

Hanshow Technology Co., Ltd.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

2025



HS2344 Confidential

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INTRODUCTION

01.

OVERVIEW OF THE REPORT

About this report

This report is prepared by Hanshow Technology Co., Ltd. (hereinafter referred to as "Hanshow Technology", "Hanshow", "the Company" or "we"). It provides a comprehensive overview of our vision, strategic direction, and performance related to sustainable development that are relevant to our stakeholders.

Reporting period

Generally, the reporting period for qualitative and quantitative information in the report covers from January 1, 2025 to December 31, 2025. For certain key information, the time frame extends to periods before 2025 and the first quarter of 2026.

Reporting scope and boundary

The report covers the global operations of Hanshow Technology, including all our operational sites in China and overseas. The operating entities involved in this report are Hanshow Technology Co., Ltd., Beijing Hanshi Electronic Technology Co., Ltd., Beijing Hanshi Smart Retail Co., Ltd., Shanghai Hanshi Information Technology Co., Ltd., Zhejiang Hanshi Trading Co., Ltd., Anhui Hanxing New Energy Technology Co., Ltd., Zhejiang Hanxing New Energy Co., Ltd., Zhejiang Hanyao Electric Power Technology Co., Ltd., Zhejiang Hanxian Technology Co., Ltd., Zhejiang Hanhe IoT Technology Co., Ltd., HANSHOW AMERICA INC, HANSHOW VIETNAM COMPANY LIMITED, HANSHOW PTE. LTD., Hanshow Japan Co., Ltd., HANSHOW MALAYSIA SDN. BHD., HANSHOW HONG KONG CO., LIMITED, HANSHOW FRANCE SAS, HANSHOW GERMANY GMBH, HANSHOW AUSTRALIA PTY LTD, HANSHOW NEW ZEALAND LIMITED, HANSHOW NETHERLANDS B.V., HANSHOW UK CO., LTD., HANSHOW CANADA LTD., HANSHOW SPAIN.S.L., HANSHOW POLAND SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ, and HANSHOW GREECE SINGLE MEMBER P.C.

Reporting principle

This report is prepared in accordance with the "Self-Regulatory Guidelines No. 17 for Listed Companies on Shenzhen Stock Exchange – Sustainable Development Reporting (Trial)", and refers to the sustainable development reporting standards "GRI Standards (2021 Edition)" issued by the Global Sustainability Standards Board (GSSB).

Reporting frequency

The Company discloses its sustainable development-related achievements annually, with the first report published in 2022. This is our fifth company-wide report.

Get in touch

We welcome your feedback on this report and appreciate your interest in our sustainability efforts.

Please reach out to: dm@hanshow.com.

MESSAGE FROM CEO

2025 marks a milestone year in the development journey of Hanshow Technology. On March 11, we successfully listed on the ChiNext board of the Shenzhen Stock Exchange, becoming the first listed company in China's A-share market focused on total store digitalization solutions. Going public is not an end, but a new starting point of responsibility—being accountable to investors, customers, employees, and the planet. This profound trust drives us to uphold our commitment to sustainable development with even higher standards.

Currently, the global retail industry is undergoing a critical transformation period marked by deepening digital transformation and accelerated intelligent upgrades. Guided by the EPIIC Sustainable Development Strategy, Hanshow Technology has deeply embedded responsibility and innovation into every aspect of its corporate development. In the era of artificial intelligence, the Company has fully launched its "Hanshow 2.0" development strategy, driven by "AI x Data" and supported by a digital twin strategy, focusing on full-scenario smart retail solutions and data services to build an open and collaborative industry ecosystem.

We drive innovation as our engine, reinforcing our core competitive advantage in technological leadership. Under the guidance of the "Hanshow 2.0" strategy, we are evolving from a provider of digital solutions to an intelligent retail enabler powered by "AI x Data." We continue to deepen expertise in key technological areas such as low-power wireless communication and AI-driven applications, consistently iterating our fifth-generation HiLPC IoT communication protocol. We have successfully deployed retail AI application solutions based on the Azure OpenAI large language model (LLM), becoming Microsoft's first ISV partner in China to obtain the "Retail Industry Artificial Intelligence Software Solution Certification." We have successfully renewed our position as Chair of the Bluetooth Special Interest Group (BLE) ESL Working Group, leading the evolution and refinement of industry technical standards. We have initiated in-depth joint research with the University of Cambridge and officially established the Zhejiang Province Postdoctoral Research Station, further integrating industry, academia, research, and application to accelerate the transformation of cutting-edge technologies from laboratories to real-world industrial deployment, effectively empowering the retail industry's digital transformation. From smart shopping carts entering mass production, to the Lumina Series winning industry awards in Japan, to contributing to industry white papers and securing multiple authoritative technical certifications, we continuously respond to market demands through innovation and lead high-quality industry development with solid technological strength.



Shiguo Hou
CEO of Hanshow

We uphold responsibility as our foundation, fulfilling our solemn commitment to sustainable development.

As a member of the UN Global Compact, we have fully integrated ESG principles into corporate strategic decision-making and the entire spectrum of daily operations, establishing a clear, collaborative, and efficient three-tier ESG management structure. This ensures that requirements for green development and responsible practices permeate every stage—from research and development, production, and supply chain to services. In environmental governance, we are committed to achieving carbon neutrality at the operational level by 2035. We are steadily advancing product carbon footprint accounting and certification, continuously optimizing our energy mix, strengthening standardized end-to-end waste management, and deeply implementing circular economy models—ensuring that the carbon emissions of our refurbished electronic shelf labels (ESLs) are only 20% of those of new products—demonstrating our concrete actions toward green development. In terms of social value, we foster a diverse, inclusive, fair, and equitable workplace, continuously improving employee empowerment and welfare protection systems, actively promoting gender equality, and proactively hiring employees with disabilities, enabling every Hanshow employee to realize their self-worth through growth. We are deepening responsible supply chain development by enhancing ESG management, control, and capacity building for suppliers, adhering to the principle of equal cooperation, and safeguarding the legitimate rights and interests of small and medium-sized enterprises. Through our "dual-engine" global service network—powered by strong domestic innovation capabilities as the "rear engine" and a localized global service network as the "front engine"—we ensure that responsible operational practices efficiently and reliably serve customers and communities in over 70 countries and regions. We actively engage in public welfare initiatives, from caring support for Beijing Guang'ai School to volunteer tree planting in Australian communities, from rural revitalization through consumption-based assistance to the regular implementation of environmental conservation activities, conveying corporate warmth through small acts of kindness and fulfilling our social responsibilities.

We are rooted in integrity, building a solid defense for compliance governance. We continuously optimize our corporate governance structure, refine the operational mechanisms of the shareholders' meeting, board of directors, and various specialized committees, strictly fulfill our information disclosure obligations, and deepen investor relations management, earning market trust and recognition through transparent governance. We have established a comprehensive, multi-layered internal control and risk management system, rigorously uphold the "three lines of defense" for risk control, integrate ESG risks into corporate strategic decision-making and daily operations, and strengthen the safeguards for compliant operations. We adhere to the baseline of business ethics, maintain a zero-tolerance stance toward corruption and bribery, resolutely resist unfair competition, and make integrity in operations a defining characteristic of Hanshow's development. This year, we received multiple authoritative recognitions, including an A rating from Wind ESG and a Gold Medal from EcoVadis. These honors not only affirm the effectiveness of our ESG practices but also serve as strong motivation to continuously strive forward and pursue excellence.

At the beginning of 2026, the waves of digitalization and sustainable development continue to surge. We will continuously deepen digital and intelligent innovation and green transformation, further improve our ESG management system, and expand the depth and breadth of sustainable development practices. While supporting the global retail industry in achieving digital and green transformation, we will also fulfill our corporate social responsibilities and create higher-quality economic, environmental, and social value.

ABOUT HANSHOW TECHNOLOGY

Hanshow Technology is one of the world's leading providers of digital store solutions in the broader retail sector, driven by cutting-edge technologies such as the Internet of Things (IoT), artificial intelligence (AI), and big data. It continuously empowers the digital and intelligent transformation of the retail industry, with operations spanning over 80 countries and regions. The Company has established more than 30 subsidiaries and branches across France, Germany, the Netherlands, the UK, the US, Australia, New Zealand, Singapore, and Vietnam. Through self-developed communication protocols, electronic shelf labels (ESLs) systems, SaaS cloud platform services, and other software and hardware products and services, Hanshow helps customers address challenges such as e-commerce disruption, rising labor costs, and evolving consumer demands, enabling enterprises to achieve sustainable growth amid new challenges.

Leveraging independent research and development, innovation, integrated software and hardware solutions, and the ability to integrate resources across the entire industrial chain, Hanshow Technology has established a comprehensive business system comprising "smart hardware + solutions + digital twin platform and data value-added services." This has led to the creation of a product portfolio including electronic shelf labels (ESLs), digital marketing displays, smart shopping carts, AI cameras, AI robots, and digital energy systems, forming an intelligent IoT platform with deep integration across in-store and out-of-store scenarios. Hanshow provides full-scenario digital store solutions for over 65,000 stores worldwide, covering operational optimization, customer experience enhancement, marketing optimization, and energy management, significantly improving customers' operational efficiency, service capabilities, and market competitiveness. On March 11, 2025, Hanshow Technology was listed on the ChiNext Market of the Shenzhen Stock Exchange, becoming the first company in China's A-share market focused on end-to-end digital store solutions, marking a new stage of development.

Looking ahead, Hanshow Technology is fully entering its 2.0 development stage. With the "AI × Data" strategy as the core, the Company will continue to deepen technological innovation, collaborate with industry partners to build a digital ecosystem, and strive to provide more enterprises with efficient and flexible digital store solutions. This will support customers in their digital transformation and business upgrading, while leading a new era of sustainable development in global retail and related fields.

OUR CULTURE



Our Vision

To become a global leading solution provider for intelligent retail.



Our Mission

Bridging the gap between online and offline retail to drive our clients' success.



Our Core Values

Customer-oriented innovation. Driven by strivers, committed to results. A culture of integrity, sharing, excellence and openness.



ESG AWARDS AND HIGHLIGHTED PERFORMANCE

Authoritative Recognition:

- Top 50 Model Enterprises for Trademark Protection in China
- ISO 50001 Energy Management System Certification
- IECQ QC 080000 Hazardous Substance Process Management System Certification
- 2025 Zhejiang Private Multinational Corporations "Leading Enterprise"
- First Batch of Manufacturing Single Champion Enterprises of Zhejiang Province
- Approved to establish the "Zhejiang Provincial Postdoctoral Workstation", building a closed-loop value chain integrating industry, academia, research and application
- The "Zhejiang Key Laboratory of Optoelectronic Functional Materials and Devices", jointly built with Zhejiang University and Zhejiang University Hangzhou International Innovation Center, was accredited as a "2024 Provincial Key Laboratory", promoting the R&D and application of new materials

Information Security Certifications:

- SOC 2 Type II & SOC 3 Certification
- Passed the National Tier-3 Information System Security Level Protection Certification

Industry Leadership:

- Re-elected Chair of the Bluetooth Special Interest Group (BLE) ESL Working Group
- CFS "2025 Digital Innovation Leadership Award"
- 2025 RTIH Innovation Awards "Technology Supplier of the Year"
- "Listed Company with Outstanding Competitiveness in Information Technology" by National Business Daily
- Sina Finance 2025 Technology Excellence Awards "Annual Influential Growth Enterprise Market Technology Company Award"
- Lumina Slim product won the Japan Drugstore Show "BUSINESS Category Popularity Award"
- Participated in drafting CCFA's "Generative Artificial Intelligence in Retail Industry: Comprehensive Insight White Paper (2025)" and "Digital Store Solutions Special Empowerment Report (2025)"

Partner Honors:

- Awarded Microsoft's "FY25 Certified Solution Designation", became the first ISV partner in China to achieve the "Certified Software Designation for Retail AI"

Customer Service Honors:

- The smart shopping cart solution developed in collaboration with Australian retailer Woolworths received the "Reta Awards (Artificial Intelligence Category)" from Europe's EHI Retail Institute, and Hanshow was recognized as "Best Supplier Award" recipient
- The collaboration case with HARMAY was selected as a "CCFA 2025 Outstanding Retail Solution"
- The collaboration with Tianhong sp@ce Supermarket has been selected for the "CGF Industry Case Collection" and the "2025 CCFA China Retail Digitalization and New Technology Application Innovation Cases"
- The collaboration with Too Good To Go has been selected as a "2025 Golden Wing ESG Practice Demonstration Case"
- Selected as "Support Service Provider of the Year" at the FreshChoice Awards 2025
- Selected as an 8-year strategic partner of Ahold Delhaize

ESG Ratings and Awards:



Wind ESG Rating: A



EcoVadis Gold Medal Certification



Securities Daily Golden Horse Award for "ESG Sustainable Development Pioneer Enterprise"



"Environmental Pioneer Enterprise Award" by Cailian Press





SUSTAINABLE DEVELOPMENT MANAGEMENT

02

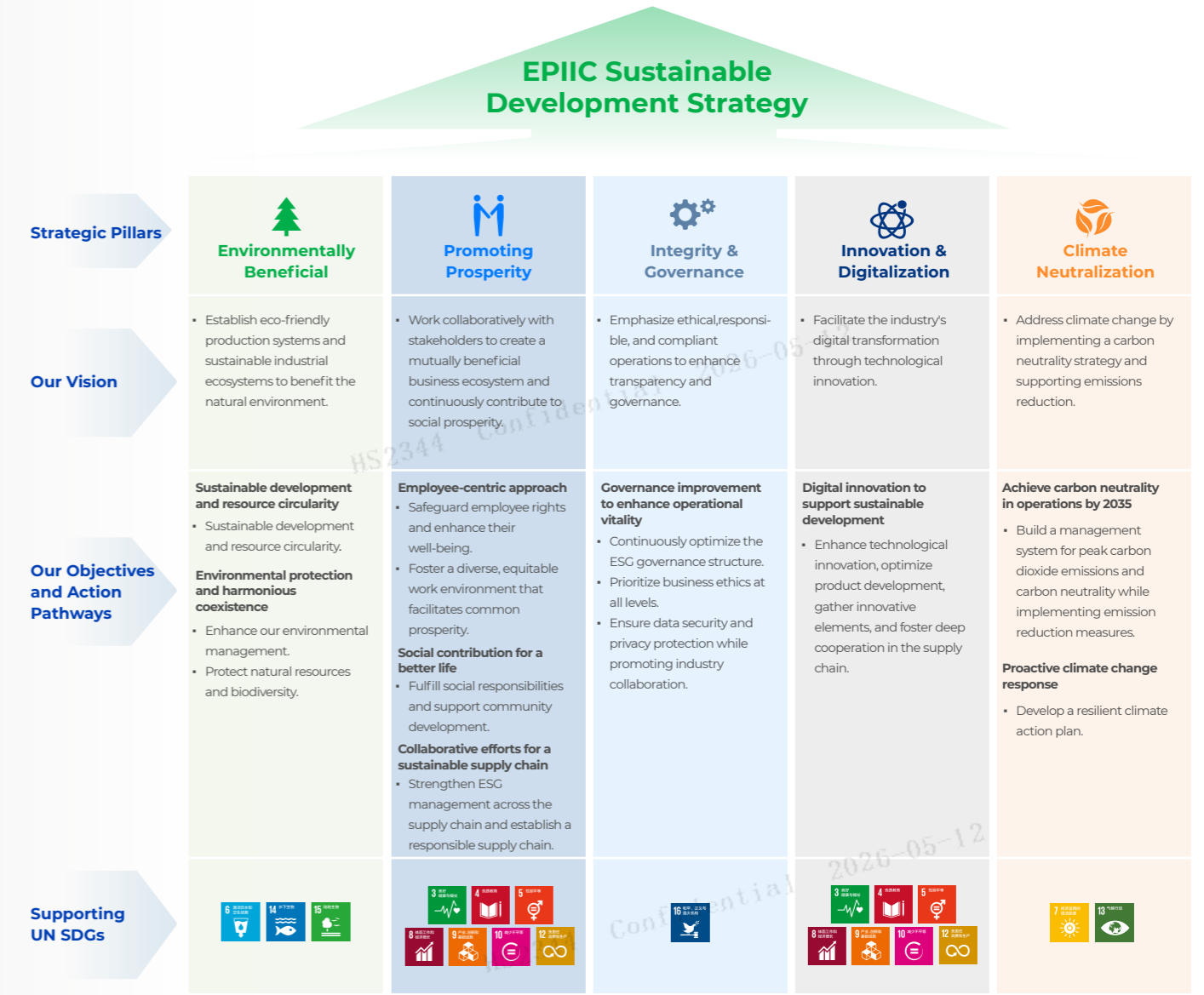


2.1. BUILDING CONSENSUS: ESG STRATEGY AND MANAGEMENT

As a member of the UN Global Compact, the Company consistently regards sustainable development as a core strategy, committed to integrating long-term value creation into business operations and fully aligning with the United Nations Sustainable Development Goals (UN SDGs). We will uphold our commitments to environmental, social, and governance principles to build a more sustainable future.

