

2024

Environmental Protection, Social Responsibility and Corporate Governance Report

Advanced Micro-Fabrication Equipment Inc. China (AMEC)

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About This Report

This is the Fourth Environmental, Social and Governance (ESG) Report released to the public by Advanced Micro-Fabrication Equipment Inc. China (AMEC). This report is open to all stakeholders, and the purpose of this report is to provide comprehensive and transparent disclosure of the Company's policies, actions and achievements regarding ESG and sustainability. We hope that this report will help readers better understand who we are and what we do. We appreciate your precious comments and suggestions, and will do our best to address them thoughtfully.

Reporting Scope

This report covers the ESG, sustainability development and operational performance of AMEC and its affiliates, referred to herein as "the Company" or "We".

Reporting Period

This report covers the period from January 1 to December 31, 2024, and part of the contents go beyond this reporting period on an as-needed basis.

Reference Standards

This report is prepared with reference to the following: the *Code of Corporate Governance for Listed Companies* released by China Securities Regulatory Commission (CSRC) in 2025; the *Enterprise Sustainability Disclosure Standards - Basic Standards (Trial)* issued by the Ministry of Finance in 2024; the *Guideline No.13 for Self-Regulation of Companies Listed on the SSE STAR Market - Preparation of Sustainability Report* issued by the SSE in 2025; the *Guideline No.14 for Self-Regulation of Listed Companies - Sustainability Report (Trial)* issued by the SSE in 2024; the *Guidelines on Social Responsibility for the Electronic Information Industry (SJ/T 16000-2016)* published by China Electronics Standardization Association, the *Sustainability Reporting Guidelines* published by the Global Reporting Initiative (GRI) in 2021, and the *CASS-ESG 6.0, a sustainability reporting guidance for Chinese enterprises*.

Data

Financial data provided herein is based on the audited 2024 Annual Report of AMEC. In case of any discrepancy, the Annual Report shall prevail. Other data has been drawn from AMEC's internal management system and affiliated companies. Unless otherwise specified, the monetary amount referenced in this report is measured in RMB.

Language

This report is prepared in simplified Chinese and English. The simplified Chinese version shall prevail in case of any discrepancy.

Access to This Report

This report is available in both hard copy and electronically. The electronic version can be viewed and downloaded from the websites of AMEC (www.amec-inc.com) and the SSE (www.sse.com.cn).

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Statement of the Board of Directors

AMEC has established a three-level ESG management structure consisting of the decision-making level, the management level and the execution level. Under this structure, the Board of Directors is the highest decision-making body. The ESG Committee of the Board is responsible for establishing ESG strategies and policies, deliberating and deciding on material ESG issues, regularly monitoring ESG progress, fulfilling ESG working requirements imposed by the regulator of listed companies, and providing support for the Board's decisions on the ESG subjects. The Chairman of the Board also chairs the ESG Committee (i.e., convener). The ESG Leadership Group, constituted by the heads of major functional departments, acts as the management stratum for the company's ESG work. It shoulders the responsibilities of formulating ESG management systems, supervising the implementation of ESG strategies, promoting ESG projects, and reporting to the ESG Committee on a regular basis. An ESG working group consisting of members from each department/affiliate is set up as the execution body to implement daily ESG work and ensure the achievement of ESG goals.



Enhancing ESG Supervision

The Board oversees ESG progress across the Company. The ESG Committee and the ESG Leadership Group routinely track the progress on the implementation of ESG-related proposals and keep the Board updated. Staff from other levels work efficiently with collaboration to implement ESG initiatives at AMEC.



Defining ESG Strategies and Policies

The Board has defined the Company's ESG strategies, with significant attention to material issues such as synergized development, technological innovation, IP protection, and optimization of customer service. The Board communicates with stakeholders regularly, in order to clarify the ESG work for each year, as well as improve the ESG strategies and development plans on a regular basis. In addition, the Board rigorously tracks the progress of ESG issues which are of great concern to stakeholders.



Reviewing ESG Progress

The Board has determined seven ESG governance goals and defined specific measures relating to technological innovation, green operations, supply chain development, employee rights protection, community development, and business compliance, which collectively determine the Company's future ESG development direction. The Board of Directors and its ESG Committee reviewed and approved the *2023 AMEC Environmental, Social and Governance Report* in 2024, and regularly discussed and monitored the Company's ESG strategic objectives, the progress of implementation, and the report content.

This report discloses in detail AMEC's ESG governance practices, all of which were approved by the Board in April of 2025.

Chairman's Statement



In today's world, digital technologies such as artificial intelligence, cloud computing, big data, and automatic driving are reshaping the global industrial landscape at an unprecedented pace. As the cornerstone of the digital economy, the semiconductor equipment industry has ushered in unprecedented development opportunities. As the saying goes, "If you want to do a good job, you must sharpen your tool first." In this vein, we are deeply aware that micro-manufacturing equipment, such as high-end lithography machines, plasma etching equipment, and conductor deposition products, are not only the core equipment to promote the development of the integrated circuit and micro-device industries, but also the key to sustainable innovation throughout the digital era. AMEC is committed to providing highly competitive equipment solutions for the global semiconductor industry. While pursuing technological excellence, we deeply integrate the concepts of environmental protection, social responsibility, and corporate governance (ESG) into our corporate development strategy and fulfill our commitment to sustainable development through practical actions.

Facing the complex and changeable external environment, AMEC has always been at the forefront of the efforts to develop advanced process technology and adhered to the basic principles of tech innovation, product differentiation, and intellectual property protection. Particularly, we have upheld original design and kept pace with our globally leading semiconductor customers. Thanks to our strong R&D teams and deep customer relationships, we have successively developed superb plasma etching equipment and conductor deposition products, and put them on the market quickly. In this way, we have provided our customers with highly competitive and cost-effective equipment in the integrated circuit and pan-semiconductor micro-device industries, and increased our market share on an ongoing basis. According to market and customer demand, we have significantly intensified our R&D efforts. Currently, our research projects cover six categories, and involve the development of more than 20 types of new equipment. In 2024, our R&D investment was about RMB 2.452 billion in total, an increase of 94.31% year on year, with the share of R&D expenditure in the Company's operating revenue standing at 27%, far higher than the average 10-15% level of the listed companies on the SSE STAR market.

In 2024, AMEC realized RMB 9.065 billion in operating revenue, around RMB 2.802 billion more than that of 2023. The Company's 2024 revenue grew approximately 44.73% year-over-year, on top of maintaining a greater than 35% average annual growth in revenue over the past 13 years and greater than 40% average annual growth in revenue over the past four years. In 2024, the per capita sales across the Company exceeded RMB 4 million, reaching the international advanced level for the equipment industry. The Company's new 180,000 square-meter R&D and manufacturing facility, built in the Lin-gang Special Area of Shanghai, began mass production in 2024 and created an annual output value of approximately RMB 8.5 billion in the first year of production. The Company's 140,000 square-meter production and R&D base in the High-tech Zone of Nanchang posted an annual gross output value of about RMB 6.1 billion in 2024. The Company's Headquarters building, with an area of 100,000 square meters, will be completed on the waterfront of Dishui Lake, Lin-gang Special Area at the end of this year. To ensure that there are enough plants in the next ten years, and to secure the R&D of a rich array of new products and the fast growth of production capacity, we are going to build new production and R&D bases in Zengcheng District, Guangzhou, Guangdong Province and the Hi-Tech Industrial Development Zone, Chengdu, Sichuan Province. The subsidiaries of AMEC made great progress in 2024 as well. Examples include AMEC Wisetron, a company focused on environmental protection, energy conservation and emission reduction equipment and on clean energy, AMEC Huilian, a company committed to developing operation software systems for small and medium-sized enterprises, and SyWecon, a company exploring the application of digital technology in the field of big health, among others.

AMEC attaches great importance to environmental, social and governance (ESG) issues. When developing new products, the Company always follows the design principle of giving priority to energy conservation and emission reduction. The dual-station etching machine, our best-selling product, can save about 30% of the manufacturing cost by cutting down on the use of some spare parts, thus reducing the carbon emissions from their manufacturing. About 17% of our global power consumption is for lighting, so the shift from traditional lighting sources to LED sources can help us save at least 75% of the electricity used for lighting purposes. The share of AMEC on the market of MOCVD equipment required by GaN-

based LED lighting has exceeded 80%. With the wide use of these products, the Company has made its own contribution to the energy conservation and consumption reduction efforts across the society.

We have always adhered to the concept of green development, actively responded to the challenge of climate change, and made clear our goal of realizing carbon neutrality by 2035. To that end, we have continuously strengthened sustainability-related capacity building and promoted green and low-carbon operations. In 2024, the rooftop photovoltaic panels at Lin-gang Industrial Base were connected to the power grid and began to generate electricity; the main production and R&D bases in Shanghai and Nanchang all achieved green power supply by signing renewable power purchase agreements. As a result, the Company's overall green power usage ratio has reached 24%, and the GHG emission intensity per million yuan of operating revenue declined by approximately 26% year-on-year. In addition, we vigorously promoted energy conservation and carbon reduction practices, strengthened green and intelligent innovation, and built intelligent warehouses, advanced factory management systems, and intelligent factories, with a view to realizing a green, low-carbon, and sustainable future.

We have continuously improved our supply chain management system and entered into stable cooperation with about 880 suppliers worldwide. By continuously optimizing the supply chain management structure, systems and processes, and formulating clear supplier code of conduct, we have promoted the extension of ESG concepts across the supply chain and guided our partners to jointly fulfill the commitment to sustainable development. In 2024, therefore, we provided our suppliers with a total of 99 training sessions on social responsibility. To manage the risks from the supply chain, we have established a systematic supply chain risk identification mechanism, strengthened the capacity building on due diligence and risk identification, and realized the full-cycle scientific management of suppliers from access, evaluation to exit. At the same time, we have paid attention to improving the resilience of our supply chain, so as to effectively respond to market fluctuations and ensure business continuity. In the future, we will continue to promote the green transformation and sustainable development of our supply chain, strive to create a more resilient and responsible new supply chain ecosystem, and jointly create and share the value of sustainable development with our partners.

We attach great importance to the attraction and development of talents. The Company has continuously optimized the talent echelon to provide enough talents for the sustainable development. In 2024, The Company further expanded channels to attract talents from all over the world and engaged more experienced managerial and technical talents than before. We set great store by stimulating the vitality of the organization and employees, and have therefore established a systematic talent development system, which covers the entire career life of our employees, ranging from the growth of new hires, the improvement of management ability, to the cultivation of professional competences. We have actively promoted a culture of diversity, equity and inclusion and supported the development of female employees. Also, we have continuously optimized the talent performance evaluation system and talent promotion mechanism, and aligned the long-term interests of the management and employees with the long-term development of the Company through the employee stock ownership system, thus greatly improving the loyalty and cohesion of our employees. Moreover, the Company has continuously enriched and improved the employee benefits system, organized diversified cultural activities, and strengthened occupational health and safety management, so that every employee can feel the warmth of the enterprise.

We always regard the improvement of corporate governance as the cornerstone of sustainable development. Therefore, we have continuously strengthened the construction of internal control and compliance systems, strictly implemented the requirements of anti-commercial bribery and anti-unfair competition laws and regulations, and realized a more open and more efficient governance mode through diverse channels of communication with our stakeholders. Additionally, we have established a sound intellectual property protection system to protect our innovation achievements and ensure the security of our data and information through a sound information security system. While promoting industrial development, we have actively carried out industrial cooperation, promoted the integration of industry, education and research, and supported the development of education.

Furthermore, we have continuously valued the growth of the poverty-stricken elderly and children, and give back to the society through practical actions.

In 2024, AMEC continuously upgraded the system and culture with our own characteristics, and continued to improve the management and comprehensive competitiveness of the Company. We summarized the process and experience of our growth and development in the past, and came up with the Five Big "Ten" principles for the development of tech startups. Through continuous study and implementation of the Five Big "Ten" principles, the Company maximized the combined strength of departments and employees and sharpened the competitiveness in external competition to the highest extent possible. In 2024, the Company received a number of special honors and a growing recognition of the industry. The honors included the Silver Award given by the 25th China Patent Award, the Top 50 Innovative Company by Forbes China, and the 2024 China ESG50, etc.

After twenty years of hard work, we are now embarking on a new journey, with our original ambition remaining unchanged. Over the two decades of development, we have made breakthrough in both tech and industry development. In the future, AMEC will continue to deliver on the strategic goal of "building a world-class equipment manufacturer" and integrate the ESG vision of "making the life of people better through our hard work" into the Company's day-to-day production and operation activities. To that end, we will constantly develop more advanced equipment and other products, continuously build and improve our operation quality, operating efficiency, and risk management abilities, uphold the three-dimensional development strategy, and implement the Five Big "Ten" principles, to ensure the fast, steady, healthy, and secure high-quality development of the Company and making it a high-level equipment platform and a world-class semiconductor manufacturer in terms of both scale and competitiveness as early as possible.

Gerald Yin

Chairman and General Manager of AMEC



About AMEC

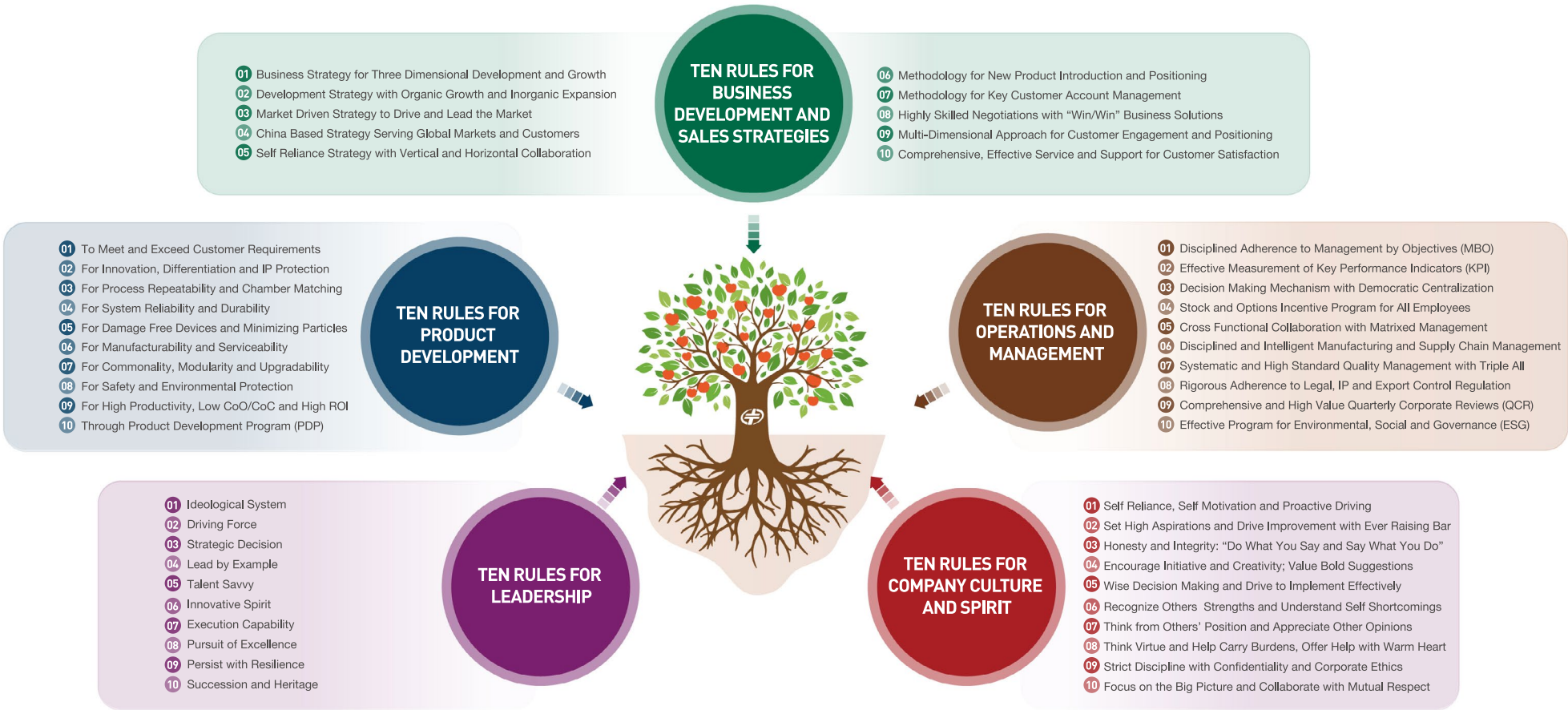
Company Profile

AMEC is mainly engaged in the R&D, production and sales of high-end and pan-semiconductor equipment. Eyeing cutting-edge science and technology and taking into account the extensive expertise and experience in semiconductor equipment manufacturing, AMEC is committed to the fundamental principles of tech innovation, product differentiation, and intellectual property protection. Thanks to the original innovation and design, the Company is now engaged in many market segments, such as the manufacture of semiconductors and integrated circuits, the advanced packaging, of chips, the production of LED epitaxial wafers, power devices and MEMS, and other micro-processes of high-end equipment.

AMEC's plasma etching equipment has been used by frontline international customers to advanced IC production lines ranging from 65nm, 14nm, 7nm to 5nm and other advanced IC processing and manufacturing production lines, as well as advanced storage and packaging lines. Notably, a number of the Company's conductor deposition products have successfully entered the market and obtained orders from regular customers, and the EPI equipment has been used by customers for mass production on a trial basis to meet the demand of the advanced germanium-silicon epitaxial growth process. Additionally, the Company's MOCVD equipment used for GaN-based LED lighting and Mini-LED display has become the preferred choice for most LED production lines at home and abroad. Furthermore, AMEC has made great progress in developing and launching various types of MOCVD equipment required for silicon carbide power devices, gallium nitride power devices, and Micro-LED devices, among other things, these types of MOCVD equipment are gradually entering the market.

During the reporting period, AMEC has made significant inroads into the R&D, market layout, and investment of such products as etching equipment, conductor deposition products, MOCVD equipment, etc., which are widely recognized by customers at home and abroad. All these help to provide a strong impetus for the Company's sustainable and healthy development. Drawing on the growth and development history and experience, AMEC has summarized the Five Big "Ten" theories for enterprises engaged in science and technology innovation, namely, the "Ten Rules for Product Development", "Ten Rules for Business Development and Sales Strategies", "Ten Rules for Operations and Management", "Ten Rules for Company Culture and Spirit", and "Ten Key Points of Leadership". In the future, AMEC will continue to deliver on the strategic goal of "building a world-class equipment manufacturer" and to that end, adhere to the three-dimensional development strategy, implement the Five Big "Ten" theories, and improve operational quality, operating efficiency, and risk management and control capability to ensure its fast, steady, healthy, and secure high-quality development.

Foundation of ESG Management – AMEC Five Big "Ten"



ESG Management

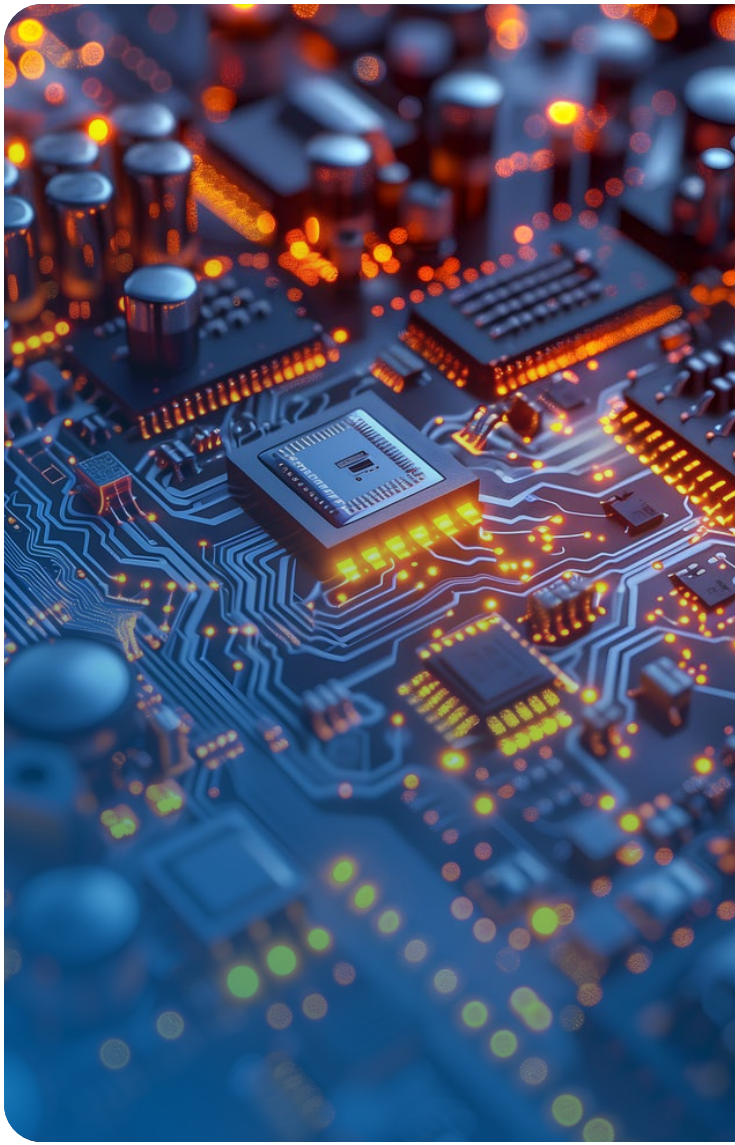
ESG Policies

While supplying premium high technology products and services, AMEC strives to be an industry-leading company in environmental protection, social responsibility and corporate governance. These pursuits are in line with our seven ESG essentials, making people's lives better through our efforts and dedication.

ESG Development and Planning

AMEC has developed strategies at various levels (e.g., products, environmental, social and governance) to guide the implementation of ESG policies:

Product	• Develop high technology products that contribute to a higher quality of life provide environmentally friendly and energy saving products and services.
Environmental	• Proactively respond to the climate change challenge by minimizing energy consumption and controlling emissions through technical innovation and superb operations management.
Social	• Cultivate and promote supply chain development to make continuous contributions to environmental protection and social responsibilities. • Create and maintain an affirmative, healthy and safe working environment by embracing our commitment to the "People First" philosophy. • Actively support positive programs at all levels (community, regional, national and global), which contribute to a collaborative, healthy, harmonious society.
Governance	• Fully abide by all appropriate domestic and international business codes of conduct, and rigorously protect both internal and external intellectual property and enhance quality management. • Enhance and maintain our corporate governance and risk management systems in recognition of our status as a listed company, ensuring full compliance with all applicable rules, laws and regulations.



ESG Organizational Structure

The Board of Directors attaches great importance to ESG governance. AMEC has established an ESG Committee and a three-level (decision-making, management, and execution) organizational structure to lead ESG governance in an orderly manner across the Company, improving the ESG management efficiency and enhancing our corporate image on ESG subjects.



The Board is the highest ESG decision-making body, with ESG Committee responsible for developing ESG strategies and policies, deliberating and deciding on major ESG issues, regularly supervising ESG progress, fulfilling ESG requirements set by the regulator for listed companies, and supporting the Board on ESG decision-making. The Chairman of the Board of Directors also chairs the ESG Committee (i.e., convener).



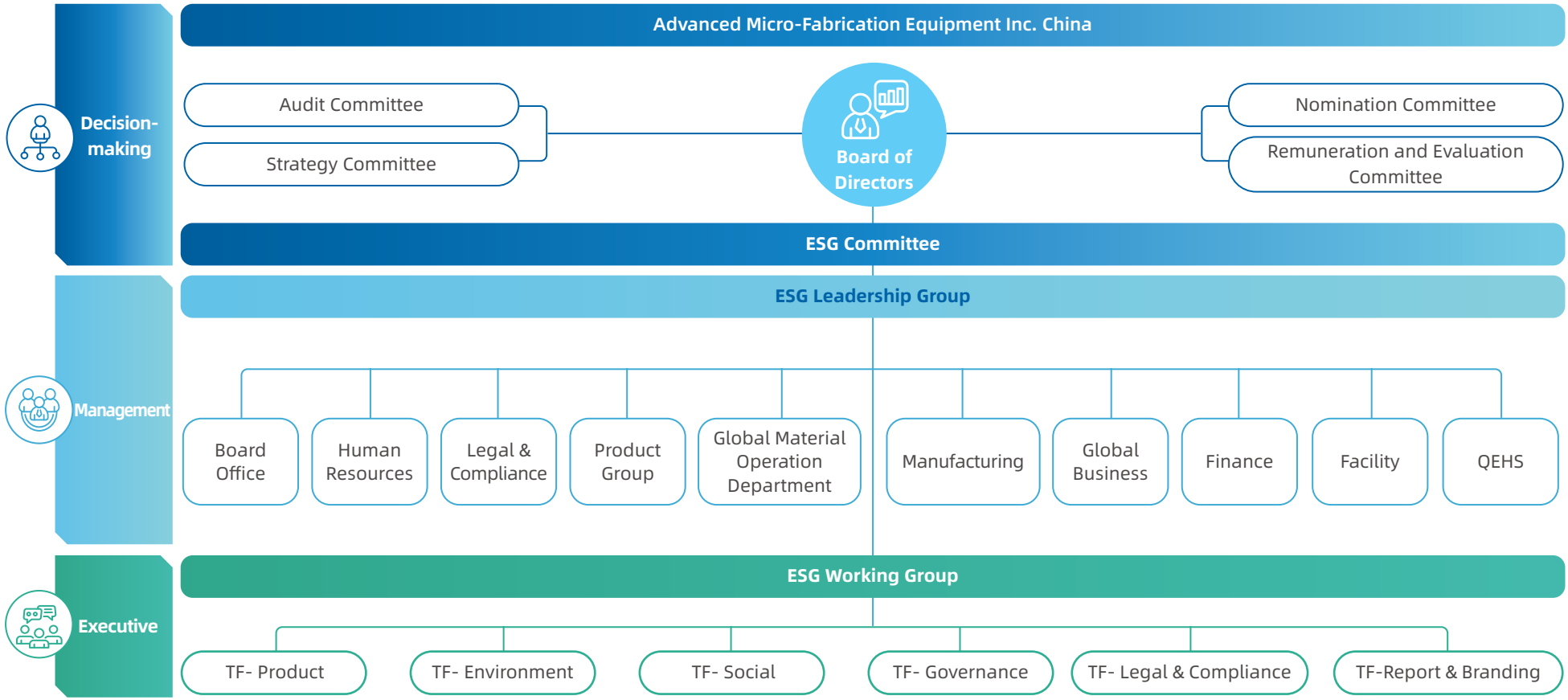
The ESG Leadership Group, i.e., the ESG Management, comprising the heads of relevant departments, is responsible for formulating ESG management rules, supervising the implementation of ESG strategies, promoting ESG projects, and reporting regularly to the ESG Committee to ensure the integration of ESG into the Company's development strategy and planning.



There are six Task Forces set under the ESG Leadership Group, namely product, environment, social, governance, legal & compliance, and report & branding, each composed of staff members appointed by their respective departments or affiliates. The task forces discuss key ESG issues in monthly meetings, take internal actions to integrate these issues with corporate business, and implement ESG daily management, ensuring the achievement of ESG goals.

ESG Performance Target Management

To guarantee the implementation of the ESG development plan, AMEC sets ESG assessment objectives at the Group level every year, i.e. Management by Objectives (MBO). Departments, branch offices, and subsidiaries set their own annual ESG objectives according to the Group's objectives, and then cascaded down to individual employees, ultimately forming annual ESG assessment objectives from the Group's management to ordinary employees. The completion of the relevant assessment objectives is directly linked to the annual performance bonuses of groups and individuals, which can fully mobilize all parts of the Company to carry out ESG work and implement ESG policies and guidelines.



ESG Structure

TF: Task Force

Materiality Analysis

To fully understand the materiality of sustainability issues to the business and meet the disclosure requirements of regulatory authorities, AMEC introduced the concept of double materiality in the 2024 ESG Report to assess sustainability issues from the two dimensions of financial materiality and impact materiality respectively. Through online questionnaires, management discussions, expert assessments and other methods, we gathered insights on stakeholder concerns to evaluate the financial and impact materiality of each sustainability issue.

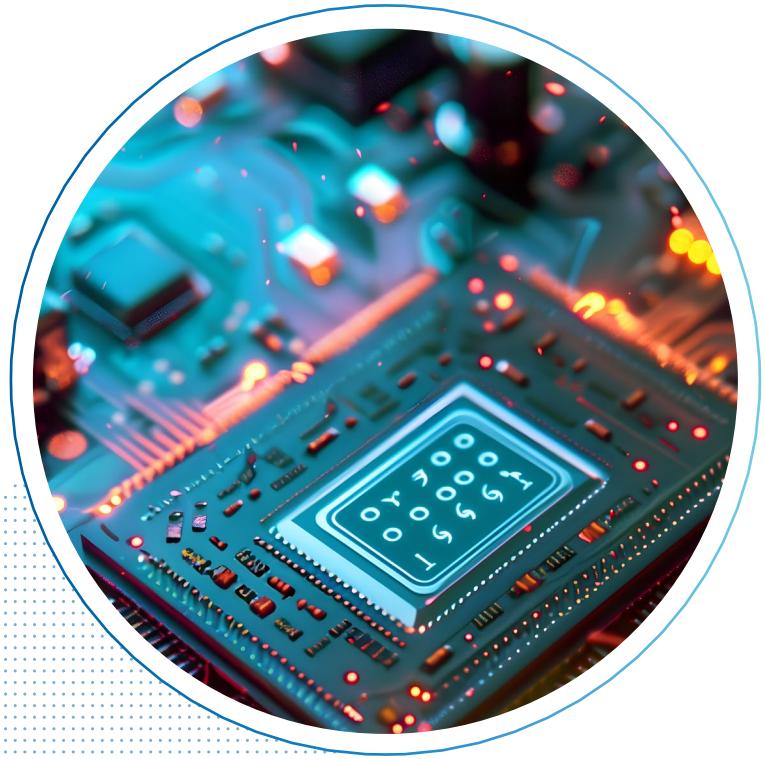
Step 1: Understand the Activities and Business Relationships of the Company

By researching relevant laws and regulatory policies, comprehensively analyzing the Company's business plans, development strategies, financial performance, products and services, and referring to media coverage, AMEC conducted peer benchmarking analyses to identify stakeholders. These stakeholders included both internal and external groups, including governments and regulators, shareholders, clients, suppliers, employees, community, among others.

Stakeholder	Governments and Regulators	Shareholders	Clients	Suppliers and Partners	Employees	Community
Expectations	• Driving common prosperity • Legal and compliant operation • Creating job opportunities • Coordinated industrial development • Contributing to the "dual carbon" goals	• Achieving a consistent return on investment • Improving corporate governance • Increasing information transparency • Legal and compliant operation • Generating profits and creating value	• Improving product quality • Technological innovation • Safe and compliant manufacturing • Protecting consumer rights • Improving products' cost performance • Providing green products	• Expanding cooperation channels • Fair and equal procurement • Honesty and contract performance • Business ethics and anti-corruption • Mutually beneficial cooperation	• Protecting employee rights • Facilitating career development • Employee care • Physical and mental well-being • Improving remunerations and benefits	• Actively supporting education • Promoting community development • Actively engaging in public welfare • Green, low-carbon and eco-friendly operations
Communication Channels	• Supporting the formulation of industry policies • Participating in field surveys and meetings • Conducting daily review and supervision • Participating in government activities • Green manufacturing	• Continuously improving operation • Periodic reporting • Information disclosure • Roadshows • Performance briefing • General Meeting of Shareholders • Investor service hotline and email	• Field service delivery • Customer communication • Product quality control • Customer satisfaction survey • Customer complaint response	• Supplier training • Meeting of suppliers • Cooperation and communication with suppliers • Supplier questionnaire survey • Supplier visit and inspection	• The workers' congress • Employee satisfaction survey • Employees' cultural, sports and fitness activities • Complaint and whistleblowing mechanism	• Carrying out public service activities • Caring for disadvantaged groups • Volunteer programs • Green manufacturing and operation

Step 2: Create a List of Issues

In accordance with the *Guideline No.14 for Self-Regulation of Listed Companies - Sustainability Report (Trial)* released by the SSE, AMEC preliminarily identified 21 sustainability issues. Through regulatory policy analyses, benchmarking industry rules and standards, peer analysis, and questionnaire surveys, along with consideration of the characteristics and development stages of the semiconductor industry, as well as our own business model and value chain, and the ESG rating standards, we carefully assessed and finally identified such sustainability issues as response to climate change, supply chain security, employees, etc., and disclosed the information of such issues in this ESG report.



Steps 3: Assess and Confirm the Materiality of Issues

Impact Materiality Assessment

The impact materiality information is intended to provide sustainability-related information that helps to assess the externalities of the Company's operations. The main processes of the assessment include identifying the factors affecting the impact materiality assessment, surveying the stakeholders, setting the threshold for determining the impact materiality, and forming the assessment conclusions. The stakeholder surveyed include governments and regulators, shareholders, clients, suppliers, employees, and community, among others.

