

	core technical (business) personnel, the company has effectively integrated the interests of shareholders, the company, and employees. By combining these interests, all parties are encouraged to focus on the company's long-term development. While ensuring the protection of shareholder interests, the company has formulated the "2021 Restricted Stock Incentive Plan" based on the principles of equal returns and contributions, in accordance with relevant laws, securities regulations, administrative regulations, normative documents, and provisions in the company's articles of association.
312 312 Cash Incentives	12 In order to encourage talent retention and development, the company has implemented a cash incentive policy to reward and motivate key executives and senior engineers who have shown high loyalty, long-term service commitment, and outstanding performance. Under this policy, eligible individuals will receive an additional bonus equivalent to 12 months of salary over a period of three years, aimed at enhancing employee retention.
308 308 Cash Incentives	8 In order to encourage and recognize outstanding and potential executives and engineers, and to foster talent who are willing to grow with the company, a cash incentive policy has been implemented to provide an additional bonus equivalent to 8 months of salary over a period of three years. This policy aims to enhance employee retention and serve as an encouragement for their dedication and commitment to the company's growth.

R c e "C c c "O c c "U "

In adherence to the principles of objectivity, fairness and justice, Avary has established a performance appraisal management system. Regular performance appraisals are conducted, and incentives such as bonuses, salary increases, dividends, or promotions are provided based on the assessment results. The appraisal methods include management by objectives, multidimensional assessment, and team-based performance evaluation. Additionally, managers are responsible for conducting agile performance reviews. The specific methods and practices for employee assessment are as follows:

Objectives	Responsible Department	Frequency	Review Process
Management by Objectives	Engineer and Management	Semi-annually	1. 2. KPI 3. KPI , KPI 4. KPI 5. / 1. At the end of each year, an annual review and budget meeting is held to establish the company's strategy and goals. 2. The managers of each business unit (BU) set the KPIs based on the company's strategy and goals. 3. Based on the KPIs, the managers of each BU will engage in one-on-one meetings with department or functional managers to collaboratively establish personal goals and KPIs that are agreed by both parties. 4. Department or functional managers also conduct one-on-one meetings with their subordinates to define individual KPIs for employees. 5. After a period of six months/one year, supervisors at different levels will conduct performance reviews and evaluations for employees.
Multidimensional Assessment	Management	Annually	Managers will undergo assessments not only from their direct supervisors but also from other managers within the same department
Team-based Performance Evaluation	Business Units	Annually	BU Business Units evaluate the performance based on annual revenue and profitability. Other units utilize a cross-functional evaluation method to evaluate team performance.

Agile Performance Review	All Employees	Ongoing	E Following the completion of the assessment process, supervisors will engage in face-to-face discussions with employees to review their individual performance and offer guidance in formulating personal performance improvement plans. These plans may involve training, mentoring, and coaching to facilitate growth and development. Furthermore, supervisors can utilize the Ding Sheng E-Learning APP to monitor employees' learning plans in real-time, ensuring effective implementation and progress.
--------------------------	---------------	---------	---

" C " C "

E " "	" " c "	O c c " c "
-------	---------	-------------

Table 1: Training Data

	2023	2022
Per capita training hours (Hours)	60	72
Total training cost (RMB)	628	616
Per capita training cost (RMB)	178	147

Note: The total cost of training includes: Training course cost, Training system cost, Training personnel cost.

Table 2: Recruitment Data

2023 39,343 2,022 5.9%

In 2023, the number of new employees was 39,343. The average recruitment cost per employee was 2,022RMB, and 5.9% of the openings were filled by internal employees.

	2023	2022	2021	2020
Number of new employees	53,377	51,616	27,368	39,343

Table 3: Turnover Data

	2023	2022	2021	2020
Average Monthly Total Turnover Rate	8.3%	9.8%	6.8%	7.2%
Voluntary Turnover Rate	8.0%	9.7%	6.7%	7.1%

Formula: $\text{Turnover Rate} = \frac{\text{Average number of quits per month}}{\text{Average number of incumbents per month at the end of the month}}$

Note: Average monthly turnover rate = Average number of quits per month/Average number of incumbents per month at the end of the month. Voluntary turnover rate refers to the voluntary turnover of employees according to their own will, not forced turnover by the company.