2.1.1 ESG STRATEGY

Facing the global wave of digitalization and low-carbon transformation, green and low-carbon transition, resource efficiency, digital innovation, business ethics, and governance effectiveness have become core enterprise capabilities. Hanshow Technology, guided by the United Nations Sustainable Development Goals, has established the EPIIC sustainable development strategy framework, encompassing five pillars: environmentally beneficial, promoting prosperity, integrity & governance, innovation & digitalization, climate neutralization. This framework enables Hanshow to comprehensively assess and precisely manage the integrated economic, environmental, and social impacts across the entire lifecycle of its operations, embedding sustainability principles across the full value chain including supply chain, research and development, production, marketing, and services, thereby driving a green and intelligent transformation across the entire value chain.



2.1.2 ESG GOVERNANCE AND MECHANISMS

The Company continues to optimize its ESG governance structure and operational mechanisms, establishing a three-tier ESG management architecture consisting of governance, management, and execution levels, thereby forming a well-defined, efficiently operating governance system. On this foundation, the Company integrates the concept of sustainable development into its entire operational process, continuously enhancing its overall ESG performance and achieving a dynamic balance between economic activities and the environment and society. It is committed to delivering long-term value and sustainable returns to stakeholders through high-quality development.



▲ Hanshow Technology ESG governance structure diagram

At the governance level, the Board of Directors and the Strategy Committee oversee and make decisions on ESG-related matters, providing strategic guidance for the overall initiatives. At the management level, the ESG Management Committee regularly reports progress to the Strategy Committee and coordinates the effective implementation of ESG strategies. At the operational level, the ESG Leadership Group implements various ESG measures, ensuring that the principles are integrated into all aspects of daily operations.

<p>Governance Level Board of Directors, Strategy Committee</p> <ul style="list-style-type: none"> Set sustainability policies, strategies, and objectives Oversee ESG initiatives Review and approve ESG reports Evaluate annual ESG performance against targets (linked to management's performance compensation) 	<p>Management Level ESG Management Committee</p> <ul style="list-style-type: none"> Develop ESG vision, strategies, framework, principles, and policies Identify ESG trends, risks, and opportunities, and integrate ESG Strategies into corporate decisions, investments, and operations Review ESG reports and disclosures Assign ESG tasks and monitor ESG implementation
<p>Implementation Level</p> <p>ESG Leadership Group</p> <ul style="list-style-type: none"> Consist of department heads and subsidiary leaders and oversee environmental, social, and governance initiatives Monitor ESG task assignments and practices Oversee the implementation of ESG strategies and manage the ESG performance of relevant departments and subsidiaries Organize assessments of ESG topics' significance and risks, and link them to performance compensation 	<p>Working Groups on Various Topics</p> <ul style="list-style-type: none"> Complete specific tasks according to the ESG work plan Report progress to the ESG Leadership Group

In addition, we have continued to strengthen professional capability building in sustainable development. The Company nominated young employees to participate in the UNGC SDG Innovation Accelerator for Young Professionals, a program focusing on the practical application of cutting-edge technologies and sustainable business models. This initiative supports employees in developing innovative solutions aligned with the Company's sustainable development goals, effectively enhancing our talent pool and innovation capacity in sustainable development and supporting long-term value creation. During the reporting period, the Company organized one internal ESG-related professional training session, with 61 participants. Through a combination of internal and external training, engagement of external experts, and industry exchanges, the Company continues to enhance its ESG management capabilities, foster mutually beneficial relationship with stakeholders and strengthen the foundation for sustainable development.



2.2.

LISTENING AND RESPONDING: STAKEHOLDER ENGAGEMENT

Stakeholder engagement has become a key driver in advancing sustainable development efforts. We are committed to identifying ESG strategic priorities accurately and continuously enhancing our sustainable development management capabilities through regular, multi-channel communication mechanisms. Meanwhile, we emphasize improving the transparency of information disclosure and actively responding to stakeholder concerns to build trust, garner support, and foster a favorable external environment for sustainable development.

2.2.1 STAKEHOLDER COMMUNICATION

The Company places great importance on the expectations and demands of various stakeholders, including government and regulatory bodies, shareholders and investors, customers, employees, suppliers, and partners. It conducts efficient and timely stakeholder communication through diverse channels and methods such as reports, new media platforms, meetings, events, emails, and phone calls, continuously enhancing its management and practices.

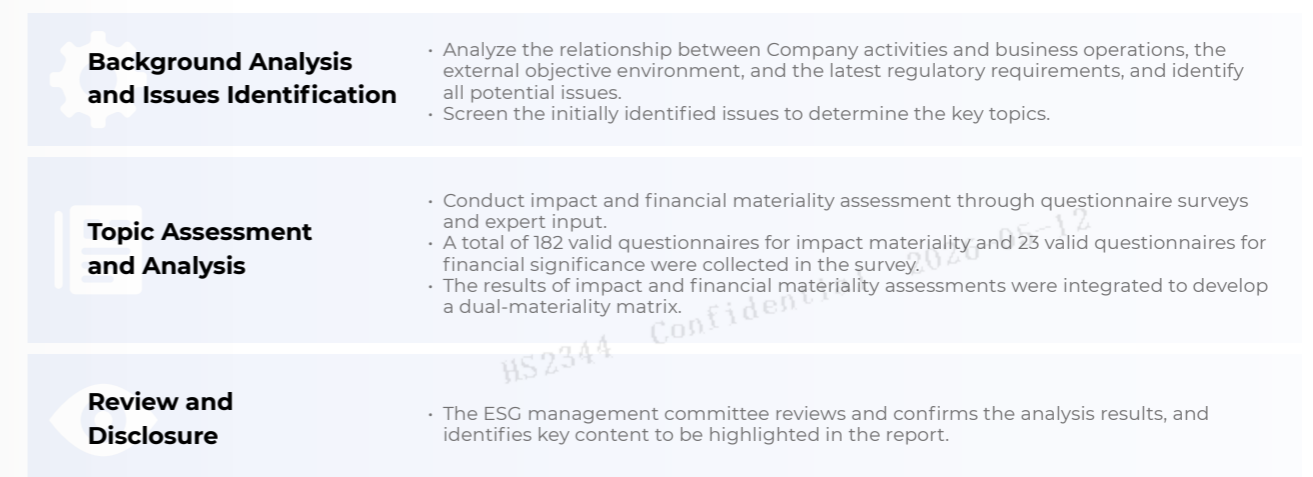


Stakeholder	Key Concerns	Communication Channels	Our Response
Government and regulatory agencies	<ul style="list-style-type: none"> Compliance management Environmental governance 	<ul style="list-style-type: none"> Conference and activities On-site audits 	<ul style="list-style-type: none"> Strict regulatory policies and requirements Timely disclosure of the Company's operating conditions and major events Compliant Operation
Shareholder/ Investors	<ul style="list-style-type: none"> Stable operation Risk Management Transparent information disclosure 	<ul style="list-style-type: none"> Exchange announcement irm.cninfo.com.cn (a platform for investors to communicate with listed companies) Website disclosure Board Office contact 	<ul style="list-style-type: none"> Continuously enhance the Company's operational capabilities Enhanced risk controls Compliance information disclosure Proactive communication with investors through multiple channels Strengthened investor relations
Clients	<ul style="list-style-type: none"> Product and service quality Accurate product information Timely response 	<ul style="list-style-type: none"> Client meetings Satisfaction surveys Monthly newsletters Social media 	<ul style="list-style-type: none"> Product quality control Legal and compliant publicity Client satisfaction analysis Client rights protection
Employees	<ul style="list-style-type: none"> Diverse, equitable, and inclusive workplaces Career development Health and safety 	<ul style="list-style-type: none"> Employee activities Work performance review meeting Diversified training exchanges Satisfaction surveys Open Days of General manager 	<ul style="list-style-type: none"> Implement employment policies compliant with labor laws Optimize career development pathways Enhance employee compensation and benefits Conduct employee training Implement occupational health safeguards
Suppliers and partners	<ul style="list-style-type: none"> Fair and open procurement Supplier assessment Partnership Cooperation Industry activities 	<ul style="list-style-type: none"> Supplier agreements Workshops Industry exchanges Supplier training 	<ul style="list-style-type: none"> Maintain fair and transparent procurement practices Address environmental and social risks in the supply chain Enhance communication and interaction within the supply chain Strengthen supplier engagement Select low-carbon, environmentally friendly, and energy-efficient products Actively participate in sustainable development initiatives

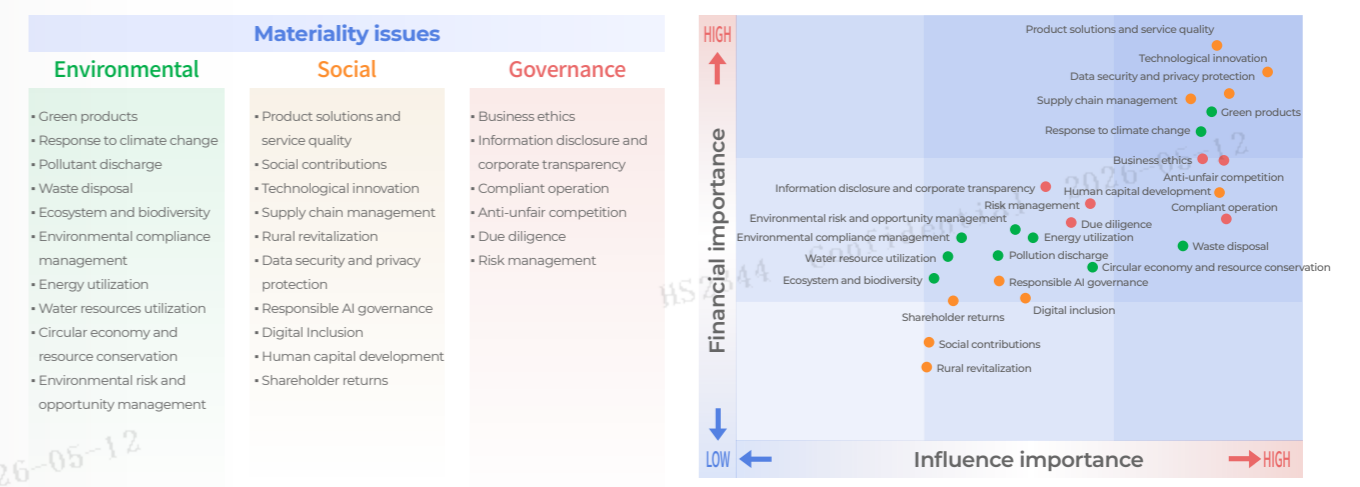
2.2.2 MATERIALITY ASSESSMENT

In 2025, in accordance with the requirements of the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainable Development Report (Trial)*, we conducted a dual-materiality assessment on the Company's performance across ESG topics by following a three-step process: background analysis and issue identification, issue assessment and analysis, and review and disclosure. On one hand, we assessed whether each issue has significant actual or potential impacts on the economy, society, and environment; on the other hand, we evaluated whether it significantly affects the Company's business model, operations, financial condition, and development strategy. During the assessment, we analyzed issues through internal and external questionnaire surveys and expert opinions, using two dimensions—impact materiality and financial materiality—to establish the materiality matrix, based on which targeted management measures and action plans were formulated. Upon completion of the related work, the ESG task force reported the findings to the ESG Leadership Group, which then submitted them to the ESG Management Committee for review, ensuring effective transmission and communication of material ESG information across all governance levels.

Materiality Assessment Process



Dual-materiality Matrix



▲ In 2025, the Company identified 26 issues with impact materiality and financial materiality, and developed a materiality matrix.



GOVERNANCE

03.

3.1. FOUNDATION OF TRUST: EXCELLENCE IN CORPORATE GOVERNANCE

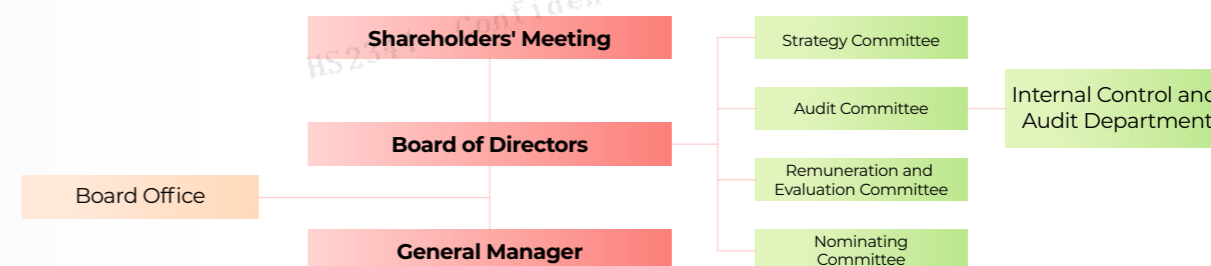
Excellent corporate governance is the foundation of sustainable development and the core guarantee for Hanshow Technology to earn the trust of society and achieve long-term value. We strictly adhere to laws, regulations, and regulatory requirements, establishing a governance structure characterized by clear responsibilities, transparent operations, and effective oversight. Committed to investor needs, we deepen relationship management and enhance information disclosure based on the principles of fairness, timeliness, and accuracy, continuously improving governance transparency and evidence-based decision-making. These efforts provide a solid foundation for the Company's fulfillment of environmental and social responsibilities.

On this basis, the Company actively aligns with international and national standards to provide institutional support for governance effectiveness. During the reporting period, the Company obtained the following major management system certifications:

Standard	ISO 9001: 2015	ISO 14001: 2015	ISO 45001: 2018	ISO 27001: 2022	ISO 50001: 2018	GB/T 39604-2020	ISO 20000-1: 2018	ISO 27701: 2025
Certification System	Quality Management System	Environmental Management System	Occupational Health and Safety Management System	Information Security Management System	Energy Management System	Social Responsibility Management System	Information Technology Service Management System	Privacy Information Management System

3.1.1 CORPORATE GOVERNANCE STRUCTURE

Hanshow Technology strictly operates in accordance with relevant laws and regulations such as the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, as well as the *Articles of Association of Hanshow Technology Co., Ltd.* On the basis of the existing governance structure comprising the Shareholders' Meeting, the Board of Directors, and the Executive Management, the Company has further optimized its relevant rules of procedure and working guidelines. The Shareholders' Meeting, the Board of Directors, independent directors, and the Board Secretary of the Company strictly comply with the provisions of laws, regulations, and normative documents in performing their respective duties.



▲ Corporate Governance Structure

Shareholders' Meeting

The Company strictly complies with the requirements of laws and regulations such as the *Company Law of the People's Republic of China*, the *Rules for Shareholders' Meetings of Listed Companies*, the *Articles of Association of Hanshow Technology Co., Ltd.*, and the *Rules of Procedure for Shareholders' Meetings*, standardizing the procedures for convening, holding, and voting at Shareholders' Meetings. It treats all shareholders equally, especially ensuring that small and medium-sized shareholders enjoy an equal status and can fully exercise their rights.

During the reporting period, the Company convened one Shareholders' Meeting, at which various major matters were reviewed. Key proposals included the annual report for 2024, the Board of Directors' work report for 2024, the financial statements report, the profit distribution proposal, and the amendment of the Company's articles of association and governance policies.



Board of Directors and Its Specialized Committees

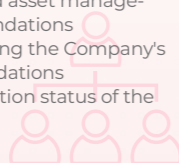
As a standing body responsible for corporate decision-making, the Board of Directors is accountable to the Shareholders' Meeting. The Board of Directors strictly conducts its work in accordance with regulations and systems such as the *Self-Regulatory Guidelines No. 2 for Companies Listed on Shenzhen Stock Exchange—Standardized Operations for Companies Listed on the ChiNext Market*, the *Rules of Procedure for the Board of Directors*, and the *Independent Director Work Rules*, actively participates in relevant training, and effectively fulfills its duties. The election of Company directors complies with relevant provisions such as the *Company Law of the People's Republic of China and the Articles of Association of Hanshow Technology Co., Ltd.*, and the selection and appointment process is open, fair, impartial, and independent. The Board of Directors has appointed a Board Secretary who is accountable to the Board of Directors and appointed by the Board of Directors. The Board of Directors consists of eight directors, among whom three also serve as senior management of the Company, one is an employee representative director, one is nominated by shareholders, and the other three are independent directors.

During the reporting period, the Company convened a total of 8 Board of Directors meetings, with a 100% attendance rate by board members. In these meetings, the Board Office revised over 30 core systems or rules—including the Company's articles of association, rules of procedure for Shareholders' Meetings, and rules of procedure for Board of Directors meetings—based on the latest regulations and supervisory requirements, ensuring that governance operations were fully aligned with regulatory requirements.