The degree of impact materiality is measured on a scale of 0-5, which respectively represents no impact, minimal impact, small impact, medium impact, large impact and maximal impact. A threshold of 4 points is set, so that issues with a score greater than 4 are considered material impact issues.

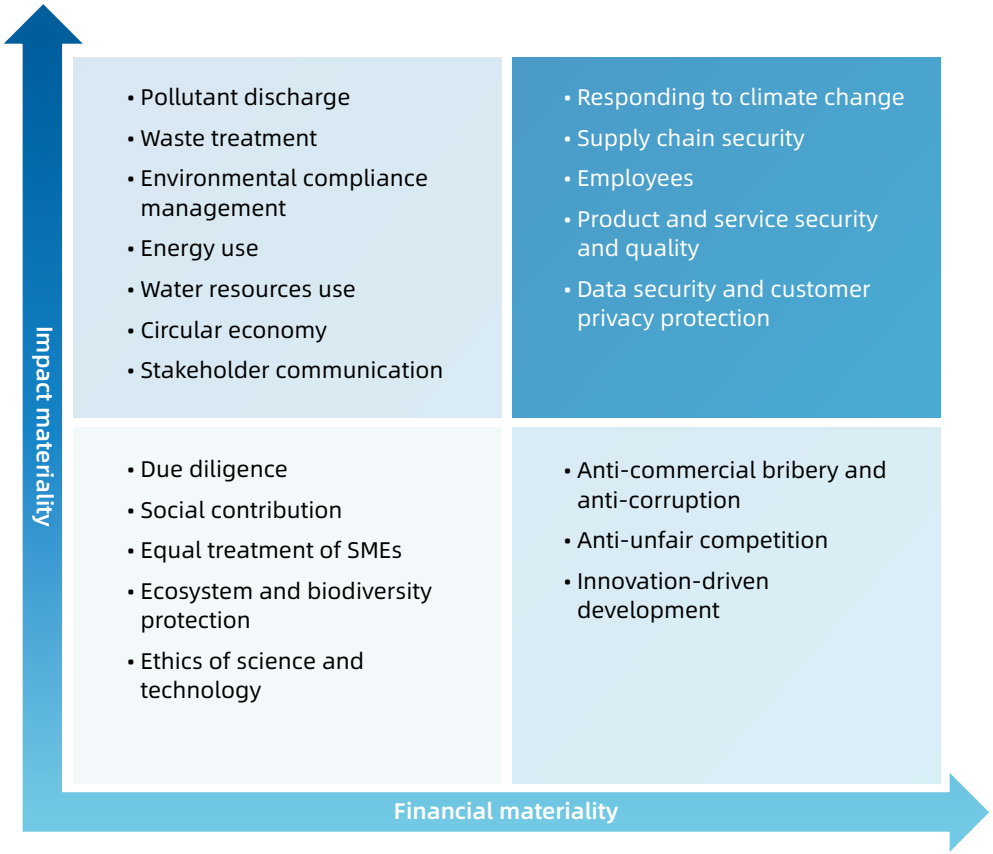
Financial Materiality Assessment

The financial materiality assessment needs to first identify the risks and opportunities that affect or may affect our business operation, financial conditions, operating results, cash flow. It then assesses whether they will exert a material impact on the Company's finances. The main processes of the assessment include identifying the factors affecting the financial materiality assessment, setting the threshold for determining the financial materiality, involving stakeholders and experts, and forming assessment conclusions. The stakeholders surveyed include the Company's internal departments, shareholders, and investors, among other parties.

The degree of financial materiality is measured on a scale of 0-5, which respectively represents no impact, minimal impact, small impact, medium impact, large impact and maximal impact. A threshold of 4 points is set, so that issues with a score greater than 4 are considered material financial issues.

Step 4: Report Issues

After completing the assessment processes outlined above, we summarized the results of the impact and financial materiality assessment, and identified the following double materiality issues: Responding to Climate Change, Supply Chain Security, Employees, Product and Service Security and Quality, and Data Security and Customer Privacy Protection. The results of the analyses on AMEC's sustainability issues in 2024 are presented as follows:





AMEC Highlights in 2024



March 2024

2023 Environmental, Social and Governance Report released

March 2024

500th piece of ICP Etching Equipment Primo Nanova series delivered for shipment

March 2024

AMEC (Guangzhou) Co., Ltd. opened

April 2024

3000th piece of the CCP equipment process chamber delivered for shipment

May 2024

New products Preforma Uniflex HW and Preforma Uniflex AW released

July 2024

5th anniversary of the listing on the SSE STAR Market celebrated

August 2024

The 20th Anniversary Celebration Event of AMEC and Lin-gang Industrial Base Inauguration Ceremony

November 2024

Over 100 reaction platforms for CDP equipment shipped

December 2024

QEHS Month concluded successfully

The 20th Anniversary Grand Event of AMEC

2004-2024

On August 2, 2024, AMEC ushered in the 20th anniversary of incorporation. To celebrate this remarkable milestone, AMEC organized a series of celebration activities for the 20th Anniversary Grand Event to look back on the extraordinary past and celebrate the leading position in the industry today. At this new starting point, all AMECers will look forward to the future with great expectations and hope, and forging ahead with determination.

Lin-gang Industrial Base Opening Ceremony

On the morning of August 2nd, AMEC staged a grand "20th Anniversary Grand Event and Lin-gang Industrial Base Opening Ceremony" at Lin-gang Industrial Base. Present at the event were 800 government leaders, industry partners, and shareholder representatives, including Mr. Chen Jinshan, a member of the Standing Committee of the Shanghai Municipal Party Committee, Secretary of the Party Working Committee for Lin-gang Special Area of China (Shanghai) Pilot Free Trade Zone, and concurrently Director of the Lin-gang Special Area Management Committee. The inauguration of the Lin-gang Industrial Base, an important milestone in AMEC's 20-year history, injected new vitality and momentum into the Company's accelerated development, and opened new avenues for the continuous growth.



Dr. Gerald Yin, Chairman and General Manager of AMEC, was addressing the event.



AMEC's Lin-gang Industrial Base



Inauguration ceremony for the launch of AMEC's Lin-gang Industrial Base

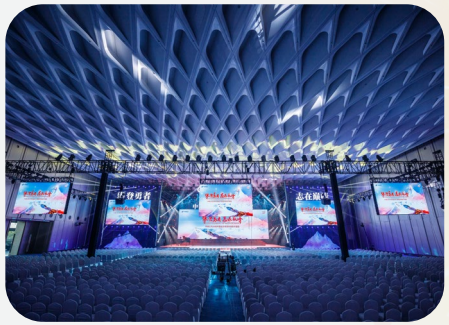
20th Anniversary Grand Event

In the afternoon of August 2, AMEC held a grand celebration event themed "AMEC 20th Anniversary Grant Event" at the Lin-gang Center. The celebration featured a heartfelt performance by the Shanghai Philharmonic Orchestra and renowned singers. Employees from various departments of the company also took the stage to showcase their talents, vividly displaying the spirit and demeanor of AMECers. On the stage, AMECers unleashed their enthusiasm to the fullest. The collision between classical and modern elements sparked splendid fireworks, and diverse cultures blended seamlessly here. Finally, the singing performance by Dr. Gerald Yin, Chairman and General Manager of AMEC, along with his family, pushed the on-site atmosphere to a warm climax. This performance was not only a celebration of past glories but also an inspiration for future endeavors. It conveyed the firm belief of AMECers to continue working hand in hand, forging ahead, and creating even greater brilliance!













2,500 people sang *The Song of AMEC* together as a tribute to the 20th anniversary

To celebrate the 20th anniversary of AMEC, Dr. Gerald Yin, Chairman and General Manager of the Company, proposed to compose a song to commemorate the important milestone. Accordingly, *The Song of AMEC* emerged. The song is characterized by a passionate style, an exciting melody, and a powerful beat. It not only carries the dream of all AMECers to become "a brave climber who aims high", but also embodies the aspirations of all those engaged in tech innovation. The song was co-created by renowned lyricists and music writers, together with the Company's employees. It pooled the wisdom and passion of the entire team, and successfully debuted on August 2, 2024, when the 20th anniversary of AMEC was celebrated. Notably, the song was honored with the 2024 Employer Brand Creation Competition - Best Brand Communication Award by the Employer Branding Institute.

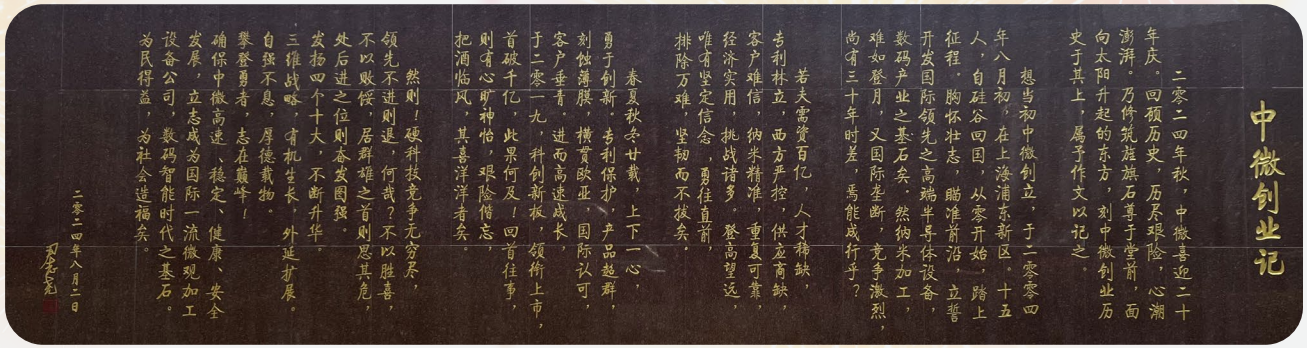






2,500 people sang *The Song of AMEC* together





The Entrepreneurship Story of AMEC

Awards and Honors

March 2024

Carbon Neutrality & Sustainability Champion Award

SEMI SCC (Semiconductor Climate Consortium)

March 2024

Nanchang AMEC Honored as "Top 10 Green Contributors"

Jiangxi Nanchang High-tech Industrial Development Zone Administrative Commission

July 2024

China Yinghua Award for Listed Companies-A-share Best Value Award

China Fund News

August 2024

Good Practice of Corporate Governance and Internal Control for Listed Companies

The Listed Companies Association of Shanghai

August 2024

DEI Employer Award (China)

Employer Branding Institute

October 2024

Dr. Gerald Yin, Chairman and General Manager of AMEC, granted the ESG Pioneer of the Year Award by the 18th China Listed Company Value Evaluation

Securities Times

November 2024

Responsibility Pioneer of the Year

NetEase Finance and Economics

December 2024

ESG Pioneer Award

Cailian Press

December 2024

50 Most Innovative Companies

Forbes China

December 2024

China ESG 50

Forbes China

December 2024

Sustainable Development Role Model of Pudong New Area for Domestic and Foreign Enterprises

Shanghai Pudong Service Centre (Platform) For Corporate Headquarters

Innovating Green Products to Benefit the Society

01

Eyeing the world's cutting-edge science and technology, AMEC firmly implements a three-dimensional development strategy. Oriented toward market and customer demands, AMEC actively responds to complex situations, including continuing to increase investment in R&D and business development, implementing an innovation-driven high-quality growth strategy, establishing professional service teams, providing lifecycle services for products, and responding to customer needs in a timely manner. As a result, the Company has made remarkable achievements in the R&D, market layout, and new business development of such products as etching equipment, conductor deposition products, and MOCVD equipment, etc., all of which are recognized by customers at home and abroad. At the same time, the Company attaches equal importance to extensive development and actively deploys other new points of growth. Our subsidiaries like AMEC Wisetron, Huilian, and SyWecon along with many companies invested by the Company have all achieved outstanding performance in their respective market segments. In the future, AMEC will continue to tap into the key IC equipment segment, actively expand pan-semiconductor applications, and explore opportunities in emerging fields, so as to fully promote our rapid, stable, and secure development.



AMEC has developed the industry's pioneered dual-station etcher that can effectively save the manufacturing cost by over

30%

Market Leader

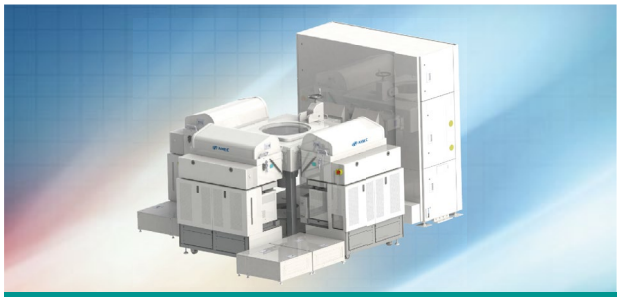
for GaN-based MOCVD equipment with excellent process performance

AMEC Huilian integrates the self-developed enterprise management system

We-OTD with AI to address the "last mile" problem for AI application in enterprises

Main Product Introduction

CCP Systems



Innovative solutions for semiconductor device fabrication at 65nm to 16nm nodes

Primo D-RIE®

Product Features

- Dual-station chamber design with more effective throughput
- Independent process station RF system (bottom HF and LF) and end-point control systems
- Proprietary RF match system
- Proprietary plasma-confinement technology

Competitive Advantages

- High throughput with low cost of ownership (CoO)
- Small footprint
- Integrated strip capability and surface charge reduction capability (Primo iDEA System)



Innovative solutions for semiconductor device fabrication at 40nm to 5nm nodes

Primo AD-RIE®

Product Features

- Dual-station chamber design with more effective throughput
- Switchable bias RF system for by-step recipe control
- Pulsing RF system as option
- Multi-zone gas distribution system
- Multi-zone gas distribution system
- Process kits with low metal contamination as option
- Dynamic ESC option for step-by-step temperature control (Primo AD-RIE-e)
- Corrosion resist chamber with proprietary surface coating technology (Primo AD-RIE-cr)
- Integrated strip capability and surface charge reduction capability (Primo iDEA System)

Competitive Advantages

- In-situ high-and-low bias-frequency switch system, for wider process window (especially Trench/Via All-in-one applications)
- Excellent process control, tunability and stability for critical processing criteria
- High throughput and low cost of ownership (CoO)
- Primo AD-RIE series for various typical applications: Primo AD-RIE-e, Primo AD-RIE-cr and Primo iDEA



Innovative solutions for semiconductor device fabrication at 26nm to 16nm nodes

Primo SSC AD-RIE®

Product Features

- Dedicated gas delivery and pumping for each processing station
- Multi-zone gas tuning and dual-zone ESC temperature control
- High pumping conductance with large capacity turbo pump
- Synchronized dual-level RF pulsing (bias and source) system
- Cooled focus ring process kit option for extreme-edge wafer CD control
- High upper/lower electrode area ratio for high aspect ratio (HAR) structure etch

Competitive Advantages

- High dielectric material etch rate, multiple functions for etch uniformity tuning
- Synchronized dual-level RF pulsing system
- Higher chamber flow conductance design for wider etch stop window
- Low-cost solution for middle and high aspect ratio (HAR) structure etch

CCP Systems



Innovative solutions for NAND and DRAM semiconductor device fabrication

Primo HD-RIE®

Product Features

- Dedicated gas delivery and pumping for each processing station
- Multi-zone gas feed and dual-zone ESC temperature control
- High power and high temperature ESC
- Gas pulsing system
- Synchronized dual-level RF pulsing (bias and source) with high bias power to enhance ion energy
- Stable lid temperature control
- Cooled focus ring process kit option for prevention of wafer extreme-edge etch unopen
- High upper/lower electrode area ratio for middle and high aspect ratio (HAR) structure etch

Competitive Advantages

- High dielectric material etch rate, multiple functions for etch uniformity tuning
- High power synchronized dual-level RF pulsing, high ion energy to enlarge process window
- Gas pulsing system with flexible process control and enlarged process window
- High power and high temperature ESC



Innovative integrated solutions for etch and photo-resist removal

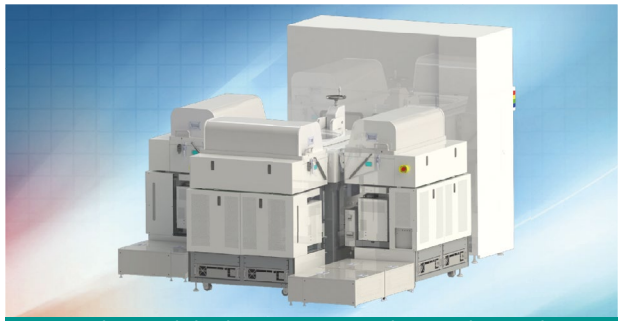
Primo iDEA®

Product Features

- Remote plasma source Asher
- High photoresist removal rate
- Preventing plasma induced damage (PID)

Competitive Advantages

- Small footprint with Asher and process chamber integrated system
- 20% CoO savings by using Primo iDEA system design instead of separate individual tools



Most advanced dual-station CCP etcher on the market to achieve high process performance and low manufacturing cost for power device, logic and memory devices

Primo AD-RIE® 200

Product Features

- Dual-station chamber design with more effective throughput
- 2/13MHz Switchable and 60MHz
- Gas distribution system
- Dual zone ESC for temperature control
- Low metal pollution process component options
- 2 tuning gas

Competitive Advantages

- More independent ion energy and ion density controllability
- Excellent process control, tunability and stability for critical processing criteria
- Excellent etch uniformity
- High throughput and low cost-of-ownership (CoO)

ICP Systems



Innovative etch solution for logic and DRAM devices at 1× and beyond

Primo nanova®

Product Features

- Truly symmetric chamber design
- Low capacitive coupling 3D coil design
- High pumping speed with large capacity turbo pump (TMP)
- Precise chamber wall temperature control
- Advanced plasma-resistant interior coating
- Multi-zone temperature-controlled ESC
- Active impedance tuned focus ring design (AEIT)
- Switchable dual frequency RF biasing
- Integrated dual strippers
- Durga ESC ready for selecting

Competitive Advantages

- More independent ion energy and ion density controllability
- Higher pumping conductance for wider process window
- Excellent etch uniformity
- Superior profile control for high aspect ratio applications
- High productivity platform with low cost of ownership (CoO)



Cost-effective etch solution for FEOL/BEOL conductive/dielectric film etch applications for IC devices

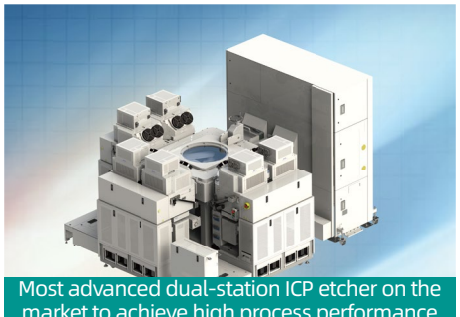
Primo Twin-Star®

Product Features

- Dual-station chamber design
- Low capacitive coupling dual 3D coil design
- High pumping speed with large capacity turbo pump (TMP)
- Dual-zone gas injection
- Precise chamber wall and RF window temperature control
- Advanced plasma-resistant interior coating
- Dynamic temperature-controlled ESC
- 13M or 400k pulsing RF biasing
- Integrated dual strippers

Competitive Advantages

- More independent ion energy and ion density controllability
- Higher pumping conductance for wider process window
- Excellent etch uniformity
- Superior profile control for high aspect ratio application
- High throughput and low cost-of-ownership (CoO)



Most advanced dual-station ICP etcher on the market to achieve high process performance and low manufacturing cost for FEOL/BEOL conductive/dielectric film etch applications for IC devices and optical applications

Primo Twin-Star® 200

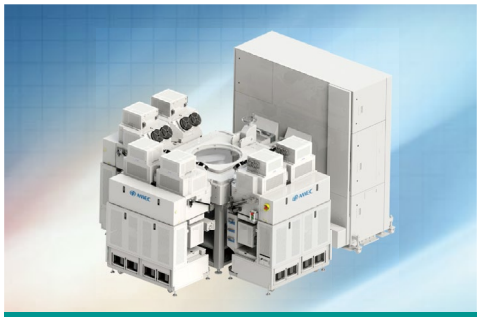
Product Features

- Dual-station chamber design
- Low capacitive coupling dual 3D coil design
- High pumping speed with large capacity turbo pump (TMP)
- 12 process gases can be configured
- Precise chamber wall and exhaust path temperature control
- Advanced plasma-resistant interior coating
- Dual cooling and 9000V high voltage ESC: can support Si wafer and glass wafer together
- 13M or 400k pulsing RF biasing
- Integrated dual strippers

Competitive Advantages

- More independent ion energy and ion density controllability
- Higher pumping conductance for wider process window
- Excellent etch uniformity
- Superior profile control for high aspect ratio application
- High throughput and low cost-of-ownership (CoO)

TSV Systems



High-productivity solution for deep silicon etching

Primo TSV200E® Primo TSV300E®

Product Features

- Dual stations with inductively-coupled plasma source
- High-power source RF and continuous wave or pulsed bias RF
- On-board gas box with advanced fast gas switching
- Wafer edge protection ring
- Optical endpoint control system
- Tunable dual coil

Competitive Advantages

- Process tunability for diverse applications
- High-productivity mainframe for maximum throughput per system
- Bosch and steady-state processing capabilities within the same chamber
- Easily upgradable from 200mm to 300mm

MOCVD Systems



MOCVD solution for high-volume LED production

PRISMO A7®

Product Features

- Independently controllable reactors
- Industry advanced in-situ, real-time monitoring system
- Precise process parameters control
- Automated and programmable maintenance routines
- SEMI S2 certified with enhanced tool safety performance

Competitive Advantages

- Superb process repeatability, simplified tool maintenance and improved production yield
- High throughput and low cost with its 716mm diameter susceptor, doubled throughput compared with AMEC's first-generation MOCVD tool (Prismo D-BLUE)
- Integrated lid lifting mechanism, simplified tool maintenance and maximized tool utilization
- SEMI S2 certified with enhanced tool safety performance



MOCVD solution for deep UV LED mass production

PRISMO HiT3®

Product Features

- Enabling growth of high temperature AIN material and UVC LEDs
- Excellent epi yield, with industry-leading efficiency and uniformity
- Novel chamber features for high quality growth and high AIN growth rate
- Innovative in-situ, real-time monitoring system
- Process temperature up to 1400° C process with excellent temperature uniformity and stability
- Highly stable automatic vacuum transfer to minimize particle generation
- Fully automated operation system with user-friendly interface

Competitive Advantages

- Superb process performance, simplified process adjustment and improved production yield
- Up to 18x2" epitaxial wafers per run with low production cost
- Integrated lid lifting mechanism, simplified tool maintenance and improved equipment utilization
- Superior UVC LED wafer capacity and long PM cycle



MOCVD solution for Mini LED mass production

PRISMO UniMax®

Product Features

- Industry advanced in-situ, real-time monitoring system
- Precise process parameters control
- Automated and programmable maintenance routines
- SEMI S2 certified with enhanced tool safety performance

Competitive Advantages

- Independently controllable reactors
- Novel local temperature adjustable heating system
- Excellent LED wavelength uniformity



MOCVD Tool for GaN Power Device Production

PRISMO PD5®

Product Features

- Independently controllable reactors
- Advanced in-situ, real-time monitoring system
- Dual-zone showerhead design
- Flexible on 6"/8" process switching
- Model-based temperature control system

Competitive Advantages

- Innovative in-situ monitoring system to measure susceptor temperature
- Good compatibility and flexibility on 6"/8" production
- Built-in lid lifting mechanism, easy tool maintenance and high utility ratio
- User friendly and fully automatic operating system
- SEMI S2 Compatible with enhanced safety performance

CDP Systems



Cost-effective tungsten fill solution for logic and memory devices

Proforma Uniflex® CW

Product Features

- Dual-station chamber and system with up to five dual-station chambers configuration
- Isolated and compact reaction region
- Effective and flexible process tuning window
- AMEC proprietary gas mixer design
- AMEC-designed heater with vacuum chuck

Competitive Advantages

- High productivity, low cost and chemical consumption
- Excellent film uniformity and gap fill capability
- Excellent process adaptation and compatibility
- Good process handling capability for high-bow wafer



A high-performance and high-productivity solution for tungsten fill application in complex and three dimensional device structures.

Proforma Uniflex® AW

Product Features

- Dual-station chamber and system with up to five dual-station chambers configuration
- Isolated and compact reaction region
- AMEC proprietary fast gas switching system
- Effective and flexible process tuning window
- AMEC-designed heater with vacuum chuck

Competitive Advantages

- High productivity, low cost and chemical consumption
- Excellent film uniformity and process stability
- Excellent gapfill capability proven for three dimensional structures
- Good process handling capability for high-bow wafer



A high-performance and low-cost solution for high aspect ratio and complex structures tungsten fill applications

Proforma Uniflex® HW

Product Features

- Dual-station chamber and system with up to five dual-station chambers configuration
- Isolated and compact reaction region
- Effective and flexible process tuning window
- AMEC proprietary precisely controlled growth inhibition process technology
- AMEC-designed heater with vacuum chuck

Competitive Advantages

- High productivity, low cost and chemical consumption
- Excellent film uniformity and process stability
- Excellent high aspect ratio structure gapfill capability and good compatibility for different complex structures
- Good process handling capability for high-bow wafer

VOC Purify Systems



VOC purifier for industrial use

VOC Purify Equipment

Product Features

- Compact footprint
- Integrated electronic cabinet and simplified system layout
- Composite design for process fans to ensure continuous, efficient operation and generate maximum energy savings
- Complies with IEC safety requirements and associated standards

Competitive Advantages

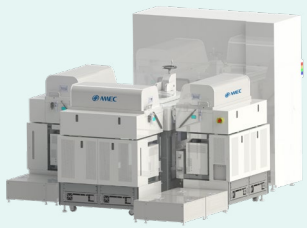
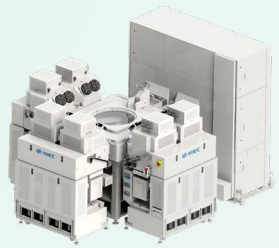
- Patented in-situ VOC monitoring functions
- Multiple smart-control modes for optimum energy savings
- High VOC removal efficiency with lower maintenance requirements
- Can be customized and scaled to address diverse treatment capacity needs
- Multiple parameter model design engineered by professional CFD team

Innovation Breakthroughs in Products

Bringing together our cutting-edge technology and extensive expertise and experience in semiconductor equipment manufacturing, AMEC pursues technical breakthroughs and product innovation, with product lines involving the industries of semiconductor and ICs, packaging, LED epitaxial, power devices, MEMS, and complementary fields. We are dedicated to promoting the healthy and rapid development of the semiconductor industry with a comprehensive, diverse, and professional technology system.

Etching Systems

The advanced plasma etching equipment produced by AMEC is precisely the key equipment for manufacturing all kinds of microscopic devices; it is the most crucial basic industry in the digital era and lays the foundation for the development of the information industry in the human society. Since the inception, AMEC has been constantly developing and innovating in new products and has become a pioneer in the industry to usher in the dual-station etching chamber structure, which can be configured with up to three dual-station reaction chambers (six stations in total). In succession, the Company has launched the CCP and ICP etching equipment with dual stations. Due to the shared use of components such as gas cabinets, manometers, and molecular pumps between the two stations, the equipment can save about 30% of the manufacturing cost and reduce the energy consumption across the semiconductor industry.

	Capacitive Coupling Plasma (CCP)	Inductive Coupling Plasma (ICP)	
Application	Primarily used for the etching of dielectrics such as silicon oxide, silicon nitride and low-K films for IC manufacturing	Primarily used for the etching of such materials as monocrystalline silicon, polycrystalline silicon and various thin media in special devices such as logic chips, memory devices, power devices, micro-LEDs, and the metalens for AR and VR smart glasses.	Primo TSV is mainly used for the etching of TSVs in 2.5D and 3D chips and deep Si trenches of CMOS image sensors and MEMS chips
Representative Equipment	 Primo AD-RIE-e	 Primo Twin-Star	 Primo TSV

Advanced Technical Capability of the Etching Equipment

Etching Capability with Extremely High Aspect Ratio

To produce advanced memory chips, there is a need to etch deep holes or trenches of 40:1 to 60:1 or even higher aspect ratio in a stack of silicon oxides and silicon nitrides. AMEC's high-end etching equipment can meet the stringent requirements of the process, improve the etching rate and production capacity, and reduce the manufacturing cost of a single wafer, thus helping customers manufacture high-density memory chips and effectively reduce the energy consumption in the process of chip use.

Continuous Improvement of the Performance of Dual-station Etching Equipment

Based on a serial of CCP and ICP dual-station etching equipment already in existence, AMEC has continued to conduct tech innovation to improve the etching performance for single wafers and has managed to reduce the etching difference between adjacent stations to the sub-angstrom level, which further extends the applicable etching applications and reduces the manufacturing cost of the process.

Case ICP Dual-station Etching Equipment Primo Twin-Star achieves Sub-Angstrom Etching Precision

AMEC's ICP Dual-station Etching Equipment Primo Twin-Star has achieved an inter-chamber etching rate control precision of 0.2Å/min (0.02nm or 20pm), which has been successfully validated in etching processes for various thin films including silicon oxide, silicon nitride, and polysilicon. This remarkable precision represents about one-tenth of a silicon atom's diameter (2.5Å) and is approximately 1/3.5 to 1/5 millionth of the average human hair's diameter. In repeatability tests conducted on 200 wafers across three different materials, the system demonstrated exceptional consistency with less than 1.5Å/min variation in etching rates between the two reaction chambers,

Green Innovation of Etching Equipment

Optimizing the process of cleaning chambers to reduce the consumption of consumable

The ICP etching equipment Primo Nanova VE has optimized the process of cleaning chambers between wafers, and extended the chamber maintenance intervals of some processes from 500 hours to 1,000 hours, 30% longer than that of similar products on the market, which prolongs the service life of consumables and reduces environmental pollution.

Optimizing the machine control software to improve the efficiency of the system

Unnecessary use of consumables and energy is reduced. For example, data and model intelligence is employed to trigger the chamber cleaning process, and intelligent scheduling algorithms are adopted to reduce the idle time of the chambers.

Optimizing the component manufacturing process to reduce the energy consumption in component production

Increase the yield and production of key parts and components and in turn lower the energy consumption of the production of single parts or components and sharpen the competitive edge of the etching equipment as a whole.

Optimizing the product component design to reduce the consumption of raw materials

For example, by optimizing the design of gas cabinets and concentrating devices, such as hand valves, filters, pressure-regulating valves, pressure gauges, etc. from the gas box of reaction chambers, in a manual valve box (MVB), the use of raw materials is effectively reduced in the production of common components.

MOCVD Systems

As an efficient artificial light source, LED makes tremendous contributions to energy conservation and carbon reduction in society by replacing traditional luminaires such as incandescent lightbulbs. AMEC's MOCVD systems are essential for producing compound semiconductor epitaxial wafers, which are widely used in the manufacturing of energy-efficient terminals such as blue LEDs for general lighting and backlight displays, Mini and Micro LEDs for high-end displays, UV LEDs for sterilization and air purification, and electrical and electronic power devices. AMEC contributes to the goals of energy conservation and consumption reduction for society through the wide application of these products.

AMEC's products, such as the PRISMO A7 for blue lighting, the PRISMO HiT3 for deep UV LED, and the PRISMO UniMax for Mini-LED displays, continue to serve customers with outstanding performance. By the end of 2024, the Company continued to maintain a leading position in the international GaN-based MOCVD equipment market.

PRISMO UniMax MOCVD equipment

Since the debut in June 2021, the equipment has been widely recognized by downstream customers due to the high production, high wavelength uniformity, and high yield, and is internationally leading in the field of Mini-LED display epitaxial wafer production.



Supporting Energy Conservation and Carbon Reduction in the Whole Society of MOCVD Systems

MOCVD is the key equipment for manufacturing energy-saving devices such as LED lighting, displays and GaN power devices. Since 2017, AMEC has become the largest supplier of MOCVD equipment, holding the largest GaN-based LED market share. By virtue of excellent equipment performance, the Company has pushed forward the manufacturing and use of equipment across the industrial chain, thereby contributing greatly to energy conservation and consumption reduction in society and demonstrating our commitment to the green development concept.



Reducing energy consumption by supporting the LED lighting industry



The power consumption of LED lights is about 50% of fluorescent lights, and 10% of incandescent lights. As LED lighting technology continues to prevail, it is estimated to help saving nearly 300TWh of electricity globally in 2024. By provide leading MOCVD equipment for LED production, AMEC fuels the mass production of LED lighting. In addition, AMEC actively develops innovative MOCVD tool for Micro LED displays, which has lower power consumption in applications like outdoor and large-screen conference displays.

