen university public welfare project in Wuxi's Xin'an and Anzhen streets, offering vocal music and calligraphy classes for the elderly. In 2022, a total of 127 students were enrolled in the courses, with a total of more than 40 sessions and more than 900 attendances. The average viewing time of the participants was 51 minutes (55 minutes for a single class) and the average attendance rate was 62%.







Future Prospect

LongShine has actively fulfilled its social responsibility and achieved certain achievements in the areas of green and low-carbon operation, information security protection, public welfare, and environmental protection by 2022, and it has received community care and support in the development process.

In the future, the Company will stick to its development strategy of "Energy Digitization + Energy Internet." We will rely on technological, product, and model innovations to promote the Company's, society's, and economy's high-quality green and low-carbon development through sound operation, sustainable development, and excellent service to create more value for employees, customers, shareholders, and society. Furthermore, we will contribute to the national carbon peaking and carbon neutrality goals.

To achieve the harmonious fusion of economic and social benefits, we will continue to give back to the community while promoting our business's sustainable and steady growth. In order to contribute to the high-quality, sustainable development of society and the prosperity of the country, LongShine will keep up its practice of the idea of sustainable development, actively engage in social welfare, and collaborate with partners from all sectors.





Key Performance Indicator

| Indicator | Unit | 2022 | 2021 |
|---|-----------------|-------|-------|
| | | | |
| Economic pe | erformance | | |
| Operation revenue | RMB 100 million | 45.52 | 46.39 |
| Net income | RMB 100 million | 5.14 | 8.47 |
| Cash dividend | RMB 100 million | 1.34 | 2.32 |
| Total investment in R&D | RMB 100 million | 5.67 | 5.85 |
| Proportion of R&D expenses within operation revenue | % | 12.45 | 12.6 |

| Environmental performance | | | | |
|---------------------------|--------------------------|-------|-----------|-----------|
| | Waste batteries | Kg | 11 | 9 |
| Waste and contaminants | Waste selenium drum | Kg | 93 | 71 |
| | Waste ink cartridge | Kg | 26 | 23 |
| | Office paper consumption | Tonne | 5.01 | 4.42 |
| Use of Resource | Fresh water consumption | Tonne | 9,760 | 9,458 |
| | Electricity consumption | KWh | 4,365,403 | 1,573,200 |

| Social performance | | | |
|---------------------------------|-----|-------|-----|
| Number of patents applied | Set | 406 | 313 |
| Number of major patents | Set | 264 | 196 |
| Number of authorized patents | Set | 193 | 122 |
| Number of licensed copyrights | Set | 1,033 | 880 |
| Number of trademarks | Set | 483 | 348 |
| Number of cooperative suppliers | - | 934 | 396 |

| Indicator Unit 2022 2021 |
|--------------------------|
|--------------------------|

| Social perf | ormance | | |
|--|-------------|------------|-----------|
| Total number of employees | Person | 5,716 | 6,020 |
| Female employees | Person | 1,729 | 1,645 |
| Male employees | Person | 3,987 | 4,375 |
| Domestic employees | Person | 5,714 | 6,018 |
| Overseas employees (including Hong Kong, Macao and Taiwan) | Person | 2 | 2 |
| Employees less than 30 years old | Person | 2,687 | 3,060 |
| Employees between 30 to 50 years old | Person | 2,975 | 2,913 |
| Employees older than 50 | Person | 54 | 47 |
| Senior management | Person | 34 | 37 |
| Middle management | Person | 436 | 516 |
| Ordinary employees | Person | 5,219 | 5,467 |
| Training hours to employees | Hour | 119,134.76 | 48,321.52 |
| Training hours to employees per capita | Hour/Person | 20.25 | 4.43 |
| Total investment in public welfare | RMB 10,000 | 1,457 | 219 |

Note: The scope of environmental performance statistics includes LongShine Technology's headquarters and all branches except for fresh water consumption, which only the data of includes LongShine Technology's Wuhan and Xiamen branches.

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Feedback Form

Dear readers:

Tel: E-mail:

Hello! Thank you very much for reading the LongShine Technology Group Co., Ltd. Environmental, Social and Governance (ESG) Report 2022. We attach great importance to and look forward to hearing your feedback on the sustainable development management, practice and information disclosure of LongShine technology. Your opinions and suggestions are an important basis for us to continuously promote the management and practice of sustainable development. We look forward to your reply!

| Selective quest | ions (Please ti | ck √ in the corresponding position) |
|------------------------------------|----------------------|--|
| O Do you think thi | is report can reflec | t the significant impact of LongShine Technology on economy, society and environment |
| Yes □ G | General □ | No □ |
| O Do you think the accurate and co | - | takeholders identified in this report and their relationship with LongShine Technology |
| Yes □ G | General □ | No □ |
| O Do you think the | e information prov | ided in this report is comprehensive? |
| Yes □ G | General □ | No □ |
| O Do you think the | e information prov | ided in this report is readable? |
| Yes □ G | General □ | No □ |
| Open questions | s | |
| | | nments and suggestions on the LongShine Technology Group Co., Ltd. Environmenta |
| Social and Governa | | |
| Your contact | t information | |
| Name: | | |
| Organization: | | |