The Board of Directors has established four special committees: the Strategy Committee, the Audit Committee, the Remuneration and Evaluation Committee, and the Nominating Committee. Each special committee strictly performs its duties in accordance with relevant laws, regulations, and its respective rules of procedure, without interference from any other department or individual within the Company. These four special committees actively carry out work within their respective areas of responsibility, providing scientific and professional advice and recommendations to support the Board of Directors' decision-making.

Strategy Committee

- Study the Company's long-term development strategy and provide recommendations
- Study major investment and financing plans and provide recommendations
- Research major capital operations and asset management projects, and provide recommendations
- Study other significant matters affecting the Company's development and provide recommendations
- Follow up and review the implementation status of the above items

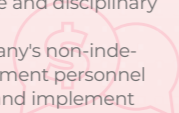


Audit Committee

- Monitor the implementation of the Company's operational strategy and propose corresponding risk control measures.
- Propose to recruit or replace external audit firm
- Oversee the Company's internal audit system and its implementation
- Coordinate communication between internal and external audits
- Review the Company's financial information and its disclosures
- Review the Company's internal control systems and examine significant related-party transactions

Remuneration and Evaluation Committee

- Develop compensation plans or schemes based on the scope, responsibilities, significance of the management positions held by directors and senior executives, as well as prevailing market compensation levels. The compensation plan includes, but is not limited to: performance evaluation criteria, procedures and key evaluation systems, as well as incentive and disciplinary policies.
- Review the performance of the Company's non-independent directors and senior management personnel in fulfilling their duties, and organize and implement the annual performance evaluation.
- Oversee the implementation of the Company's compensation system



Nominating Committee

- Provide recommendations to the Board of Directors regarding the composition and structure of the Board of Directors based on the Company's operating conditions, asset size, and equity structure.
- Study the selection criteria and procedures for directors and senior management, and make recommendations to the Board of Directors
- Conduct a broad search for qualified candidates for director and senior management positions
- Review and provide recommendations on candidates for directors and senior management positions



Senior Management

The Company's senior management is responsible for daily operational management under the leadership of the Board of Directors, implementing the Company's development strategy and annual business plan, coordinating resource allocation, and continuously driving business innovation and operational optimization. Leveraging extensive industry experience and professional expertise, the management team efficiently executes decisions made by the Board of Directors, actively responds to changes in the market environment, and continuously enhances the Company's core competitiveness and risk management capabilities, supporting the Company's steady and sustainable development.



3.1.2 INVESTOR RELATIONS MANAGEMENT

The Company continues to deepen its standardized and regular investor relations management mechanism, designating the Board of Directors Office as the dedicated communication body. It has established a multi-layered communication channel covering daily investor hotline services, timely responses to inquiries on investor interaction platform, organization of earnings briefings, and shareholder meetings, ensuring that investors and potential investors can conveniently and equitably access information. In accordance with laws, regulations, and normative documents such as the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, the *Supervisory Guidelines for Listed Companies No. 10 – Market Value Management*, the *Rules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange*, the *Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange No. 2 – Compliant Operation of Companies Listed on ChiNext*, as well as the *Articles of Association of Hanshow Technology Co., Ltd.*, the Company has formulated and strictly implemented the *Investor Relations Management System* based on its actual circumstances, to standardize communication procedures and content and enhance investors' understanding of the Company. Through efficient collaboration between the Board of Directors and management, the Company ensures timely, accurate, and compliant disclosure of material information. By proactively disclosing periodic reports, optimizing its new media communication matrix, and organizing specialized engagement activities, the Company continuously strengthens investors' understanding of its strategic direction and operating results, promotes sustained improvements in corporate governance transparency and capital market brand recognition, and fosters a healthy investor relations ecosystem.

During the reporting period, the Company organized a total of five investor relations activities, with cumulative participation from 156 institutional investors and 191 attendees. The events focused on introducing the Company's retail digital store solutions centered on Internet of Things wireless communication technology, and disclosed the Company's financial performance for 2024 and each phase of 2025. From a market perspective, discussions covered global penetration rates, growth potential, and competitive landscape of electronic shelf labels (ESLs), and elaborated in detail on business progress and strategic layout in different regions. In terms of products and technology, key topics included the advantages of the Company's self-developed communication protocols, research and development planning roadmap in AI, and diversified expansion into new business areas beyond electronic shelf labels (ESLs), such as smart shopping carts, AI cameras, robots, and digital energy management for stores. Additionally, the Company provided explanations on the development of software and SaaS services, sales team configuration, product pricing strategies, and customer order dynamics.



3.1.3 STRICT INFORMATION DISCLOSURE

The Company strictly manages its information disclosure activities in accordance with relevant regulations such as the *Rules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange*, the *Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange No. 2 — Compliant Operation of Companies Listed on ChiNext*, other applicable laws, regulations, normative documents, as well as the *Articles of Association of Hanshow Technology Co., Ltd.* and the *Information Disclosure Management System*. It fulfills its information disclosure obligations in a true, accurate, complete, timely, and fair manner. All information required to be disclosed by the Company is duly disclosed on the designated website, CNINFO, and other information disclosure media designated by the China Securities Regulatory Commission, ensuring that all shareholders have equal access to corporate information. During the reporting period, the Company issued a total of 153 announcements and 5 investor relations activity reports. All disclosed information was true, accurate, and complete, with no correction or supplementary announcements issued, nor did the Company receive any regulatory letters, inquiry letters, or warning letters from regulatory authorities. By continuously enhancing information disclosure management, dynamically updating disclosure standards, and regularly conducting compliance training, the Company has continuously improved its governance transparency and credibility, laying a solid governance foundation for the standardized and efficient operation of its ESG system. The Company's 2024 ESG report, published in 2025, received an A rating from Wind ESG and a Gold Medal from EcoVadis.

3.2. ANCHOR OF STABILITY: RISK MANAGEMENT AND INTERNAL CONTROL

Hanshow Technology firmly believes that robust risk management and internal control are the fundamental safeguards for sustainable corporate development. Centered on the "Three Lines of Defense", the Company has established a clear and collaborative risk management framework, shifting from a compliance-focused approach to a value-driven approach, and promoting the deep integration of internal control systems with strategic decision-making and business processes. The Board of Directors and the Audit Committee of the Company leverage a closed-loop management mechanism to accurately identify and address significant risks, incorporating ESG issues into assessments and proactively positioning for emerging areas such as climate response and data security. Through enhanced risk awareness and strengthened internal control execution, Hanshow Technology continues to build more resilient governance capabilities to support sustainable development.

MAX
ALERT

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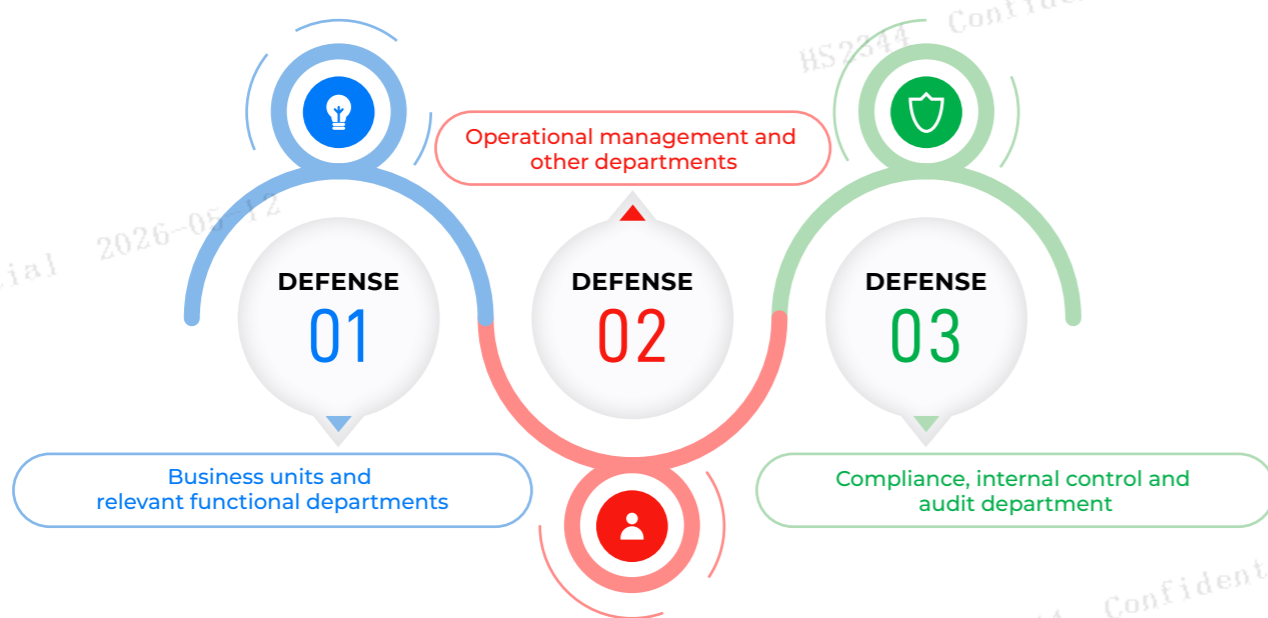
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3.2.1 STRICTLY UPHOLD THE "THREE LINES OF DEFENSE"

Hanshow Technology has established a clear, well-defined, and effective risk management framework based on the "Three Lines of Defense" to address potential risks in a complex and dynamic business environment. The Company's business units and functional departments serve as the first line of defense, responsible for optimizing process and conducting internal control self-assessments. Operational management and compliance support functions serve as the second line of defense, providing compliance guidance to departments and business units, and supporting risk identification, assessment, management, and monitoring. The compliance, internal control, internal audit, and legal functions serve as the third line of defense, responsible for independent risk oversight, professional risk advisory, periodic independent audits, and investigations of identified compliance violations.

Building on this risk management framework, the foundation of corporate governance has been further strengthened, comprehensively enhancing operational compliance, asset security, and the accuracy of financial information. This has driven simultaneous improvements in operational efficiency and business performance, establishing a robust governance framework to support high-quality enterprise development and effective strategy execution.



▲ "Three Lines of Defense" Figure

3.2.2 RISK MANAGEMENT AND INTERNAL CONTROL

Guided by the objective of enhancing operational efficiency and strategic value, the Company continuously optimizes a closed-loop management mechanism covering the entire chain of risk identification, assessment, response, monitoring, and reporting, deeply integrating risk management into business processes and operational decision-making. Through regular self-inspection and correction, as well as fostering a Company-wide culture of compliance, the Company enhances proactive risk management, strengthens trust through governance resilience, and supports its long-term stable development.

Risk Control Management System

The Company adopts "providing reasonable assurance regarding the legality and compliance of operations, asset security, the reliability of financial reporting and related information, improving operational efficiency and effectiveness, and supporting the achievement of corporate development strategies". The Board of Directors bears overall responsibility for establishing, improving, and ensuring the effective implementation of internal controls, while the Audit Committee and the Internal Audit department jointly perform oversight and evaluation responsibilities. In accordance with regulatory requirements such as the *Application Guidelines on Enterprise Internal Control*, the *Evaluation Guidelines on Enterprise Internal Control*, and the *Audit Guidelines on Enterprise Internal Control*, the Company has established the *Internal Control Management System*, the *Internal Audit System*, and the risk matrix, integrating risk management into daily business processes to achieve closed-loop management. Meanwhile, the Company has established a compliance risk management framework for overseas operations, continuously enhancing its capability for compliant overseas operations.



Risk Management Process

In accordance with the *Internal Control Management System*, the risk matrix, and other established risk management and internal control systems, we conduct risk identification, assessment, response, monitoring, and reporting to ensure the objectivity, accuracy, and rigor of its assessment of significant risks. Risk assessment results are incorporated into business decision-making and operational processes, driving the evolution of risk management from a compliance-oriented approach to value-oriented approach.

Recognition	<ul style="list-style-type: none"> Identify the various risks faced during business management processes based on changes in internal and external risk information, analyze the affected business areas, manifestation forms, and causes of these risks, and continuously improve and update the risk database. 	
Assessment	<ul style="list-style-type: none"> Use historical data, statistical analysis, and expert experience and judgment to conduct qualitative and quantitative analyses; evaluate the identified risks from the perspectives of likelihood of occurrence and impact severity, and determine the risk levels. 	
Response	<ul style="list-style-type: none"> Develop and implement risk response measures based on risk assessment results, as well as the Company's risk appetite and risk tolerance. 	
Monitoring	<ul style="list-style-type: none"> Use key risk indicator monitoring, daily checks, and regular assessments to continuously track and supervise the risk status and the effectiveness of response measures. 	
Reporting	<ul style="list-style-type: none"> Report to the Audit Committee and the Board of Directors on the Company's risk management and control status on a regular and ad hoc basis, ensuring effective oversight and decision-making support. 	

Risk Control Management Measures

The Company conducts walkthrough tests, compliance reviews, and spot checks on daily operations based on its established policies and risk matrix, and promptly requires business departments to rectify any identified issues. During the reporting period, the Company conducted a total of 25 expense inspection spot checks. In addition, the Company carried out targeted inspections in key areas such as sales and procurement, fund management activities, and use of proceeds, aiming to identify weaknesses in management and internal controls and provide improvement recommendations, thereby promoting enhanced management standardization and operational efficiency. These measures have strengthened employees' awareness of business ethics and the consequences of fraudulent behavior, further reinforcing ethical standards and professional responsibilities in the performance of their duties. Compliance awareness and execution standardization within business departments have significantly improved, effectively reducing compliance risks in operations and enhancing the foresight and systematic nature of risk prevention and control, providing strong support for the Company's stable operations.

3.2.3 ESG RISK MANAGEMENT

The Company places a great importance on risk management in key ESG areas and continues to expand the scope of risk assessment. It strengthens the identification, assessment, and response mechanisms for key risks, including environmental and climate change risks, product and service quality, technological innovation, and data security and privacy protection, and integrates these into strategic decision-making and daily operational management.



Analysis of risks, opportunities and responses to issues with high financial materiality:

Issues	Risks	Opportunities	Time Range of Impact	Financial Impact	Responses
Product Solutions and Service Quality	<ul style="list-style-type: none"> System stability risk: As the global deployment scale expands, failures or delays in digital store systems (e.g., AI-Star SaaS platform, HiLPC, communication protocol) may disrupt customers operations and negatively impact contract renewal rates. Cross-regional delivery risk: Retail customers in different countries have varying requirements for system responsiveness and localized support; insufficient service capabilities may affect project delivery quality and negatively impact customer satisfaction. 	<ul style="list-style-type: none"> AIoT-enabled opportunity: Real-time equipment health monitoring and predictive maintenance enabled by AIoT technologies can increase customer renewal rates and enhance customer retention. Benchmark Case Expansion: Successful cases such as Woolworths (smart shopping carts) and Pangdōnglai (employee workload optimization), support the Company in scaling deployments in key markets and accelerating new customer acquisition. 	Medium- to long-term	<ul style="list-style-type: none"> Risks may result in revenue decline. Opportunities may contribute to revenue growth. 	<ul style="list-style-type: none"> Strengthen lifecycle quality management to ensure consistent product performance and service reliability. Enhance the globally integrated after-sales service network (e.g., the Romania RMA center). Build localized service capabilities to improve cross-regional technical support and delivery efficiency.
Technological Innovation	<ul style="list-style-type: none"> Technology iteration risk: Rapid advancements in generative AI, multimodal interaction, and other technologies could result in the Company's products falling behind competitors if R&D investments are insufficient. Ethical and compliance risk: The EU AI Act imposes transparency and risk management requirements on AI systems used in retail scenarios (e.g., inspection robots, generative marketing tools); failure to comply promptly may result in penalties. Intellectual property risk: An insufficient international patent portfolio may expose the Company to potential intellectual property infringement disputes or litigation in overseas markets. 	<ul style="list-style-type: none"> Market expansion opportunities: Offering customized digital store solutions to penetrate new markets and enhance customer loyalty, while increasing added value through product innovation to expand business growth potential. Standard-setting opportunity: Taking the lead in developing industry technical standards to enhance industry leadership and strengthen the Company's influence in the global retail digitalization sector. 	Long-term	<ul style="list-style-type: none"> Risks may result in revenue decline. Opportunities may contribute to revenue growth. 	<ul style="list-style-type: none"> Continue to increase R&D investment and establish mechanisms for AI ethics review and compliance assessment. Build a global patent protection framework and strengthen the intellectual property management system. Advance the development and integration of platform-based solutions such as NexOptim and NexGrid.
Supply Chain Management	<ul style="list-style-type: none"> Key material supply volatility risk: The global supply chain environment is complex and uncertain. Upstream raw materials such as electronic paper and core chips are highly concentrated in supply, and geopolitical factors or trade restrictions may disrupt production stability and increase costs. EU environmental regulation compliance risk: Regulations such as the EU Deforestation Regulation (EUDR) and the Ecodesign for Sustainable Products Regulation (ESPR) are strengthening requirements for supply chain traceability and product information disclosure, which may increase compliance and management costs. Conflict minerals compliance risk: Customers are increasingly requiring enhanced traceability of 3TG (tin, tungsten, tantalum, and gold) sources. Incomplete disclosure may affect qualification for partnerships with key customers. 	<ul style="list-style-type: none"> Supply chain resilience premium: Multi-source procurement strategies and the Company's automated production lines enhance delivery stability, creating a competitive advantage. Circular economy opportunity: Product buyback and refurbishment mechanisms (such as electronic shelf labels (ESLs) recycling) can reduce dependence on raw materials and generate additional revenue from refurbished equipment. Green supply chain competitive advantage: Suppliers provide conflict minerals disclosure to meet the ESG procurement requirements of major retail customers. 	Medium- to long-term	<ul style="list-style-type: none"> Risks may lead to cost increase. Opportunities may contribute to revenue growth. 	<ul style="list-style-type: none"> Enhance the supplier ESG rating system and promote green procurement and ISO 50001 energy management system certification. Establish a supply chain low-carbon supplier framework to promote low-carbon substitution for key materials. Continuously improve logistics route efficiency and enhance packaging material reusability.
Data Security and Privacy Protection	<ul style="list-style-type: none"> Cross-border data compliance risk: Strict legal and regulatory requirements across jurisdictions govern cross-border transfer of customer data; improper handling may result in significant fines and reputational damage. Cybersecurity attack risk: Retail digital store solutions involve store operation data and consumer behavior information. Cyberattacks may lead to data breaches, operational disruptions, and legal liabilities. Internal management risk: Improper operations by employees or third-party service providers result in unauthorized disclosure of customer personal data. 	<ul style="list-style-type: none"> Data trust premium opportunity: Obtaining recognized certifications and establishing dedicated data governance roles can become key differentiators in supplier selection by major retail customers. Privacy protection technology opportunity: Capabilities such as data encryption, access control, and anonymization can be integrated into product security features, strengthening customer trust. 	Medium- to long-term	<ul style="list-style-type: none"> Risks may result in revenue decline. Opportunities may contribute to revenue growth. 	<ul style="list-style-type: none"> Continuously improve the information security management system, and conduct annual security incident drills and penetration testing. Strengthen employee data awareness training and implement full-coverage assessment. Establish a mechanism for responding to data subject rights and improve the compliance processes for cross-border data transfers.
Green Products	<ul style="list-style-type: none"> Regulatory compliance risk: Increasing regulatory and customer requirements for product carbon footprint data, as well as the Ecodesign for Sustainable Products Regulation (ESPR), require products to provide a "Digital Product Passport" and adopt repairable and recyclable design principles. Non-compliance may affect access to the EU market. Customer green procurement threshold risk: Major retail customers are imposing stricter requirements on the energy efficiency and recyclability of devices such as electronic shelf labels (ESLs). Non-compliant products may be excluded from bidding opportunities. 	<ul style="list-style-type: none"> Product value enhancement: Advancing green design, low-power technologies, and product carbon footprint management helps increase product added value and strengthen customer recognition. Expansion of collaboration opportunities: Green product solutions support retail stores in achieving energy efficiency and sustainability targets, enabling long-term partnership development. 	Medium- to long-term	<ul style="list-style-type: none"> Risks may lead to cost increase. Opportunities may contribute to revenue growth. 	<ul style="list-style-type: none"> Continuously advance carbon footprint management and expand certification coverage across core product lines. Strengthen green design practices to improve product energy efficiency, recyclability and substance control. Enhance green supply chain collaboration to promote packaging reduction and material reuse. Position energy management solutions such as NexGrid as part of the Company's green product portfolio.

3.3.

ROOT OF CONDUCT: COMPLIANT BUSINESS OPERATIONS

Hanshow Technology firmly believes that compliant business operations are the foundation for earning market trust and achieving sustainable development. Guided by integrity as our core value, we uphold business ethics, prevent corruption and bribery, and oppose unfair competition as the fundamental principles of our operations. The Company has established a compliance governance system centered on institutional constraints, audit supervision, and cultural integration, embedding requirements for integrity and fairness deeply into every aspect of internal management, supply chain collaboration, and market practices through transparent mechanisms and full employee participation.

3.3.1 ADHERENCE TO BUSINESS ETHICS

Hanshow Technology upholds integrity as a core value in its corporate development, firmly believing that adhering to high standards of business ethics is fundamental to achieving long-term success. The Company is committed to fostering a business environment characterized by integrity, fairness, and transparency, maintaining a healthy market order, and continuously driving positive industry development.

To effectively fulfill its commitment to ethical business practices globally, the Company has established an ethics and integrity and governance framework built on four pillars: policy development, internal audit, awareness enhancement, and oversight by governance bodies. Based on existing systems, during the reporting period the Company formulated regulations including the *Internal Audit System*, the *Internal Control Management System*, the *Related-Party Transaction Management System*, the *External Guarantee Management System*, and the *Information Disclosure Management System*. These define the fundamental principles and conduct rules employees must follow when engaging in business with clients, partners, and the public. By clearly defining departmental responsibilities and authorities, the Company strengthens control over its controlled subsidiaries and conducts regular supervision and inspections, while standardizing critical business activities such as related-party transactions, external guarantees, financial assistance, major investments, and information disclosure, ensuring effective implementation of all systems. Meanwhile, the Company continues to strengthen anti-fraud mechanisms and enhance internal control awareness, promptly supervising the rectification of identified internal control deficiencies to effectively safeguard asset security, ensure the

authenticity and completeness of financial information, and guarantee legal and compliant operations, thereby mitigating various risks and providing solid support for stable business operations and sustainable development. The Company routinely conducts business ethics audits to ensure that business practices and decision-making processes are transparent and fair, in compliance with laws and regulations, industry standards, and public expectations.

The Company places great emphasis on fostering awareness of business ethics, organizing commercial ethics training for all employees to ensure that each individual consistently adheres to the highest ethical standards in decision-making and actions. Through the coordinated efforts of institutional constraints, audit supervision, and cultural integration, Hanshow Technology continuously builds a work environment rooted in integrity, driving momentum for the Company's sustainable development management.

3.3.2 STRICT MANAGEMENT OF CORRUPTION AND BRIBERY

Hanshow Technology maintains a zero-tolerance stance on corruption and bribery, strengthening its anti-corruption framework by continuously improving its governance and control systems and audit supervision mechanisms. It integrates integrity requirements deeply into internal management and the entire supply chain, safeguarding ethical business operations through transparent mechanisms and a culture of compliance.

Anti-Corruption System Construction

Hanshow Technology maintains a zero-tolerance attitude toward commercial bribery, corruption, and similar misconduct, and firmly resists such behaviors. The Company continuously improves institutional documents such as the *Internal Anti-fraud System and Reward Measures*, and takes effective actions to prevent all forms of corruption. Hanshow Technology sincerely invites all employees and partners to work together to build a clean and fair business environment, ensuring that integrity requirements are integrated into every stage of business operations.

In internal management, the Company continues to strengthen anti-fraud and compliance management by conducting regular anti-corruption risk assessments and audits to accurately identify potential risk areas, and promptly initiating improvement mechanisms upon discovering issues to ensure effective resolution and control. Meanwhile, the Company regularly reports to the Audit Committee on the progress and outcomes of investigations into corruption incidents, providing support for decision-making and oversight. During the reporting period, in accordance with risk management requirements and actual circumstances, the Company conducted an in-depth assessment of the potential risks within its operating environment, carrying out corruption risk assessments at 13 key operating locations, covering 40% of all operating sites, all of which successfully passed the review.



Ensuring Accessible and Effective Reporting Channels

The Company actively promotes a culture of integrity and compliance, encouraging employees and partners to report suspected bribery and other corrupt practices. To this end, it has established clear and standardized whistleblowing procedures along with a corresponding reward mechanism, to encourage broad participation in promoting a clean and ethical environment.

The Company has established a dedicated email address to receive reporting information, ensuring that reports are directly delivered to the responsible department. Upon receiving the report, the Company promptly evaluates the matter in a rigorous and professional manner to determine whether it should be included in the audit review scope. Once it is confirmed that an in-depth investigation is required, the audit procedure is immediately initiated. Depending on the circumstances, a joint investigation team may be formed or external experts may be engaged to conduct an independent review, ensuring the fairness and professionalism of the investigation. All relevant investigation information is strictly documented, and results are promptly reported and handled in accordance with regulations, ensuring traceability of the process and verifiability of the outcomes.

Reporting Channel: Integrity@hanshow.com

Whistleblower Protection Measures

The Company has established a strict whistleblower protection mechanism, comprehensively safeguarding whistleblowers' legitimate rights and interests through systematic design and execution procedures. Regarding information confidentiality, any disclosure of a whistleblower's personal information is strictly prohibited, ensuring that details such as name, address, and contact information cannot be accessed without authorization. The reporting reception process is managed by designated personnel and conducted through dedicated channels. The entire acceptance procedure excludes irrelevant individuals to prevent information leaks at the source. During the investigation and verification phase, original or copied whistleblower documents must not be presented, and handwriting analysis of anonymous reports is strictly forbidden, minimizing the possibility of identifying the whistleblower. Meanwhile, the Company has established a disciplinary mechanism against retaliation, any form of threat, exclusion, or indirect reprisal, once confirmed, will be subject to strict disciplinary action.

Anti-Corruption Measures

In accordance with internal control and audit regulations, the Company conducted internal audits on business procurement, indirect procurement, and sales management processes. For issues identified, the Company issued an issue list and corresponding corrective action plans and required relevant departments to complete corrective actions within specified timelines. During the rectification process, the Company also promoted system optimization and management improvements and required departments to strictly implement established policies to address implementation gaps. For high-risk business departments such as business operations, procurement, sales operations, and warehouse management, the Company organized regular self-inspections and self-corrections to proactively advance risk prevention. Meanwhile, in domestic regions, the Company steadily advanced the update and re-signing of the statement of integrity and self-discipline, strengthening employees' contractual awareness and bottom-line thinking during performance of duties. In supply chain management, the Company continues to strengthen the management of corruption risks among suppliers, systematically assessing suppliers' anti-corruption management capabilities during onboarding and periodic evaluations, and requiring suppliers to sign supplier integrity undertakings with the Company to ensure integrity requirements extend throughout the supply chain.

Additionally, the Company conducted special audits across the entire procurement process, covering key stages such as supplier onboarding, qualification review, contract signing, goods receipt and payment, invoice reconciliation, and account verification to ensure procurement activities are compliant and transparent and effectively prevent commercial bribery risks. The Company had no publicly disclosed corruption-related litigation cases during the reporting period.

To strengthen employees' awareness of anti-fraud practices, the Company has established an integrated online and offline anti-corruption training system. Online training leverages digital platforms to facilitate regular, ongoing learning, while offline activities—such as simulation exercises—provide immersive experiences of key anti-fraud principles, comprehensively enhancing employees' commitment to ethical conduct.

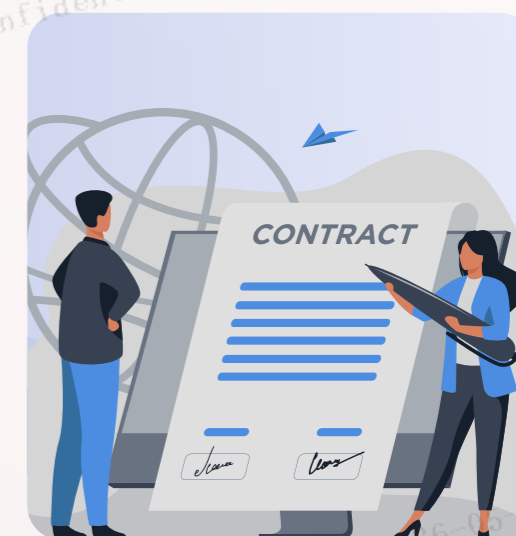


Case Study: Integrity and Compliance Training Program

This specialized training session covered the definition and classification of fraud, analysis of typical cases, and core issues in business ethics. The training clarified the concept and main categories of fraud, as well as its multiple adverse impacts on organizations and individuals. By examining cases of embezzlement and financial statement fraud, the session revealed common fraudulent practices such as supervisory gaps in procurement processes and fictitious transactions, emphasizing the importance of strengthening the internal control management system, enhancing employee oversight, and promoting legal education.

The training focused on elaborating four key areas of business ethics: regarding anti-fraud, it highlighted common criminal examples such as false reimbursement, misappropriation of funds, and commercial bribery, and clarified the role of internal audit and supervision mechanisms. Regarding conflicts of interest, employees are required to report promptly when personal interests conflict with Company interests. Regarding anti-money laundering, strict adherence to payment regulations and rejection of non-compliant transaction methods were emphasized. Regarding commercial secrets and data security, the principle of minimal access control and requirements for physical environment security management were clearly defined.

At the end of the training, the Company's "zero tolerance" policy was reiterated, and the reporting channels of the internal control and audit department were announced, encouraging employees to report violations through multiple channels. This training further enhanced employees' awareness of ethical conduct and ability to identify risks, reinforcing the cultural foundation for the Company's compliant operations and healthy development.



During the reporting period, the Company's anti-corruption training was as follows:

Indicator	Unit	2025
Total hours of anti-corruption, anti-bribery, and business ethics training	Hours	403.26
Number of anti-corruption, anti-bribery, and business ethics training sessions	Times	3
Proportion of Chinese employees receiving anti-corruption and business ethics training	%	97.40
Number of anti-corruption, anti-bribery, and business ethics training sessions by rank		
where: Number of training sessions attended by directors and senior management	Times	1
Number of training sessions attended by employees	Times	2
Passing rate of anti-corruption and business ethics training sessions by rank		
where: Passing rate of training sessions attended by directors and senior management	%	98.01
Passing rate of training sessions attended by employees	%	96.50

3.3.3 ANTI-UNFAIR COMPETITION



Hanshow Technology always adheres to the principle of fair competition and strictly defines and regulates unfair competition behaviors in accordance with the *Commercial Ethics Management System*. We firmly resist any form of monopolistic practices and market manipulation, ensuring that all business activities are conducted in an orderly manner within a compliant framework.

In terms of standard co-development, the Company participates in the formulation of global retail technology standards and has joined the global Consumer Goods Forum (CGF), collaborating with industry partners to advance sustainable development in the retail sector. In the field of intellectual property, the Company actively responds to international litigation, firmly safeguarding market fairness and protecting its own and the industry's legitimate rights and interests through both legal and technical means. The Company continuously strengthens the development of core competencies, winning market share through sustained innovation, high-quality products, and excellent service, while refraining from gaining competitive advantages through unfair competition. Meanwhile, the Company requires all employees and third parties representing the Company in commercial activities to strictly comply with the laws and regulations of their respective countries and relevant requirements concerning the prevention of unfair competition.

During the reporting period, the Company did not experience any litigation or significant administrative penalties arising from unfair competition practices.





SOCIAL

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4.1. CUSTOMER-ORIENTED INNOVATION: PREMIUM PRODUCTS AND SERVICES

As one of the world's leading providers of comprehensive digital store solutions in the broader retail sector, Hanshow Technology remains committed to a customer-centric approach and continuous innovation. Leveraging advanced technologies such as the Internet of Things (IoT), artificial intelligence (AI), and big data, the Company delivers integrated hardware-software solutions, including electronic shelf labels (ESLs), marketing displays, smart shopping carts, AI cameras, robots, and intelligent energy management solutions. In 2025, through rigorous product quality control, responsible marketing practices, sustained research and innovation, continuous service enhancement, and robust customer privacy protection, the Company further strengthened a comprehensive value framework covering the entire product lifecycle and full-service process. This enables retail customers across more than 80 countries and regions in advancing their digital, green, and intelligent transformation, contributing to the development of efficient and sustainable smart retail ecosystem, and enabling long-term shared value creation with customers.

4.1.1 RIGOROUS PRODUCT QUALITY MANAGEMENT

Quality is the cornerstone of sustainable enterprise development and a fundamental basis for maintaining customer trust. The Company consistently adheres to the management principles of integrity, quality excellence, efficiency, and service reliability. Quality management is systematically embedded across the entire product lifecycle, including research and development, production, testing, and delivery. Meanwhile, low-carbon environmental protection and global compliance requirements are incorporated into the quality evaluation system, the Company enhances product performance and operational reliability, ensuring that high-quality products effectively meet the diverse needs of retail customers across different markets and business formats worldwide.

Product Solutions

Hanshow Technology has established an integrated business framework of "smart hardware + scenario-based solutions + Store Digital Twin platform" leveraging its capabilities in proprietary research and development, integrated hardware-software solutions, and full value-chain resource coordination. This framework comprehensively supports retailers' digital transformation across operations, marketing, energy management, and store administration.

Smart Hardware Products

As core sensing and interaction terminals for digital stores, the Company provides a portfolio of smart hardware solutions, including electronic shelf labels (ESLs), marketing displays, AI cameras, smart shopping carts, robots, and store energy-saving IoT devices, supporting end-to-end digitalization across diverse retail scenarios.