Lowering social energy consumption by facilitating the development of GaN power devices



GaN power devices can save electricity by a maximum of 10% compared with silicon-based power devices, which have been extensively used in chargers for mobile phones, laptops and other consumer electronics. AMEC provides MOCVD for GaN power device manufacturing, pushes GaN power device from R&D to mass production level, make great contribution to energy conservation and emission reduction.

Green Tech Innovation for MOCVD Systems

Innovation in Heating Efficiency for MOCVD Reactor

The newly developed MOCVD system incorporates an inductive reactor heating system, achieving over 5% heating efficiency improvement through continuous technology iteration, reaching world leading level in terms of heating efficiency, system stability and interference resistance.

New MOCVD Product for Micro-LED Applications

AMEC continues to promote the development of MOCVD equipment for Micro-LED application. By improving process gas injection system and epitaxy process with the help of digital simulation, pre-reactions have been greatly reduced, increasing chemical source efficiency by 10%, reducing material consumption and byproduct emissions.

Breakthrough in Silicon Carbide Epitaxy Technology

To solve the technical challenges like complex process and low yield in Silicon Carbide epitaxy, AMEC achieved good process results with the help of simulation, precise control of thermal field parameters and continuous test of heating materials, supporting green industries such as the new energy automobiles, wind and photovoltaic energy storage, rail transportation etc.

Conductor Deposition Products (CDP)

AMEC is committed to the development of metal film deposition products, which can be applied to various semiconductor devices, such as logic devices, memory devices and other specific semiconductor device types. The company has developed and released six metal film deposition products to the market. Of them, the tungsten deposition product series can be flexibly equipped with up to five dual station chambers (total 10-stations), together with AMEC's independently developed optimized gas mixing design, effective and uniform pumping system, are of high output efficiency and remarkable performance such as excellent film uniformity, outstanding step coverage and filling capacity, and processing capability for wafers with large curvature. In addition, the company has launched a new series of AMEC independently developed atomic layer deposition products: metal gate products, which inherit AMEC unique dual-station design. With AMEC's patented multi-stage gas mixing and distribution design, the algorithm-based heating system design, and high chamber conductance which allows for high atomic layer deposition efficiency, the products not only meet and exceed customer requirements for advanced performance, but also show world-wide leading performance in terms of film uniformity control, particle control, and output efficiency.



Cost-effective tungsten fill solution for logic and memory devices

Preforma Uniflex® CW



A high-performance and high-productivity solution for tungsten fill application in complex and three dimensional device structures

Preforma Uniflex® AW

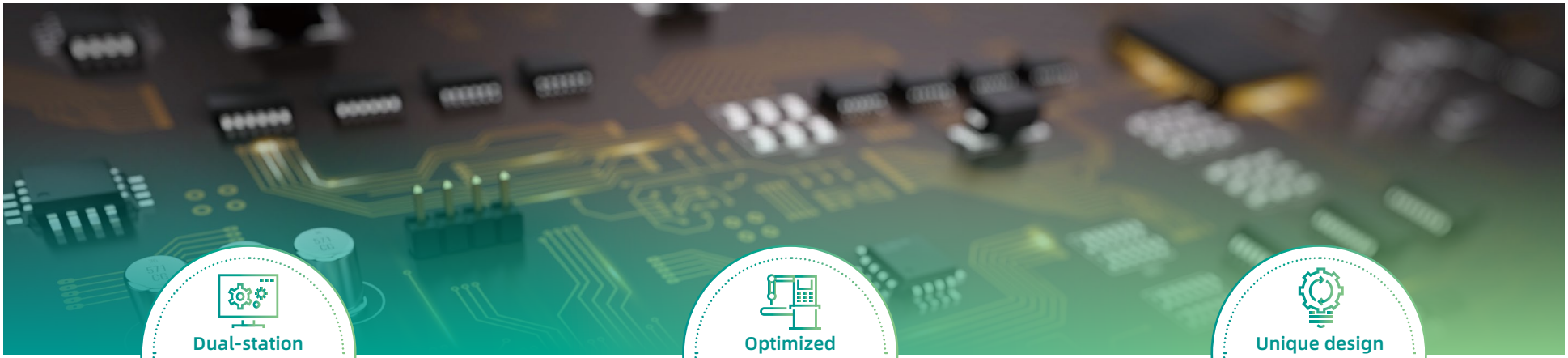


A high-performance and low-cost solution for high aspect ratio and complex structures tungsten fill applications

Preforma Uniflex® HW



Green Innovation in Conductor Deposition Products



Dual-station design for higher productivity/ efficiency

Each conductor deposition product can be flexibly configured up to 5 process chambers, each process chamber has two stations, and each station can be independently controlled. This design not only helps to meet customer requirements, but also reduces about 20% of material costs and effectively improves productivity.

Optimized product design for lower gas emissions

With the unique small chamber volume design and highly efficient gas mixing pumping system, the minimum amount of gas is utilized to achieve the optimal film quality, while uniform gas distribution in the process space is fully considered. All this contributes to the increased output efficiency and higher utilization rate of process gas, thus reducing the gas emission to the maximum extent.

Unique design of the process chamber for fewer consumables

A series of AMEC self-developed unique designs, such as the dual-station chamber design, the unique gas delivery system, the optimized conductance design, the precise multi-point temperature control system and so on, help to greatly prolong the maintenance cycle of atomic layer deposition metal gate series products while meeting the key process requirements of customers. The consumption of consumables per wafer therefore is greatly reduced, and the production cost and material consumption of customers are also reduced.

Eco-friendly and Renewable Energy Products

AMEC's subsidiary, AMEC Wisetron, has always focused on the development of the environment protection and renewable energy industries. AMEC Wisetron has developed industrial-scale Volatile Organic Compounds (VOCs) purifiers and eco-friendly local scrubbers, which are widely used to treat exhaust gases generated from the manufacturing of semiconductors, ICs, pan-semiconductors, and display panels, thereby facilitating compliance with governmental gas emission standards. The Wisetron enables companies to improve the working environment of clean rooms. These remarkable improvements contribute strongly to the healthy, quality-driven development of high-technology industries.

Product	Application	Green Innovation
Local Scrubber Environmental-friendly Tail Gas Treatment Equipment	Used to treat poisonous and hazardous exhaust gases generated from the manufacturing of semiconductors, ICs, panels, LEDs and solar power devices; and providing customized environmental solutions (including a scrubbing system, a wastewater treatment system, and a plasma abatement reactor).	• The dual-reactor design ensures simultaneous operation of the two cleaning systems, and the optimized device has up to four independent inlets, making sure that it achieves 100% uptime. • With the closed-loop design lowering water consumption, the system, when operating, can use different fuel gases and detergents with mature technologies, secure and stable, fully satisfying customers' needs. • Taking advantage of the extremely high temperature of the plasma, it decomposes stubborn gases that cannot be treated by traditional equipment. The treatment throughput per unit is **300** SLM.
VOCs Purifier	The first Chinese industrial VOCs purifier, which effectively eliminates the damage of VOCs and improves the working environment of cleanrooms.	• The advanced in-situ inlet and outlet concentration monitoring function can realize real-time monitoring, remote management and intelligent control. • The exceptional air ducts and integrated design of the entire equipment enable the function of autonomously adjusting operation status, which can save up to 50% of electricity. The treatment throughput per unit is **40,000** CMH.


Plasma reactor equipment


Single-chamber reactor equipment


Dual-chamber reactor equipment


VOCs Purifier

AI-empowered Industrial Internet Platforms

Huilian is actively engaged in innovation practice and vigorously promotes AI application in the fields of enterprise management and semiconductor R&D. In the field of enterprise management, we improve the efficiency of enterprise operation by integrating We-OTD with AI; in the field of semiconductor R&D, it uses AI to break through the technical bottleneck and reduce costs. In this process, it attaches great importance to science and technology ethics so as to ensure that AI technology is used legally, safely and reliably, to balance tech innovation and risk, and to lay a solid foundation for the sustainable development of the enterprise and the industry at large.

Improving Efficiency for Enterprises with the Integration of We-OTD and AI

In a continuous effort to innovate, Huilian integrates We-OTD, a self-developed enterprise data and business process management system, with AI to address the "last mile" problem for AI applications in enterprises. We-OTD constructs industry-specific AI Agents (intelligent agents). Through AI assistants in various business modules such as procurement assistants and R&D assistants, it realizes the in-depth application of AI in actual business management and operation scenarios of enterprises.

Smartly Analyzing and Presenting Data

By integrating AI and BI technologies, business data can be integrated and analyzed promptly and efficiently according to user needs. It also supports text-to-code, text-to-API, text-to-SQL and other modes, so that data can be presented to enterprise managers in a concise and clear form, maximizing the value of output data.

Enabling Intelligent Processing of Orders

With the help of AI, it converts orders in various formats (such as XML, PDF, and other formats) into a unified format and rapidly and precisely enters them into the database. Moreover, it allows for intelligent order verification to improve the efficiency and accuracy of order processing.

Empowering R&D and Application with AI

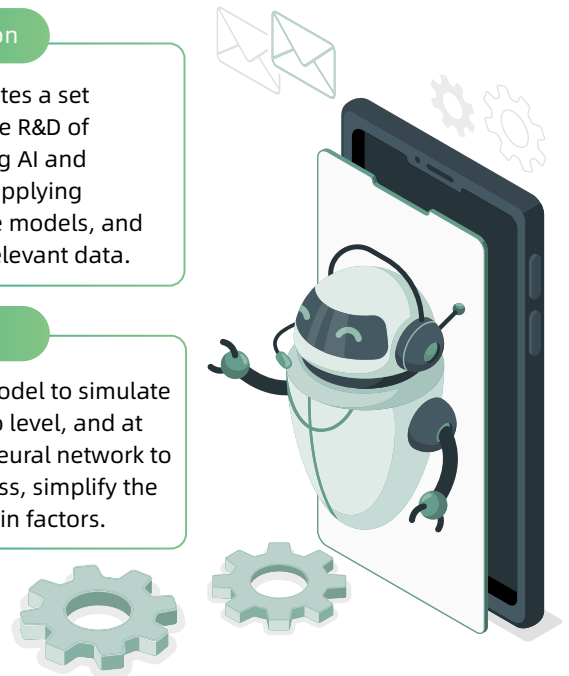
The R&D of semiconductor equipment faces the challenge of great technological difficulty and high cost. In this context, Huilian innovatively integrates AI technology into the R&D of semiconductor equipment. With the aid of AI simulation models, it is able to comprehensively simulate various experimental conditions, greatly accelerate the speed of R&D, and effectively lower the R&D costs.

Tech Integration and Innovation

In an innovative attempt, it creates a set of virtual simulation tools for the R&D of semiconductor devices by fusing AI and digital twinning technologies, applying neural networks and PINN large models, and employing a large amount of relevant data.

Creation of Special Models

Attempt to build a unique 3D model to simulate the etching process at the micro level, and at the same time, it uses a cyclic neural network to accelerate the simulation process, simplify the model, and identify the uncertain factors.



Optimizing Customer Services

AMEC has always upheld the principles of mutual trust, collaboration and collective growth in customer service. We follow the "Ten Rules for Business Development and Sales Strategies" and remain focused on customer and market demands. We constantly strive to deepen areas of collaboration, expand offerings of high quality, and provide comprehensive, thoughtful services for our customers.

Customer Services Mechanism

We communicate with customers through a variety of channels to ensure effective and timely communication and feedback. We have also put into place and improved a company-wide customer services mechanism covering customer communications mechanism, customer service delivery and other fields. Corresponding management systems and execution measures have been developed to standardize customer service management, help address customer complaints and demands in time, and further improve customer service capabilities.



Service Mechanism	Management Systems	Measures
Customer communications mechanism	Customer Feedback Process	• **24-hour Service Hotline:** Every customer is provided with a dedicated service team to ensure that their problems are addressed timely and efficiently. • **Business Engagement Communication:** Conduct detailed analysis and control of cost budget to provide customers with customized cost-effective products and services.
Customer service delivery	Service Delivery Procedures Customer Field Services Procedures Field Abnormality Handling and Escalation Procedures	• **Customer Service Delivery:** Through system installation and customer training, we provide standardized services both before and after sales. • **Field Service Delivery:** The primary on-site workflow is standardized and abnormalities occurring at a customer site are well handled to deliver sound field service for customers.

Customer Complaint Management

We have developed a response escalation mechanism to handle complaints occurring during the delivery of a product, with the complaints categorized by their urgency. Five levels from Customer Service Engineer to Product General Manager and Regional General Manager respond one by one to effectively handle customer complaints in time and cater to customers' demand. Meanwhile, we pay close attention to customer satisfaction with our services and engage third-party specialists or conduct customer satisfaction survey ourselves each year. Problems revealed in the survey are rectified in time to ensure high-quality delivery of products and improve customer satisfaction.

Complaint Response Mechanism

We have developed a response escalation mechanism to handle complaints occurring during the delivery of a product, with the complaints categorized by their severity and urgency. Customer complaints are recorded, tracked and man-aged through our internally developed "Customer Corrective Action Request" (CCAR) system, to continuously improve service delivery and customer satisfaction.



Level 1 0 - 24 hours	Customer Service Engineer
Level 2 > 24 hours	Customer Service Manager
Level 3 > 2 days	Technical Product Support (TPS)
Level 4 >3 days	Technical Product Support Director, Technical Director and Sales Director
Level 5 > 5 days	Product General Manager and Regional General Manager

Customer Complaint Response Escalation Flowchart

Customer satisfaction survey

Remaining customer demand-oriented, AMEC is dedicated to providing quality products, premium services, and optimal solutions to continuously improve customer satisfaction. In 2024, the Company conducted a customer satisfaction questionnaire survey on the use of etching and MOCVD products, and to that end, distributed nearly 100 questionnaires in total. After the survey, we analyzed the data and results, conducted follow-up visits, and planned, implemented, and evaluated areas in need of improvement to enhance customer satisfaction.

Content of the Survey

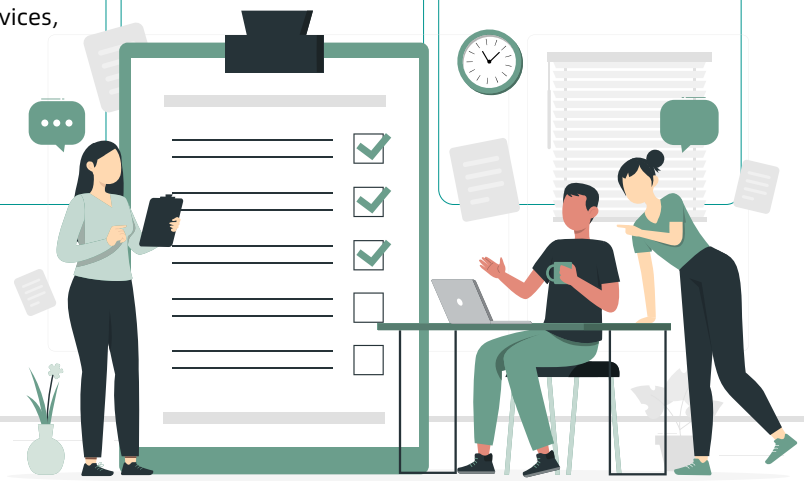
- Customer relations
- Sophistication of technology
- Product Performance
- Tech support
- Quality of products and components
- Aftersales services, etc.

Object of the Survey

- Persons in charge of customer equipment
- Persons in charge of customer process
- Persons in charge of customer procurement

Results of the Survey

- The overall customer satisfaction has been on an upward trend all along.





Protecting Product Safety

AMEC attaches great importance to product safety and to that end, has set up a Product Safety Department to ensure the safety of semiconductor products throughout their life cycles from conception, design and R&D, service to retirement.

Compliance of Product Safety

Compliance with Safety Standards

- AMEC tracks international product safety regulations (e.g., the SEMI S2/S8 safety guidelines for devices, the EU CE certification system's directives for machinery, etc.) and develops localized compliance strategies for different markets (e.g., the China GB, U.S. NFPA, and Japan JIS markets).

Safety Design and Test

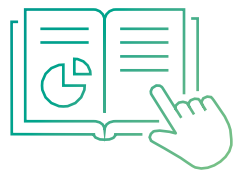
- The Safety Requirements Specification is formulated to help review the mechanical protection design, facilitate the design review, and ensure mechanical, electrical, and plumbing compliance with safety norms and standards.
- Safety tests such as voltage withstand tests and grounding continuity tests are performed as well.

Risk Management Enhancement

- Safety risk assessment is conducted to comprehensively identify the sources of electrical, mechanical, and chemical hazards.
- Quantitative and semi-quantitative analysis and other methods are adopted to calculate the probability of the occurrence of hazardous events, and qualitative methods are employed to measure the severity of harm.
- A rich array of preventive measures, such as making intrinsically safe design, adding safeguards, standardizing warning signs, and offering management training, are taken to reduce the risk level to an acceptable level.

Documentation and Certification

- Safety manuals and CE self-declaration of conformity are prepared; the list of critical parts for safety is maintained; and third party organizations are invited to conduct on-site audit.



Customer Services and the Improvement

Customer Services

- Address the safety concerns of customers and participate in equipment safety acceptance test.
- Provide safety training for equipment operators and produce multilingual training videos.

Investigation and Improvement

- The 5 Why method or the "fishbone diagram" is employed to identify the root cause of safety events.
- Safety Alert is issued and fed back to the R&D department to enable closed-loop improvement.

Production Safety of the Supply Chain

Supplier Management

The suppliers of critical safety components are reviewed to ensure that their products meet safety requirements.

Production Safety Supervision

Check the safety of assembly lines and assess the assembly risk of new processes.

Low-Carbon Development to Protect the Environment

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AMEC adheres to the concept of green development, pays attention to climate-related risk and opportunities brought by climate change, responds actively to climate challenges, and constantly improves the construction of a management system for climate change response. By promoting green and low-carbon operation and strengthening green development capacity building, we reduce the carbon emissions from operation. Moreover, we advance the promotion and application of green technology and the sustainable development of the supply chain by way of cultivating a green development culture, advocating the co-development and shared benefits concept for green development, and encouraging multi-party cooperation. In addition, we actively participate in internal and external exchanges to help realize a green, low-carbon and sustainable future.



The proportion of green electricity in electricity consumption reached **24%**

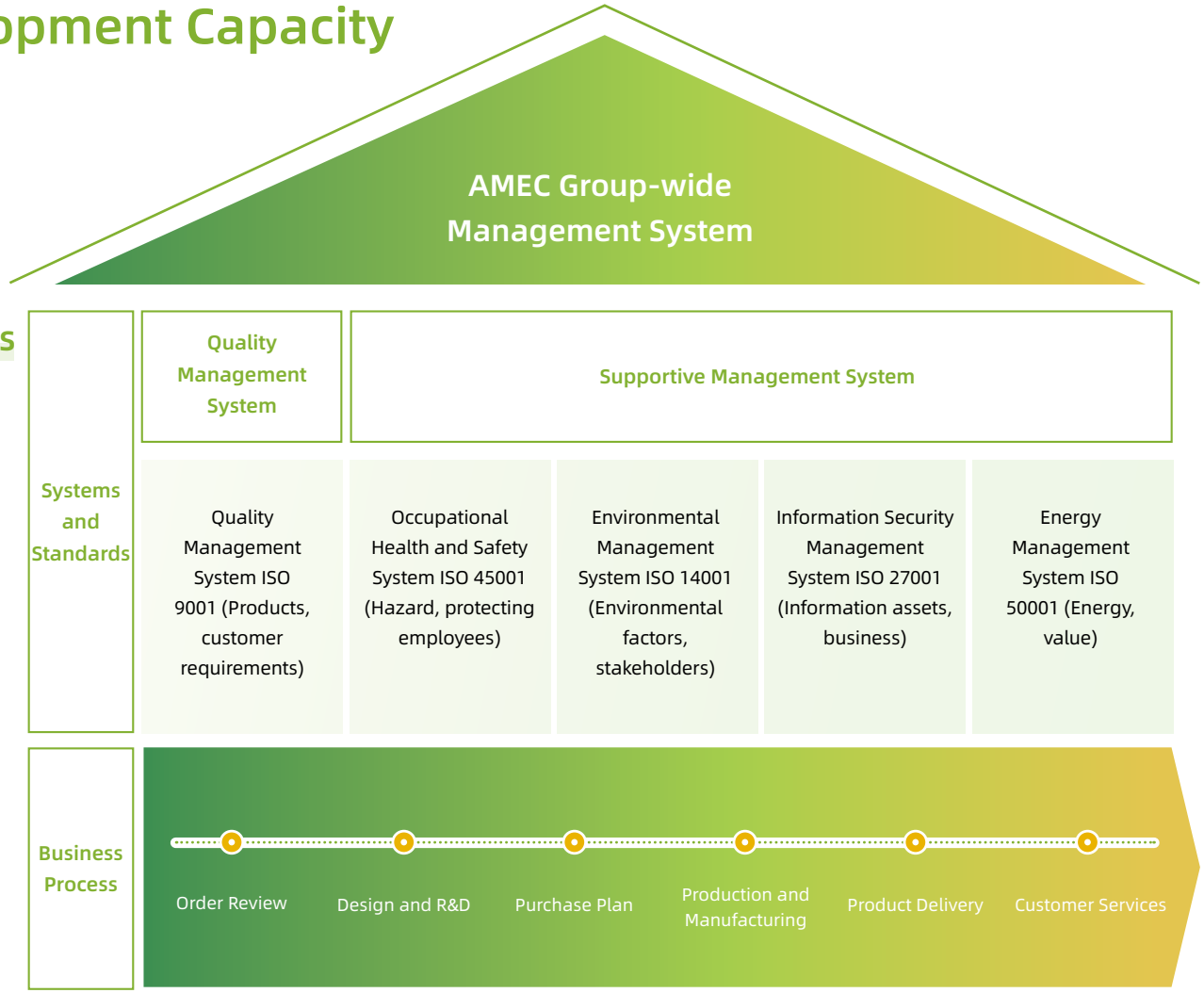
100% zero landfill for solid waste

The GHG emissions intensity (GHG emissions per million yuan of revenues) reduced by **26%**

13 types of events held during the QEHS Culture Month, with over **2,800** participants

Building the Green Development Capacity

In order to strengthen the building of green development capacity, AMEC has made every effort to improve the ISO management system and standardize all processes from the source. At the same time, we focus on enhancing change management, formulating emergency response mechanisms, and tightening ESG risk management to boost the green development in all respects. In 2024, no environmental accidents have occurred at the Company.



Improving EHS Management Systems

AMEC integrates the management requirements of the ISO system into the whole process of equipment R&D, manufacturing, sales and services. On the Group level, we enforce multi-system certification for all R&D centers and industrial bases, and improve the system through regular review. According to the PDCA management cycles under the ISO system[1] and the risk-based thinking, AMEC has established comprehensive and systematic EHS and energy management system, integrated EHS and green business concepts into our business, and ensured that policies cover all employees and third party partners and in the meantime are enforced across the Group to protect the rights and interests of all parties, and promote sustainable development for all. In 2024, AMEC carried out 8 internal and external audits, with identified problems 100% solved.

AMEC carried out **8** internal and external audits

100% identified problems solved

[1] PDCA means to Plan (operation planning), Do (operation support), Check (performance appraisal), and Action (continuous improvement).

Strengthening EHS Risk Management

AMEC attaches great importance to EHS management. While establishing sound management mechanisms to build our own EHS risk management capacity, we actively undertake EHS management over stakeholders to improve EHS management and reduce the risks across the industrial chain.

Management of Own EHS Risks

AMEC has set up a sophisticated EHS risk management mechanism, which is coordinated by the EHS Department. This mechanism involves identification, evaluation, control, and monitoring of potential risks and continuous improvement of various risks across different departments. AMEC employs scientific methodologies to identify and evaluate different categories of risk.

Risk Categories	Assessment Methods	Assessment Contents	Follow-up Actions
Safety Hazards	LEC Assessment Method	The LEC ("Likelihood", "Exposure" and "Consequence") assessment method is utilized to fully identified hazards specific to various regions and jobs.	Specifically focus on controlling high-risk positions, develop safety management measures, formulate emergency plans and integrated these measures into our Company's business processes.
Environmental Factors	Four-factor Assessment Method	The four-factor assessment method ("Frequency", "Detection", "Severity", and "Suitability") is utilized to evaluate the environmental risks.	Clarify the environmental risk points, establish the list of major environmental factors, establish and improve the management system and operation process, and regularly review and update the results of risk management and control measures.
Energy Risks	Comprehensive Assessment Method	The comprehensive assessment method is utilized to evaluate energy risks based on internal and external factors, and particularly, energy supply, market fluctuation, management mechanism, measurement and monitoring, energy-saving technology, compliance with laws and regulations, and carbon emission.	Identify energy-related risks, formulate emergency response plans, implement energy-saving tech innovation, and strengthen the stability, efficiency, and low-carbon development of business operations.

Management of Stakeholders' EHS

While ensuring that EHS risks are controllable, AMEC actively promotes the improvement of EHS management across the industrial chain. For example, in terms of supplier management, Global Material Operation Department (GMO) joins hand with the QEHS department to carry out various forms of supplier audit on a yearly basis, including questionnaire survey, online audit, and on-site audit. In this way, AMEC integrates the risk control and EHS concepts into the supplier management process to reduce the risks across industrial chain and improve ESG performance



Enhancing Management of Change

In recent years, as the business scale grown constantly, AMEC has faced challenges brought about by the introduction of new plants and a large number of new products R&D activities. During this process, AMEC has adopted MOC (Management of Change) and Room Readiness Check to help identify and eliminate various EHS risks and hidden dangers in advance, ensure the safe and compliant use of new plants, and secure the smooth implementation of various production and R&D projects. In 2024, a total of 103 EHS MOC reviews were carried out, and Room Readiness Check was conducted for new plants, with 745 improvement proposals made.

A total of 103 EHS MOC reviews were carried out

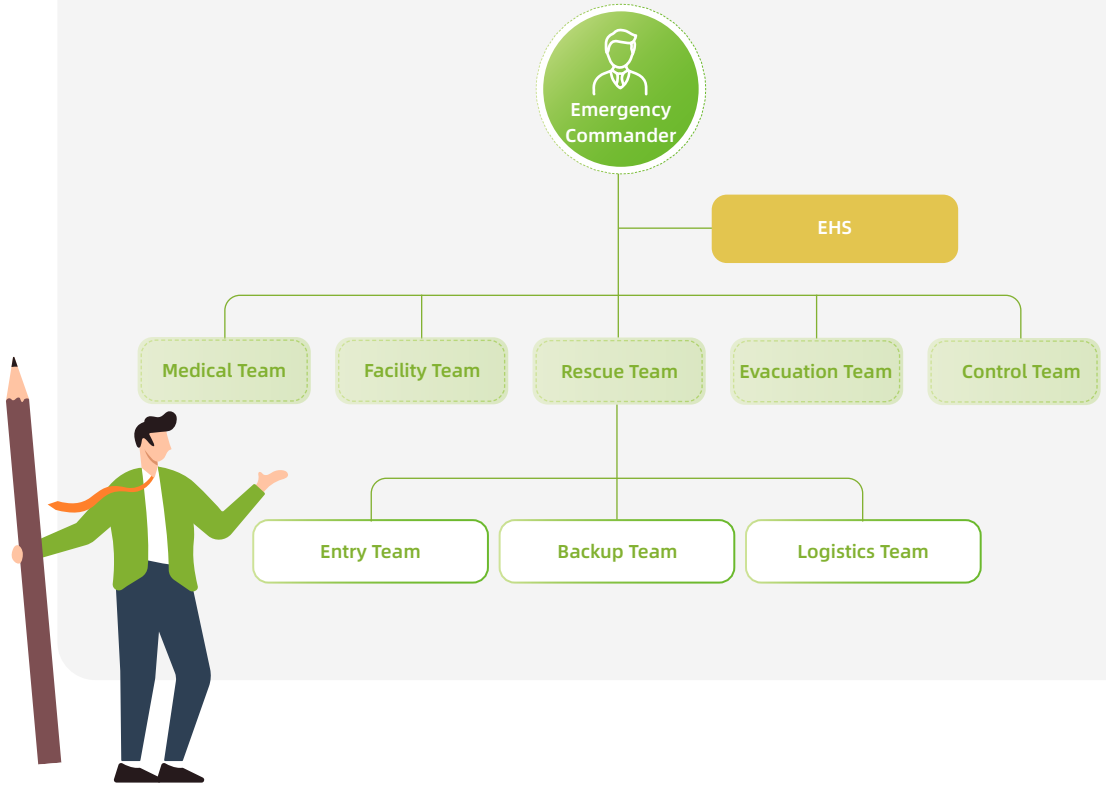
745 improvement proposals were made



Developing Emergency Response Mechanisms

For all kinds of unexpected environmental and safety events that may occur in production and operation activities, AMEC has established emergency response mechanisms, formulated corresponding emergency response plans, and set up Emergency Response Teams (ERTs) for each production and R&D base. We delivered orientation training, daily equipment training, and organized various emergency drills for ERTs to ensure their effectiveness in emergency response. In 2024, we carried out 23 emergency response drills.

Organizational Structure for Emergency Response







ERT Daily Practice

Actively Responding to Climate Change

AMEC adheres to the development philosophy of giving priority to ecology and green development, and unswervingly follows the path of green and low-carbon sustainable development. In this vein, we integrate the global challenge of climate change into our overarching development strategy, core business, and routine operations, and are committed to promoting the construction of an environment-friendly society through practical actions.

Governance Mechanism for Response to Climate Change

AMEC draws extensively on the best practices in the field of ESG, takes ESG management mechanism and actual business development into consideration, and sets up a top-down climate change management framework to define the management functions at all levels. At the same time, AMEC constantly deepens the capacity building, information disclosure, supervision and performance appraisal, decision-making support and other work related to climate change, so as to ensure that AMEC moves forward steadily on the road of sustainable development and responds actively to the challenges and opportunities brought by climate change.

Organizational Structure

- An ESG Committee is set up under the Board of Directors to be responsible for formulating the Company's ESG strategies and policies, and deliberating and deciding on major ESG issues, including matters related to response to climate change. The committee is also responsible for monitoring and evaluating the implementation of carbon-neutrality goals and roadmaps.
- The ESG Leadership Group is responsible for formulating and implementing climate change strategies, identifying, evaluating and responding to climate risks and opportunities, reporting progress, coordinating resources, tracking policies and regulations, and adjusting strategies in time to promote green and low-carbon development.

Capacity Building

- Internal training: Energy and low-carbon related training is delivered to different functional personnel, such as new employees, key equipment management positions, and R&D personnel. Industry experts are invited to give lectures and seminars on climate change.
- External communication: Cooperation is conducted with universities and industry associations to exchange climate change-related topics.

Information Disclosure

- Regularly conduct statistical analyses and make reports on energy consumption and carbon emissions, identify and analyze relevant information such as climate impacts, risks and opportunities.
- Set up an ESG webpage, including regularly updates on climate change, so that investors and the public can intuitively understand our actions responding to climate change.
- Released AMEC Climate Action Handbook to detail company's strategies, objectives, actions and performance in responding to climate change.
- Actively participate in the climate information disclosure by international authorities such as CDP (Carbon Disclosure Project).

Supervision and Performance Appraisal

- Incorporates climate change issues into the Management by Objectives (MBO) performance appraisal system.
- Regularly review the achievement of climate-related targets and indicators through the meeting of the ESG Leadership Group.

Decision-making Support

- In the decision-making process such as strategic planning and new project siting, AMEC takes climate into consideration and weighs it together with the financial and market factors to ensure that the decisions are scientific and sustainable.

Strategies of Response to Climate Change Response

Following the SSE's *Guideline No.14 for Self-Regulation of Listed Companies - Sustainability Report (Trial) and Guideline No.13 for Self-Regulation of Companies Listed on the SSE STAR Market - Preparation of Sustainability Report*, AMEC actively identifies climate-related risks and opportunities, and on that basis, evaluates the adaptability of the strategies to climate change. According to the actual conditions of the Company, AMEC divides the timeframe of risks into short-term (0-3 years), medium term (3-5 years) and long term (more than 5 years), and works out appropriate countermeasures accordingly. In order to ensure the effective advancement of the climate strategy, moreover, AMEC takes response to climate change as one of the key considerations in strategic formulation and major decision-making to ensure that relevant planning and decision-making meet the requirements of low-carbon development.



