

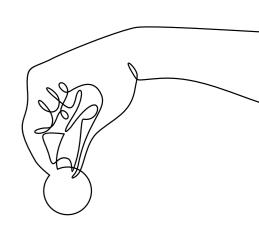
Product Quality

Lifecycle Product Quality Assurance

We strictly abide by the national standard *Electronic Cigarette* and related laws and regulations such as the *Management Measures* for *E-Cigarettes* and the *Regulations on E-cigarette Warning Signs*. We have formulated and released the *Product Quality Standards*, the *Management Regulations for Product Quality Planning*, the *Management Regulations for Factory Quality Monitoring*, the *Handling Process for Production Anomaly*, and the *Product Recall Procedure*, and established a product life-cycle management covering product raw material control, product design, product quality inspection, and product after-sales assurance, to ensure product quality and safety in an all-round way.

We have formulated the *Quality Code of Conduct*, requiring the Company and our partners to ensure that products meet relevant quality standards and continuously improve product quality. We also integrate user demands into our continuous product optimization plans. We insist on quality first. We always prioritize product quality when it conflicts with other processes. We insist on the independence of making quality decisions; that is, no stakeholders could influence the decisions of quality issues. The Quality Department has veto power over all decisions regarding product quality.

We constantly certify management systems and product certificates fulfilling third-party quality and food safety standards, including the ISO9001 quality management system and the GMP (Good Manufacturing Practice). As of December 31, 2022, RELX subsidiaries Shenzhen Wuxin Technology Co., Ltd. (hereinafter referred to as "Shenzhen Wuxin") had passed the ISO9001 and GMP certifications, and Shenzhen Fangxin Technology Co. Ltd. (hereinafter referred to as "Fangxin Technology") had passed the ISO9001 and GMP certifications.



RELX Lifecycle Product Quality Assurance

Raw Material Control	We regularly audit suppliers to promote their continuous improvement of quality management and processes. We control the quality and compliance of raw materials to ensure the quality of components.
Product Design	We continuously follow the development and testing of new products to ensure the on-time delivery of quality products.
Total Quality Management	We practice the total quality management model. We have taken measures in risk prevention, effective interception and monitoring, continuous optimization of standardization systems, and digital advancement. With these measures, we transform our quality management thinking, enhance our quality management and control awareness, and improve our quality management and control capabilities.
Product Quality Inspection	We conduct quality inspection processes on 100% of incoming materials from the factory and continue to improve our quality control capabilities. We trace 100% of the quality issues to the source and form improvement plans.
Product After-Sales Assurance	We follow up on major after-sales quality issues in a timely manner, conduct regular store visits, collect market feedback, monitor after-sales quality data, and analyze and improve user returns.



Fangxin Technology's ISO9001:2015 certification



Fangxin Technology's GMP certification



Shenzhen Wuxin laboratory's ISO9001:2015 certification



Shenzhen Wuxin's GMP certification

25 26



In accordance with relevant requirements of the State Tobacco Monopoly Administration, we strictly submit product applications for approval. As of December 31, 2022, the number of our products approved in the e-cigarette system maintained No.1 in the industry. We conduct strict sampling inspections and inventory screening every month. Any unqualified parts with quality or safety hazards will be returned to the factory for processing according to the *Handling Procedure for Unqualified Products*.

In 2022, the Company recorded an average pass rate of 99.9% in sample inspections for product quality. No recall incident occurred due to product safety or health reasons.

99.9 %

0

Average pass rate of sample inspections

Product non-compliance cases due to safety or health reasons



RELX launched the Golden Shield Program in 2019, using big data technology to assist law enforcement agencies in cracking down on counterfeit products and online and offline counterfeit sales channels to safeguard users' interests. We use Internet technologies such as data capture, cross-analysis, intelligent tracking, and product reverse analysis to capture counterfeits and infringing products from major e-commerce platforms. We compare counterfeits and infringing products in our channel sales network to track down the source and submit these leads to law enforcement agencies to aid in their anti-counterfeiting efforts both online and offline. Moreover, we have launched various online and offline campaigns to share the harm of counterfeits and how to identify them to protect users' interests. In 2022, the RELX's Golden Shield Program assisted the police in 35 anti-counterfeiting cases and seized approximately 49,000 counterfeit cartridges and over 5,600 devices.

In 2022, as laws and regulations on e-cigarette sales were implemented and the market environment changed, RELX further ramped up efforts to crack down on online illegal sales on WeChat Platform. Through our in-house Online Sales Crackdown Team, we extensively collected clues from retailers, users and the public and submitted related information to regulators and platforms for effective governance and enforcement. In 2022, we collected and reported over 11,000 WeChat account clues, more than 9,200 of which were rectified. Also, we continued to support legislation on e-cigarette sales among retailers to promote them to abide by laws and operate in compliance.

Assisted the police in

35

anti-counterfeiting cases

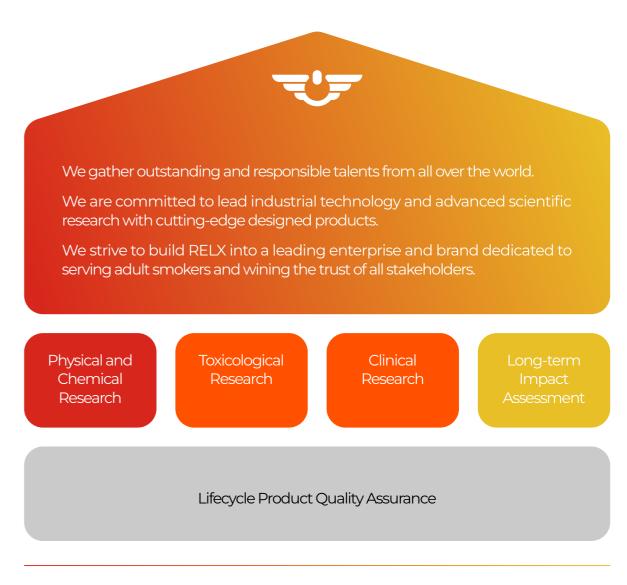
Seized approximately

49,000 counterfeit cartridges

Seizeo

5,600+

Product Innovation and Harm Reduction



The RELX "1+4" Scientific Research Chain

We have been investing in technological innovation since our inception in 2018. We have made many breakthroughs in product technology and basic scientific research. With its leading technological innovation capabilities, Shenzhen Wuxin was selected as 2022 Guangdong Provincial Engineering Technology Research Center for New-type Intelligent Atomizers and Inhalation identified by the Department of Science and Technology of Guangdong Province in December 2022. Moreover, we build our R&D framework according to the difficulties and needs of the industry. Aiming to continuously reduce the impact of products on public health, we have established a "1+4" scientific research chain for systematic scientific evaluation and harm reduction research on e-vapors.

27 28