Electronic Shelf Labels (ESLs)

Electronic shelf labels (ESLs) are the Company's core product, enabling offline store price management, inventory management, and human-machine interaction through real-time, rapid, and large-scale data synchronization and response capabilities. The Company has launched over 40 ESL products across multiple series, including the Nebular, Polaris, and Lumina series. Among them, the Nebular series features a self-developed chip, with a maximum battery life of up to 15 years and a 1-second light-up function for fast item location. The Nebular Ultra series further achieves centimeter-level positioning accuracy, serving as foundational infrastructure for shelf-level digital twin deployment. The Polaris series stands out with its high display utilization and multi-color visualization, offering strong performance-to-cost efficiency. The Lumina series delivers outstanding visual performance and is widely used for marketing content presentation in retail spaces.



▲Nebular series products

Smart Cart

The smart cart integrates functions such as AI-powered navigation, self-checkout, targeted marketing, and membership operations, transforming the traditional shopping carts into mobile interactive terminals and serving as one of the key touchpoints for building a Retail Media Network (RMN). The Company has entered into a strategic cooperation agreement with a leading Australian grocery retailer, with the smart cart solution progressing into scaled commercial deployment.



▲Smart Cart

AI Cameras and Robots

These solutions include products such as the N5 shelf camera and the NexMate intelligent robot. Through high-definition imaging modules and multi-sensor integration, the system establishes an in-store dynamic sensing network and automated execution mechanism. The N5 shelf camera enables real-time product display status, accurately identifying out-of-shelf and misplaced items; the NexMate intelligent robot can autonomously perform tasks such as cleaning and inspection. Working collaboratively, these two systems can trigger automated replenishment workflows, effectively reducing restocking time, improving shelf availability, further optimizing store operational efficiency, minimizing labor input, and supporting efficient and low-carbon operations.



▲Intelligent Robot

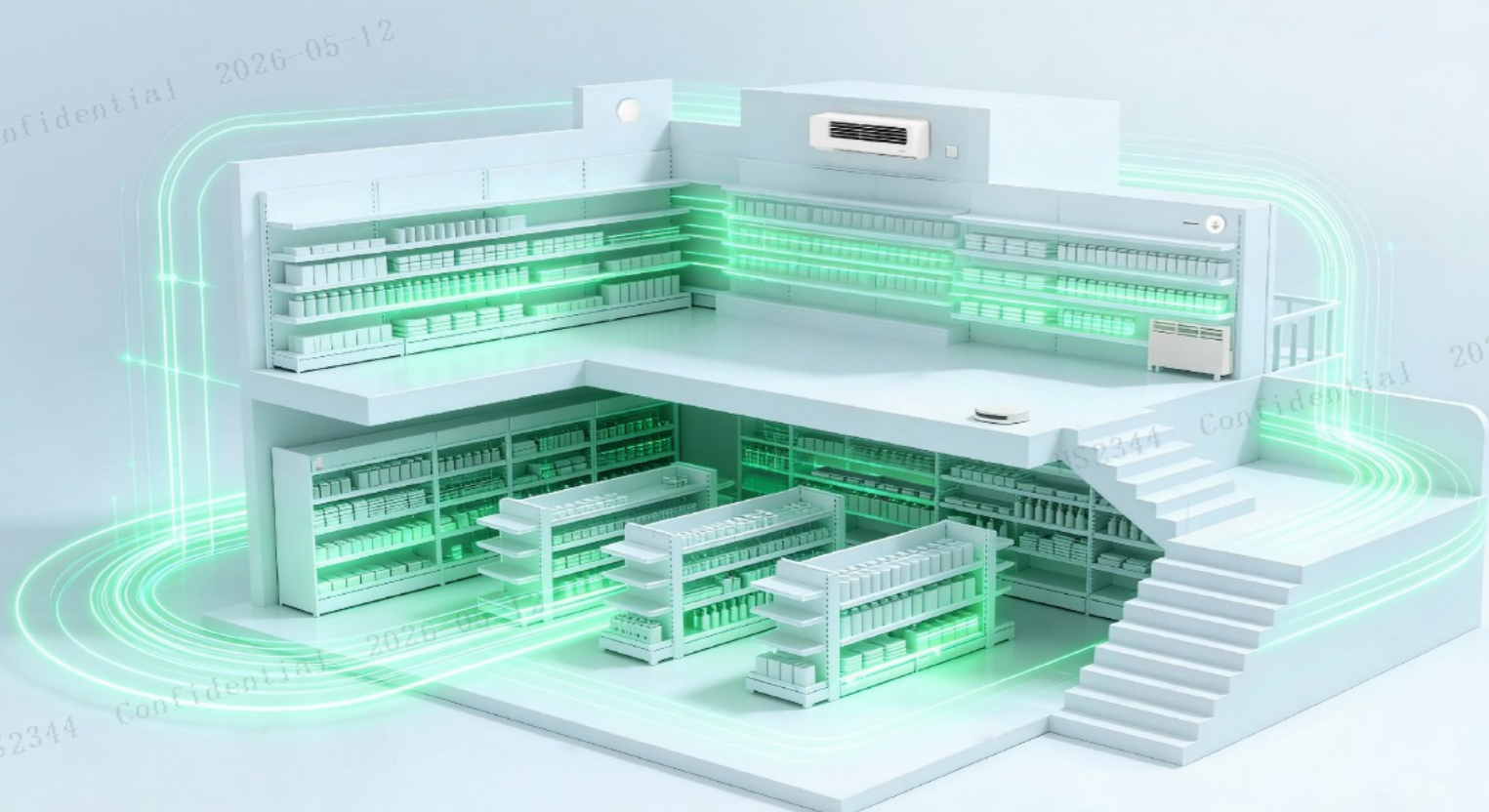
Communication and Base Station Equipment

Leveraging a dual-mode communication architecture that deeply integrates the proprietary HiLPC communication protocol with Bluetooth 5.4 technology, the system retains the low power consumption and high real-time performance characteristics of a dedicated protocol while also incorporating the interoperability advantages of standardized communication technologies. The system architecture demonstrates high reliability and scalability, capable of securely supporting large-scale deployments of hundreds of millions of ESL devices, while automatically optimizing network resource allocation to minimize communication interference.



Energy Management Equipment

These solutions include NexOptim retail operations management devices and new energy equipment, supporting low-carbon store operations and refined energy management. In collaboration with energy sector partners, the Company provides integrated services encompassing photovoltaic power generation, energy storage and charging systems, photovoltaic financing solutions, and in-store energy management platforms, helping customers achieve 15%-30% energy conservation.



Scenario-based Solutions

Based on intelligent hardware products, the Company integrates communication technologies, AI algorithms, and a cloud platform to launch five solutions covering core retail operation scenarios. These solutions provide retail customers with reliable data support for digital operations and serve as a foundational capability layer supporting the deployment of Store Digital Twin systems.

NexShelf Intelligent Shelf Solution

This solution leverages self-developed electronic shelf labels (ESLs), AI-powered visual cameras, and wireless communication technologies to address the pain points of traditional paper price tags—such as inefficiency, frequent errors, cumbersome picking processes, disorganized product displays, and stock shortage-related losses—enabling real-time price synchronization, optimized operational workflows, intelligent shelf management, and early identification of stock shortage risks. By replacing paper-based marketing materials with ESLs, the solution significantly reduces paper consumption and supports environmentally responsible store operations. Additionally, the solution provides interactive capabilities and in-aisle marketing functions through NFC and Bluetooth technologies embedded in ESL devices, enabling connection with customers' smartphones and supporting enhanced customer engagement while improving operational efficiency.

NexConnect Smart Cart Solution

This solution utilizes smart shopping carts as an operational platform to provide consumers with digital shopping support, including AI-assisted product guidance, indoor navigation, and self-checkout functions. By streamlining checkout processes and reducing waiting times, the solution improves store operational efficiency. At the same time, it supports sales growth and membership engagement, while enabling the establishment of an in-store Retail Media Network (RMN) platform, supporting retailers in developing digitally enabled and resource-efficient store environments.

NexMate Intelligent Robot Solution

This solution establishes an operational workflow based on a "perception-analysis-execution" model through intelligent robotic systems. Robots automatically perform repetitive tasks such as cleaning, inspection, and stock shortage detection, enabling the quantification and visualization of in-store operations. The solution helps reduce manual workload and energy consumption, supporting improvements in operational efficiency and the transition toward intelligent and low-carbon store management.

NexOptim Digital Solution for Retail Store Operations Equipment

This solution leverages an integrated "cloud-network-edge-terminal" architecture and dedicated HiLPC wireless communication technology to centrally and strategically manage equipment such as air conditioning, lighting, and cold chain systems, achieving 15%-30% energy conservation. Through wireless sensing and cloud-based control technologies, it creates a digital platform integrating energy-efficient management and equipment operation and maintenance, enabling retailers to achieve both reduced electricity costs and carbon reduction targets compliance with minimal upfront investment, thus building an environmentally friendly supply chain.

NexGrid Smart Energy Solution

As an integrated cloud-edge collaborative energy management platform encompassing monitoring, optimization, trading, and operations, NexGrid specializes in managing distributed energy assets such as photovoltaic systems, energy storage, and charging stations. By leveraging AI-driven predictive control and multi-energy coordinated optimization, it enables retail customers to transform their energy usage, turning energy from a cost center into a value-creation center. In practical applications, this solution has successfully empowered multiple international clients. For example, across 15 logistics centers operated by Albert Heijn in the Netherlands, the deployment of approximately 10 MW of photovoltaic capacity and 5 MW of energy storage capacity is projected to generate approximately 270 GWh of renewable electricity over a 30-year period, reducing CO₂ emissions by approximately 6,000 tons annually, subject to operational and environmental conditions.



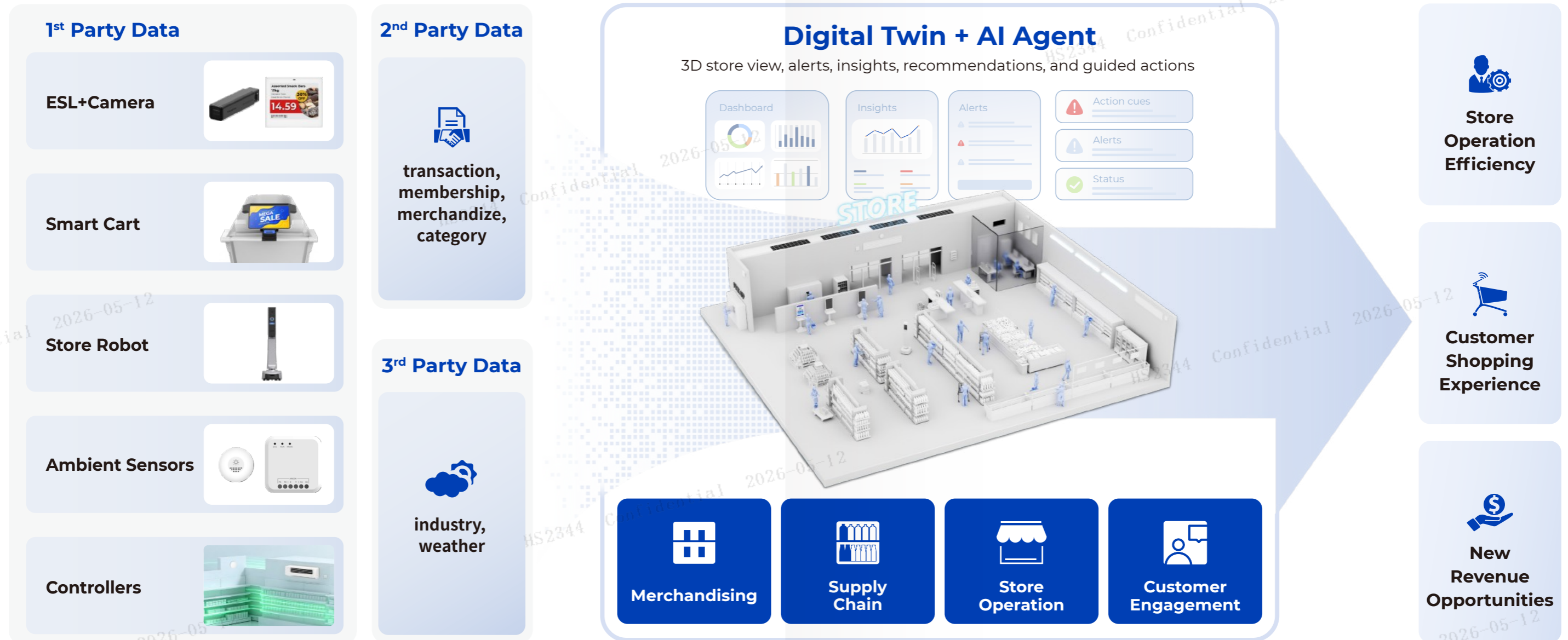
Store Digital Twin Platform and Data Value-added Services

The Company's Store Digital Twin platform is built on top of the All-Star SaaS platform and an integrated data lake architecture. The platform functions as a data-driven operational management system designed to support visibility, predictability, and controllability in store operations. Based on real-time sensing from in-store IoT devices and integration with enterprise systems such as ERP, the platform supports data-driven operational coordination across key functional domains, including merchandising, operations, marketing, and inventory management.

All-Star SaaS Platform

As the core operating system, it provides real-time data interaction capabilities to ensure dynamic synchronization between physical stores and digital systems. The platform features large-scale device security management, equipped with an IoT security chip, supporting high-concurrency processing and efficient cross-regional coordination for tens of millions of devices, offering high availability, maintainability, and financial-grade security assurance.

From Smart Store to Smart Decisions



Through capabilities such as real-time data synchronization, automated workflow support, and intelligent analytics, the platform provides technical and data infrastructure support for smart hardware deployment and digital store solutions, while enabling customers to improve operational efficiency and decision-making capabilities as part of their digital transformation initiatives.

Data Lake

The data lake integrates multi-dimensional and multi-source data, including store-level operational data, headquarters management data, and third-party data inputs. Through centralized data aggregation, governance, and standardization, the data lake can provide unified data services for upper-layer applications, supporting business scenarios such as sales forecasting, intelligent replenishment, customer traffic analysis, display optimization, and personnel efficiency evaluation, helping stores upgrade from traditional operations to digital, intelligent, and refined operational governance.

Quality Management System

Maintaining a high-quality baseline is an enduring pursuit of Hanshow Technology. The Company consistently adheres to the guidance of high-quality development, striving to sustain a stable and reliable product standard. To ensure that product quality remains controlled, compliant, and sustainable throughout the entire lifecycle, the Company has established a dual-driven governance framework integrating the Quality Management System (QMS) and Internal Control System, enabling coordinated management of quality responsibilities, risk prevention and control, process standardization, and continuous supervision and improvement. In accordance with quality management system standards such as ISO 9001:2015 and QC 080000, the Company continuously optimizes its comprehensive quality management system. By tracking and reviewing every stage from product development to manufacturing, the Company has established key quality governance procedures, including the *Management Manual*, the *Internal Control Management System*, the *Internal Audit System*, the *Internal Audit Control Procedure*, the *Production Process Control Procedure*, and the *Finished Product Inspection Specifications*. For any non-conforming items identified through internal audits or external inspections, Hanshow implements corrective and preventive actions in accordance with the *Nonconforming Output Control Procedure* and the *Procedure for Control of Corrective and Preventive Action*, continuously strengthening quality assurance to achieve high-quality management objectives. Furthermore, the Company's Electronic Shelf Labels (ESLs) system has passed evaluation and testing by the Zhejiang Electronic Information Products Inspection and Research Institute, confirming compliance with the latest national standard GB/T 42409-2024, *General Requirements for IoT Electronic Shelf Label Systems*.



▲ ISO 9001 Quality Management System Certification

The Company has established a dedicated quality management department responsible for organizing, coordinating, and supervising product quality management. Its core responsibilities include formulating, revising, and issuing product quality management systems; ensuring product quality complies with relevant international laws, regulations, and industry standards; organizing quality training to enhance employees' quality awareness and skills; conducting investigations and analyses of quality issues, proposing improvement measures, and supervising the implementation of corrective actions; monitoring the enforcement of quality management systems across departments; establishing a quality monitoring and evaluation system to regularly assess project quality; and assisting relevant departments in resolving quality issues.

Internal Self-examinations	
Regular inspection	We conduct a comprehensive internal audit of the Company's management system to ensure the effectiveness and compliance of the quality management system.
Real-time monitoring	We perform real-time monitoring and mistake-proofing control of the production line through ERP, MES, and production testing systems, improving in-process product quality.
Irregular inspection	We conduct irregular cyclic monitoring of the production process, issue audit reports, and perform sampling inspections on materials, semi-finished products, and finished products, issuing inspection reports; carry out comprehensive internal audits of the Company's management system to ensure the effectiveness and compliance of the quality management system.
External inspections	
Annual audit	Each system organization conducts on-site audits at the factory and issues audit reports based on the audit results. Any deficiencies identified during the audit are given high priority, with relevant departments organized to conduct in-depth discussions, develop improvement initiatives, and implement corrective actions.
Regular sampling inspection	Product samples are submitted to accredited third-party testing institutions, with official test reports issued accordingly.