Type of Risks/Opportunities		Description of Risks/Opportunities	Potential Financial Impacts	Key Countermeasures	Timeframe Affected
Physical risks	Acute risks	• **Risks:** Increased frequency of extreme weather such as typhoon, flood, and extreme precipitation • **Opportunities:** Enhance the ability to cope with extreme climate events	• Reduced capacity, increased operating costs	• Establish emergency response mechanisms and provide emergency material reserve in plant areas exposed to physical risks	Long term
	Chronic risks	• **Risks:** Rising sea level, damaged facilities in coastal areas • **Risks:** Higher average temperature, increased frequency and intensity of extreme weather events • **Opportunities:** Boost green and low-carbon production	• Damaged assets in coastal areas • Rising energy costs	• Develop carbon-neutrality roadmap to specify the achievement of carbon neutrality by 2035 (scope 1 and 2)	Long term

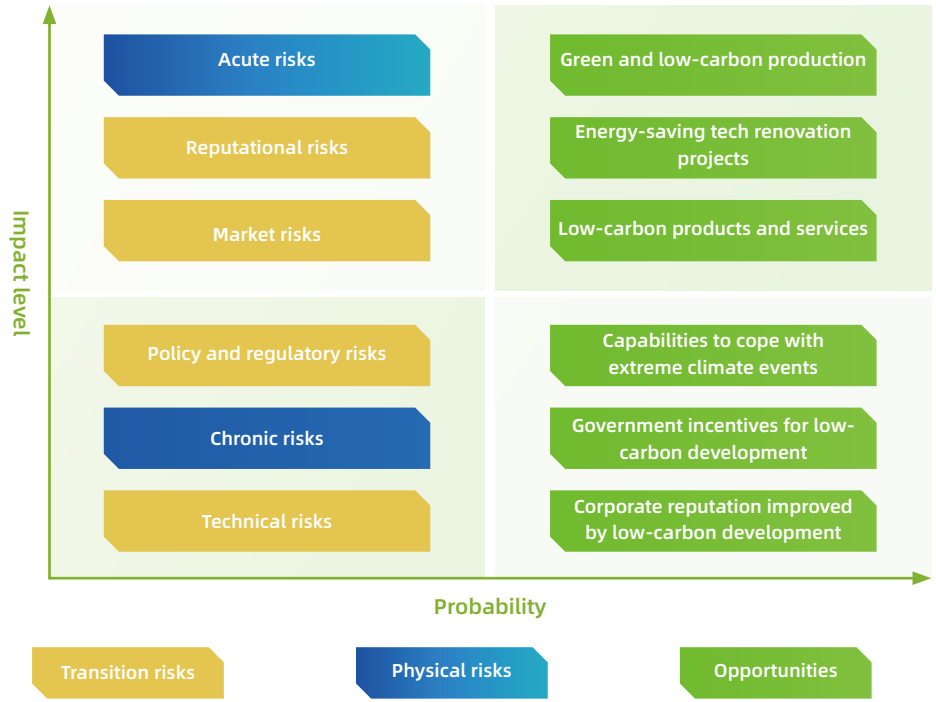
Type of Risks/Opportunities		Description of Risks/Opportunities	Potential Financial Impacts	Key Countermeasures	Timeframe Affected
Transition risks	Policy and regulatory risks	• **Risks:** Failure to keep up with national and industrial low-carbon policies in a timely manner • **Opportunities:** Conduct research on low-carbon development policies • **Opportunities:** Earn incentives for low-carbon development granted by government	• Potentially increased operating costs due to compliance with low-carbon development policies	• Track the latest green and low-carbon development policies and regulations domestically and internationally	Long term
	Technical risks	• **Risks:** Uncertainty in the development of new energy-saving and carbon-reducing technologies • **Opportunities:** Promote energy-saving tech renovation projects	• Potentially increased operating costs due to the introduction of new energy-saving technologies	• Integrate green and low-carbon development concepts into the life cycle of products • Undertake energy-saving tech renovation and increase the proportion of renewable energy	Short-to-medium term
	Market risks	• **Risks:** Changes in consumer preferences • **Risks:** Rising cost of raw materials • **Opportunities:** Low-carbon products to enter new markets	• Rising costs due to changes in market demand • Impact of asset repricing on asset value	• Strengthen market monitoring and collection of customer feedback, and maintain good relationships and communication with customers • Develop flexible business strategy • Continue low-carbon innovation and R&D	Short-to-medium term
	Reputational risks	• **Risks:** Corporate reputation impaired by environmental and climate risk events • **Opportunities:** Advocate low-carbon development to enhance corporate reputation	• Corporate revenues decreased by reduced demand for products and services due to environmental and climate-related public opinions	• Improve the transparency of information disclosure and create the image of green development • Establish public opinion handling mechanisms	Short-term

Management of Climate-related Risks and Opportunities

AMEC attaches importance to climate-related work. We adopt a combination of the risk matrix and scenario analysis to assess climate risks and opportunities and provide support for decision-making. In the meantime, AMEC integrates climate-related initiatives into internal management process and actively implements responses to climate change and sustainable development.

Analysis of Climate Risks and Opportunities

To better assess climate-related impacts, risks and opportunities, AMEC simulates the potential impacts of different climate conditions, using both the risk matrix and scenario analysis, to visually show the impact level and probability of climate risks and opportunities, and indicate the distribution of such risks and opportunities, so as to provide strong support for decision-makers.



Integration into Internal Management Processes

Commitment: Specify the goal of achieving carbon neutrality for Scope 1 & 2 GHG emissions by 2035

Risk management: Conduct systematic risk management to identify and mitigate climate-related risk

Product development: Promote Design for Sustainability (DfS) and provide customers with green and low-carbon equipment and technical solutions

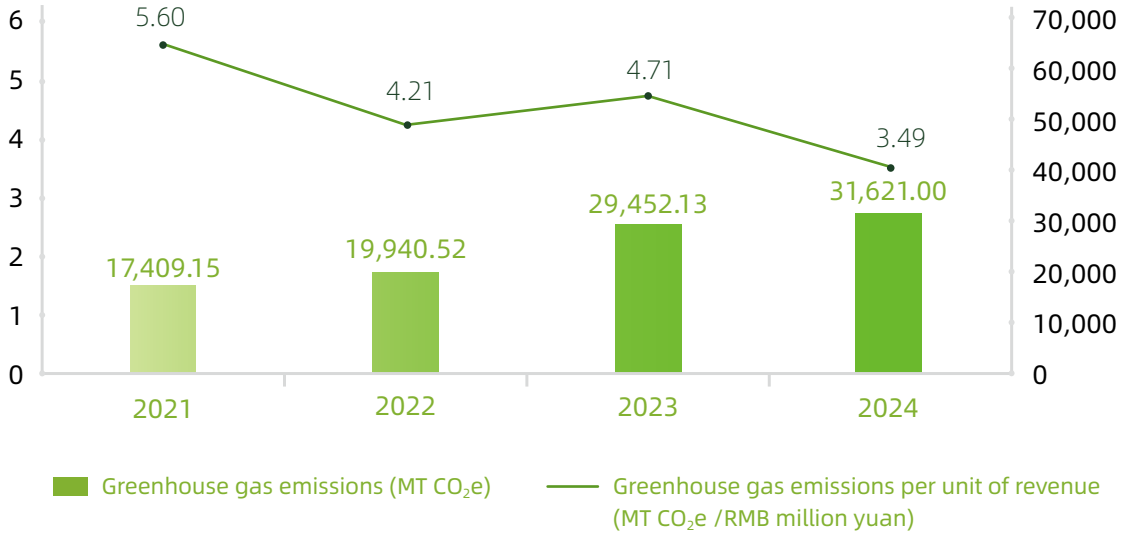
Supply chain cooperation: Work closely with stakeholders to improve supply chain resilience and sustainability

Information disclosure: Improve the transparency of climate-related information disclosure to enhance the trust of investors and the public

Climate-related Metrics and Targets

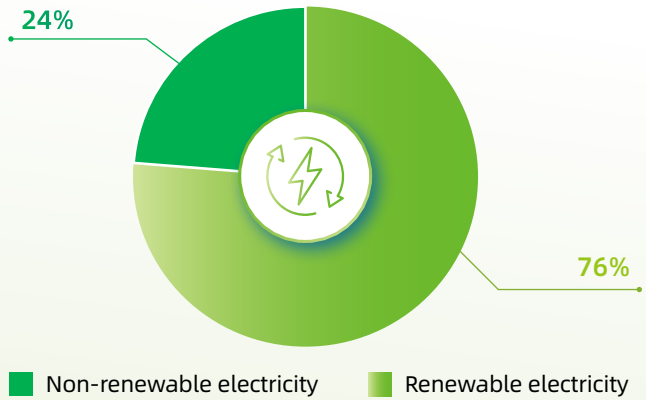
In 2023, AMEC put forward the goal of achieving carbon neutrality (Scope 1 & 2) by 2035. To that end, AMEC has made deep analyses of the overall energy consumption, planned the overarching technical route, and actively and steadily advanced the process of carbon neutrality.

Absolute and Intensity of GHG Emissions in Recent Years[2]



[2] Greenhouse gas emissions include scope1&2.

Electricity MIix in 2024



AMEC Carbon Neutrality Goal and Roadmap

Overall goal

Achieve carbon neutrality for Scope 1 & 2 GHG emissions by 2035.

Roadmap

We will make efforts to reduce energy consumption and the use of fluorinated chemicals, keep improving energy efficiency, increase the proportion of renewable energy use. Carbon offsets will be employed to address the unavoidable carbon emissions to achieve the carbon neutrality goal in Scope 1 & 2 greenhouse gas emissions.

Key Courses of Action	Targets for 2024	Current Progress
Sharpen the awareness and capability of employees	Raise the awareness of all employees on energy conservation and carbon reduction	The first edition of AMEC Climate Action Handbook was prepared and released to provide employees with a comprehensive guide to energy conservation and low-carbon actions
Deepen the accounting of GHG emissions	Gradually expand the GHG accounting for Scope 3 emissions based on the continued accounting for Scope 1 & 2 emissions	The GHG accounting for Scope 3 emissions, i.e., emissions from downstream transportation and distribution, and employee commuting, was completed in 2024
Use clean energy	Increase the proportion of renewable energy use	All major production and R&D bases achieved renewable energy supply by signing renewable electricity purchase agreements, and promoted the grid connection and power generation of rooftop photovoltaic projects
Coordinate with suppliers to reduce emissions	Conduct EHS audits over suppliers to sort out their energy consumption structure and carbon emissions management, and provide guidance for them to save energy and reduce emissions	Cooperated with suppliers to conduct carbon emissions verification, and explore the opportunities for energy saving and carbon reduction
Promote energy-saving tech renovation projects	Continuously conduct on-site reviews of energy usage, identify potential for energy conservation and carbon reduction, and promote the implementation of energy-saving technological transformation projects.	Energy audit and energy conservation and carbon reduction tech renovation campaigns were implemented at major production and R&D bases

Promoting Green and Low-carbon Operation

AMEC responds actively to the decisions and deployment of the state to promote the construction of a green manufacturing system. In practice, we advocate the concept of green and low-carbon operation, establishes an efficient, clean, low-carbon, and circular green operation system, and build green factories featuring intensive land use, clean production, waste recycling, and low-carbon energy use.

Environmental Protection and Treatment

AMEC enforces the requirements of various environmental protection laws and regulations and the principal entity responsibility for pollution prevention and control of the Company, and establishes a sound internal environmental management system. While ensuring the law-abiding discharge and disposal of wastewater, exhaust gas and solid waste, we introduce advanced pollution prevention and control technology and environmental protection equipment to minimize the consumption of energy and resources and the impact of our business operations on ecology and the environment. On a regular basis, we provide environmental protection training courses for different groups such as new employees, key position holders, R&D personnel, etc., in order to strengthen and improve the awareness and ability of all employees in environmental protection.

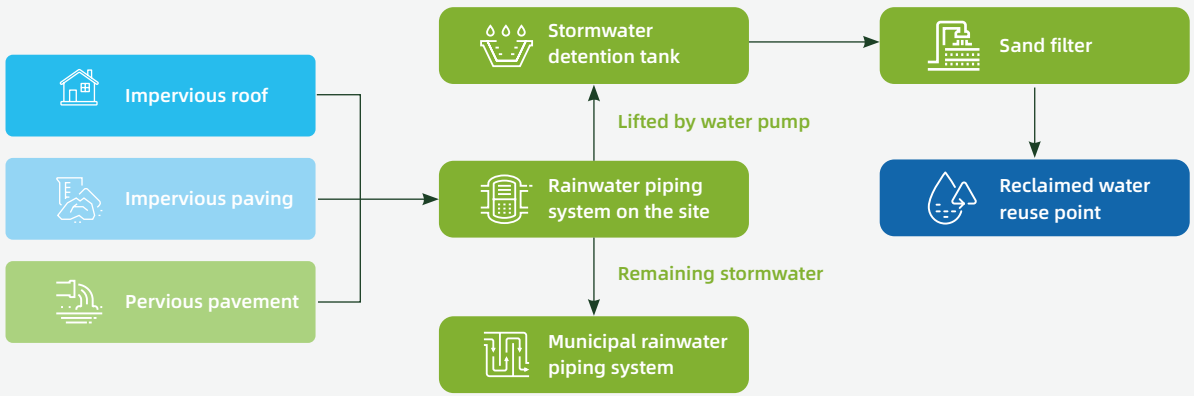
Water Use Management

Following the concept of "Water Conservation Takes Priority and Systematic Governance", AMEC innovates in the use of water resources and significantly improves the efficiency of water use.

Sponge City Design and Stormwater Reclaiming System at Lin-gang Industrial Base

Sponge city design: The centralized dispatch, storage and purification method is adopted. The stormwater runoff from the roof and pavement in each drainage area is channeled into the stormwater storage tank through the pipeline in the drainage area, and then treated and reclaimed. After the storage tank is full, the remaining stormwater runoff in each area is then discharged to the municipal stormwater pipeline through its own discharge outlet.

Rainwater reclaiming: The Lin-gang Industrial Base is furnished with a rainwater purification system with a treatment capacity of 800m3/day, and the collection, transfer, purification and recycling of rainwater can be done automatically throughout the process. The treated rainwater is used for greening and irrigation purposes or as the water source for the reclaimed water reuse system on the Company's premises.



Technical Roadmap for the Sponge City Design

Reclaimed Water Reuse System at Lin-gang Industrial Base

In view of the characteristics of production water and wastewater, AMEC carries out tech renovation for wastewater recycling and improves relevant equipment and facilities. Lin-gang Industrial Base has developed a reclaimed water reuse system, which uses the treated industrial wastewater and rainwater to provide for public auxiliary facilities and waste gas treatment. This has helped to improve the water reuse rate and achieve the circular use of water resources at the Company, with the industrial wastewater reuse rate expected to reach 30%.

the industrial wastewater reuse rate expected to reach 30%.



Wastewater Management

Eyeing the entire process of production and R&D, AMEC takes measures such as optimizing production processes and equipment, reducing water consumption, promoting comprehensive water use, reducing chemical consumption and pollutant generation to manage the wastewater. What's more, it develops strict wastewater discharge management systems and operation and maintenance norms, and reviews and optimizes such systems and norms with reference to the ISO 14001 system, so as to ensure standardized treatment and 100% up-to-standard discharge of domestic and industrial wastewater.

Conceptual Diagram of the Water Management Process

Source Control

Optimize the R&D and production processes, give priority to the production processes and equipment with low water consumption, improve the utilization rate of process water, and control the water consumption and wastewater generation of production processes.

Process management

Apply process management to reduce chemical and water consumption, reduce wastewater generation and water pollutant concentration at the source.

End-of-pipe treatment

Collect and treat wastewater per category and quality, use advanced water treatment equipment and online monitoring and full-automatic control systems to cut down on pollutants in a precision and efficient manner, reduce the use of water treatment chemicals and energy, and cooperate to reduce pollution and carbon.

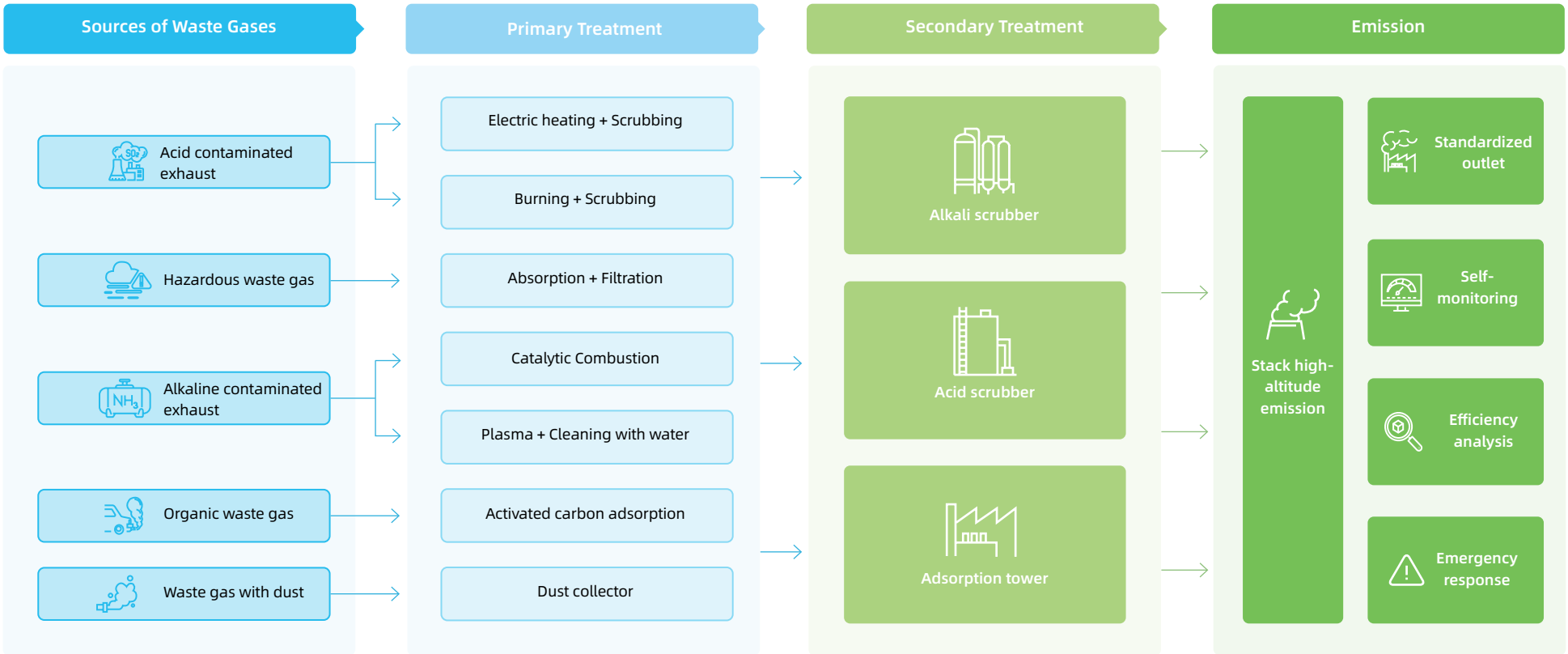
Recycling and reuse

Develop a reclaimed water reuse system to recycle and reuse wastewater and achieve the purpose of saving water and reducing pollution.

Waste Gas Management

AMEC identifies pollutants with different characteristics from various sources and selects waste gas treatment facilities with higher treatment efficiency to reduce the emission of pollutants. We also conduct regular environment monitoring, treatment result analysis, emergency response, and other measures to fully control the environmental emissions of waste gases, ensuring compliance with emissions standards.

Waste Gas Treatment Process



Solid Waste Management

To ensure the sustainable use of resources and the proper disposal of solid waste, AMEC categorizes, collects and disposes all kinds of waste generated in daily production and operation activities, so as to use resources sustainably and put the concept of "green production" in practice.

General solid waste

General solid waste is subject to a sound pollution prevention and control responsibility system covering the whole process of waste generation, collection, storage, transportation, utilization and disposal, and is comprehensively used in accordance with the principle of "being used whenever possible while being subjected to whole-process management and control". Downstream waste processors are strictly reviewed in terms of their qualifications and routine management to ensure the compliant disposal of general solid waste.

Hazardous waste

The standardized environmental management requirements are enhanced for the whole process of hazardous waste generation, collection, storage, transfer, utilization and disposal. The whole-process control of hazardous waste is achieved through the national hazardous waste environmental management information system and the corporate intelligent management platform.

Government service extranet

Hazardous Waste Management System of Shanghai

Corporate process


Sorted and collected at workshops producing the waste


Weighed, accepted, and labeled


Stored in warehouses


Code printed and exited out of the warehouse


Slip printed and exited out of the factory

Online Declaration and Disposal Process of Hazardous Waste (Shanghai)



Comprehensive Energy Use and Carbon Reduction Practices

AMEC has set the goal of decreasing the intensity of greenhouse gas emissions per million yuan of revenue and increasing the proportion of renewable energy use year by year, and has focused energy management efforts on the construction of energy management system and the optimization of energy mix. To that end, we adopt a multi-pronged approach to improve energy efficiency and promote green development, including purchasing green electricity and other renewable energy, deploying PV power generation capacity to increase the proportion of self-supplied renewable electricity, and implementing energy-saving tech renovation to reduce energy consumption. As a result, the Company's greenhouse gas emission intensity per million yuan of operating revenue has fallen and proportion of renewable energy use has risen year by year.

Construction of Energy Management System

In 2024, AMEC kicked off the construction of the ISO 50001 energy management system, covering the Jinqiao, Lin-gang and Nanchang Industrial Bases. More specifically, it improved energy efficiency and reduced energy consumption through systematic management, and established the energy management guidelines of "To engage all aspects of stakeholders to achieve sustainable development, through implementing energy lean management to reduce consumption, increasing efficiency as well as identifying energy saving opportunities continuously" to highlight the importance of green operations and social responsibility.

Dimensions of Energy Management	Measures	Expected Outcomes
Improvement of management systems	• Establish a systematic energy management system aligned with ISO 50001 • Improve the system and process of energy management	• Standardized and systemized energy management • Improved transparency and traceability of energy management
Energy-saving tech renovation	• Identify the potential of energy conservation and implement tech renovation • Use efficient equipment and energy management systems	• Reduced energy consumption and improved energy efficiency • Reduced carbon emissions and promoted green development
Full participation	• Carry out energy management training and promotion, and raise the awareness of all employees on energy conservation • Establish an energy management network	• A participatory energy conservation culture put in place • Energy conservation achieved through the behavioral change of employees
Mechanism of continues improvement	• Conduct energy reviews on a regular basis • Set energy performance targets and optimize management measures	• Continuously improved energy performance • Energy management systems aligned with the development needs of the Company
Integration with ESG strategy	• Incorporate energy management into the Company's sustainable development strategy • Regularly disclose the performance target for energy management	• Elevated ESG rating and brand image • Bolstered confidence among investors and stakeholders

Rooftop photovoltaic projects at Lin-gang Industrial Base

Distributed solar PV power generation system was installed on the roof of the main plant buildings at the base, with an installed capacity of about 3 MW. The systems were officially connected to the grid for power generation in 2024. The project generated about 3,000MWh of electricity on a yearly basis, which was equivalent to reducing about 1,610 tons of carbon dioxide emissions and about 857 tons of standard coal consumption.





Energy Conservation and Carbon Reduction Practices of Lin-gang Industrial Base

In the operation phase, the base carries out on-site diagnosis to identify energy conservation and tech renovation measures for lighting, air conditioning, and other devices. The implementation of such measures helps to save 410,000 kWh of electricity per year, reducing carbon dioxide emissions by about 220 tons.

Waste Heat Recovery

In winter, Lin-gang Industrial Base uses PCW to preheat the fresh air of the MAU air-conditioning units in the clean room, thus reducing the use of hot water and lowering the operating energy consumption of the heat pump units. This saves more than 160,000 kWh of electricity every year.

Construction of High-efficiency Refrigeration Station

Through the use of high-efficiency water chilling units, cooling towers, water pumps and other equipment, the system design features "large temperature difference and small flow", and the operating strategies such as free cooling in winter, making full use of medium-temperature water and so on, combined with the adoption of high-efficiency water treatment systems and intelligent control systems, Lin-gang Industrial Base optimizes its operating conditions in real time, with the comprehensive energy efficiency of its refrigeration rooms throughout the year exceeding 7.28.

Water Conservation of the Cooling Water System

By installing the "electrochemical + sand filter" cooling water system, Lin-gang Industrial Base manages to increase the concentration factor of cooling water, thus reducing the amount of blow down. This is expected to save about 2,000 tons of water per year.

Energy Conservation and Carbon Reduction Practices of Nanchang Base

Through innovative energy-saving measures such as optimizing lighting system, optimizing of air conditioning system, recycling and reusing waste heat, etc., the base effectively improved its energy efficiency. As of the end of December 2024, the base has saved more than 180,000 kWh of electricity.

The base advanced the tech renovation project for smart air compressor stations to enable accurate and dynamic matching between the gas supply and the workshop load, significantly improving the operation efficiency of the air compressor system of the base and saving around 180,000 kWh of electricity every year.



Green and Intelligent Innovation Practices

Intelligent Factory at Lin-gang Industrial Base

According to the principle of "unified planning, phased implementation, and adaptation to local conditions", AMEC has constantly promoted the construction of intelligent factory, and implemented relevant plans at its Lin-gang Industrial Base. After many years of construction, the industrial base has made remarkable achievements and been rated as "an Advanced Intelligent Factory of Shanghai in 2024" by Shanghai Municipal Commission of Economy and Informatization.

In the future, AMEC plans to build the base into a pilot intelligent manufacturing factory within 3-5 years, deepen the integration and innovation of intelligent factory, renewable energy and circular economy, and create a sustainable development paradigm in the field of semiconductor equipment manufacturing. The completion of the intelligent factory will help AMEC to achieve stable, efficient, healthy and secure development.



Lin-gang Industrial Base

Information systems are the key to intelligent manufacturing. By developing such systems for intelligent factories, AMEC has achieved digital transformation across the end-to-end production and manufacturing value chain, thus generating fruitful results.

Intelligent Factory Information System of AMEC



Intelligent Material Logistics and Equipment Management System



AMEC Achievements in Intelligent Factory Information System Management[3]

Intelligent Cabinets

Space utilization rate raised to 240%

Intelligent warehousing

Manufacturing Execution System (MES)

Information transparency coverage lifted to 80%

Operational efficiency increased by 30%

Digitally intelligent lean management

AGV Automatic Handling

Material distribution capacity increased by 300%; the labor cost of two people saved by a single AGV; space saved by 50%

Precision delivery

AGV Rack-to-person Area

Operation efficiency increased by +50%; space utilization rate increased by +100%

Intelligent warehousing

Advanced Planning and Scheduling System (APS)

200% increase in scheduling efficiency; 30% increase in planning accuracy; and 100% increase in scheduling timeframe

Intelligent planning and scheduling of production activities

Electronic Standard Operating Procedure (ESOP)

50,000 pieces of paper saved per year, and the examination and approval efficiency increased by 150%

Digitally intelligent lean management

Pallet Stacker

Operation efficiency increased by +66%; space utilization rate increased by +82%

Intelligent warehousing

Equipment Management System (EMS)

Troubleshooting response reduced to 20 minutes; stocktaking efficiency increased by 260%

Smart operation and maintenance of equipment

AGV Box-to-person Area

Operation efficiency increased by 80%; space utilization rate increased by 230%

Intelligent warehousing

Yard Management System (YMS)

The waiting time of vehicles reduced by about 20 percent; the efficiency of warehouse scheduling increased by about 50%; and the utilization rate of road junctions increased by about 15%

Intelligent distribution for supply chain logistics

[3] MES: Manufacturing Execution System. APS: Advanced Planning and Scheduling System. EMS: Equipment Management System. AGV: Automated Guided Vehicle. ESOP: Electronic Standard Operation Procedures. YMS: Yard Management System.

Intelligent Energy Management System

AMEC installs intelligent energy management systems at the main production bases to monitor and analyze the daily consumption of water, electricity and gas in real time. With energy data, energy managers can identify key energy uses, optimize energy efficiency, and reduce energy costs.



Biodiversity and Circular Economy

Biodiversity Protection

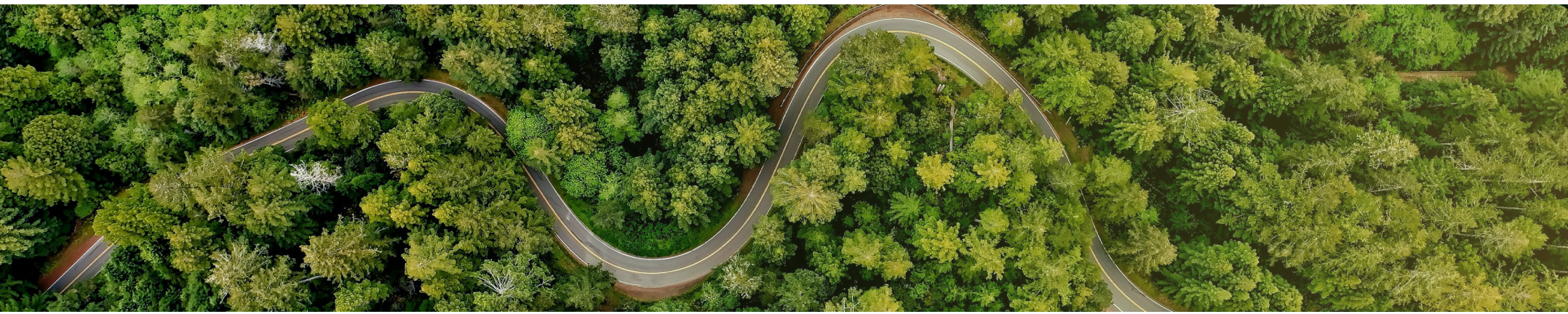
At the beginning of its design and construction, AMEC's Lin-gang Industrial Base has taken biodiversity protection into consideration with a view to creating a workplace with green, ecological elements and effectively integrating green buildings with biodiversity.

Building Nests for Birds and Create an Eco-friendly Workplace

Endowed with abundant bird resources, Lin-gang Industrial Base carefully designed and built nests for birds, create a natural environment for employees to relax, and promote the development of biodiversity.

Affixing Labels to Plants to Raise Awareness of Ecological Protection

Given the richness of plants in the base and in a bid to deepen the employees' and visitors' understanding of the plants, the base made and affixed labels to introduce the names, families and genera, growth characteristics and ecological functions of the plants, so as to enhance the awareness of and respect for biodiversity.



Waste Reclaiming

AMEC attaches importance to the concept of circular economy and actively practices waste reuse. By recycling packaging materials such as wooden crates, foam pellets, pearl cotton, carton boxes and wooden pallets, the Company not only reduces the waste of resources, but also lightens the burden on the environment. On this basis, the Company further explores the possibilities of reusing waste as resources, including transforming solid waste from production and life into recycled plastic sheets, plastic pallets, etc., thus providing more examples for green circular development. In 2024, the Company recovered about 108 tons of packaging materials.

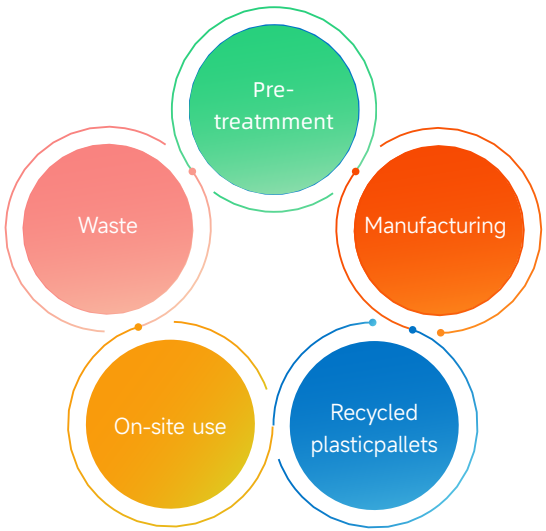
Recycled and Environment-friendly Plastic Boards

AMEC turns the solid waste generated in production and life on the premises into environment-friendly plastic boards and uses them to make floors and chairs for guard posts across industrial base. If a guard post uses about 20 square meters of such plastic boards, it can reduce carbon emissions by about 1.60 tons, and cut the waste landfill by about 0.44 tons, which is equivalent to planting 87 trees.

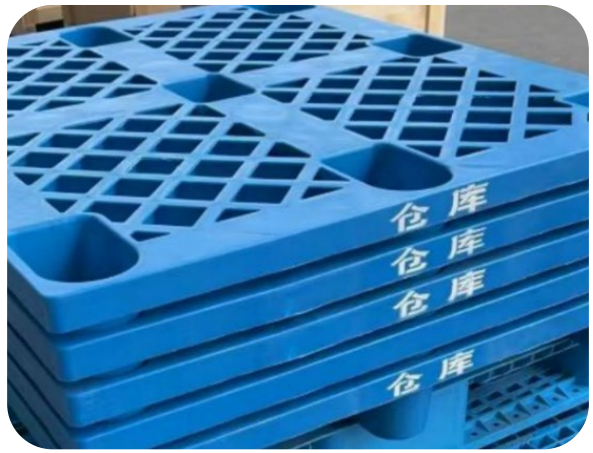


Recycled Plastic Pallets

AMEC recycles waste plastics and foams from the production process on its premises and turns them into recycled plastic pallets. The first batch of 50 pallets produced has now been used for logistics operations in warehouses, with their performance equal to that of virgin plastic pallets. This reduces the carbon emission by about 1.40 tons. On the basis of this pilot project, the Company will subsequently roll out the practice to the manufacturing, warehousing and logistics operations.