Quality Tracking Mechanism

Quality governance is integrated throughout the entire process of Hanshow Technology's products, from research and development to customer delivery. To achieve full-process quality governance, the Company has established a comprehensive closed-loop quality monitoring system. Through online systems, various data generated during R&D and production stages are managed with precision, ensuring long-term traceability of every operational and production phase, and preventing quality risks at the source.

To continuously strengthen quality management capabilities and improve product quality, the Company has implemented a series of targeted optimization initiatives in 2025 across four key dimensions: R&D processes, standardization, knowledge accumulation, and supply chain control. These include establishing a project classification model, implementing a strategy to consolidate TR (Technical Review) review points, optimizing review checklists, and enhancing risk identification weighting to comprehensively improve the quality of R&D reviews. The new version of the project completion report has been mandatorily adopted, with clear requirements for goal review, deviation analysis, experience accumulation and sharing, and data asset retention. Simultaneously, a Company-level monthly project reporting mechanism has been implemented to ensure systematic retention and transfer of R&D knowledge. The Company has systematically streamlined critical quality standards related to defect management, version control, and test transition acceptance, unified process standards, and exception handling criteria to solidify the foundation of quality management systems. The knowledge management system has been upgraded, with regular sharing of best practices and publicizing of quality performance through "red and black lists" to foster a company-wide culture emphasizing quality. Product release versions have been planned in advance, with testing and release activities advanced in parallel. The entire process for second-source supplier qualification and onboarding, trial production, non-mass production ordering, and prototype requests has been optimized to mitigate supply chain risks and ensure stable delivery quality.

Meanwhile, the Company closely monitors the actual market performance of its products, proactively collects customer feedback, and conducts systematic analysis to promptly respond to and resolve potential quality hazards and operational risks that may arise during production and after-sales service, continuously enhancing product stability and reliability. The Company has specifically advanced two key initiatives: standardization of material introduction and consistency of display screens. By standardizing the validation process for new materials, potential risks in production and design are identified early, ensuring stable delivery of mass-produced products. By rolling out targeted optimization for screen display consistency, the Company mitigates mass production risks of multi-color screens in advance, increasing the product testing pass rate from 50% to 80%, demonstrating significant improvements in quality governance.

Case: The Fifth-Generation Protocol Project Empowers Global Retail Clients with High-Quality Delivery



To meet retail stores' requirements for high real-time performance and high reliability of Electronic Shelf Labels (ESLs) systems, the Company leveraged the fifth-generation protocol project and, based on customers' actual application scenarios, achieved synchronization at the second level of price changes between tens of millions of in-store ESLs and POS terminals by optimizing review checklists, strengthening risk identification, and innovating precise timing solutions. The project delivered over 80 product iterations throughout the year, successfully rolled out to more than 20 customers, and experienced no major quality incidents.

In the UK, the plug-and-bind feature helped customers reduce the installation time for their first store by 30%. In Germany, the solution effectively streamlined store operations, improved management efficiency, and successfully passed on-site validation from major retail customers such as Kaufland. The project has passed software evaluations by the Zhejiang Electronic Information Products Inspection and Research Institute, as well as multiple international security certifications including the UK's PSTI, Europe's ETSI EN 303 645, and the US NISTIR 8259A, fully demonstrating the effectiveness and reliability of the Company's quality management system in global deployment.

Product Recycling Management

In the process of continuously providing low-carbon and environmentally friendly solutions for customers, Hanshow also places significant emphasis on enhancing the sustainability of products throughout their entire lifecycle. An efficient product recycling mechanism is a key practice through which we implement circular economy principles and fulfill extended producer responsibility. We have established a standardized, end-to-end recycling system covering store applications, approvals, transportation, factory reception, and classification and disposal, ensuring responsible management of products at the end of their service life, maximizing resource efficiency, and promoting a sustainable closed-loop within the product value chain.

To comply with regulatory requirements in the European market, the Company strictly follows the EU WEEE Directive and relevant regulations of member states, using the Netherlands market as a benchmark to establish a standardized recycling management system. This system covers the entire process of battery and electronic waste reporting and recycling across the European region, strictly implementing operational requirements such as graded protection measures and classified recycling, ensuring full compliance with local environmental regulations throughout the process.

For repairable ESLs, the Company has further introduced the Nebular Lens Refurbishment Program, enabling product reuse through a comprehensive process of professional disassembly, cleaning, and reassembly. In the disassembly phase, a torsion device and suction cup tooling method is employed: lenses with large cracks or edge-reaching cracks are directly removed using the suction cup fixture, while those with small or non-edge cracks are disassembled by applying external torsional force to break the bonded structure. This approach controls screen breakage rates within 3% to 5%. The refurbishment phase follows a standardized repair and assembly procedure. After lens repair, products are categorized based on crack conditions and then undergo a full sequence of processes including rear housing cleaning, glue dispensing, installation of new lenses, ultrasonic bonding, pressure curing, NFC screen testing, and visual inspection to restore full product performance. Additionally, a complete set of refurbishment tooling—including ultrasonic equipment, torsion devices, dispensing systems, and plasma cleaners—is provided, along with a standardized equipment and consumables management system, ensuring stable and efficient refurbishment operations.

As of the end of the reporting period, the Company has not experienced any significant product or service safety incidents.



▲Suction cup removal plan



▲Suction cup removal plan

Case Study: Product Compliance and Recycling Mechanism for Electronic Shelf Label (ESL) Products in the Netherlands Market

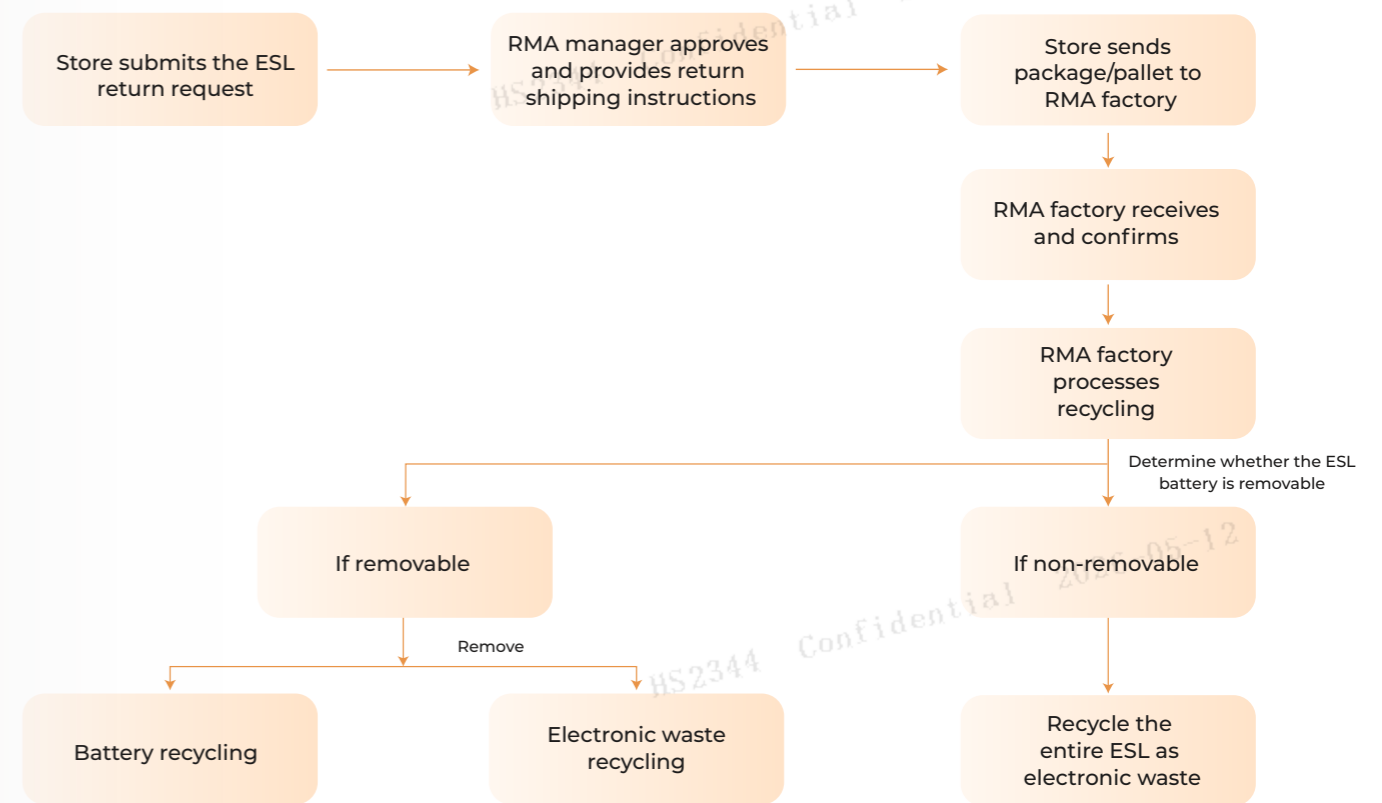
For Electronic Shelf Labels (ESLs) products exported to the Dutch market, the Company has established a comprehensive compliance recycling system covering batteries and electronic waste, effectively fulfilling extended producer responsibility.

As a registered producer in the Dutch market, the Company has completed registration with the official Dutch recycling authority Stichting Open and regularly reports the volume of batteries and electronic waste placed on the market. Battery recycling fees are prepaid based on the declared volume from the previous year and settled annually based on a true-up mechanism; fees for electronic waste are generated in real time based on the actual weight recycled. For declared batteries and electronic waste, Stichting Open provides recycling containers free of charge and is responsible for centralized collection.

At the operational level of product recycling, stores initiate a request and, upon approval, send ESLs designated for recycling to the RMA factory. The factory follows different recycling pathways depending on whether the ESL battery is removable: for labels with removable batteries, the battery is first separated from the main unit, and both components are then recycled separately as batteries and electronic waste in compliance with regulations; for labels with non-removable batteries, the entire unit is treated as electronic waste. All recycling stages use official dedicated pallets and safety materials, and once full, logistics providers collect the materials free of charge from the site.

Through the above mechanism, the Company has achieved full, standardized, and traceable recycling of ESLs exported to the Dutch market, ensuring responsible end-of-life treatment and minimizing environmental impact.

Recycling Process



4.1.2 RESPONSIBLE MARKETING

Hanshow Technology adheres to the principle of “accuracy, authenticity and reliability,” and is committed to establishing and maintaining strong trust relationships with customers, consumers, and industry partners through honest and transparent communication and interaction with the market. We strictly comply with relevant laws and regulations to ensure that all marketing activities accurately and comprehensively convey the value, benefits, and intended use of our products and services, thereby building and enhancing corporate reputation and brand credibility and advancing the Company’s sustainable development.

To establish an open, transparent, and trustworthy environment for consumer engagement and collaboration, the Company has implemented standardized processes and protocols across the entire value chain, including sales promotion, customer service, information disclosure and data security. These are supported by a robust internal review mechanism to systematically strengthen compliance in marketing activities. During the reporting period, no non-compliant incidents related to improper advertising or product labeling occurred.



Responsible Advertising

Guided by its corporate values, Hanshow Technology adheres to its principles in product promotion and adopts multiple measures to ensure that promotional activities are legal and compliant.

Compliance

The Company establishes an advertising review process and conducts regular self-reviews to ensure that our advertising content and activities comply with applicable laws, regulations, and internal policies.

Respect for competitors

Advertisements shall not disparage competitors or promote false information to gain an unfair competitive advantage.

Privacy protection

Advertisements shall comply with applicable laws and regulations and shall not use customers' personal information for marketing purposes.

Completeness and reliability

Advertisements shall not contain false or misleading statements or illustrations and shall instead accurately describe the Company's products or services and provide the public with reasonable information and commitments.

Respect for consumers

Advertisements shall respect consumers and shall not contain offensive, discriminatory, or inappropriate content.

Benefits to social development

Marketing activities, including advertising, involve not only economic and legal obligations but also additional responsibilities, such as protecting and promoting social development. Therefore, we shall not publish any advertisements that harm social and public interests.

For the frontline sales team, we continuously conduct comprehensive marketing compliance training, focusing on relevant topics such as the Advertising Law and business integrity. Through systematic professional knowledge training and practical operation guidance, we effectively enhance the team's ability to identify and prevent marketing compliance risks, ensuring that product promotion and the entire sales process remain standardized, compliant, and effectively managed.

In 2025, Hanshow Technology actively participated in global top-tier industry events, deeply integrating innovative technologies with scenario-based marketing. At leading international exhibitions such as NRF 2025, EuroCIS 2025, CHINASHOP, and the CGF Global CEO Summit, we centered on core themes including “Empowering Digital Omnichannel Stores” and “Empowering the Stores of the Future”. Through creative hand-drawn visual displays, immersive simulated retail scenarios, and AI-powered digital human interactions, we vividly and intuitively demonstrated the practical applications and effectiveness of digital store solutions in enhancing operational efficiency, optimizing shopping experiences, and innovating marketing strategies. This transparent and interactive approach ensured that clients could fully and accurately understand the core value of our products and services.

Effective Product Labeling

Hanshow Technology deeply recognizes the significant role of product labeling in helping customers understand products and establish brand trust. In strict compliance with national laws and regulations, the Company has established a comprehensive product labeling management system, including policies such as the *Product and Service Information Management Policy*, the *Labeling Consistency System*, the *Labeling Use Authorization System*, the *Labeling Review System*, and the *Labeling Protection System*. By integrating compliance awareness into the entire marketing process, Hanshow ensures accurate and complete disclosure of product and service information, and is fully committed to providing customers with reliable products and comprehensive solutions, achieving mutual benefits.

Accuracy and authenticity

Product markings and descriptions shall be based on facts and shall not contain false or misleading information.

Clarity and readability

Product markings and descriptions shall be clear so that customers can understand the attributes and characteristics of the products and services they purchase or use. Labels shall be easily recognizable to help customers quickly identify the Company's brand and products.

Consistency

Product markings and descriptions shall be consistent across all marketing channels and product packaging to ensure that customers have a clear understanding of the Company's brand image and product portfolio.

Customer-centric innovation

The Company pays special attention to market trends and customer needs, designs product labels based on the characteristics of its customer groups, and works to drive continuous innovation and quality improvement around customer needs.

4.1.3 INNOVATION IN DIGITAL SOLUTIONS

Since its establishment, Hanshow Technology has always regarded technological innovation as a key component of its core competitiveness, focusing on the digitalization needs of retail scenarios. By leveraging technological innovation to address industry pain points, the Company empowers retail clients to upgrade operations and drives the industry toward smarter, more efficient, and sustainable development. In 2025, driven by innovation and productivity upgrades, the Company continued to deepen innovative breakthroughs in low-power wireless communication, AI-powered applications, and digital energy management, committed to delivering cutting-edge digital store solutions for global retail customers, continuously enhancing store operational efficiency and consumer shopping experiences.

Research and Development Innovation Management

The Company continues to refine its R&D innovation management system, strengthening top-level design and organizational structure optimization. It has established a management framework led by general managers of each product line and the Digital Energy Business Unit, with collaborative participation from heads of technical departments, clearly defining roles and responsibilities to ensure orderly and efficient advancement of R&D innovation. To stimulate innovation across the organization, the Company has further improved the *Employee Invention Patent Reward Policy*, introducing staged incentives for different types of patents such as invention patents and utility model patents. This enhances the innovation ecosystem centered on a performance-based incentive system, fully motivating R&D personnel. Meanwhile, the Company strictly follows the Integrated Product Development (IPD) process, systematically conducting innovation activities based on actual customer scenarios and industry-leading technology trends, achieving full lifecycle closed-loop control—from concept proposal, planning, development, verification and testing, to product launch and subsequent lifecycle management. In 2025, the Company focused on standardizing the end-to-end project R&D process by establishing a project grading model, releasing a TR point consolidation strategy, and optimizing review checklists to strengthen risk control. It promoted a new version of project completion reports and introduced company-level monthly project reports to ensure effective experience accumulation and knowledge transfer. The Company also streamlined and enhanced core standards such as defect control and version control, upgraded its knowledge base into a knowledge community to foster a culture of innovation and quality, and proactively planned product-matching versions and optimized supply chain-related processes to mitigate capacity constraints and delivery quality risks.

The Company's R&D activities are closely aligned with market demands and customer pain points. After project initiation, each phase is rigorously executed according to standardized processes, with quality reviews conducted at key milestone points to ensure that R&D outcomes precisely meet customer requirements and quality standards.



High-Tech Enterprise Certification



Innovation and Investment in R&D

The Company has always prioritized customer needs, adhered to a market-oriented approach, and continuously increased investment in R&D. Focusing on two core areas—smart retail and digital energy—the Company is fully committed to driving product iteration and upgrading and the practical implementation of technological innovation to support customers in achieving business success. In 2025, the Company focused on advancing the development and deployment of solutions related to the fifth-generation HiLPC communications protocol. Its smart retail solution covers key functionalities such as tag connectivity, networking, updates, page switching, indicator flashing, roaming, and upgrades, playing a decisive role in project bidding. The relevant software version was successfully released at customer sites without any major quality incidents, earning high recognition from customers. To address the specific requirements of mobile scenarios, the Company's developed solution enables rapid identification of location movement and has overcome key technical challenges, including the construction of high-density, low-power cellular synchronized networks and efficient group communication. This solution has received widespread recognition during demonstrations for key customers, laying a solid foundation for future collaborations. Meanwhile, the Company has continuously optimized its product management system, leveraging a dual-control model of internal self-audits and external inspections to deepen the standardization of material introduction processes and improve outcomes in areas such as display consistency, thereby continuously enhancing product performance and delivery quality. As of 2025, the Company has assessed the carbon footprint of five products.

Performance data

Indicator	Unit	2025
Total R&D investment	Million RMB	202.56
Number of R&D personnel	Person	329
Percentage of R&D personnel	%	32.74

01 NexGrid Advances Low-Carbon Transformation

Hanshow Technology not only provides digital store hardware and software solutions, but also extends into the field of energy management by launching NexGrid, an all-in-one energy management and optimization platform that helps retail customers optimize energy costs and reduce carbon emissions. Built on a “cloud-edge-device” collaborative architecture, the system covers diverse assets such as photovoltaics, energy storage, and charging stations. Through AI-driven predictive control and multi-energy coordinated optimization, it achieves objectives including economic optimization, maximum renewable energy utilization, and minimized demand charges. It supports multi-level monitoring at group, site, and equipment levels, ensuring granular and visible energy management. In practical applications, NexGrid has been deployed for multiple international clients. For example, at 15 logistics centers of Albert Heijn in the Netherlands, the deployment of 10MW photovoltaics and 5MW energy storage is expected to generate 270GWh of green electricity over 30 years, reducing 6,000 tons of CO₂ emissions annually. At the Babraham Road parking facility in the UK, a combination of 2.5MW photovoltaics and 16x22kW charging stations is projected to produce 65GWh of green electricity over 30 years, cutting 5,000 tons of CO₂ emissions annually. With NexGrid, Hanshow not only helps customers reduce electricity costs and increase energy generation revenue, but also achieves significant carbon emission reductions, turning sustainability into measurable business value and creating sustainable business value.

02 NexOptim Empowers Stores to Enhance Efficiency

Hanshow Technology has been deeply engaged in the refined operation and management of retail stores, launching NexOptim, a full-chain and lightweight digital equipment solution for retail store operations. This solution addresses core challenges faced by retailers, such as uncontrolled energy consumption, compliance risks, inconsistent customer experiences, and operational blind spots, thereby comprehensively enhancing operational efficiency, customer experience, and sustainable development. Built on a “cloud-pipe-edge-device” collaborative architecture, NexOptim utilizes wireless, rapidly deployable wireless sensing and control modules to enable unified digital management of key in-store operational equipment—including lighting, air conditioning, refrigeration units, charging stations, and signage. Leveraging a powerful SaaS cloud platform, it enables multi-level, visual energy monitoring and equipment management across groups, regions, and individual stores. At its core, the solution employs AI algorithms and automated strategies to intelligently schedule and optimize equipment operations—such as automatically adjusting lighting and HVAC loads during peak electricity periods to reduce demand charges, or issuing real-time alerts and regulating refrigeration units based on ambient temperature and humidity data to ensure food safety compliance. With NexOptim, Hanshow Technology empowers retail clients to achieve an end-to-end value loop across cost reduction, efficiency improvement, compliance, and enhanced experience, transforming store operations from “reactive response” to “proactive management,” and supporting the implementation of retail brands’ ESG strategies.

03 Contributing to Healthier Consumption Through CGF

As an active member of The Consumer Goods Forum (CGF), a key collaboration platform in the global consumer goods industry, Hanshow Technology participates in the “Healthier Lives” Initiative Alliance launched by CGF. Leveraging its technological strengths in digital store solutions, Hanshow promotes transparency of consumer information and the implementation of healthy consumption concepts in retail environments. Together with industry partners such as Nestlé and Metro, Hanshow engages in discussions and practical explorations on related topics, contributing to the development of a healthier and more sustainable consumer ecosystem. In practice, Hanshow utilizes digital information display tools such as Electronic Shelf Labels (ESLs) to support retailers in presenting key consumer information—including allergen details, origin traceability, nutritional labels, and product classification—directly in-store. This helps consumers access product information more intuitively and accurately, enhancing transparency and healthiness in purchasing decisions. Meanwhile, by leveraging its digital capabilities, Hanshow drives the transformation of retail stores from traditional information display models to real-time, dynamic, and visualized information management systems, providing technological support for building a safer, more transparent, and trustworthy consumer environment. Furthermore, as a member of CGF’s “End-to-End (E2E) Value Chain” Steering Committee, Hanshow continues to participate in global digital collaboration and innovation across the retail value chain, working alongside international enterprises such as Walmart, Ahold Delhaize, Procter & Gamble, and Microsoft to advance the integrated application of data-driven solutions and green, low-carbon technologies, helping the industry improve operational efficiency and accelerate its transition toward sustainable development.

Intellectual Property and Patent Protection

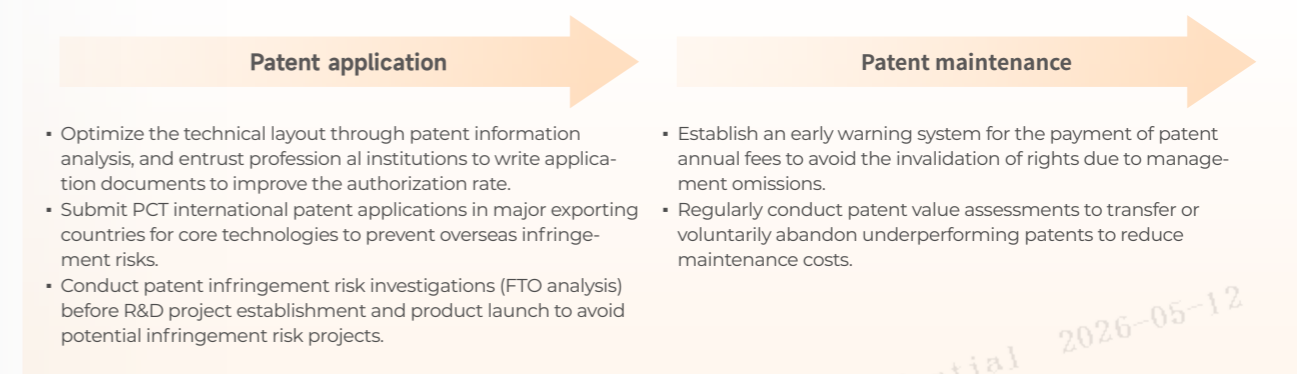
Intellectual property is the strategic cornerstone and core asset for the Company’s continuous innovation. We have consistently incorporated intellectual property management into the key scope of corporate governance and fully respect the intellectual property rights of third parties. Through regular training and awareness programs, we ensure that all employees develop a systematic understanding of relevant laws and regulations regarding intellectual property and strictly comply with compliance requirements in business operations. Meanwhile, the Company rigorously fulfills intellectual property usage restrictions stipulated in contracts with third parties, resolutely preventing any unauthorized use or disclosure to safeguard the Company’s reputation and partnerships.

At the corporate management level, we continuously operate and optimize a comprehensive intellectual property management system framework, encompassing key documents such as the *Intellectual Property Management Policy* and the *Incentive Measures for Service Invention Patent Application*. Based on this framework, we systematically carry out patent applications, maintenance, and full-lifecycle management. The Company signs confidentiality agreements and non-competition clauses with employees, and requires suppliers to sign intellectual property protection agreements, thereby establishing multiple layers of risk protection covering internal R&D as well as external collaboration, effectively preventing the risk of technology leakage.

In 2025, the Company further strengthened its strategic patent portfolio, focusing on core technology areas to ensure long-term value and compliance. High-quality patents have become a key technological foundation for enhancing product performance, optimizing efficiency, and improving security. By the end of 2025, the Company had added 201 new patents, bringing the total number of valid patents to 602. This formed a comprehensive patent portfolio covering major business areas and key technological directions, providing solid support for the Company’s international expansion and sustainable operations.

As of the end of the reporting period, the Company had accumulated a total of 830 intellectual property rights, representing a 51.46% year-on-year increase, covering various categories such as patents, software copyrights, and registered trademarks, comprehensively establishing a robust intellectual property protection system. In particular, trademark portfolio has been continuously strengthened, with a cumulative total of 182 trademark registrations granted, effectively supporting global brand recognition, reinforcing commercial reputation, and laying a solid foundation for the Company’s global expansion.

Indicator	Unit	2025
Number of granted patents per million RMB of revenue	Number	0.14
Number of registered software copyrights per million RMB of revenue	Number	0.01



As a core component of the Company’s brand assets, trademarks have always been prioritized within the intellectual property protection system. The Company continuously improves its Trademark Management Policy, systematically defining management objectives, division of responsibilities, and operational strategies, and strictly regulating all stages including application, registration, use, and authorization of trademarks, to ensure comprehensive and effective protection throughout the entire trademark lifecycle. To strengthen brand image and commercial reputation, the Company has registered the “Hanshow” trademark for core products such as Electronic Shelf Labels (ESLs) under Class 9 of the International Classification of Goods and Services.

Participation in Industry Standard Development

The Company continues to actively participate in the research and development of industry standards, actively contributing Hanshow's technological practices and industry insights. In 2025, the Company continued to integrate into China's and global industry governance systems. On one hand, it maintained an active role in the Bluetooth Special Interest Group (Bluetooth SIG) for low-power Bluetooth Electronic Shelf Labels, continuously advancing the optimization and revision of the BLE ESL standard. On the other hand, it actively participated in the initiation of the industry Standard for Electronic Shelf Labels led by the Standards and Regulations Department of the China General Chamber of Commerce and the Shanghai Yangtze River Delta E-Paper Industry Technology Promotion Center. Meanwhile, as a member of The Consumer Goods Forum (CGF), the Company actively engaged in digital collaboration and standardization dialogues within the global consumer goods industry, promoting the formation of industry consensus.

Science and Technology Ethics Management

The sustainable advancement of technological innovation relies on a steadfast commitment to ethical responsibility. With the rapid development of generative artificial intelligence, the Company places high importance on core issues such as safety, fairness, and privacy in the AI domain, consistently upholding the principle of accountability to users throughout the entire process of product design, development, and deployment, and is committed to advancing responsible and trustworthy artificial intelligence.

In terms of AI product compliance, the Company strictly adheres to applicable data protection laws in each country/region of operation (including the EU GDPR, etc.). It implements differentiated privacy protection measures across various computing architectures and rigorously enforces data minimization and automated periodic erasure mechanisms, thereby building a GDPR-compliant privacy protection framework while unlocking AI computing power.

- **Edge computing** (e.g., smart shopping carts, robots): The Company adopts edge computing technology to process data locally in real time. Algorithms focus on "shopping behavior, products, and shelves," and dynamic data desensitization of passersby through real-time blurring techniques, uploading only structured business data to prevent privacy leakage at the source.
- **Cloud computing** (e.g., intelligent cameras): The Company implements a "secure transmission channel" strategy: end-to-end SSL/TLS encryption is adopted to prevent data interception during transmission; meanwhile, a cloud-based "privacy cleansing zone" is established. Upon arrival at the cloud server, images automatically undergo anonymization through human facial anonymization and blurring algorithms. Data is de-identified before storage or analysis, ensuring that only sanitized shelf data is retained in the database, with no original images containing human features ever preserved.

The Company continues to improve its technology ethics governance system and has established an internal management system and an ethics review mechanism in accordance with relevant regulatory requirements. The Technology Ethics Committee, composed of technical leads, legal experts, and external ethics scholars, adopts a "three-tier review system" to enforce a rigorous decision-making process for significant ethical issues, with all resolutions documented and retained as required. At the R&D project initiation stage, the Company mandates integration of the Ethics Risk Assessment Form and implements a dual informed consent mechanism for research involving human data, ensuring projects comply with ethical standards from the outset. Meanwhile, the Company places strong emphasis on internal and external training and public education regarding technology ethics.

4.1.4 ENHANCING SERVICE QUALITY

Hanshow Technology has always believed that product delivery is the starting point of value creation. We are committed to dual-driven innovation in technology and service optimization, leveraging superior product quality, agile response mechanisms, sustainable development solutions, and professional technical support to help global retail customers achieve digital and low-carbon transition, jointly building an intelligent, low-carbon, and sustainable retail ecosystem.

Customer-Centric Principle

Hanshow Technology is committed to becoming the most trusted partner in the digital transformation journey of retail customers. We continue to uphold customer-centric philosophy, focusing not only on the delivery of technical solutions but also on creating service value throughout the full product lifecycle, systematically optimizing customer experience from solution design and deployment to ongoing operations and maintenance. To this end, we continuously improve our management framework including the *Customer Service Policy*, the *Customer Feedback Policy*, the *Customer Data Protection Policy*, the *Customer Satisfaction Evaluation Policy*, the *Complaint Handling Policy*, and the *Employee Training Policy*, to establish a comprehensive, multi-layered customer service assurance mechanism.

We deeply understand that the value of technology is ultimately realized through human practice. Hanshow Technology's technical service engineers provide on-site support to customer locations to deliver targeted training, ensuring that customer teams master safety protocols and key technical operations, thereby improving efficiency in issue response and resolution. The Company's headquarters houses a professional training center, where an in-house team of certified instructors develops systematic courses focused on technological updates and scenario-based applications, continuously enhancing customers' digital operation and maintenance capabilities through a blended online and offline approach.

Optimizing Customer Experience

As digital transformation in the retail industry continues to deepen, customers' demands for professionalism, scenario-specific solutions, and innovation in services are constantly rising. Hanshow Technology, grounded in the diverse characteristics of global retail formats, deeply integrates digital technologies with scenario-based services. Drawing on collaborative practices with domestic and international clients such as HARMAY, Rainbow sp@ce, Unide, and Glintt Global, Hanshow delivers customized service solutions for clients across various retail formats. It has established a comprehensive experience-upgrading framework covering the entire consumer journey and operational processes, enabling simultaneous advancement in operational efficiency, consumer experience, and sustainable value creation.



- We help benchmark enterprises like Pangdonglai practice the management philosophy of “enhancing happiness.” Hanshow Technology reduces employees’ burden of repetitive tasks through digital tools such as Electronic Shelf Labels (ESLs), freeing them from tedious manual label replacements and enabling them to focus more on customer interaction and value creation, allowing retail professionals to concentrate on delivering warm, human-centered service.
- We have integrated ESLs into HARMAY’s “warehouse culture, beauty without constraints” spatial philosophy, setting a new benchmark in beauty retail. Hanshow Technology’s ESLs, featuring a minimalist industrial design, become “part of the spatial aesthetics” and serve as “silent information hubs” that deliver multi-dimensional product information, reducing customers’ “inquiry anxiety.” Powered by the proprietary HiLPC wireless communication protocol, the system enables real-time responsiveness for frequent marketing activities, achieving the dual goals of enhanced operational efficiency and improved marketing conversion, while seamlessly aligning with HARMAY’s brand identity.
- In response to the “Healthy China 2030” strategy, we partnered with Rainbow sp@ce 3.0 Supermarket and its subsidiary Lingzhi Digital Technology to create a new paradigm in health retail. By leveraging ESLs, intelligent marketing displays, and an IoT management platform, we have built a fully integrated digital closed-loop system that enables product traceability and accurate communication of product benefits. The carbon footprint calculation capability of the ESLs further supports Rainbow’s green store initiative. This solution was successfully selected as one of the “2025 CCFA China Retail Digitalization and New Technology Application Innovation Cases,” increasing customer dwell time by 7 to 9 minutes and driving the realization of healthy consumption from concept to reality.



Enhancing the Global After-Sales Service Network

Hanshow Technology has always been committed to creating differentiated value for customers during the solution design phase. We also deeply recognize that true value delivery does not end with product launch—sustained, reliable, and efficient after-sales service is the foundation of long-term customer trust. Upholding a global customer service philosophy, Hanshow Technology continues to optimize and upgrade its after-sales service system, guided by the service principles of “timely response, efficient resolution, high-quality service, and customer confidence,” further refining its after-sales service management mechanisms.