Circular Use of Recycled Plastic Pallets



Recycled Plastic Pallets Used in Warehousing Operations

Green Development through Joint Contribution and Shared Benefits

In the process of promoting green development, AMEC upholds the concept of collaboration and shared benefits, fosters the green development culture, and has all employees establish an awareness of environmental protection, thus creating an environment in favor of green development. At the same time, we actively participate in exchanges to share the experience and achievements in seeking green development with colleagues from around the industry and jointly promote sustainable development of the society at large.

Culture Construction of Green Development

In November 2024, AMEC launched the 2024 QEHS Thematic Month event and held 13 types of online and offline activities, including in the theme of fire safety, environmental protection, energy conservation, quality, etc. With more than 2,800 persons participating, the event strongly promoted the development of quality, environment, health and safety (QEHS) cultures across the Company.

Fire Safety Week: Put Life First and Promote Fire Safety for All

During the week, we carried out fire evacuation drills for all employees to help them get familiar with the escape route and countermeasures, improve their hands-on skills to use fire extinguishers and fire blankets, and enhance their skills to handle fire accident.





Safety Week: Raise Safety Awareness and Familiar Emergency Response

During the Safety Week, in response to the call of potential risks inspection by all staff, more than 200 persons reported potential safety through the "Safety Reporting" system.



In addition, we put a "Safety Dojo" into operation at AMEC Lin-gang Industrial Base. At the "Safety Dojo", employees could operate various safety experiencing equipment in person through VR and a variety of safety somatosensory equipment, so that they could experience various hazards, which may significantly improve the diversity and effectiveness of safety training.

Moreover, we organized QEHS online and offline knowledge competition covering the basic knowledge of QEHS management systems, the latest regulatory requirements, practical case studies, and best practice sharing, etc., with the purpose of checking and deepening participants' understanding of QEHS standards, processes, risk prevention and control, and emergency response.



Environmental Protection Week: Comprehensively promote the construction of a beautiful China

The interesting game of sending garbage "home" and the park cleaning activities attracted many employees interesting from both AMEC Shanghai and Nanchang sites.





Quality Week: Strengthen Quality Control to Build a Country with Quality Products

AMEC organized QEHS knowledge competition and a series of quality training, covering precision measurement, ISO quality management system, 6S management, EPS (Effective Problem Solving), BKM (Best-Known Method) and other fields.





Energy Conservation Week: Promote Green and Low-carbon Development

AMEC released the first edition of AMEC Climate Action Handbook to provide employees with a comprehensive guidance on energy conservation and low-carbon actions, which further strengthened employees' environmental awareness and sense of responsibility.



We organized employees to visit national green factory and high-end energy equipment manufacturing base, and enabled them to have an in-depth understanding of the innovative application of green and low-carbon concept, recycling, and intelligent manufacturing in actual production.



In the green tour of coffee grounds, the creative display and guidance for the use of coffee grounds enabled employees to recognize the charm and value of recycling.



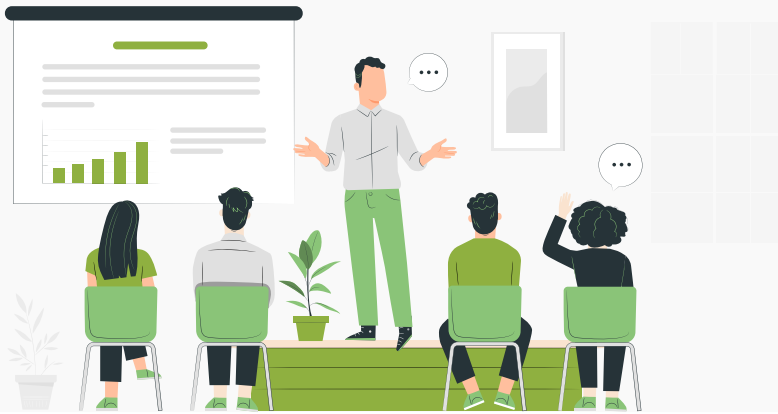
Exchanges on Green Development

Participating in External Exchanges

AMEC actively participated in various industry forums and summits such as the SEMI EHSS Special Committee, SEMI SCC Carbon Neutrality and Sustainable Development Summit Forum, ESG Green Development Forum of the Integrated Circuit (IC) Industry and Green Facility Technology Forum to strengthen the exchanges on green development.

Participating in the Compilation of ESG Textbooks

AMEC was deeply involved in the preparation of the *CASS - ESG 6.0 for the Semiconductor Industry* and the basic teaching material Sustainable Development of Enterprises (ESG), to make our own contributions.



Case Contributing to the Sustainable Development of the Industry

In December 2024, the 2024 Shanghai ESG Green Development Forum of the Integrated Circuit Industry was successfully held. Shen Xiaomin, Vice President and QEHS Head of AMEC, shared the ESG concept and practice of the Company at the meeting. As a leading company in the semiconductor equipment industry, AMEC has been committed to the following: practicing sustainable development and promoting energy conservation, consumption reduction and climate governance in particular; fulfilling social responsibility, supporting education and developing industry talents; promoting a culture of equality, diversity and inclusion; strengthening innovation capacity, protecting intellectual property, and creating a development environment that respects innovation.



03

Integrated Cooperation to Build a Sustainbale Supply Chain

AMEC always regards supply chain management as an important pillar of corporate sustainability and concentrates on building an efficient, transparent and responsible supply chain governance system. By setting a clear supply chain development strategy, we deeply integrate our supply chain with our business objectives to ensure optimal allocation of resources and collaborative innovation. Amid the uncertainty of the global market, we attach great importance to the management of risks and opportunities across the supply chain, establish a comprehensive risk assessment and response mechanism, and improve the resilience and agility of the supply chain. At the same time, we set clear metrics and targets for supply chain development, optimize the entry, evaluation and cooperation procedures for suppliers, and promote the green, digital, and standardized development of the supply chain. Following the concept of openness and win-win cooperation, AMEC grows hand in hand with its partners across the supply chain and lays a solid foundation for fulfilling the high-quality development and social responsibility objectives.



Around **880** suppliers worldwide with whom AMEC maintains stable partnership

99 training sessions provided to suppliers in respect of social responsibility

1,800+ meetings held with suppliers to discuss technology, quality, environmental protection and safety issues

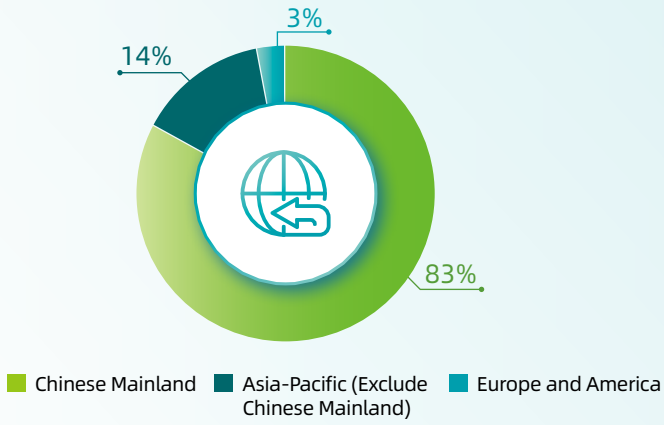
Supply Chain Governance System

AMEC goes all out to build a scientific and efficient supply chain governance system. Our measures include establishing a complete supply chain management structure to clarify the division of responsibilities, creating sound supplier management systems to standardize the cooperation process and improving the efficiency of supply chain management in an all-round way, etc. In 2024, AMEC had around 880 suppliers across the world, of which 83% were from the Chinese Mainland.

AMEC had around **880** suppliers across the world

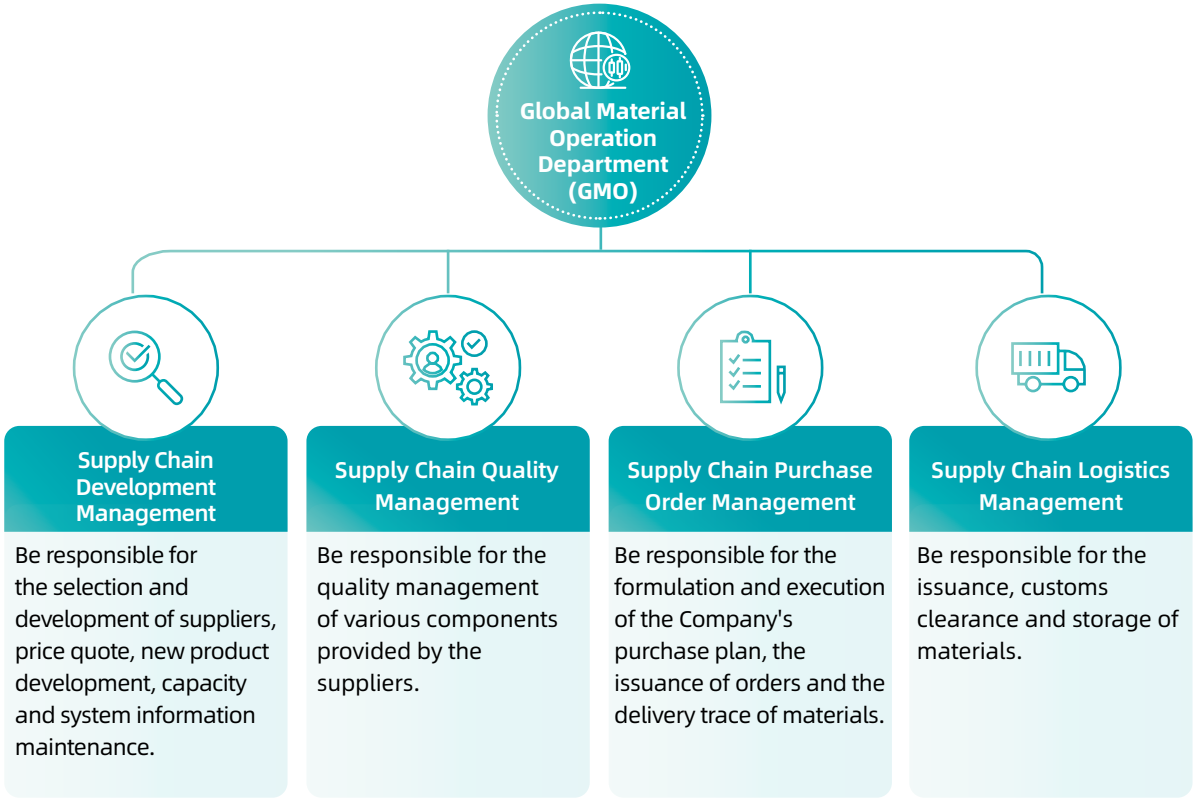
83% of which were from the Chinese Mainland

Geographical Distribution of AMEC Suppliers



Supply Chain Management Structure

Global Material Operation Department (GMO), as the leader in supplier management, is responsible for supply chain development, quality, purchasing order and logistics management. The Department is tasked with comprehensive supply chain management including detailed requirements regarding ISO implementation, environmental protection, fire safety, employment regulations and compliance, all in an effort to support stable production and operation.



Improving Management Systems

To improve the supply chain management systems, AMEC has formulated a series of management systems such as the Supplier Management Procedures to manage suppliers on a category-on-category basis. The procedure covers the whole process of supplier management from entry, evaluation, inspection, audit, certification and disengagement, and is intended to improve the suppliers' ability to manage their social responsibility, lower the risks from the supply chain, and guarantee the quality of production, operations and services.

Supplier Classification Standards

By commodity	Parts, infrastructure, office and facility, IT, outsourcing service, bank and government, consumables and equipment suppliers
By category	BTP metal and non-metal, BTP electrical, BTP gas box, BTP sheet metal, chemistry, manufacturing consumables, contract assembly, customer designation, logistics, manufacturing services, OEM, raw materials, research and development, surface treatment supplier and etc.
By criticality	Critical supplier and Non-critical supplier



Supply Chain Development Strategy

AMEC values the long-term and stable partnership with suppliers and is active in improving the management skills of our suppliers. By clarifying the code of conduct and strengthening the ESG management of suppliers, we help them to improve their ability on production security and supply and raise their awareness of social responsibility, so as to meet the demands of all stakeholders. In 2024, we organized 160 events for 87 suppliers on social responsibility training, on-site audit and training, review and confirmation of the measures for non-conforming items, and optimization of suppliers' production processes, including 99 social responsibility training sessions.



Clarifying the Code of Conduct for Suppliers

In order to ensure that supply chain management is standardized and sustainable, we have formulated systems on the evaluation of supplier behaviors to demand that all suppliers should comply with the code of conduct governing labor rights and interests, health and safety, environmental protection, business ethics and management systems. The purpose is to push suppliers to comply with domestic and foreign standards and AMEC's values, so as to improve the overall compliance level of the supply chain.

Labor

- Focus is placed on whether suppliers comply with national laws, but provisions are also imposed on aspects such as reasonable employment, anti-discrimination, freedom of association and more.

Health and safety

- Suppliers are required to create a safe and healthy working and housing environment, develop plans to reduce safety risks and prevent safety accidents.

Environment

- Suppliers are required to heed their impact on the environment (including but not limited to exhaust gas emission, wastewater discharge, toxic substances and hazardous waste disposal) and local communities, comply with environmental regulations, properly dispose of toxic and hazardous wastes, and prevent leakage.

Business ethics

- Suppliers are required to enforce zero tolerance for bribery, corruption, etc., and put in place policies with respect to information disclosure, intellectual property, anti-unfair competition, avoidance of conflict minerals, privacy, etc.

Management system

- Suppliers are encouraged to establish a management system similar to AMEC. If we audit the compliance of such system, suppliers are required to cooperate and assist in such audit.

Promoting the ESG Management of Suppliers

In an effort to practice the philosophy of sustainable development, AMEC expands the ESG concept to the supply chain management, and strengthens the ESG capacity building of our suppliers, with an aim of creating a responsible supply chain, achieving collaboration and sharing success on all fronts.

Green Development of the Supply Chain

- The proportion of recycled incoming packaging materials[4] accounts for around 12%
- Promote the use of AMEC's standard circulating boxes to seven suppliers
- Jointly carry out packaging material recycling projects



Capacity Building of the Suppliers

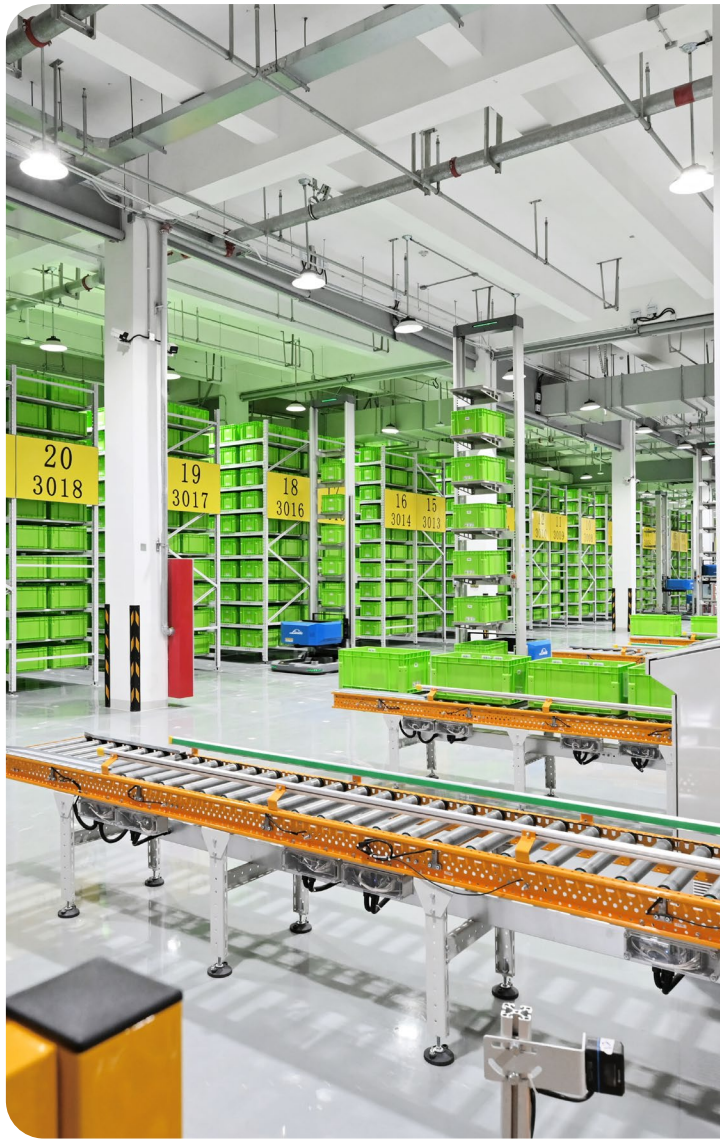
- Optimize the 3Q training process
- List the management of product systems such as PCN and Copy Exact Policies as required content of training
- A total of 160 training activities were carried out for 87 suppliers throughout the year, including 99 social responsibility-themed sessions



Prohibition of Conflict Minerals

- Require suppliers to have policies or procedures in place to ensure that tantalum, tin, tungsten or gold in their manufactured products does not directly or indirectly provide financial or beneficial assistance to armed groups that commit serious human rights violations





[4]It means the proportion of incoming packaging materials recycled and reused in the Company's operations to the total volume of incoming packaging materials.

Management of Risks and Opportunities Across the Supply Chain

AMEC is focused on the management of supply chain risks and opportunities. To identify risks, we conduct supplier due diligence and build our risk identification capacity. At the same time, we improve the supplier entry and evaluation mechanism, and enable the supply chain to develop healthily in an all-round way through entry control, and quarterly and annual assessment.

Identification of Supply Chain Risks

AMEC is active in identifying risks across the supply chain. On one hand, we strictly enforce the supplier due diligence requirements, and on the other hand, we vigorously promote the risk identification capacity building. This two-pronged approach helps to build a secure supply chain and ensure the stable development of the Company.



Supplier Due Diligence

EHS survey

AMEC has formulated management systems governing the evaluation of supplier EHS work, and conducted online EHS survey against 15 key suppliers, and on-site survey against two key suppliers. The survey covered environmental protection, safety, occupational health, chemicals management, energy conservation and emission reduction, etc. of the suppliers, with a view to assisting them in establishing a sound EHS management system and urging them to proactively undertake corporate social responsibility.

Code of conduct survey

AMEC has formulated management systems governing the supplier code of conduct and conducted online behavioral survey against 38 key suppliers. The survey clarified the requirements related to business ethics and anti-corruption work in the supplier management process, and in the meantime, enhanced the conduct training of suppliers and effectively deepened their understanding of the code of conduct.

Capacity Building for Identification of Supply Chain Risks

Training on Information Security Systems

- The coordinator for GMO provided all employees of the department with training on the ISO 27001 information security system. The training explained the information security management standards, data protection measures, and risk prevention and control strategies in detail, to help employees comprehensively understand the core requirements of information security and improve their awareness and practical ability regarding the topic.

Training on Supplier Code of Conduct

- The coordinator for the supplier code of conduct trained all supply chain management department and supplier quality management department on the implementation rules of the management systems governing the supplier code of conduct.

Training on Supplier EHS Management

- The coordinator for supplier EHS affairs communicated the internal and external security incidents shared by EHS department within GMO department on a monthly basis.
- In addition, supplier quality management team members were trained on how to do the supplier EHS evaluation work.

Supplier Entry, Evaluation and Exit Mechanisms

AMEC has established sound mechanisms for supplier entry, evaluation and disengagement. The Company integrates the ESG concept into the supplier management process to ensure that, on one hand, the suppliers continuously meet the quality, delivery, cost and compliance standards, and on the other hand, we continuously improve our own ESG performance, optimizes our supply chain management, and boost the supplier cooperation efficiency and stability.

	Supplier Entry	Supplier Evaluation		Supplier Disengagement Mechanism
		Quarterly Review	Process Review	
ESG measures	• Attach importance to suppliers' performance in terms of employee care, long-term sustainability, social responsibility, information and data security management, compliance with EHS-related laws and regulations, etc.	• Deeply pay attention to the supplier for its internal management and its customer complaints status • In distributing orders, give incentives to suppliers with outstanding performance	• Focus on the performance of suppliers in enterprise management, employee care, environmental safety and other aspects to ensure the stability of their process capability and quality	• Continuously urge suppliers to track the AMEC's requirements for internal management, environment, and safety
2024 achievements	• Enabled suppliers to deepen their understanding of AMEC's requirements while learning about the management skills of new suppliers	• Continued to track the performance of suppliers, with a focus on underperforming suppliers, to ensure the stability of the supply chain	• Conducted on-site process audit of 48 key suppliers and urged them to develop improvement measures	• The process emphasized the requirements of AMEC for supplier management, and also showed the Company's attitude toward supply chain management

Building a More Resilient Supply Chain

In 2024, AMEC implemented a slew of initiatives to enhance the resilience of supply chain. By optimizing the inventory management strategy, strengthening the risk prevention and control mechanism, promoting digital transformation and to improve the transparency and flexibility of the supply chain, we significantly enhanced the resilience and rapid recovery capability of our supply chain, thus laying a solid foundation for continuous innovation and market competitiveness. In addition, AMEC actively promoted localization of procurement, with the proportion of local procurement by our suppliers reaching 83% in 2024, accelerating the localization progress of upstream semiconductor components in domestic industrial chains.

- Completed the risk assessment and response plans for all key parts and components.
- Developed and launched parts RFQ systems and supplier information management systems to step up the interaction with suppliers and improve work efficiency.
- Developed and launched the product report uploading system, the supplier corrective action management system, the drawing exception confirmation management system, the PCR information management system and the DWR information management system to put original hard copy or mails online, to increase more ways on information sharing and improve work efficiency.
- Implemented Vendor Managed Inventory (VMI) at 11 suppliers, and Just In Time (JIT) delivery at two suppliers, to effectively ensure the timeliness of material supply, reduce supply risk, optimize the inventory level, improve management efficiency, and reduce management cost.

Metrics and Targets for Supply Chain Development

AMEC is committed to the steady development of the supply chain, with the aim of building a flexible, sustainable, collaborative, and efficient supply system. We focus on improving the stability of product quality on the part of suppliers, strengthening their performance of social responsibility, and ensuring the green and environment-friendliness of our production. What's more, AMEC promotes the upgrading of supplier management skills, advances the smooth flow of information on all links, and achieves close coordination across the supply chain. Furthermore, AMEC enhances the anti-risk capability of the supply chain, and therefore provides solid and strong support for the continuous innovation and business expansion of the Company.



Talent-Driven Business to Create a Shared Future

04

AMEC always upholds the people-centered concept and regards employees as the most valuable asset of the Company. By improving the employee governance mechanism, building a democratic and centralized decision-making system, and ensuring employee participation in corporate governance, the Company creates an open and transparent organizational environment. Moreover, we clarify the workforce development strategy that focuses on employee training and development, improve the compensation, benefits, and incentive mechanism, and stimulate the potential and creativity of all employees to promote the common growth of individuals and the Company. In the meantime, the Company attaches great importance to the management of employee risks and opportunities, and actively responds to market changes and industry challenges, so as to provide a secure and stable career development environment for all employees. Furthermore, we continuously optimize the talent management system by setting clear metrics and target for employees to achieve deep integration of personal value and corporate value, and create a shared future.



All employees are eligible to participate in the Company's stock ownership plan,

8.80 million

restricted shares were granted to employees in 2024

869

new jobs were created

More than **RMB 4 million**

in per capita income were realized

The ***Declaration on Diversity, Equity and Inclusion*** was developed and published

Improving the Employee Governance Mechanism

Following the principle of democratic centralism, AMEC set up a democratic and centralized decision-making management mechanism with the Company's characteristics. Under the mechanism, the Board of Directors, Top Leadership Group, the middle and senior-level management, and the primary level employees all participate in collaboration to ensure that decisions are made scientifically and executed efficiently.

Decision-making Mechanism for the Board of Directors	Make decisions through collective consultation of Directors with consideration of the opinions of stakeholders.
Decision-making Mechanism for the Top Leadership Group	Set up the management layer "Top Leadership Group". Convene regular or interim meetings for decision-making.
Participatory Decision-making Mechanism for Middle and Senior-level	Establish the "Advisory Committee" to provide advice and suggestions on Company management issues and strategic development topics.
Employee Voice Mechanism	Members of the Top Leadership Group and the Advisory Committee are required to submit a designated number of Letter of Advice. Encourage employees at all levels to submit Letter of Advice.



Defining the Personal Development Strategy for Employees

AMEC has established a clearly defined employee development strategy that takes the protection of the basic rights and interests of the employees as the core, so as to improve the compensation, benefits, and incentive mechanism and stoke the enthusiasm and creativity of the employees. The Company advocates diversity, equality, and inclusion, creates a fair and just working environment, attaches importance to employee training and development, and provides diverse training and career growth opportunities. At the same time, we care for our employees and try to create a warm corporate culture to enhance the sense of belonging and cohesion of all employees and promote the common growth of both individuals and the Company.

Protecting the Basic Rights and Interests of Employees

AMEC strictly abides by the laws and regulations, recognizes the *Universal Declaration of Human Rights,* and complies with the requirements of the International Labor Organization (ILO)'s core conventions. The Company has formulated labor policies and codes of conduct such as the *Employee Handbook* and *Management by Objectives* to regulate the conduct of employees, protect their human rights, and eradicate illegal behaviors such as forced labor and child labor. The Company is committed to eliminating all forms of forced labor, including slavery and human trafficking, at every stage of the business operations, and maintains a zero-tolerance approach to the use of child labor. In addition, we will take immediate action to address any reported situations, including terminating business relationships with any suppliers that do not comply with this requirement. In 2024, the Company had no incidents related to forced labor or the use of child labor.

In 2024, AMEC adopted and enforced the following measures to prevent the use of forced labor and child labor:

- The *AMEC Employee Handbook* clearly states that forced labor and child labor are prohibited;
- All new employees are provided training on the "Code of Conduct in the Workplace";
- The *Diversity, Equity and Inclusion Policy of AMEC* has been developed to create a happy workplace;
- All parties across the supply chain are investigated and reviewed in accordance with *AMEC Supplier Code of Conduct and Business Ethics* to identify non-compliance risks.

AMEC practices the concept of diversity, equity and inclusion (DEI), opposes any form of labor discrimination, establishes employment management systems covering all employees, provides training on the basic rights and interests of employees, and improves the management of labor relations on an ongoing basis. In 2024, the Company employed a total of 11 persons with disabilities and gave them exactly the same treatment as regular employees. In 2024, the Company did not give rise to any large-scale lay-off or merger and acquisition events. As of the end of 2024, the Company had a total of 2,480 employees, with the labor contract signing rate standing at 100%. During the reporting period, the Company strictly complied with laws and regulations, paid salaries in full and on time, and made social insurance contributions according to law, effectively protecting the legitimate rights and interests of our employees.

2,480

Total number of employees

100%

Labor contract signing rate



Improving the Employee Incentive Mechanisms

AMEC has established regular performance appraisal and feedback procedures and implemented scientific and efficient talent incentive measures, to fuel the vitality and creativity of our employees, realize the common success of personal development and corporate strategy, and create a fair and transparent organizational ecology.

MBO and Employee Incentives

AMEC formulates corporate development objectives by way of Management by Objectives (MBO). That is to say, we systematically break down the Company-level annual objectives into chunks, delegate them to each department and individual, and follow up and makes feedback on their implementation. The year-end performance appraisal consists of the assessments of level 1 supervisors, level 2 supervisors, and relevant employees, with those assessments assigned appropriate weight, respectively. Such performance appraisal featuring multiple angles and diversity embodies the spirit of fairness and justice. In the management and appraisal process, if an employee has a disagreement, he/she can provide feedback or suggestions to his/her immediate manager or the HR department.

The combination of the Management by Objectives (MBO) system and the employee incentives is one of the core performance management strategies of AMEC. The system can not only stimulate the enthusiasm of individual employees, but also effectively synergize the energy of individuals to achieve corporate goals. The results of performance appraisal are directly applied to compensation-based incentives (the distribution of MBO bonus, pay raise, etc.) and personnel management.

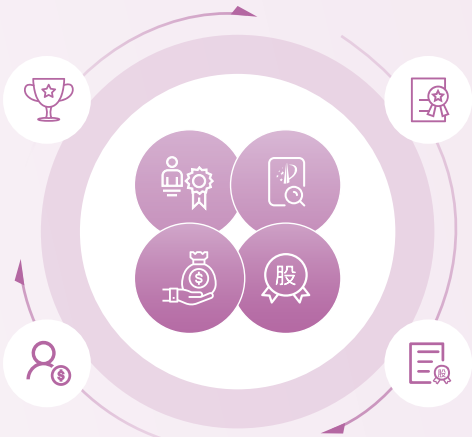
Diversified Incentive Measures

Awards Incentive

The Reward & Recognition (R&R) Program is designed to select outstanding employees and teams quarterly and annually; the Everest Award recognizes outstanding executives and tech experts; the Long Service Award encourages employee loyalty; and the Tri-dimensional Strategic Contribution Award honors strategic development teams.

Remuneration Incentive

We provide market-competitive remuneration, including performance bonuses, retention bonuses, and other combinations to enable and maintain high performance and talent retention.



Patent Awards

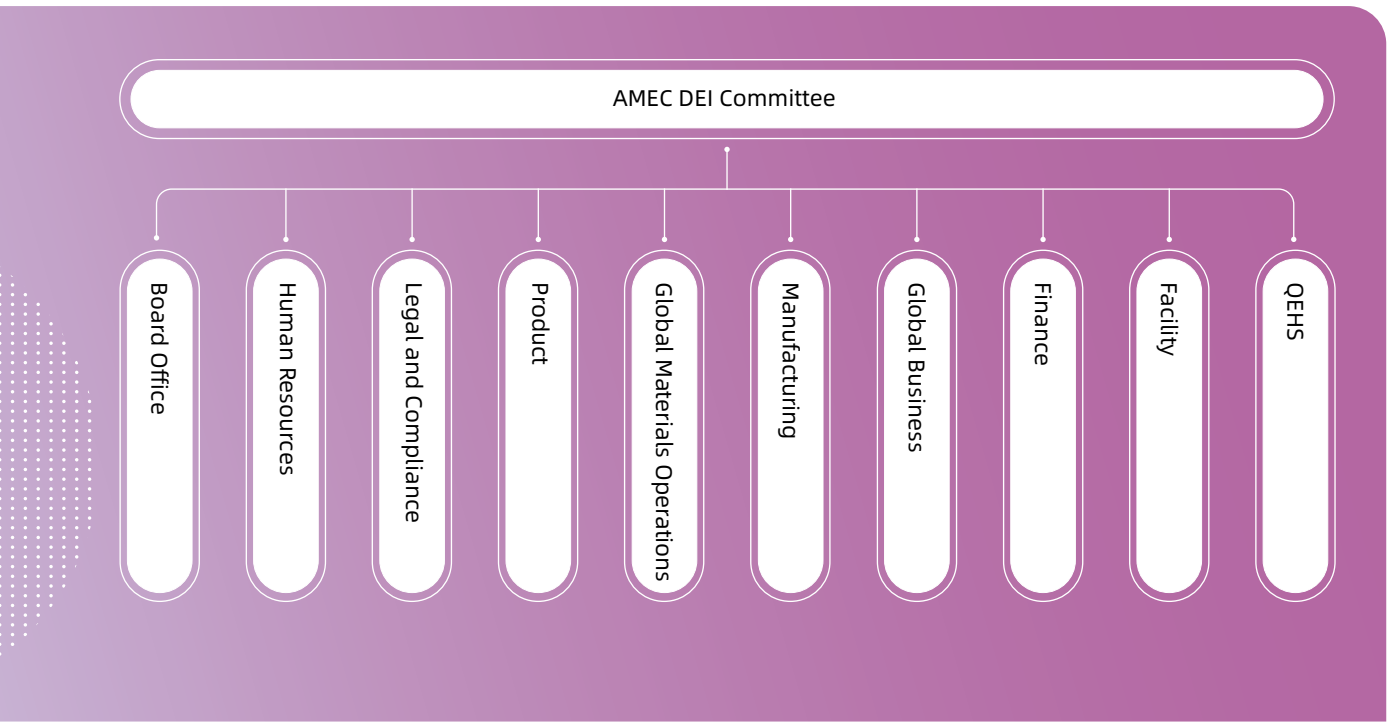
Cash rewards are awarded to inventors of patents in the application and granting process. Excellent patents are recommended to participate in patent competitions held by the government, with winners receiving supporting awards. The AMEC Excellent Patent Competition is held annually, granting bonus and medals to winners, and patent awards also serve as an important reference for performance evaluations.

Employee Stock Ownership Plan

The Characteristic Employee Stock Ownership Plan (ESOP) has been implemented since 2004, with additional equity issued based on performance appraisal results. All employees are eligible to participate in the Company's equity incentive plan. 8.80 million restricted shares were granted to employees in 2024 to share in the fruits of development.

Promoting Diversity, Equity and Inclusion

As a high-end semiconductor equipment manufacturer, AMEC is fully aware of the importance of diversity, equity, and inclusion (DEI) for the Company's development and social responsibility, so we have always treated all stakeholders with respect and tolerance. In December 2024, the Company issued the *Declaration on Diversity, Equity and Inclusion* to clearly and firmly demonstrate our determination to implement the DEI concept in the workplace culture and day-to-day operations. In an effort to integrate DEI into cultural development, the Company has set up the DEI Special Committee which consists of senior management personnel of all departments. The committee members not only have different professional backgrounds, but also represent multiple dimensions of diversity such as gender, ethnic group, and place of origin, so as to ensure that the decision-making process of the committee reflects the Company's diversity comprehensively.



Awards and Honors:

In August 2024, AMEC was granted the DEI Employer Award (China) 2024 by Employer Branding Institute.





Diverse Recruitment

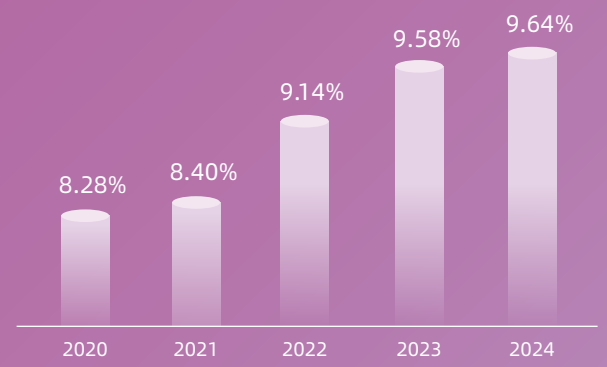
AMEC adheres to the principles of equality and non-discrimination to ensure fair and just employment. We utilize standardized evaluation tools (such as SHL Verify, OPQ, TTI test, etc.) to select talents scientifically and eliminate subjective bias. In 2024, through multi-channel recruitment, the Company recruited a total of 869 new employees, including 143 fresh graduates, with returned overseas students accounting for 6.67%, doctors for 9.32%, and master's degree holder for 33.72%. The structure of talents at the Company is therefore improving on an ongoing basis.

Social Recruitment	AMEC implemented an online internal recommendation system and increased the bonus for internal referrals. In 2024, the proportion of recruits internally recommended reached 32%. In addition, the Company conducted a semiconductor talent mapping exercise and even expanded the exercise to other industries. Moreover, we launched overseas talent market research to attract internationally leading talents.
Campus Recruitment	AMEC deepened the cooperation with key domestic universities, hosting 12 lectures and 51 job fairs across 13 cities.
Intern Recruitment	AMEC launched the R&D internship project, offering 10 positions to interns and implementing the Intern Conversion Assessment Form to enhance the transparency of the intern conversion process.
Targeted Recruitment from Vocational Schools	AMEC deepened the school-enterprise cooperation by opening "order-based classes", participating in curriculum development, establishing enterprise tutorial system, and offering internship opportunities. In 2024, the Company recruited 11 students from Shanghai Technical Institute of Electronics & Information and in partnership with vocational schools. In 2025, we plan to have 50 sophomores and juniors participate in the "Fledgling Eagle Development Plan".

Support for Female Employees

AMEC places great importance on the growth potential of women in the new era and is committed to expanding the development paths and promotion channels for our female employees. In 2024, female employees accounted for 16.67% of the Company's promotions. At the same time, the Company pays attention to the cultivation of female employees in key posts such as R&D. In 2024, the proportion of female R&D staff in total employees reached 9.64%, demonstrating the Company's firm support for the development of female employees.

Proportion of Female R&D Staff in Total Employees



Female Employees' Career Development



Christine

Vice President, GM of Global Material Operation, AMEC

At AMEC, employees are not treated differently based on gender. This inclusive environment allows female employees to fully realize their potentials and grow rapidly in their careers.

In 2004, Christine joined AMEC as one of the first batch of employees. Due to her outstanding leadership and business capabilities, she was promoted to Vice President of the Company and honored with the "Everest Award" for a second time in 2024. She believes that the inclusive and equal workplace provided by the Company is an important cornerstone for her to grow rapidly and advance to senior management.



Lei

Sr. Director, Etch PBG, AMEC

AMEC provides extensive support for women in terms of health, childbirth and parenting. After joining the Company, I became a mother, but this did not hinder my career development. Instead, my identity as a woman gives me a unique advantage in both technology and management terms.

Lei joined AMEC in 2008. As a key member of the Company's R&D team. She participated in several major research projects both nationally and in Shanghai, and won many awards, in 2024, her outstanding performance in developing a key homemade component for semiconductor equipment led to her selection into the Top-notch Talent Project under the Shanghai Oriental Talents Program.



Yuan

Managing Director, Conductor Deposition Product Division, AMEC

The inclusive and respectful culture at AMEC provides a wide development space for female employees. Women are sure to excel when they leverage their strengths in the technical field and not to set limits for themselves.

Yuan joined AMEC in 2021 and has advanced from a process engineer to a product chief. Under her leadership, her team developed and mass produced a number of new products, consistently breaking records for new product development speed. In 2024, she won the Company's "Everest Award" both individually and for her team. In her team, nearly every key position has female engineers, showcasing the immense potential of women in the field of technology.



Vera

Sr. GPM Engineer, GPM, AMEC

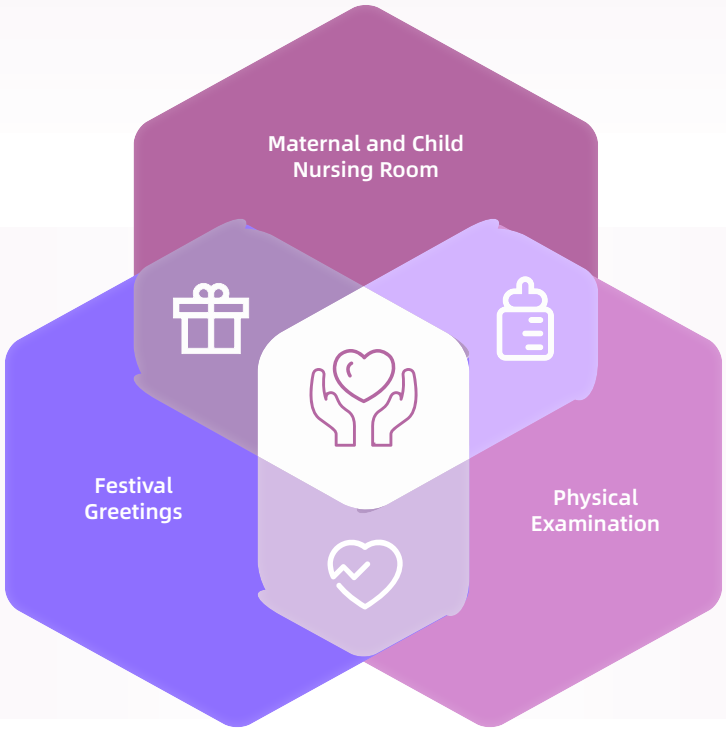
The tutorial system at AMEC has played a key role in my growth. My tutor and line manager are both women. They not only imparted professional knowledge, but also provided many opportunities to showcase my abilities.

Vera joined AMEC in 2022 as a fresh graduate with a master's degree. She started her career as a product engineer. Over the past three years, she took part in several core product R&D projects of the Company and was promoted thanks to her outstanding performance. Vera believes that women have the same courage and decision-making power in the workplace. She encourages more women to express themselves boldly, and break free from the limitation of gender and the mindset that "technical positions are dominated by males".

Benefits Dedicated to Female Employees

In addition to providing statutory maternity leave, breastfeeding leave, prenatal check-up leave, and maternity allowances, AMEC has established special maternal and child nursing rooms are equipped with facilities such as refrigerators and sterilizers to offer considerate services for female employees.

Every year, female employees at AMEC will receive half a day off and a surprise gift on March 8, International Women's Day.



In 2024, comprehensive gynecological examinations were organized for female employees, with nearly **180** women participating.

Promoting Global Talent Team

Based in China and guided by a global vision, AMEC emphasizes the importance of attracting and developing overseas talents, and therefore provides necessary support for their work and life at the Company. In the meantime, we advocate mutual learning and joint innovation among employees from different cultural backgrounds, injecting new perspectives and ideas into the development of the Company and enhancing competitiveness as a semiconductor equipment manufacturer. As of the end of 2024, the Company had a total of 198 overseas employees (including those from Hong Kong, Macao and Taiwan, China), accounting for 7.98% of our workforce.

198
Number of overseas employees

7.98%
Proportion of overseas employees

Attaching Importance to the Personal Development of Employees

Following the "people-centered" approach to talent development, AMEC has established a robust talent development system that provides extensive career development opportunities for our employees. Throughout the employee life cycle—from on-boarding and growth to maturity—the Company has built a dual-channel development path (professional line and management line) that supports professional skills improvement, management skills training, and multi-dimensional career development. The goal is to broaden the pathways of promotion and address the diverse growth needs associated with different roles and positions.



Building of the Talent Development System

Guided by the corporate culture of being a learning organization, we have developed employee competencies revolving around corporate culture, core competencies, technical skills for specified roles, management skills and leadership, and general workplace competencies. Our training system covers all employees. By utilizing internal trainers, training facilities and other resources, we offer our employees a variety of training methods, including online courses and hands-on training, etc. Through continuous optimization and iteration of the PDCA process, we have created a learning environment featuring ambition, openness, and sharing, which stimulates employees' growth potential and provides strong support for achieving their career goals.

Objectives of Talent Development

- Accelerate the training of key talents to support the Company's development strategy.
- Develop the first-class innovative talent echelon and management team within the industry.
- Create a learning organization and a sustainable development environment for employees, and enhance employee dedication and the employer brand.

Career development channels	Professional channel			Management channel		
Competences development	Corporate culture	Company-level core competences and qualities	Professional and technical competences for posts	Management skills and leadership	General workplace competences	
Training process	Training demand analysis and planning	Training implementation	Training evaluation	Review and iteration		
Resources development	Internal trainer team	Training bases	Curriculums Library	Testing Pool	Assessment Tool	Online learning and training management system
Foundation	AMEC Five Big "Ten"			Learning organization		

Building up Capability of Talent Development

AMEC has consistently strengthened the talent development capacity. By establishing a team of internal trainers, operating the training center at Lin-gang Industrial Base into operation, and promoting the competence modeling project, the Company has enhanced the professional skills and overall competence of our employees. This initiative has facilitated knowledge sharing and skill improvement, laying a solid foundation for continuous innovation and high-quality development of the Company.



Building the AMEC Internal Trainer Team

The Company encourages key business personnel to join the internal trainer team to develop courses, deliver lectures, or serve as tutors, and providing them with both material and spiritual rewards. As of the end of 2024, AMEC has had over 300 internal trainers, including Buddies, Instructors, and Mentors. The trainers fulfill their respective roles to support talent development within the Company.



Putting AMEC College Lingang Training Base into Operation

In August 2024, AMEC's Lin-gang Industrial Base was completed, and Lin-gang Training Center was simultaneously put into operation. With state-of-the-art facilities and a conductive environment, the center provides an excellent learning space for employees.



Promoting the Competence Modeling Project

In 2024, the Company took the lead in implementing the competence modeling project within its simulation and control department. The project integrated industrial and corporate culture, defining 40 professional skills and five general competences for four posts to establish a scientific framework of professional competences and identify career development path for employees. Building on this foundation, the Company plans to expand the project to more departments and continue to optimize it.

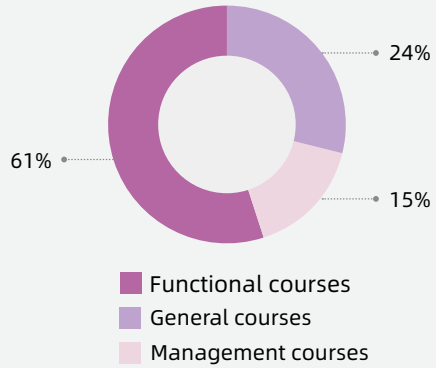


Building of the Talent Training System

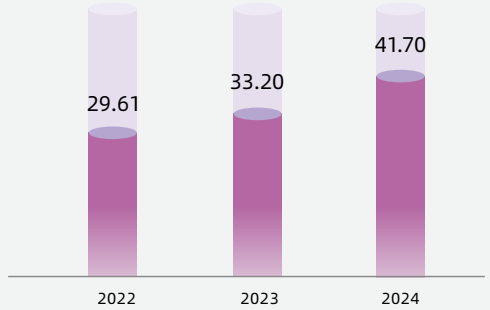
AMEC has established a comprehensive talent training system, which covers multiple levels such as orientation training for new hires, management personnel enhancement, and specialized skill development. This system aims to comprehensively improve the professional skills and overall competence of employees through a systematic and targeted training, laying a solid foundation for the Company's sustainable development and competitiveness improvement. In 2024, AMEC provided training for all of the 2,480 employees, of which functional courses accounted for 61%, general courses accounted for 24%, and management courses 15%. The training coverage ratio hit 100%. In the same year, the annual employee training expenditure amounted to RMB 2.86 million, fully meeting the learning needs of the Company's workforce.



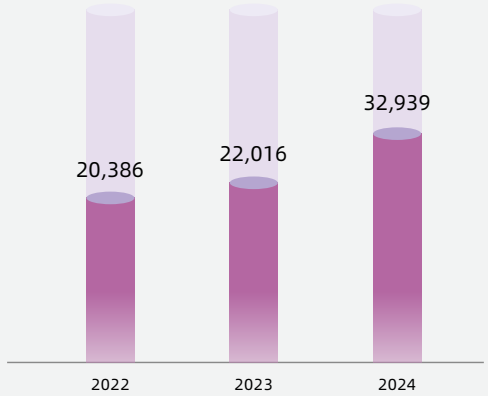
Percentage of Training Courses in 2024 by Category



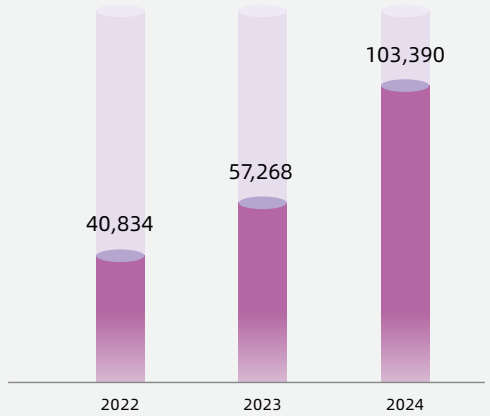
Average Training Hours Per Employee (hours)



Number of Employee Participation in the Training Sessions (persons)



Total Training Hours (hours)



Helping New Employees Grow

CEO Speech

This allows employees to communicate with CEO face to face, so as to trace cultural roots, understand strategic goals, look forward to future vision, and jointly chart a blueprint for the future of AMEC.



New College Graduate Training Camp

This helps to create a hybrid digital learning program for new graduates. It employs a diversified training model that includes executive mentors and instructors, so as to help trainees effectively sharpen their professional competence and rapidly adapt to the company environment. From 2021 to 2024, the program trained a total of 280 individuals.



New Employee Orientation Workshop

By combining online and offline methods, this helps new employees understand the Company's products, employee rights and interests, health and safety, as well as risk and compliance. This approach enables them to quickly integrate into the Company's development.



Supporting the Development of Management Talents

Team Leadership Capability

In partnership with external organizations, AMEC has designed overall development paths featuring the steps of "Role Change, Goal Setting, Team Leading, Performance Coaching and Team Development" for newly promoted managers. Since 2019, the Company has conducted such cooperation eight times, covering about 260 management personnel and cultivating a strong management team for the Company.



Talent Management Capability

For new team managers, the HR team of the Company focused on explaining key links of talent management, such as talent selection, talent management, talent development, and talent retention. With reference to case studies, moreover, it helped managers master the management concept, compliance requirements, process and action points of the Company, to ensure the consistency of management behaviors.



Management and Decision-making Capability

The Company organized "Situation Golf" workshop that simulates real-world team management scenarios to help trainees combine theoretical knowledge with actual situations, experience the decision-making process, improve their coping ability, and deeply understand the core ideas and skills of management practice.



Logical debriefing Capability

The Company organized "Logical Debriefing" workshop and invited senior external consultants to deliver lectures. Centered on debriefing, the workshops enhanced the awareness of putting audience at the center, while addressing the logical framework of debriefing and key points of presentation. Through group discussion and drill, they helped to deepen trainees' understanding and application of the debriefing logic.



Developing Professional Competences

Product R&D-Annual Training of the Conductor Deposition Products (CDP) Division

In 2024, the Company launched the annual CDP training project to provide employees, especially fresh graduates, with systematic learning opportunities for CDP products. The project covered a wide range of content from industry and product basics, knowledge acquisition to soft skill upgrading. So far, 18 sessions of the project have been successfully held, with over 20 tech experts invited to give lectures and more than 3,500 people participated.



Tech Innovation - Expert Lectures at AMEC Forum

In 2024, to help employees keep up with the industry trends and master cutting-edge technologies, AMEC held six forums centered on business and industry dynamics, product safety, simulation control, AI and other core fields. The forums attracted more than 800 participants and created a professional platform for in-depth learning and technical exchange among employees.



Customer Service - Skill Improvement Training for Field Services

In order to meet the needs of rapid business development, the Company planned and provided a one-month skill improvement training for field services. The training consisted of a 3-day theoretical knowledge session and a 21-day hands-on training session, which aimed to strengthen the professional skills of on-site service providers in all respects.



Heartwarming Employee Care

AMEC is committed to creating a safe, healthy and comfortable working environment for our employees. The Company not only provides employees with comprehensive occupational health examination to ensure that their health conditions are tracked in time, but also strengthens production safety requirements and strictly abides by various safety regulations. Meanwhile, we provide employees with a variety of human-centered welfare policies and various forms of humanistic care to create a good atmosphere for them to work at ease.



Occupational Health and Safety

Providing Occupational Health Examination

The Company arranges pre-job, on-job and post-job occupational health examinations for employees who are potentially exposed to occupational hazards. Every year, we commission a third party to detect occupational hazards at AMEC, and organize occupational hazard prevention assessments on a regular basis. At the same time, the Company offers various occupational health training to improve the occupational health and safety awareness of our employees. In 2024, we provided occupational health examinations for 1,336 employees.



Strengthening Production Safety

The Company focuses on the construction of production safety risk system by strengthening supervision and inspection, integrating risk management and control into the business processes and systems, and enhancing our risk response capability. In 2024, the Company recorded a total of 1,551,324 safe working hours for all contractors, and provided 3,985 person-times of construction safety training. Additionally, we offered 35,119 hours of safety training for employees, with the average training duration exceeding 14 hours per person.

Reducing Work Injury

The Company optimizes the platform for bin storage and reduces about 480,000 times of bending movement per year. Moreover, the introduction of automatic induction lifting electric vehicles reduces the bending movement by about 180,000 times per year. Both effectively lower the risk of lumbar sprain.

Optimizing Employee Benefits

In order to create a comfortable and convenient working environment, AMEC provides all employees with various forms of non-salary benefits, including working meals or subsidy, transportation allowance, mobile phone charge, and supplementary commercial insurance, etc.

Work-related benefits

Working Meals

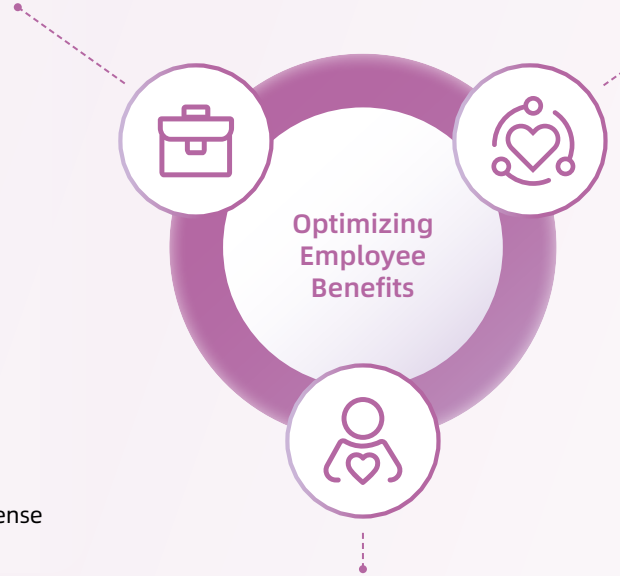
Breakfast/lunch/afternoon tea/dinner provided by the Company's canteen according to the standards for meal subsidy

Transportation

Free shuttle buses provided, and transportation allowances provided according to the means of commuting

Mobile Phone Charge

Subsidy for employees' mobile telecom expense



Health-related benefits

Supplementary commercial insurance

Supplementary medical insurance, life insurance and critical illness insurance, and business travel insurance purchased for employees and/or their children

Annual medical examination

Occupational health examination
Annual medical examination

Clinic Gym Dorm

Employee care-related benefits

Birthday and festival

Benefit points provided for birthdays and festivals

Special moments

Benefits for wedding

Benefits for newborns

Participation in competition by children

Rewards to employees whose children achieve awards at specified levels

Illness subsidy

Extra solatia or nutrition allowance provided in addition to the standard insurance coverage in the case of receiving an operation or getting hospitalized

Special benefits for female employees

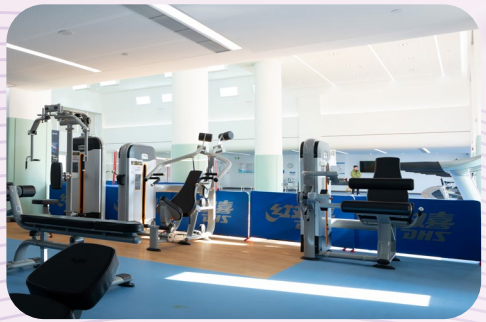
Maternal and child nursing rooms provided and equipped with refrigerators and disinfection equipment

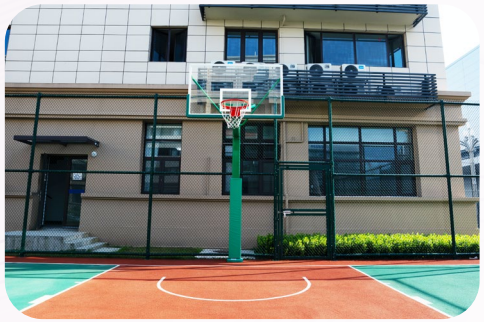
A paid half-day off on Women's Day afternoon

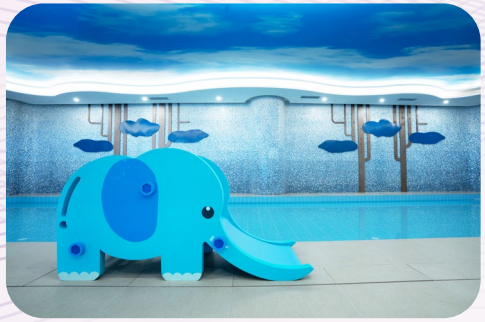
Spot bonus for corporate activities

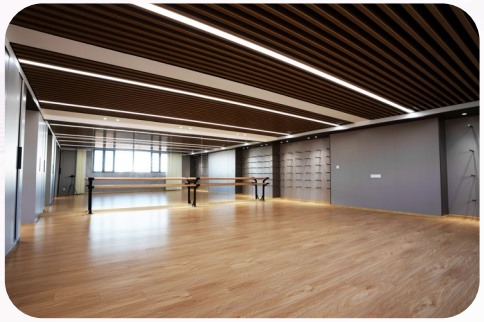
Fitness Rooms and Dorms for Employees

AMEC provides comprehensive welfare facilities for employees, including gymnasiums and dormitories, to promote physical well-being and create a comfortable living environment. These amenities enable employees to focus on work with peace of mind while enjoying a fulfilling lifestyle.











Enriching the Life of Employees

AMEC actively practices humanistic care by organizing a variety of activities and encouraging employees to set up clubs based on their interests and hobbies. The purpose is to create a warm and vibrant workplace filled with happiness, and enhance the sense of belonging and cohesion of employees. By the end of 2024, Shanghai Headquarters and Nanchang Subsidiary has set up 24 employee clubs, covering ball sport, life, entertainment, arts, and other fields. These clubs have organized more than 450 events, with over 6,000 participants.


Flower Arrangement and Tea Ceremony Club



Fishing Club



Singing Club


Basketball Club


Table Tennis Club


Painting and Calligraphy Club



Hiking Club


Badminton Club



Football Club

Management of Employee Risks and Opportunities

AMEC actively responds to the risks and opportunities arising in the process of employee management. By implementing satisfaction surveys among employees to learn about their needs, optimizing working environment, and providing career development opportunities and fair treatment, the Company enhances employees' sense of belonging, and reduces the risk of talent drain. At the same time, we build an open and transparent communication platform to encourage employees to make suggestions, detect and deal with potential problems in time, and turn challenges into organizational development opportunities.

Improving the Employee Satisfaction

In the pursuit of excellence and humanistic care, AMEC attaches great importance to the experience and demand of our employees. The Company has established a long-term working mechanism for regularly conducting employee satisfaction surveys, which is to conduct a comprehensive and in-depth employee satisfaction survey every 18 months, with the purpose of reserving sufficient time to fully understand the needs of employees, formulating practical and feasible action plans, and achieving substantial improvement in key areas such as employee development, motivation and services.

In March 2024, the Company conducted the first "AMECers Needs Survey", focusing on the three most concerned areas of employees, namely "employee development", "employee incentive" and "employee services". The survey widely collected opinions and feedback from employees, and helped to formulate and implement improvement plans. In September 2025, the Company will launch the second employee satisfaction survey to comprehensively evaluate the effectiveness of early-stage improvement measures and further understand the employees' demands.

AMECers Voice Survey

Employees are highly satisfied with their current work and are willing to recommend the Company as an employer

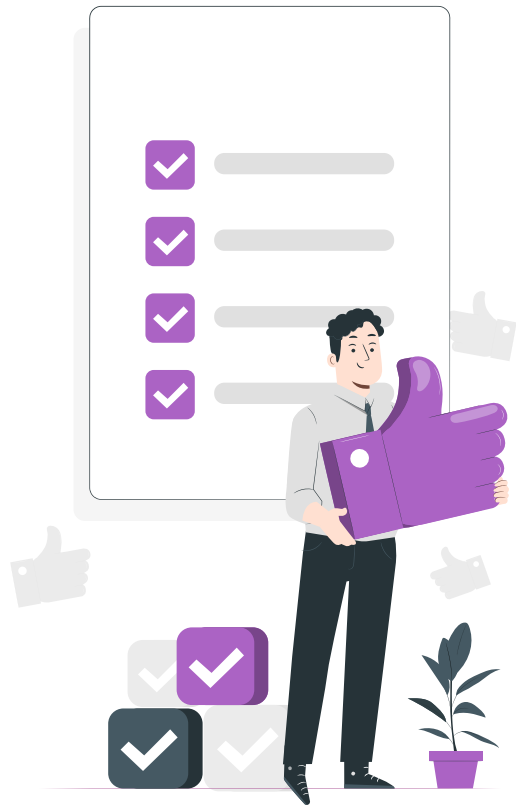
87%

Employees acknowledge management's clear communication on the Company's vision and development course

91%

Employees are full of confidence in the future of the Company

92%



AMECers Needs Survey and Follow-up Plan

Key Areas of Concern	Expectation of Employees	Direction and Progress of Action
Employee Development	With the employee training platforms and courses systematized, employees expect a clearer career development path.	• In 2024, the NCG training camp, new manager development project and technical training system went through a full-scale upgrade; a technical competence model was built on a pilot basis; and talent evaluation tools were applied. • In 2025, the application of the technical competence model will be deepened; the development path of employees at all levels will be explored; and the training resources will be expanded to promote the comprehensive development of talents.
Employee Incentive	The employee incentive system has been widely recognized, but it is looking forward to continued communication and further improvement.	• In 2024, the *Employee Handbook* revision was kicked off and the descriptions of compensation and benefits were improved; the communication on the MBO process was strengthened; and the Company's quarterly award selection mechanism was enhanced. • In 2025, the employee incentive system will be further improved and relevant proposals will be implemented.
Employee Services	The employees are highly satisfied with the existing services, but expect the services to be better aligned with their actual needs.	• In 2024, the employee canteen at Lin-gang Industrial Base was improved in terms of food quality, service experience, and dining environment. In the same year, initiated the onboarding process tracking and research for more than 900 new employees and continuously improved it. • In 2025, the new hire onboarding services and information system will be improved.

Smoothing Communication Channels for Employees

AMEC attaches great importance to the voice and rights of employees. Therefore, we make every effort to build a smooth and efficient communication mechanism for employees and encourage them to give suggestions on the Company's system, environment and processes. The Company has designed a formal grievance reporting and escalation procedure covering all employees. Employees can provide their feedback through their line managers or the HR department to ensure confidential communication, creating a safe and open environment for expression. At the same time, the Company has formulated the Open Door policy, which enables employees to voice their personal demands to the CEO through HR, so as to secure the employees' right to know, participate, express and supervise, and promote collective governance and shared benefits among all employees.

Employees-related Metrics and Targets

AMEC sets clear metrics and targets for employee development. In 2025, the Company will continue to focus on key areas of employee development: we plan to carry out the second employee satisfaction survey in September 2025 to gain insight into employee needs. We will also deepen the application of the technical competence model, and add 15 training courses to empower employees' growth. Moreover, we will improve the incentive system, and implement timely rewards and other measures to stimulate the vitality of employees. The new hire onboarding services and information system will be iterated to improve the experience of such services. In terms of the school-enterprise cooperation, more than 50 internship vacancies will be added for vocational college students.

In the long term, the Company is committed to creating an excellent working environment, pursuing zero recordable work injuries, resolutely prevent labor and human rights violations, and cultivating a diversified and fair corporate culture. In this way, every employee can feel highly valued and accommodated, fully unleash their potentials, and build a bright future for both the Company and employees.



05

Industry Collaboration to Cultivate a Harmonious Society

In 2024, with the strong sense of corporate social responsibility and the leading advantage in the field of semiconductor equipment, AMEC continued to lead the collaborative innovation in the industry and expand the public welfare footprint. By deepening the cooperation across the industrial chain and building a collaborative ecosystem with upstream and downstream enterprises and stakeholders, AMEC created a new paradigm of industrial upgrading and high-quality development in collaboration with partners, and contributed to elevating China's position in the global semiconductor industry. In the meantime, AMEC increased the investment in education support, caring for the elderly and other fields, with a view to cultivating high-quality talents for the industry. Moreover, by providing targeted assistance for vulnerable groups, the Company deeply integrated the development with social progress and made positive contributions to the promotion of social harmony and development.



Participated in drafting

2 industry group standards

More than **RMB 5.50 million** were invested in the program of caring for the impoverished elderly

Provided assistance to

390 impoverished elderly households

Promoting Industry Development

As a leading enterprise in the field of semiconductor equipment and core materials, AMEC has always been committed to promoting high-quality industrial development. By creating multi-level industry communication platforms, AMEC deeply participates in the construction of the industrial ecology, innovatively integrating the resources of industry, universities, and research institutes to establish a strategic collaboration mechanism with industry partners. By promoting efficient linkage and cooperation between the upstream and downstream entities of the industrial chain to build an open and win-win industrial ecosystem, we effectively boost the collaborative innovation and sustainable development of the semiconductor industry cluster.

Conducting Government-enterprises Cooperation to Promote Development

With the support of governments at all levels, AMEC continues to break through core semiconductor technologies driven by innovation, assist in industrial agglomeration and high-quality development, and contribute its strength and effort to building an internationally leading IC industry cluster.

Case Increasing Core Value to Speed Up Industry Clustering at Lin-gang Special Area



In August 2024, the 5th Anniversary Celebration Conference of the Oriental Chip Port was held at Lin-gang Convention Center. Chen Jinshan, member of the Standing Committee of the CPC Shanghai Municipal Committee, Secretary of the Party Working Committee of Lin-gang Special Area, and Director of Lin-gang Special Area Administration, presented Dr. Gerald Yin, founder, Chairman and General Manager of AMEC, with the "Outstanding Person Award", in recognition of his persistent dedication to China's semiconductor industry. As an outstanding representative of the industry, AMEC was also honored with "Outstanding Contribution Award" and "Investment Ambassador Award".

Case Seizing the Major Opportunities of Industrial Innovation and Development, Jointly Seek High-quality Industry Development



In July 2024, Chen Jining, Secretary of Shanghai Municipal Party Committee, and Gong Zheng, Mayor of Shanghai, visited AMEC's Lin-gang Industrial Base to get detailed information about core business and development planning of the Company after it became a resident of Lin-gang Special Area. They discussed industry trends with Dr. Gerald Yin, founder, Chairman and General Manager of AMEC, conducted in-depth communication on difficulties during corporate development, policy demands, etc., listened carefully to the suggestions on accelerating the development of IC industry, and encouraged AMEC to be a pioneer in the field of high-end semiconductor equipment and create an industrial benchmark, and thus contributing greater strength to the development of Shanghai and National IC industry.

Sharing Experience in Industry-University-Research Integration

AMEC actively responds to the government's policy guidance in the field of technical innovation and talent cultivation, AMEC adopts a series of Industry-University-Research cooperation measures to reserve high-quality talents for its own continuous development, and makes positive contributions to promoting the construction of the talent team for the entire industry as well.

Case Promoting the Industry-University-Research Integration to Cultivate High-end Talents for the Industry



In December 2024, the first-year students of the successive postgraduate and doctoral program under Shanghai Jiao Tong University's special IC equipment project (non-lithography machine), which was co-financed by AMEC, visited AMEC Lingang Industrial Base. Pei Songtao, Managing Director of Corporate Affairs, explained the development trend of the semiconductor industry and the status of the Company to the visitors, enhanced their understanding of the semiconductor equipment industry and AMEC.

Case Supporting the Cultivation of Interdisciplinary Talents to Empower the Reform, Innovative Development of State-owned Enterprises

In May 2024, Dr. Gerald Yin, Chairman and General Manager of AMEC, was invited as a lecturer to participate in the special training class for senior management of state-owned enterprises organized by China Executive Leadership Academy Pudong. He gave the lecture on the strategic importance of the micro-processing equipment industry, sharing his perspectives on accelerating the improvement of the modern enterprise system with Chinese characteristics and enhancing the technical innovation capability of enterprises, helping the trainees better grasp the important theories on SOE reform and development and accelerating the promotion of state-owned capital and enterprises to become stronger, better and bigger.

Case Conducting Cross-domain Communication to Share Technical Innovation Ideas



In April 2024, AMEC received a visit from "Special Training Course of Guangdong Province Innovation System Construction". The training course was hosted by the Organization Department of Guangdong Provincial Party Committee, jointly organized by Science and Technology Department of Guangdong Province and International and Public Affairs School of Shanghai Jiao Tong University, with more than 50 leading cadres participated. Dr. Gerald Yin, Chairman and General Manager of AMEC, gave a lecture on promoting the development of IC industry and the cultivation of new quality productivity, so as to help the visitors understand the innovation practice of the IC industry, grasp the new trends of technologies development, and assist in the development of technical innovation capability in Guangdong Province.

Leading Innovation Across the Industry

Participating in the Formulation of Industry Standards

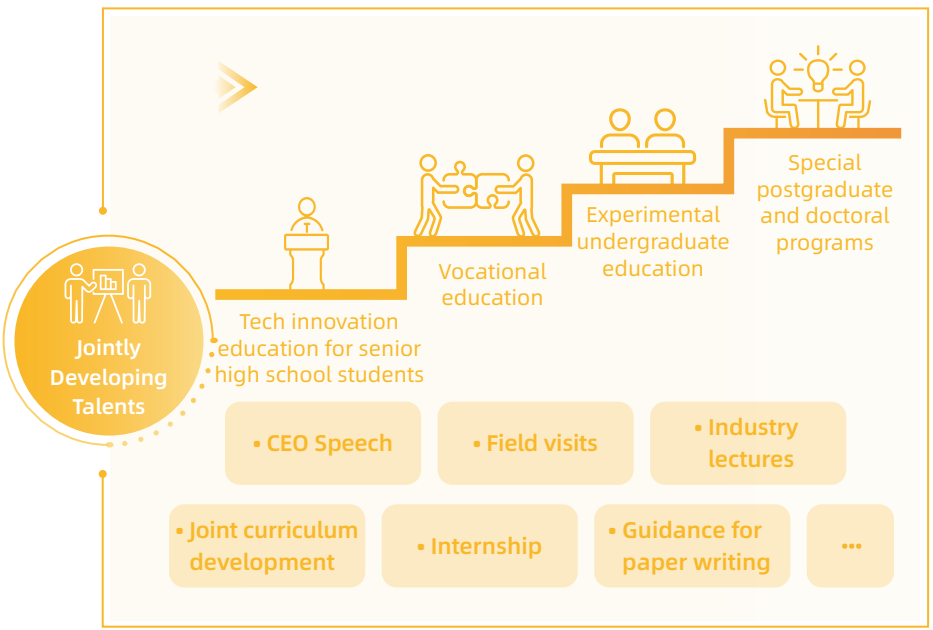
In November 2024, as the main drafter, AMEC jointly issued two industry group standards, namely, the *Technical Specification for Induction Heating Systems of MOCVD Equipment Trays* and the *Technical Specification for Application of the Heating System for Gas Pipe of MOCVD Equipment*.

Performing Social Responsibilities

AMEC always sees social responsibility as one of the core missions. Leveraging the talent reserve and tech innovation, the Company actively conducts multi-dimensional activities such as educational support, charity, etc. to improve the well-being of the public.

Supporting the Development of Education

As a leading manufacturer of semiconductor micro-processing equipment, AMEC actively integrates industry with education by partnering with many well-known colleges and universities, to create joint talent development models at levels ranging from senior high school to doctoral programs. By receiving visits from the schools and having key technical personnel deliver lectures as industry mentors, AMEC managed to achieve complementarity of advantages between the schools and the Company, thus contributing to the cultivation of chip talents.



Receiving the Visit of Schools

- In 2024, the Company invested RMB 3.05 million in the joint talent development initiative between schools and enterprises. Throughout the year, we hosted more than 500 visits from teachers and students at different stages of schooling to help them further understand the development status of the IC industry and the semiconductor equipment industry.

Serving as Academic Supervisors from Enterprises

- The Company sent more than 10 experts to universities to teach courses on IC manufacturing process and equipment for undergraduate and graduate students, and act as industry mentors to guide students in professional practice and graduation thesis writing.

Conducting Win-win Cooperation with Schools

- The Company actively promoted various forms of cooperation with higher learning institutions, such as joint application for scientific research projects and joint application for establishing industrial colleges, so as to form a sustainable school-enterprise cooperation model featuring mutual trust, mutual support, mutual benefits, and win-win outcomes.

Beijing No.4 High School Delegation Conducts Study Tour at AMEC's Lin-gang Industrial Base



Visit and process practice by the Special Class, IC School, Shanghai Jiao Tong University



Making donation to the Micro-manufacturing Undergraduate Experimental Class of Jiluan Academy, Nanchang University



Summer camp of students from the AMEC Undergraduate IC Talent Development Class at the University of Science and Technology of China



Senior high school students of Shanghai Experimental School visiting the Company

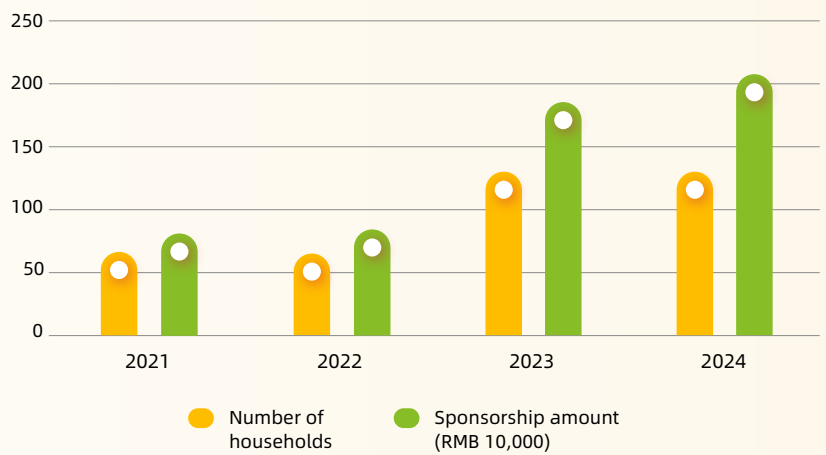


Social Responsibilities and Public Benefits

Caring for the Impoverished Elderly

AMEC remains committed to our original aspiration of caring for the elderly. Since 2020, we have established a long-term partnership with the Shanghai Senior Citizens Foundation and established the Program of Caring for the Impoverished Elderly. As a socially responsible organization, we actively contribute to the development of elderly care in Shanghai. Throughout 2024, we provided targeted assistance to 130 impoverished elderly households, and provided RMB 2.08 million in cash and daily necessities. Since the inception of the program, we have invested a total of RMB 5.59 million, assisting 390 impoverished elderly households, and supporting a total of 458 impoverished elderly individuals. In 2024, the volunteers of AMEC provided a total of 200 hours of services for senior citizens, and therefore won the "Most Beautiful Volunteer Team Award" and the "Volunteer Team that Gives New Hope to Poverty-stricken Older People Award" given by Shanghai Senior Citizens Foundation.

Summary of Program of Caring for the Impoverished Elderly





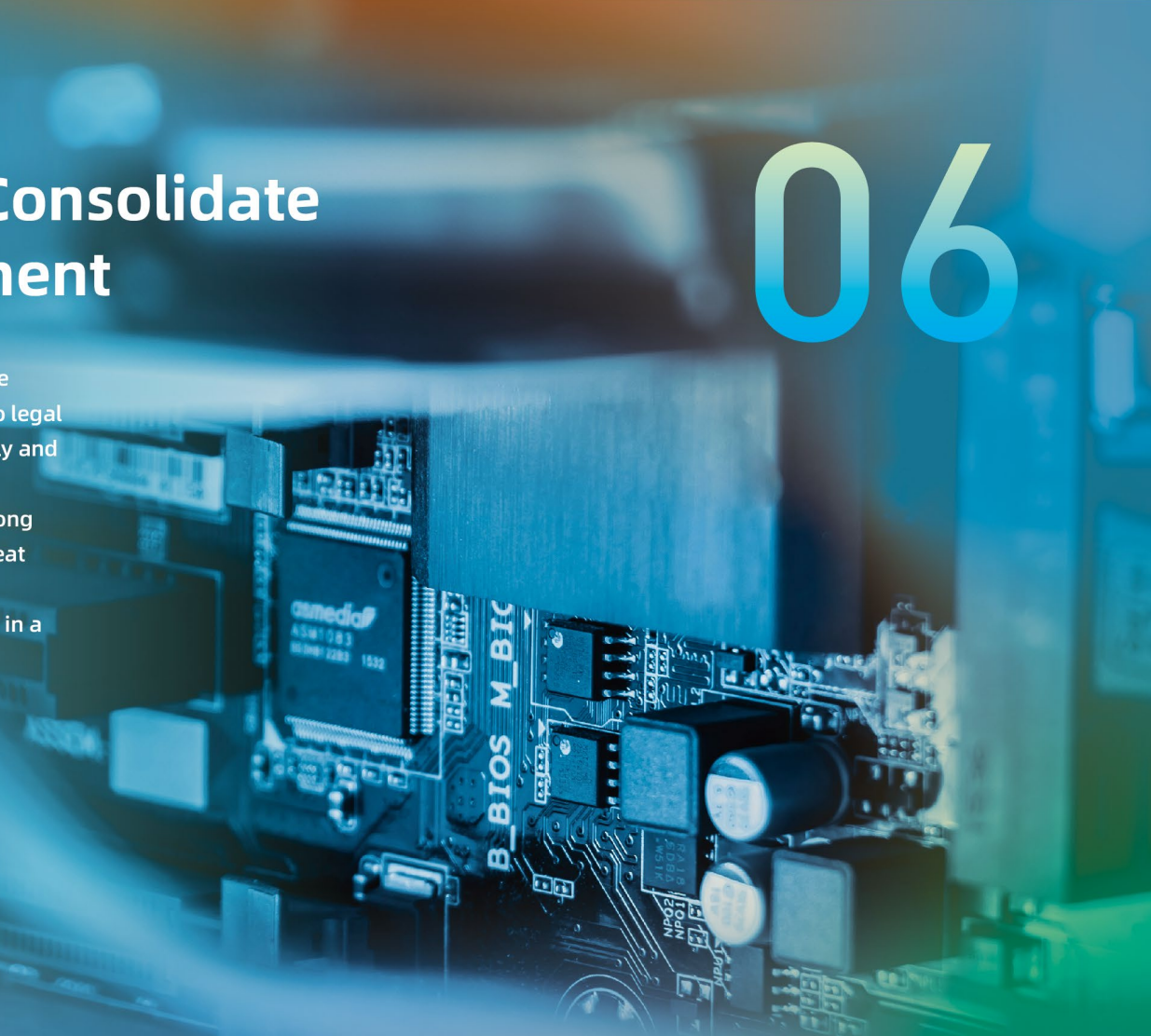
Caring for Children's Growth

- In August 2024, AMEC launched dedicated children's welfare fund. In this fund, the Company made an initial investment of RMB 1 million yuan to help children with their life, health care and education.
- In 2024, AMEC entered into a cooperation agreement with the National Center for Children's Health and Development. Under the agreement, AMEC will, from 2025, start a special medical assistance project for children suffering "major blood and tumor diseases". The project will provide families suffering from such diseases with professional medical resources, relieve their economic pressure, and reignite their hope for health.

Compliant Operation to Consolidate the Innovation Development

06

Compliant operations and excellent product quality are essential for the survival and growth of an enterprise. AMEC is committed to adhering to legal operation, strengthening the management foundation comprehensively and establishing a quality management system that integrates quality management into all aspects of R&D design, production and sales, among other things. As a technology-driven innovative company, we place great emphasis on protecting intellectual property (IP) rights, maintaining information security, and responding to external environment changes in a timely, flexible and scientific manner to ensure the stable and robust development of our business.



Applied

2,910

patents as of the end of 2024

Investment

RMB 2.45 billion

in R&D in 2024, which increased

94.31% year on year and accounted for

27.05% of the operating revenue

R&D personnel accounted for

47.98%

of global employees, making a

2.22%

increase year on year as of the end of 2024

Enhancing Quality Management

As the industrial sector evolves, product quality has been transformed from a concept related to a single customer or manufacturing process to the sum of elements pertaining to the whole life cycle of a product. On this basis, AMEC has constructed a broad quality management system, i.e., the quality management model of "Three Alls, Triple Insurance, and Three Satisfaction", which is shortened into the "Three Alls" quality management model. In practice, we have enforced management and control measures in each link of production and management to achieve the ultimate goal of quality management satisfactory to all stakeholders.

Quality Management System

Following the guideline of "Incorporating quality management and improvement into each aspect of AMEC, and every minute of AMECers' daily work", AMEC has created the quality management model of "Three Alls, Triple Insurance, and Three Satisfaction", involving full participation from all employees through all processes from all directions, and implementing the "Triple Insurance" practice throughout product development, supplier management, production and manufacturing, and customer services. We are aimed to achieve the satisfaction of customers and suppliers, the industry and the market, as well as society and the country.

Participate from all directions, through all process, with all employees:

AMEC has incorporated the concept of quality first and continuous improvement into every employee's work across the Company



Three Satisfaction:

Customers and Suppliers satisfaction

Product and Market satisfaction

Society and Country satisfaction

Triple insurance across overall quality management in ten stages

Quality Management Measures

AMEC builds up experience and avoids the quality risk of future product development by offering quality management tool training and project coaching, improving the management system, and making quality feedback in real time, among other measures. In addition, we improve quality control and quality awareness of all employees through the construction of a quality culture.

Product Quality System

Strengthening Exception Management

With the help of Non-Conformance Report (NCR) for internal exception management and Customer Corrective Action Request (CCAR) for external exception management, AMEC collects internal and external exceptions and feedback, reviews and follows up on them through weekly and monthly meetings to promote the closed-loop management of exceptions. In 2024, the company upgraded the CCAR system in six aspects to improve the efficiency and quality of quality management.

Summarizing Best Practices

We have established a Best Known Method (BKM) system, which encompasses successful experiences and improvements from product R&D, production and manufacturing, supplier management, and after-sales services. This system serves as a dedicated platform for internal technical discussion. In 2024, AMEC selected more than 10 excellent BKM publishers, which effectively improved the overall knowledge management awareness and level of the Company.



Diversified Quality Management Tools

Effective Problem Solving

AMEC puts forward the idea of Effective Problem Solving (EPS), and helps trainees develop their problem-solving ability by organizing training and workshops. On that basis, AMEC plans to develop the APS (AMEC Problem Solving) process and promote and apply it across the Company.

Process Review Tools

AMEC uses the process review tool VDA 6.7 to more effectively review the quality control management of the equipment industry, identify problems, and promote continuous improvement. In 2024, we organized a total of 2 training sessions and 10 reviews for VDA 6.7 to enable the trainees to put their learning into practice.

Measurement System Analysis

The measurement system analysis (MSA) is used to confirm the reliability of the measurement system, especially the measurement system for key characteristics. In 2024, 5 MSA workshops were organized offline to study the methodology/feasibility of MSA.

Quality Culture Development

Quality Week

AMEC communicated the quality series courses, including on ISO system, EPS (Effective Problem Solving), Calibration, BKM (Best Known Method), 6S and other quality knowledge closely related to daily work.

6S Management Concept

The 6S management concept consisting of "SEIRI, SEITON, SEISO, SEIKETSU, SHITSUKE, and SECURITY" is integrated into the daily work and production management process to ensure a good R&D and production and operation environment and help to control the quality.



Management of Quality Risks and Opportunities

Given the fact that the R&D and production of semiconductor equipment requires "a large number of spare parts and components that are highly specialized, precision and customized", AMEC applies the "risk-based thinking" to the whole process of product management, and establishes methods to identify, assess and control quality risks, prevent risks and make improvements in advance, so as to enhance the quality management.

Main Management Process	Quality Risks and Opportunities	Control Method
R&D Process	Risks: Product design does not meet the requirements of users and regulators; equipment features poor stability, high cost, and long development cycle. Opportunities: Leading technologies and competitive products are developed; innovative design patents are granted.	Based on the PDP (Product Development Process) framework for full lifecycle management, the product development is divided into five phases and the concept of "Triple Insurance" is run through each of the stages. Moreover, various forms of review are conducted in each stage with a view to tracking and improving quality.
Supply Chain Management Process	Risks: The parts and components of suppliers are insufficiently verified and poor in quality, and therefore, there are many customer complaints. Opportunities: Outstanding suppliers with stable quality and competitive edge in terms of cost can be selected to jointly break through technological bottlenecks.	Through all-round supplier management and digital technology, the parts and components of suppliers are subject to full lifecycle quality control for the purposes of ongoing quality monitoring, cross-enterprise collaboration, timely response and improvement in case of quality defect.
Manufacturing Process	Risks: The risks of process development are insufficiently assessed; the changes in suppliers' key processes are inadequately validated; the processes have too many exceptions and too low verification and interception capacity; and there are many customer complaints. Opportunities: Process development risks are sufficiently assessed; changes in the suppliers' key processes are adequately identified; risk points of the manufacturing by customers are sufficiently identified; quality control capability is quite good; manufacturing efficiency is improved; and continuous and stable delivery is realized.	The manufacturing department participates in the feasibility study and process risk assessment, fully identifies the changes in suppliers' key processes and the risk points of customers' manufacturing, and works out quality control plans during the R&D phase. From material collection, production to shipment, the manufacturing process is subject to full life cycle quality control, with each link inspected by at least two persons. In addition, a product is subject to "triple inspections", including the self-inspection by the assembly personnel, the inspection by the leader of the assembly team or the personnel of the next process, and the inspection by the quality control personnel, to ensure that the product meets the quality standards.
Customer Services	Risks: The quality of on-site installation is poor; the response to customer complaints is not timely; and there are many customer complaints. Opportunities: The quality of on-site installation is good; customer demand is responded to in time; and the customer is satisfied.	The equipment is connected to the factory manufacturing control system and undergoes the functional test, process test, and acceptance test. The R&D design, supply chain and production are continuously optimized according to on-site feedback. The Customer satisfaction survey is also conducted to ensure that the quality of products and services meet customer needs.

Quality Management Metrics and Targets

In 2024, The company has established external quality management objectives for continuous customer satisfaction improvement. What's more, we carried out real-time monitoring on the CCAR Rate for external exceptions through the BI system. The quality defect rate of the main products delivered was far lower than the industrial average level. The NCR Rate for internal exceptions also remained within the target range and continuously improved.

IP Protection

With clear strategic objectives, multi-dimensional business deployment, global vision and rigorous management, AMEC has established an intellectual property (IP) protection system covering patents, trademarks, copyrights, and trade secrets. Systematic IP operations not only help to defend the Company's core technologies but also enable us to stand out in the global market competition.

Patents

Quantity in 2024

- **359** applications, including **263** invention patents
- **244** patents granted, including **184** invention patents

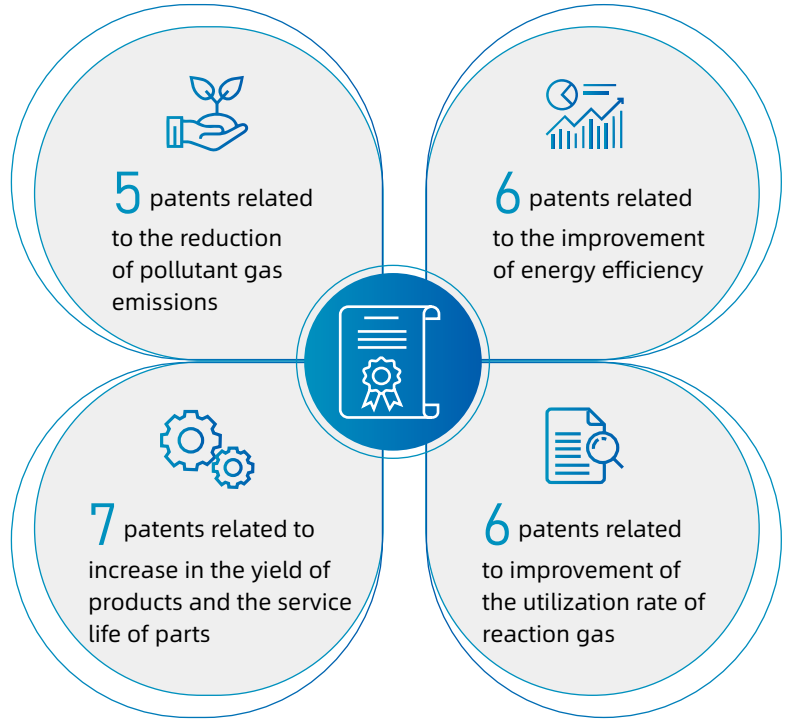
24 low-carbon patents

Cumulative quantity by the end of 2024

- **2,910** applications, including **2,424** invention patents
- **1,781** valid patents, including **1,514** invention patents

AMEC Low-carbon Patents

In 2024, AMEC applied for 24 low-carbon patents, including the following:



Awards and Honors

In December 2024, the Company's invention patent "A Chemical Vapor Deposition Device and Its Cleaning Method" (patent No.: ZL201510218357.1) won the Silver Award of the 25th China Patent Award.

Enhancing Intellectual Property Management

Strengthening intellectual property management is the key to corporate innovation and development. By establishing a sound and efficient intellectual property management system, AMEC precisely controls the patent application, maintenance and other processes to avoid patent risks in an all-round way and provide a solid safeguard for the Company's tech innovation.

Intellectual Property Management Framework

Organizational Structure	An IP Team is set up under the Company's Legal and Compliance Department. Experienced patent management personnel are tasked to protect patents, and manage risks, trade secrets, and trademarks in the Company.
Management Rules and Regulations	Special rules and regulations have been created, including the *Patent Management Measures*, the *Measures of AMEC for Granting Excellent Patent Awards*, the *Trade Secrets Management Procedures*, and the *Intellectual Property Incentive Measures*.



The Whole-process Use of Patent Intelligence and Information

Patent Management System

Since its launch in 2023, the patent management system has been improved constantly. The system establishes a bridge between R&D and IP Team, and can systematically manage patent proposals, prevent omission, update the status of proposals in real time, and facilitate the inquiry and management of patent application status. In 2024, the system collected 430 proposals and reviewed and filed more than 300 patents.

Mitigating Patent Risk

AMEC actively leverage patent intelligence to empower our R&D efforts and mitigate patent risk. As part of our proactive approach, we conduct IP-related background research before the product project is launched. Throughout the R&D progress, we continuously perform targeted Freedom to Operate (FTO) analysis, focusing on specific subjects relevant to our R&D. Moreover, prior to the launch of new products, we conduct a thorough technological breakdown of the final product to identify and evaluate any patent risk associated with the new product.

Achievements in Avoiding Patent Risk in 2024

84 technology background investigations were conducted.

49 searches and patent risk analyses were made for particular technologies.

Systematic patent risk assessment and survey were undertaken for 8 products.



Protecting Trade Secrets

The protection of trade secrets is an important foundation for AMEC to maintain the competitive advantage. AMEC strictly adheres to relevant laws and regulations pertaining to trade secrets in the jurisdiction. We have stringent requirements in place to safeguard the intellectual property and information of all stakeholders, while respecting the trade secrets of others. In 2024, the Company updated and improved the *Trade Secrets Management Procedures* to protect our own rights and interests and strictly prevent the leak of secrets.

Information Classification

Information is classified into three levels: A, B and C, according to the level of importance. Information at different levels is subject to different rules and regulations governing its use, storage, access, etc.

Key Measures

All-round management is enforced from the perspectives of carriers, regions, and personnel. Electronic carriers are protected by access authority; physical carriers are kept by category; and for key physical areas, people working there are subject to supervision in the whole process from onboarding to departure. External activities are strictly reviewed, and the decryption and destruction process is standardized.

Management System

The trade secret management system was launched in January 2024. Since then, the system has collected more than 70 proposals regarding primarily control algorithms, design know-how, solutions for machine problems, etc. The Company rewards those who submit proposals and make contributions in doing so, in order to encourage participation.

Construction of Intellectual Property Culture

AMEC is committed to developing a corporate IP culture. Taking advantage of the IP Week event, the Company puts on various activities such as lectures and seminars to disseminate IP knowledge. Additionally, attractive IP rewards are in place to drive innovation and build a strong innovation-driven culture.

IP Incentives

The Company has set up a variety of IP incentives to stimulate the innovation of employees.

- Award for patent application
- Award for invention patent authorization
- AMEC award for excellent patent
- Award matched to the government patent award
- Award for software copyright registration
- AMEC IP contribution award

IP Publicity Week

Intellectual Property Protection Training

Targeted patent and trade secret training was provided for multiple product departments.



Inventor Sharing

Experienced inventors are invited to tell the story of patent protection in product innovation.



Brainstorming

Brainstorm is performed on hot topics to collect ideas and help with product development.



Supporting Innovation-driven Development

Continuous R&D innovation is the foundation of AMEC's development and growth. The Company promotes the standardized management of R&D innovation by setting up a professional R&D innovation governance team, and uses advanced systems such as management by objectives (MBO), key indicator management, matrix management, and employee stock ownership to fully stimulate the enthusiasm of employees for innovation and build an innovative learning organization.

R&D Innovation Management Measures

AMEC has established an all-round and integrated innovation support system that covers links such as product development, project organization and management, fund management, and talent incentives to fuel the innovation vitality of employees.

Innovating in R&D Models

For different R&D objects and products, AMEC establishes independent R&D teams to focus on problem solving. All such teams share equipment, data and other resources to optimize efficiency and lower costs, so as to quickly respond to demands, flexibly allocate resources, and promote tech innovation.

Increasing R&D Investment

In 2024, the Company's R&D investment was about RMB 2.45 billion yuan, an increase of RMB 1.19 billion yuan or 94.31% year on year, with the share of R&D investment in the Company's operating revenue standing at 27.05%, far higher than that of the listed companies on the SSE STAR market.

Expanding R&D Teams

By the end of 2024, R&D personnel accounted for 47.98% of the Company's global employees, an increase of 2.22% over the previous year, people with education at the undergraduate level or over accounted for 93.70%, among whom holders of the master’s or doctoral degree accounted for 54.71%.

Setting R&D Goals

New R&D projects are carried out according to the Company's overall strategy. At the beginning of each year, product departments break down the R&D projects into MBO targets. Each new project is set with an innovation management objective, including the number of patents, trade secrets, etc., in close cooperation with the Legal and Compliance Department and the R&D Department.

Encouraging Tech Innovation

R&D personnel who have made outstanding contributions to technology R&D, product innovation, patent application, etc. are rewarded, and granted company patents are selected to participate in the government awarding process. Outstanding patent awards are selected internally on a yearly basis as well, with the results used as an important reference for the performance appraisal of individuals and teams.

Ensuring Information Security

AMEC attaches great importance to the management of information security. To that end, we have built a multi-level protection system, strengthened technical safeguards, and improved the talent development mechanism. What's more, we have deployed a dynamic protection architecture based on the ISO 27001 standard and upgraded the core technical modules on an ongoing basis. During the reporting period, we did not give rise to any significant information security events.

Strengthening the Information Security Governance System

AMEC has established a clear information security governance system, i.e., the information security leading group and the information security working group, which include members of the management, information security technical specialists, system specialists, IT auditors, and department coordinators. Through systematic management and technical means, the system helps the Company effectively cope with security threats, ensure business continuity, and reduce potential losses.

Formulating the Information Security Strategy

In strict accordance with relevant laws and regulations, such as the *Cyber Security Law of the People's Republic of China*, AMEC has developed a series of documents, e.g., the *Information Security Management Manual*, to manage information security, and achieved 100% coverage for certification of the ISO 27001 information security management system. Moreover, the Company has established the *Trade Secrets Management Procedures* to systematically regulate the management of trade secrets, and created the *Personal Information Protection Procedures* to cover the entire life cycle of personal information management from the collection, transmission, storage to use of such information. In conclusion, the Company has established secure lines of defense against information breaches to comprehensively safeguard the security of our trade secrets and personal information. During the reporting period, the Company did not give rise to any data security incidents and major customer privacy breaches.

During the reporting period, the Company did not give rise to any data security incidents and major customer privacy breaches.

Identifying and Managing Information Security Risks

Risk Identification and Impact Assessment

AMEC keeps a close eye on regional and industrial laws and regulations to evaluate their applicability to information security on a regular basis. We also employs the ISO 27001 system to take the stock of it our assets, identify risks, and rate them. What's more, we have developed a dynamic model to ward off malicious attacks and ensure business continuity. In terms of privacy protection, the Company has created a sound protection system, upgraded the product capability, and improved the requirements of life cycle data management in strict accordance with laws and regulations. Moreover, we have adopted de-identification, anonymity and other technologies to lower the risk of information leak.

Risk Monitoring and Control

AMEC has put in place an all-round information security monitoring mechanism. We employ technical means to detect threats, and monitor abnormal traffic, account behaviors, and data transmission channels on both the internal and external networks through the situation awareness software, the edge network equipment and the like. On that basis and with reference to third-party intelligence, the Company assesses the vulnerability of the system in a closed-loop management effort. Particularly, we organize internal and external attack and defense drills, focusing on protection from cyber and phishing attacks. 100% of the Company's employees are trained in this regard.

Predicting Risks in Emerging Areas

AMEC pays close attention to the application of emerging technologies such as artificial intelligence in information security, and continues to explore AI's ability to enable corporate information security management, in a bid to accelerate the identification and protection of key data and the judgment of the situation of network security attacks. We maintain an open and vigilant attitude toward personal and corporate use of AI and have specified the requirements for using AI large models to process personal information. While increasing productivity, we make effort to ensure that risks in each use scenario are manageable.

Targets of Information Security Management

AMEC has formulated a comprehensive system of information security metrics and targets, covering information security incidents, data leak incidents, customer complaint security incidents and more. The Company's information security team regularly tracks the effectiveness of our information security governance to ensure continuous improvement in information security.

Sound Practices to Reinforce Corporate Governance

07

A sound corporate governance system is the ultimate safeguard for the steady development of an enterprise. By strengthening the governance structure that consists of "the Shareholder's General Meeting, the Board of Directors, the Board of Supervisors, and Management", AMEC has effectively protected the rights and interests of minority shareholders, established a diversified stakeholder communication mechanism, and ensured scientific and transparent decision-making. By creating a comprehensive and effective internal control system, we have established a long-term mechanism for compliant operations. Meanwhile, we have strengthened the risk management and control capabilities, optimized the risk management systems, enhanced the import and export compliance management, and responded actively to external risks/challenges, thereby providing a solid guarantee for our stable operation and high-quality development.



9 directors in the Board of Directors, and **3** of them are independent directors

1 female director in the Board of Directors, **2** female supervisors in the Board of Supervisors

Conducted more than **300** roadshows, exchanges with institutions, performance presentations, etc.

Enhancing Corporate Governance

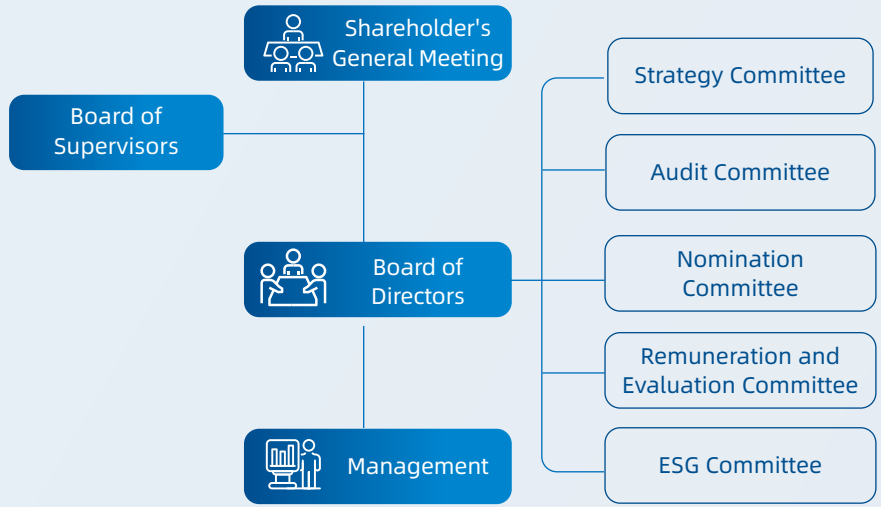
Through the establishment of a scientific and sound organizational structure, AMEC has created a robust governance structure comprising "the Shareholder's General Meeting, the Board of Directors, the Board of Supervisors, and Management", so as to tighten the management and control of connected transactions, and effectively protect the legitimate rights and interests of minority investors. At the same time, the Company improves the efficiency of the corporate governance through a variety of stakeholder communication, which provides a strong guarantee for the standardized operation and sustainable development and ensures the effective operation of Board of Directors.

AMEC Corporate Governance Structure

In accordance with the requirements of relevant regulations such as *The Company Law* and *The Securities Law of the People's Republic of China*, we have established a corporate governance structure comprised of the Shareholder's General Meeting, the Board of Directors, the Board of Supervisors, Independent Directors, and Secretary of the Board of Directors, and have formulated regulations accordingly. We also have established 5 specialized committees under the Board of Directors, namely the Strategy Committee, Nomination Committee, Remuneration and Evaluation Committee, Audit Committee and ESG Committee. These committees operate with clear boundaries of responsibilities and contribute to a well balanced, cooperative, and democratically efficient corporate governance system. During the reporting period, the Board of Directors of AMEC operated effectively.



AMEC Corporate Governance Structure



Independence of Directors, Supervisors and Management

- AMEC attaches great importance to the independence of the Board of Directors. Currently, the Board consists of 9 directors, including 3 independent directors, accounting for 33.33%. 3 out of the 9 directors also are senior executives, and the rest 6 directors are independent of the Management. In terms of the shareholding ratio of the Management, as of the end of 2024, the Management directly held about 1% of the equity of AMEC.
- Our Board of Supervisors consists of 3 supervisors, 1 of which serves as the Chairman. 2 out of the 3 supervisors are shareholder representatives elected from the General Meeting of Shareholders and the rest 1 is an employee representative democratically elected from employees.
- Independent directors and supervisors shall independently express their opinions on major corporate matters such as connected transactions and equity incentives, and supervise the Board of Directors and the Management, with the aim of protecting the rights of minority shareholders.

Diversity of Directors, Supervisors and Senior Executives

- AMEC values the diversity within the Board of Directors and the Board of Supervisors, including one female director, accounting for 11.11%. There are 2 female supervisors among the members of the Board of Supervisors.
- Members of the Board of Directors and the Board of Supervisors possess diverse professional backgrounds, with years of professional experience in semiconductor, finance, investment and legal fields.

Expertise of the Board of Directors

- The six non-independent directors of AMEC have years of experience in the semiconductor industry or years of financial, investment, legal or financial experience. The three independent directors employed by the Company are experts who have been engaged in the fields of investment, semiconductor industry, law or finance for many years.

Training for Directors, Supervisors and Management

- We regularly invite external lawyers and brokers to provide compliance training to our Directors, Supervisors and Management to enhance compliance governance.
- We organize Directors, Supervisors and Management to participate in qualification training of related organizations.
- Compliance trainings are held regularly, covering topics such as insider trading, protection of business secrets, and prevention in corporate governance risk. These efforts aim to further empower the Directors, Supervisors and Management professionally, enhancing governance capabilities.

Case Special Training for Directors, Supervisors and Management

In May 2024, AMEC invited external lawyers and brokers to provide compliance training for the Directors, Supervisors and Management. The experts explained the latest laws and regulations, emphasizing that Directors, Supervisors and Management should give priority to corporate interests, justly safeguard the rights and interests of employees, and create value for the shareholders and society at large. Through case analyses, the training highlighted the information leak and insider trading risks in operation and stock trading, and enhanced the risk prevention awareness of Directors, Supervisors and Management.

Specialized Committees under the Board of Directors	In 2024, the Audit Committee under the Board of Directors held five meetings and one meeting for separate communication with external audit institutions; and the Nomination Committee, Strategy Committee, Remuneration and Evaluation Committee, and ESG Committee held one meeting, two meetings, six meetings, and one meeting, respectively.
ESG Committee	AMEC's ESG Committee consists of 5 directors, with Chairman of the Company concurrently serving as the leader of the ESG Committee. The Board of Directors has formulated the *AMEC Rules of Procedure for the ESG Committee* to discuss, supervise and review the Company's ESG strategic objectives, implementation progress, and the contents of the Reports on a regular basis.
Monitoring Connected Transactions	AMEC's Board of Directors stringently supervises connected transactions in terms of legality, fairness and rationality, according to the *Articles of Association* and the *Management System for Connected Transactions*. All of the connected transactions above a designated amount shall be submitted to the special meeting of Independent Directors, the Board of Directors and/or the Shareholders' General Meeting for deliberation.

Protecting the Rights and Interests of Minority Shareholders

AMEC attaches great importance to the rights and interests of minority shareholders and communicates actively with minority shareholders and investors. The Company has formulated the *Management System of AMEC for Investor Survey and Media Interview*, and strengthened communication with investors through various means such as statutory information disclosure platforms, shareholders' meetings, and investor briefings, so as to ensure open, timely and transparent information disclosure and meet the communication needs of investors.

Expanding Extensive Investment Opportunities

AMEC actively explores the upstream and downstream opportunities on the industrial chain, and vigorously supports small- and medium-sized enterprises with foresight and relatively greater development opportunities. Through such an extensive development strategy, our subsidiaries such as Huilian, AMEC Wisetron and SyWecon have all made good progress in the new business development field and are highly thought of by the market end users. As of the end of 2024, AMEC has invested in 39 companies, covering industries such as semiconductor equipment, parts and components, pan-semiconductors and so on, of which, 8 have been successfully listed on the stock market.



Diversifying Stakeholder Communication

Shareholder's General Meeting

1 meeting convened

15 proposals deliberated

Board of Directors

9 meetings convened

57 proposals deliberated

The number of directors who attended less than 75% of the meetings is Zero

Board of Supervisors

8 meetings convened

36 proposals deliberated

Other Interactions

162 public announcements and documents released

61 questions from investors answered on the online e-platform

More than 120 road shows staged

More than 180 institutional exchange meetings held

4 performance presentations made

More than 3,000 participants

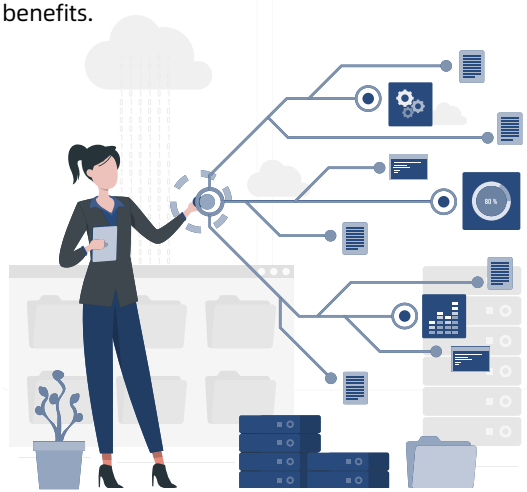
Regulatory Recognition

Grade A

The highest level for information disclosure, by Shanghai Stock Exchange in 2024

Paying Taxes in Accordance with the law

AMEC adheres to the concept of doing business according to the law and paying taxes honestly. We realize standardized management of tax declarations by setting up a reasonable financial and tax management structure. As a result, we have not only made all tax declarations in time, but also ensured the completeness and accuracy of such declarations. In day-to-day tax management, we continuously sharpen the awareness of preventing tax risks, enhances the risk monitoring capability, and improves the internal control mechanism for tax risks. All of our subsidiaries strictly abide by local laws and regulations, pay taxes in accordance with the law, and at the same time, reasonably and legally enjoy various tax incentives according to actual conditions, so as to maximize Company's benefits.



Improving the Compliance of Internal Control

AMEC sees the improvement of internal control and compliance as the key to the stable development, and therefore makes every effort to create a development culture of integrity under the coordination of the AMEC Leadership Group. In September 2024, we updated the *AMEC Global Code of Business Conduct and Ethics* to clarify our requirements for business ethics and ensure compliance and legality of our business conduct.

Anti-commercial Bribery and Anti-corruption Practices

In the *AMEC Business Conduct and Ethics Code*, we emphasize that anti-embezzlement, anti-corruption, and ethical compliance requirements are reflected in all aspects and that they are not only applicable to AMEC employees, but also to AMEC's customers and suppliers. We conduct periodic assessments on our business conduct and ethics at all of our operating locations to ensure that activities are in compliance with corporate and regulatory requirements. In 2024, we did not file any litigations against our directors, management personnel, or employees for commercial bribery or embezzlement; nor did we experience the termination or rejection of any business partnerships for reason of corruption.



Requirements for Employees

- It is not allowed to offer or accept any business favors, including gifts, meals, travel, and entertainment, etc. that are illegal, violate the Company's policies, may cause conflict of interest, or are likely to affect business decisions or actions.
- Set limit for the value of gifts and truthfully record such gifts according to the Company's financial record requirements to avoid negative impacts on AMEC.
- Without the prior written approval of the AMEC Ethics and Compliance Team, AMEC's funds or anything of value shall not be made available to any relevant employee or person in the name of the Company.
- AMEC Employees are prohibited from participating in the activities of third parties competing with AMEC, abusing their authority to seek undue advantage for themselves or others, holding investment interests in AMEC's customers or suppliers without approval, or working part-time outside.

Requirements for AMEC's Customers and Suppliers

- When entering into a purchase or sales contract, AMEC enters into ethics and compliance clause with AMEC's customers or suppliers at the same time, and demands that each party should strictly comply with all applicable laws and regulations, business conduct codes and management systems.
- Neither party shall give or accept any advantage for business convenience, and they shall report through designated websites or e-mails when their employees are found to have acted in bad faith.
- The party in breach of compliance obligations shall pay liquidated damages or compensation to the other party.

Anti-unfair Competition Measures

AMEC encourages and protects fair competition and opposes industrial monopoly and unfair competition. In 2024, the Company was not involved in any litigation or major administrative punishment caused by unfair competition.

For Customers

- Customers shall not be required to commit to not purchasing any products or services from AMEC's competitors as a precondition for selling them AMEC's products or services.
- It is not allowed to make any misrepresentation about the Company's products and IP rights.
- It is not allowed to make misleading comments on the Company's competitors or their products.

For Suppliers

- It is not allowed that suppliers are required to sell particular products only to the Company or not to any particular entities.
- Suppliers shall not be required to purchase particular products from AMEC before procuring from them.

For Competitors

- No agreement or exchange of opinions shall be made with competitors regarding product price, market segmentation, product sales, production volume, investment or R&D.
- Joint boycott or refusal to do business with certain customers, suppliers or distributors in partnership with competitors is not allowed.



Compliance Building Measures

AMEC attaches great importance to compliance management, and has taken a series of concrete actions, including those on process guidance, whistle-blower protection, contract management, and capacity building, to build a comprehensive and efficient compliance system and promote the steady progress of the Company.

Compliance Process Guidelines

- AMEC has prepared detailed normative documents for employees to follow, so that if an employee has any suspicion, he/she can turn to the Ethics and Compliance Team for assistance, and the team can preliminarily access the subject matter to decide whether it is necessary to proceed to the investigation process. If investigation is needed, the Ethics and Compliance Team shall respond in collaboration with the Internal Audit Department. In case of a major violation, the team shall report to the AMEC's Leadership Group to determine whether to set up a special group to conduct an in-depth investigation, and subsequently take appropriate measures according to the result of such investigation. Accordingly, relevant systems will be revised and improved, as well.

Whistle-blower Protection

- AMEC promises to keep the identity of whistle-blowers strictly confidential; without the authorization of the AMEC's Leadership Group, people who have come into knowledge shall not disclose the reported information. Any form of retaliation is strictly prohibited. People who violate the confidentiality regulations or retaliate against the whistle-blower will be given disciplinary sanctions or held legally responsible for their violations. Dedicated feedback and reporting channels are made available, and special hotlines and e-mail boxes ethics@amecnsh.com for ethical assistance are set up to create a safe reporting environment.

Contract Management

- In 2024, AMEC's Document Review and Approval System offered standardized contract templates, which has greatly improved the efficiency of contract drafting. At the same time, the system realizes the whole process management of a contract from drafting, review and revision to approval, signing and performance, and then to contract change, dissolution, termination, filing, consulting and so on. The whole process is visualized, thus effectively reducing the risks of contract and improving the efficiency of contract management.

Capacity Building

- In April 2024, AMEC invited lawyers from world-renowned law firms to lecture on the latest global anti-corruption trends and practices, new export control regulations, and enforcement standards of regulatory authorities.



- In June 2024, AMEC provided all employees with training in the theme of "Anti-corruption and Commercial Bribery, Anti-unfair Competition and Anti-monopoly Practices of Enterprises".





Consolidating Risk Management

AMEC has continuously improved the risk control system, optimized risk management processes, and strengthened business ethics risks management. By establishing professional teams and special systems, we have systematically standardized business ethics management, thus providing a solid guarantee for the healthy and steady development of the Company.

Risk Management Systems

In 2024, AMEC continued to deepen the construction of internal risk control system. Based on the existing system of three-defense-line risk management, we added, revised, and detailed internal risk management system documents, so as to improve our risk management.

Improving Risk Control System

We added, revised, and detailed internal risk management system documents, including documents of programmatic audit regulations, transactional engineering project management systems, and engineering approval authorizations.

Strengthening Risk Awareness

We actively promote the implementation of an internal control self-evaluation mechanism, guiding each department to complete self-assessments, self-inspections, self-remediation of issues, and establish long-term prevention and control mechanisms to strengthen risk control awareness in various business departments.

Updating the Internal Control Manuals

In line with the development requirements for internal control in listed companies, in 2024, we continued to update the Internal Control Manuals of key modules such as contract management, engineering and inventory. From the perspective of risk management, we improved and updated relevant internal control processes and improved the applicability of internal control measures to business modules.

Import and Export Compliance Management

AMEC actively assists our customers with license application, tracking, response and management, and conducts due diligence on them to ensure their compliance with export control policies. Through regular communication with regulators and government departments, we take stock of policy trends, evaluates the impact of export control policies, and formulates response strategies in time to ensure the compliance and continuity of our business.

External Risks Response

In the context of globalization, the external risks faced by enterprises are becoming increasingly complex and diverse, and geopolitical risks and legal compliance risks, in particular, may have a significant impact on the reputation and operations of enterprises. AMEC always attaches great importance to external risks, knowing that only by actively responding to external challenges can we safeguard the legitimate rights and interests of the Company and ensure the stable development of our business.

On January 31, 2024, the U.S. Department of Defense included AMEC in the "Chinese Military Companies List". On August 14, 2024, AMEC formally filed a lawsuit against the U.S. Department of Defense in the United States District Court for the District of Columbia to safeguard our legitimate rights and interests. In the process of litigation, we strictly abode by the court procedure and advanced the litigation work in a prudent and orderly manner. After four months of litigation and further arguments, the U.S. Department of Defense issued a Federal Register on December 18, 2024, and finally removed the Company from the "Chinese Military Companies List". This achievement not only clarified the facts and maintained the Company's reputation, but also effectively addressed external risks and provided a strong safeguard for the Company's stable development.

Appendix

Appendix I Social Responsibility Performance

Economic Performance

Indicator	Unit	2024	2023	2022
Total assets	RMB 100 million	262.18	215.26	200.35
Operating revenue	RMB 100 million	90.65	62.64	47.40
Net profit attributable to parent company shareholders after excluding non-recurring gains and losses	RMB 100 million	13.88	11.91	9.19
All taxes paid	RMB 100 million	2.53	3.03	2.18

Environmental Performance

Emissions

Indicator	Unit	2024	2023	2022
Greenhouse gas emissions (Scope 1 & Scope 2)[5]	MT CO_2e	31,621.00	29,452.13	19,940.52
Greenhouse gas emissions (Scope 3)[6]	MT CO_2e	5,817.19	/	/
Greenhouse gas emissions per unit of the operating revenue (Scope 1 and Scope 2)	Total Scope 1 & Scope 2 in MT CO_2e per million RMB of revenue	3.49	4.71	4.21
Per capita greenhouse gas emissions (Scope 1 and Scope 2)	MT CO_2e/person	12.75	17.10	14.46

[5] The scope of total greenhouse gas emissions (Scopes 1 & 2) covers AMEC's global operation sites, while also accounting for the reduction in carbon emissions resulting from the group-wide consumption of green electricity.

[6] Two categories of Scope 3 data were calculated in accordance with the Greenhouse Gas Protocol, including Category 7 (Employee Commuting) and Category 9 (Downstream Transportation and Distribution).

Energy consumption

Indicator	Unit	2024	2023	2022
Total energy consumption	MWh	74,127	50,263	34,722
Total electricity	MWh	70,608	48,456	32,659
Natural gas	m^3	290,315	140,501	89,551
Liquefied petroleum gas (LPG)	MT	23.48	23.49	21.83
Gasoline	MT	33.48	13.58	8.67
Diesel	MT	18.93	21.59	14.24
Clean energy consumption	MWh	16,757	/	/
Proportion of clean energy consumption	%	24%	/	/
Energy consumption per unit of the operating revenue	MWh/RMB million yuan	8.18	8.03	7.33
Per capita energy consumption	MWh/person	29.89	29.19	25.18

Social Performance

Employment

Indicator	Unit	2024	2023	2022
Number of employees	No.	2,480	1,722	1,379
Minority employees	No.	50	29	20
Percentage of employees with master's degree and above	%	38.35	35.37	31.69
New employees	No.	869	461	449
Employee turnover rate	%	7.69	6.41	7.82
By gender				
Percentage of female employees	%	17.70	19.51	20.38
Percentage of male employees	%	82.30	80.49	79.62
By age				
Percentage of employees aged 30 or below	%	38.91	36.06	35.61
Percentage of employees aged 31-40	%	43.31	43.26	42.35
Percentage of employees aged 41-50	%	13.15	15.22	15.88
Percentage of employees aged over 51	%	4.64	5.46	6.16

Occupational Health and Safety

Indicator	Unit	2024	2023	2022
Number of safety accidents	No.	0	0	0
Number of major accidents or over	No.	0	0	0
Number of workplace injuries	No.	12[7]	1	0
Total recordable injury rate	%	0.8	0.25	0
Duration of occupational health and safety training	Hours	35,119	17,121	15,552
Participators of occupational health and safety training	Person-time	26,048	13,084	11,727
Amount of contribution to the work-related injury insurance	RMB 10 thousand	112.59	67.49	49.21
Coverage of the work-related injury insurance[8]	%	100	100	100
Work-related fatalities	No.	0	0	0
Number of days lost from work-related injury	Days	404	5	0
Number of employees with occupational disease	No.	0	0	0
OSHA total recordable incident[9]	No.	5	1	0
OSHA total recordable incident rate (TRIR)		0.16	0.05	0

Employee Training

Indicator	Unit	2024	2023	2022
Annual expenditure for training	RMB 10 thousand	285.82	150.25	138.92
Employee training investment per million RMB of revenue	RMB	315.30	239.86	293.08
Employee training coverage	%	100	100	100
Number of employees participating in the training sessions	No.	32,939	22,016	20,386
Training hours	Hours	103,390	57,268	40,834
Average training hours per employee	Hours	41.70	33.20	29.61
Training Types				
Percentage of specialized training	%	61	55	56
Percentage of general training	%	24	29	32
Percentage of management training	%	15	16	12

[7] Among them, 10 were traffic accidents during their commute to and from work.

[8] Limited to Chinese employees.

[9] OSHA, i.e., Occupational Safety and Health Administration of the US.

Suppliers

Indicator	Unit	2024	2023	2022
Chinese Mainland	%	83	76	72
Asia-Pacific (except Chinese Mainland)	%	14	18	6
Europe and America	%	3	5	22

Intellectual Property

Indicator	Unit	2024	2023	2022
Total number of patent applications	No.	2,910	2,551	2,259
Number of applications for invention patents	No.	263	292	197
Number of applications for low-carbon patents	No.	24	/	/
Number of invention patents granted	No.	184	274	/
Total number of valid patents	No.	1,781	/	/
Total number of software copyrights	No.	28	/	/

Innovation-driven Development

Indicator	Unit	2024	2023	2022
R&D investment	RMB 100 million	24.52	12.62	9.29
Proportion of R&D investment in main business revenue	%	27.05	20.15	19.59
Number of R&D personnel	No.	1,190	788	591
Percentage of R&D personnel in total workforce	%	47.98	45.76	42.90

Safety and Quality of Products and Services

Indicator	Unit	2024	2023	2022
Amount involved in major safety and quality liability accident damages related to products and services	RMB	0	0	0

Social Contribution

Indicator	Unit	2024	2023	2022
Number of households assisted under the program of "Caring for the Impoverished Elderly"	No.	130	130	65
Amount of cash and daily necessities provided under the program of "Caring for the Impoverished Elderly"	RMB 10 thousand	207.90	185.90	84.56
Length of services by employee volunteers	Hours	200	/	/

Business Behaviors

Indicator	Unit	2024	2023	2022
Litigation on commercial bribery or embezzlement	No.	0	0	0
Litigation or major administrative punishment caused by unfair competition of the Company	No.	0	0	0

Appendix II Global Reporting Initiative (GRI) Standards Index

GRI Standard	Disclosure	Location
GRI 1 Base		
1 Base 2021	Report base, including publishing GRI content index, providing usage instructions, etc.	About This Report
GRI 2 General Disclosure 2021		
The Organizations and Its Reporting Practices		
2-1	Organization details	About This Report/About AMEC
2-2	Entities included in the organization's sustainability reporting	About This Report
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	Unrelated
2-5	External assurance	Disclosure in future
Activities and workers		
2-6	Activities, value chains and other business relationships	About AMEC
2-7	Employees	Talent-Driven Business to Create a Shared Future/Supporting Innovation-driven Development/ Social Performance
2-8	Workers who are not employees	Undisclosed
Governance		
2-9	Governance structure and composition	Enhancing Corporate Governance
2-10	Nomination and selection of the highest governance body	Please refer to the Annual Report
2-11	Chair of the highest governance body	Please refer to the Annual Report
2-12	Role of the highest governance body in overseeing the management of impacts	Please refer to the Annual Report/ Enhancing Corporate Governance
2-13	Delegation of responsibility for managing impacts	Please refer to the Annual Report

GRI Standard	Disclosure	Location
2-14	Role of the highest governance body in sustainability reporting	About AMEC
2-15	Conflicts of interest	Please refer to the Annual Report
2-16	Communication of critical concerns	About AMEC
2-17	Collective knowledge of the highest governance body	About AMEC
2-18	Evaluation of the performance of the highest governance body	About AMEC
2-19	Remuneration policy	Please refer to the Annual Report/ About AMEC
2-20	Process to determine remuneration	Please refer to the Annual Report
2-21	Annual total remuneration ratio	Please refer to the Annual Report
Strategy, Policy and Practices		
2-22	Statement on sustainable development strategy	About AMEC
2-23	Policy commitments	Statement of the Board of Directors/ About AMEC
2-24	Embedding policy commitments	Statement of the Board of Directors/ About AMEC
2-25	Processes to remediate negative impacts	Improving the Compliance of Internal Control/Consolidating Risk Management
2-26	Mechanisms for seeking advice and raising concerns	Optimizing Customer Services/ Management of Employee Risks and Opportunities
2-27	Compliance with laws and regulations	Sound Practices to Reinforce Corporate Governance
2-28	Membership of associations	Green Development through Joint Contribution and Shared Benefits
Stakeholder Involvement		
2-29	Approach to stakeholder engagement	About AMEC
2-30	Collective bargaining agreements	Improving the Employee Governance Mechanism/ Management of Employee Risks and Opportunities
GRI 3 Material Topics 2021		
3-1	Process to determine material topics	About AMEC
3-2	List of material topics	About AMEC
3-3	Management of material topics	About AMEC
GRI 201 Economic Performance 2016		
201-1	Direct economic value generated and distributed	Economic Performance
201-2	Financial implications and other risks and opportunities due to climate change	Actively Responding to Climate Change
201-3	Defined benefit plan obligations and other retirement plans	Defining the Personal Development Strategy for Employees
201-4	Financial assistance received from government	Please refer to the Annual Report
GRI 202 Market Performance 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Undisclosed
202-2	Proportion of senior management hired from the local community	Undisclosed
GRI 203 Indirect Economic Impact 2016		
203-1	Infrastructure investments and services supported	Industry Collaboration to Cultivate a Harmonious Society
203-2	Significant indirect economic impacts	Industry Collaboration to Cultivate a Harmonious Society
GRI 204 Procurement Practices 2016		
204-1	Proportion of procurement expenditure from local suppliers	Building a More Resilient Supply Chain
GRI 205 Anti-Corruption 2016		
205-1	Operations assessed for risks related to corruption	Clarifying the Code of Conduct for Suppliers/Improving the Compliance of Internal Control
205-2	Communication and training about anti-corruption policies and procedures	Clarifying the Code of Conduct for Suppliers/Improving the Compliance of Internal Control
205-3	Confirmed incidents of corruption and actions taken	No corruption cases occurred during the reporting period

GRI Standard	Disclosure	Location
GRI 206 Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and anti-monopoly practices	No legal actions occurred during the reporting period with respect to anti-competitive behaviors, anti-trust, and anti-monopoly practices
GRI 207 Tax 2019		
207-1	Approach to tax	Please refer to the Annual Report
207-2	Tax governance, control and risk management	Please refer to the Annual Report
207-3	Stakeholder engagement and management of concerns related to tax	Please refer to the Annual Report
207-4	Country-by-country reporting	Please refer to the Annual Report
GRI 301 Materials 2016		
301-1	Materials used by weight or volume	Disclosure in future
301-2	Recycled input materials used	Biodiversity and Circular Economy
301-3	Reclaimed products and their packaging materials	Biodiversity and Circular Economy
GRI 302 Energy 2016		
302-1	Energy consumption within the organization	Environmental Performance
302-2	Energy consumption outside the organization	Environmental Performance
302-3	Energy intensity	Environmental Performance
302-4	Reduction of energy consumption	Promoting Green and Low-carbon Operations
302-5	Reductions in energy requirements of products and services	Promoting Green and Low-carbon Operations
GRI 303 Water Resources and Effluents 2018		
303-1	Interactions with water as a shared resource	Environmental Protection and Treatment
303-2	Management of water discharge- related impacts	Environmental Protection and Treatment
303-3	Water withdrawal	Please refer to the Annual Report
303-4	Water discharge	Environmental Protection and Treatment
303-5	Water consumption	Environmental Protection and Treatment/Please refer to the Annual Report
GRI 304 Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity and Circular Economy
304-2	Significant impacts of activities, products and services on biodiversity	Unrelated
304-3	Habitats protected or restored	Unrelated
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Unrelated
GRI 305 Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Environmental Performance
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Performance
305-3	Other indirect (Scope 3) GHG emissions	Environmental Performance
305-4	GHG emission intensity	Environmental Performance
305-5	Reduction of GHG emissions	Comprehensive Energy Use and Carbon Reduction Practices/Please refer to the Annual Report
305-6	Ozone-depleting substance (ODS) emissions	Disclosure in future
305-7	Nitrogen oxides (NO_x), sulfur oxides (SO_x) and other significant air emissions	Disclosure in future
GRI 306 Waste 2020		
306-1	Waste generation and waste-related significant impacts	Environmental Protection and Treatment
306-2	Management of significant impacts related to waste	Environmental Protection and Treatment
306-3	Waste generated	Environmental Protection and Treatment/Please refer to the Annual Report

GRI Standard	Disclosure	Location
306-4	Waste diverted from disposal	Unrelated
306-5	Waste directed to disposal	Environmental Protection and Treatment
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Management of Risks and Opportunities Across the Supply Chain
308-2	Negative environmental impacts in the supply chains and actions taken	Unrelated
GRI 401: Employment 2016		
401-1	New employee hiring rates and employee turnover rates	Promoting Diversity, Equity and Inclusion/Social Performance
401-2	Benefits provided to full-time employees (not temporary or part-time employees)	Heartwarming Employee Care
401-3	Parental leave	Promoting Diversity, Equity and Inclusion/Heartwarming Employee Care
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice period for operational changes	Undisclosed
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Building the Green Development Capacity/Heartwarming Employee Care
403-2	Hazard identification, risk assessment and accident investigation	Building the Green Development Capacity
403-3	Occupational health services	Heartwarming Employee Care
403-4	Worker participation, consultation, and communication on occupational health and safety	Building the Green Development Capacity/Heartwarming Employee Care
403-5	Occupational health and safety training for workers	Building the Green Development Capacity/Heartwarming Employee Care
403-6	Promotion of workers' health	Building the Green Development Capacity/Heartwarming Employee Care
403-7	Prevention and mitigation of occupational health and safety impacts directly related to business relationships	Building the Green Development Capacity/Heartwarming Employee Care
403-8	Workers covered by occupational health and safety management system	Building the Green Development Capacity/Heartwarming Employee Care
403-9	Work-related injuries	Social Performance
403-10	Work-related health issues	Heartwarming Employee Care
GRI 404: Training and Education 2016		
404-1	Average hours of training per employee per year	Attaching Importance to the Personal Development of Employees
404-2	Programs for upgrading employee skills and transition assistance programs	Attaching Importance to the Personal Development of Employees
404-3	Percentage of employees receiving regular performance and career development reviews	Undisclosed
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governing bodies and employees	Promoting Diversity, Equity and Inclusion/AMEC Corporate Governance Structure
405-2	Ratio of basic salary and remuneration of women to men	Undisclosed
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Unrelated
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Unrelated
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Unrelated

GRI Standard	Disclosure	Location
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	N/A
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	Unrelated
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessment, and development plans	Unrelated
413-2	Operations with significant actual and potential negative impacts on local communities	Unrelated
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Supply Chain Development Strategy
414-2	Negative social impacts in the supply chain and actions taken	Unrelated

GRI Standard	Disclosure	Location
GRI 415: Public Policy 2016		
415-1	Political contributions	N/A
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of health and safety impacts of product and service categories	Low-Carbon Development to Protect the Environment
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Unrelated
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Low-Carbon Development to Protect the Environment
417-2	Incidents of non-compliance concerning product and service information and labeling	Unrelated
417-3	Incidents of non-compliance concerning marketing communications	Unrelated
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Unrelated

Appendix III Reader's Feedback

Dear readers:

Thank you for reading the *2024 Environmental Protection, Social Responsibility and Corporate Governance Report of Advanced Micro-Fabrication Equipment Inc. China (AMEC)*. In order to improve the Company's ESG management, we expect you to provide us with valuable comments or suggestions by filling out the feedback form. Please choose any of the following methods to give us feedback.

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1. Which of the following types of stakeholders do you belong to:
☐ Industry association ☐ Supplier ☐ Shareholder ☐ Customer
☐ Employee ☐ Government ☐ Other

2. What do you think of the quality of this report:
☐ Poor ☐ Mediocre ☐ Good ☐ Excellent

3. What do you think of AMEC's fulfillment of its social responsibilities in terms of environment:
☐ Poor ☐ Mediocre ☐ Good ☐ Excellent

4. What do you think of AMEC's fulfillment of its social responsibilities in terms of society:
☐ Poor ☐ Mediocre ☐ Good ☐ Excellent

5. What do you think of AMEC's fulfillment of its social responsibilities in terms of corporate governance:
☐ Poor ☐ Mediocre ☐ Good ☐ Excellent

6. Do you think the report provides complete information:
☐ No ☐ Mediocre ☐ Yes

7. Do you think the content and layout of this report is clearly understandable:
☐ No ☐ Mediocre ☐ Yes

8. Please write down your additional comments and suggestions on improving AMEC's fulfillment of its social responsibilities and this report:



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