During the reporting period, building upon existing systems such as the *After-Sales Return and Exchange Management Policy* and the *Customer Feedback and Complaint Management Procedures*, the Company systematically reviewed and standardized its after-sales service processes. It clarified the scope of products and services, refined job responsibilities, strengthened cross-regional collaboration mechanisms, and continuously improved system operation rules, thereby advancing the standardization, digitization, and global coordination of after-sales service capabilities.

Meanwhile, the Company has continued to strengthen the development of its global after-sales service network, completing the establishment of nine global repair centers and a three-tier service structure. This has enabled the creation of an efficient service network covering over 50,000 stores and capable of handling millions of devices per month, achieving a service framework characterized by “global coverage, local response, tiered processing, rapid delivery, and environmental sustainability.” In 2025, the Company established a new RMA service center in Romania for the European region and completed optimization and capability enhancement of service sites in the Netherlands, France, the United States, Mexico, Japan, Vietnam, and Australia. Through localized product inspection, repair, and return and exchange processes, the Company has effectively shortened service cycles and improved issue resolution efficiency, delivering convenient and efficient localized technical support and service assurance to customers worldwide.

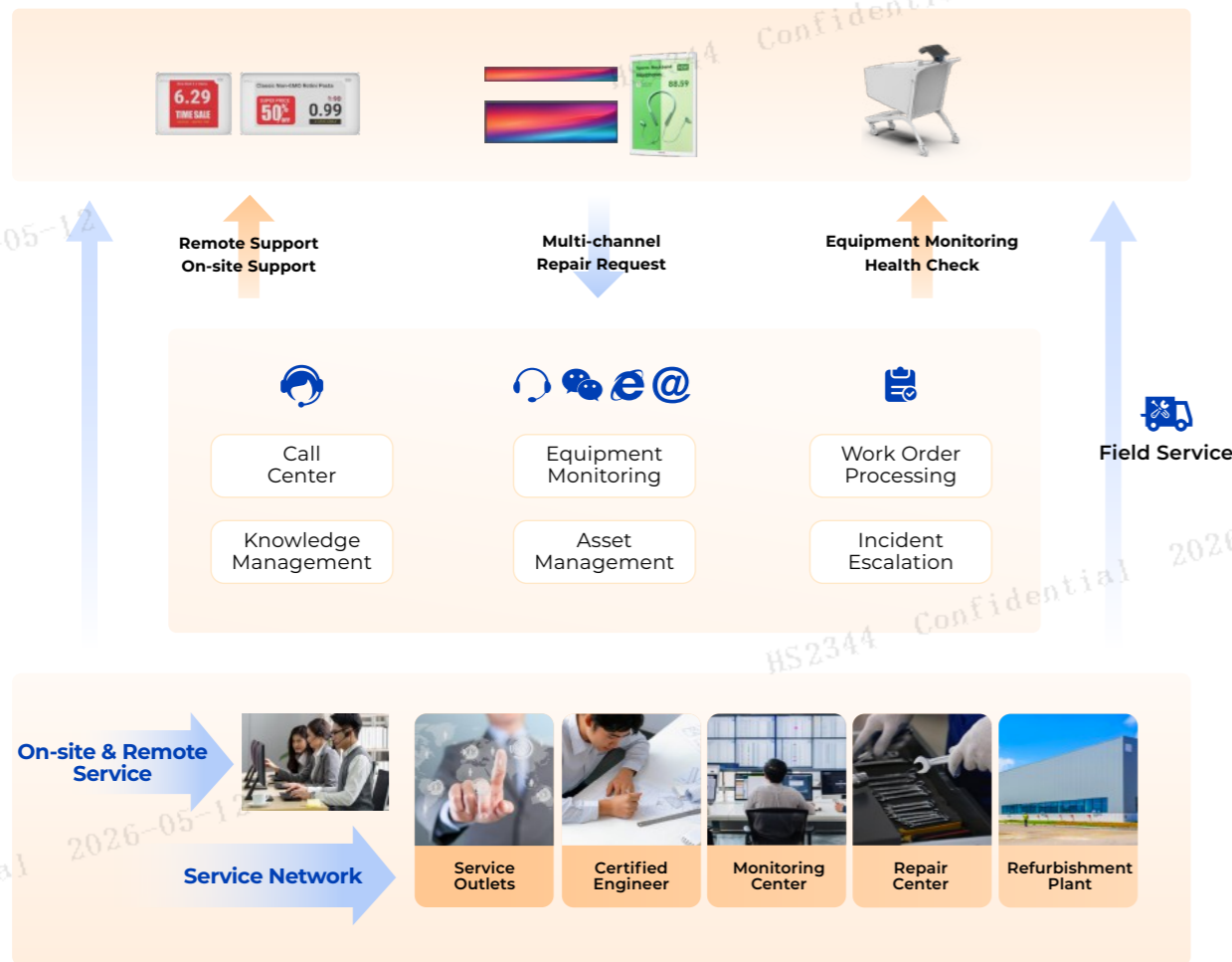
In terms of service capability development, the Company has built an efficient, proactive, and reliable one-stop service ecosystem centered on “intelligent monitoring, multi-channel access, and service network.” It has established multi-channel service entry points via phone, email, WeChat, and the official website, supported by a 7×24-hour multilingual call center offering services in Chinese, English, German, French, Japanese, and other languages. Integrated with a globally unified work order system, it enables centralized dispatching and tiered resolution of after-sales issues, delivering a more stable and convenient end-to-end service support across the product lifecycle. The Company’s in-house engineering team handles over 15,000 service tickets annually, with an average ticket resolution time of six hours, a service level agreement (SLA) achievement score of 98.7%, and a five-star customer satisfaction score of 97%. On the technical support side, leveraging the Hanshow monitoring system, the Company captures real-time equipment operating status via API, providing 7×24-hour continuous monitoring and early warnings. This enables proactive identification of anomalies such as service downtime, failed updates, and data errors, facilitating a shift from reactive repairs to proactive prevention.

Centered on the full lifecycle operation and maintenance of ESLs, the Company has established four core service systems: rapid response and repair, proactive preventive monitoring, round-the-clock professional support, and efficient closed-loop handling. These include store-level on-site maintenance with average repair time within 2 hours—significantly surpassing the industry average of 8 hours; monthly system inspections and operational health checks; a 7×24-hour expert hotline; and on-site pickup and delivery services with full-process visualized repair management, supported by a priority spare parts distribution mechanism to further reduce fault resolution cycles. Leveraging this comprehensive service framework, the Company achieves a system availability rate of ≥99.9% and a hotline connection rate of ≥99.9%, with fault repair speed exceeding the industry average by more than four times, minimizing operational disruptions and helping customers enhance operational efficiency.

In addition, the Company continues to refine its globally unified after-sales service management mechanism, establishing a comprehensive quality management process that covers issue identification, root cause analysis, closed-loop corrective actions, and continuous improvement. Through systematic quality traceability and cross-regional collaborative analysis mechanisms, Hanshow Technology consistently enhances the quality stability of its product solutions and the efficiency of service response, driving continuous optimization of quality management capabilities. By building a more efficient and reliable after-sales service management system, Hanshow Technology further improves customer experience and satisfaction, delivering more dependable product support and service assurance to retail customers worldwide.



After-Sales Service Support System



Strengthening Customer Communication

Smooth customer communication is a crucial foundation for safeguarding customer rights, resolving practical issues, and achieving value co-creation. Hanshow Technology always places customer needs first, establishing a seamless communication platform through diverse channels such as the official website, email, and face-to-face meetings, adopting an open, transparent, professional, and courteous approach. We have also established a comprehensive customer complaint handling mechanism covering the entire process of receipt, analysis, response, resolution, and feedback, following the principles of “rapid response, thorough investigation of every complaint, timely reply, and corrective and preventive actions,” ensuring efficient and closed-loop processing of customer concerns. Meanwhile, we continuously optimize our communication management system, systematically collecting and analyzing customer feedback to drive iterative improvements in products and services.

We continue to deepen customer satisfaction management, strictly adhering to GB/T19038-2009 Guidelines for Customer Satisfaction Measurement Models and Methods, GB/T19039-2009 General Principles for Customer Satisfaction Measurement, and the ISO 10001-10004 series standards. We have optimized the satisfaction survey questionnaire and expanded the survey scope to cover customers across different regions and business sectors worldwide. The 2025 Global Customer Satisfaction Survey is conducted across six core dimensions: product satisfaction, brand image, ESG initiatives, after-sales service, future collaboration, and overall satisfaction.

In 2025, we further deepened our global customer communication network by establishing strategic partnerships with leading retailers in regions such as Europe and the Asia-Pacific. Through the collaboration between localized service teams and headquarters-based technical support, we ensured consistent service delivery across time zones and cultural contexts.

In the European market, we have formed a strategic partnership with Unide, Spain’s oldest food retail cooperative, leveraging ESL cloud systems and Shop & Roll accessories to support its “Plan Unide 2.0” store modernization strategy, enabling centralized price and promotion management, enhancing price transparency and consumer trust. Our strategic collaboration with Glintt Life spans over 12,000 pharmacies across Spain, driving efficiency improvements, creating new revenue streams, and fostering closer patient relationships through digital labeling, in-store media, and digital innovation at the point of sale.

In the Asia-Pacific market, we have created the world’s first Gen-AI-powered “Store of Tomorrow” for Singapore’s FairPrice Group, enabling dynamic, real-time price updates through ESLs with support for multiple daily price adjustments. In the wine tasting area, detailed tasting notes and pairing recommendations are displayed, while the baby care and electronics zones feature QR code interactions for “touch-to-buy, experience-to-buy” functionality. Targeted promotions and digital coupon downloads are delivered via Lumina displays, setting a new global benchmark for retail digitalization.

Enhancing Product Accessibility

Hanshow Technology adheres to the principle of “technology for good,” consistently paying attention to the consumption needs of underserved groups, committed to breaking down technological barriers and improving product accessibility of products and services, ensuring that technological advancements benefit every consumer and demonstrating corporate social responsibility and human-centered care. By considering the usage characteristics of special groups such as the elderly and visually impaired, we continuously optimize product design and service models, providing customized solutions to promote more inclusive and equitable service development.

For people with visual impairments, we continue to optimize the display performance of ESLs by introducing high-resolution and multi-color electronic paper displays to enhance the readability of product information. We are also exploring the compatibility of ESLs with assistive devices, further improving the convenience for visually impaired individuals to access product details, thus achieving an optimal balance between technological innovation and human-centered care. For the elderly, we have fully considered their usage habits by refining the operational logic of ESLs and simplifying procedures. Through real-time price updates and clear, user-friendly display interfaces, we reduce the difficulty for elderly consumers to obtain product information. Meanwhile, in selected partner stores, we are rolling out voice assistant features to help elderly shoppers quickly query product details and navigate for items, making shopping more convenient and reassuring for them.

We continue to focus on the needs of underserved groups in emerging markets, optimizing our products and services according to local market characteristics to ensure that all individuals can equally benefit from the convenience of technology. Through concrete actions, we uphold the principle of technology serving everyone, and remain committed to creating a more inclusive and sustainable future.



4.1.5 INFORMATION SECURITY AND CUSTOMER PRIVACY PROTECTION

Against the backdrop of deepening digitalization and increasingly stringent global regulations, information security has evolved from a technical safeguard to a strategic cornerstone for sustainable development. Hanshow Technology deeply recognizes that safeguarding customer data security and privacy rights is not only a compliance imperative but also a core competitive advantage in building digital trust and empowering global business partners. We are committed to establishing a secure, reliable, and responsible digital ecosystem through a systematic governance framework, proactive technical protection, and a security culture involving all employees, thereby building a robust security foundation for the digital transformation our global retail customers.

Information Security

Hanshow Technology, as a global leading provider of digital store solutions, consistently integrates information security and customer privacy protection into the entire business process. Combining regulatory requirements from different regions, customer business needs, and its own data security management experience, Hanshow implements strict data classification and tiered management adheres to the core principles of confidentiality, integrity, and availability, ensures customer data protection meets industry-leading standards, and fully safeguards customers' legitimate rights and interests.

Information Security Management Framework

We continuously improved the *Information Security Organization and Personnel Security Management Regulations* and the *Information Security Management Manual*, covering all activities related to confidentiality management and information security, and clearly defining the organizational structures, roles, responsibilities, and authorities of all departments. Building on the ISO/IEC 27001:2022 information security management system certification obtained in 2024, in 2025 we further advanced the routine operation and in-depth optimization of the system, fully integrating international standard requirements into daily operations to ensure that the information security management system aligned with business development.

Information Security Management System

Based on the ISO 20000-1:2018 certification for Information Technology Service Management Systems, the Company has established a standardized management system to ensure stable, efficient, and reliable service support for global retail customers. In terms of organizational assurance, Hanshow has built a three-tier information security management structure, consisting of the Information Security Committee and Privacy Protection Committee (decision-making level), the Information Security and Privacy Protection Leading Group (executive leadership level), and execution teams from respective departments, with clear responsibilities and well-defined authorities. The security team continuously implements a monthly review and analysis mechanism. The Company organizes annual security incident drills and reviews SOC 2 reports to continuously improve its security management level. Following an independent third-party audit, Hanshow Technology has successfully passed the SOC 2 audit for 2025, with no non-conformities or exceptions identified during the audit process, resulting in a clean audit opinion confirming the effectiveness of the overall control environment. Leveraging the high availability and fault tolerance features of the Azure platform, we ensure rapid recovery of data and services in the event of hardware failures or network outages through load balancing, automatic failover, and geo-redundant storage. Critical data is regularly backed up and stored in geographically separated locations. Data encryption technologies are applied to protect customer information both at rest and in transit, and strict access control mechanisms ensure that only authorized personnel can access sensitive data.

Information Security Risk Identification and Response

We have established a comprehensive information security risk assessment system covering risk identification, analysis, evaluation, management, and continuous monitoring. The Risk Management Control Procedure defines requirements such as risk scenario identification, risk level classification and assessment, and risk treatment planning. The security team conducts annual information security assessments, designs control activities based on risk scenarios, and establishes a risk control matrix. The Company has implemented a security incident response mechanism, classifying incidents into four levels—particularly significant, major, large, and general—according to their potential impact. The security team monitors through internal and external channels for any incidents that may threaten system security, business security, and customer data security. Upon occurrence of a security incident, the security team collaborates with business departments to activate emergency plans; particularly significant and major incidents are reported to management and, when necessary, communicated externally in a coordinated manner. In 2025, we continued to conduct security incident drills to further enhance risk awareness and emergency response capabilities, ensuring the continuous strengthening of our security defenses.

In 2025, Hanshow Technology did not receive any complaints regarding information security incidents or loss of customer privacy data.

Information Security Awareness Training

We attach great importance to cultivating employees' awareness of information security, continuously optimizing a comprehensive and targeted training system. In alignment with the business development and security management needs of 2025, we have updated training courses, including *Hanshow Employee Information Security Awareness Training*, the *Security Certification Training*, and the *Hanshow New Employee Information Security Awareness Training*, ensuring that employees in different positions acquire security knowledge and skills commensurate with their responsibilities.

Relying on the online training platform, we offer a wide range of professional video courses to achieve an efficient closed-loop management of training promotion, tracking, and evaluation, continuously strengthening employees' awareness of information security and fortifying the security of corporate information assets.

In 2025, 815 employees participated in the organization-wide information security awareness training, with 793 passing the assessment test, achieving a pass rate of 98%; 69 employees participated in secure software development training.



Information Security Awareness Training	Unit	2025
Number of information security awareness training sessions conducted	Number	1
Total hours of information security awareness training	Hours	611.25
Number of employees that participated in information security awareness training	Employees	815
Coverage rate for information security awareness training	%	81.09
Number of information security incidents	Number	0

Privacy Protection

As a global leader in digital store solutions, Hanshow Technology always regards customer privacy protection as a core element of exceptional service and high-quality experiences. With a global business footprint, we implement strict data classification and tiered management of data assets by integrating privacy protection regulatory requirements in each operational region, business needs, and our own data security management expertise. This ensures that all data processing activities are compliant and lawful, comprehensively safeguarding the privacy and security of customers and stakeholders.

The Company continues to improve its *Information Security Policy*, clearly requiring all departments, employees, and third-party partners to strictly comply with laws and regulations, and fully protect customer and stakeholder data privacy. We have designed a series of data privacy protection procedures and rules, and established a regular review mechanism to monitor the status of data security. In accordance with the *Service Agreement* and the *Privacy Policy*, we clearly and accurately communicate data protection policies, protective measures, and data retention periods to customers, ensuring transparency and compliance. In 2025, the Company obtained the ISO/IEC 27701:2025 certification for Privacy Information Management System, marking that Hanshow Technology's capabilities in privacy protection aligned with international best practices in terms of organizational governance, process design, and compliance response, enabling more systematic and rigorous protection for the personal information security of global customers and consumers. In data privacy protection practices, the Company strictly follows the data minimization principle, collecting and processing only data essential for business operations. Whether for real-time processing at the endpoint or cloud storage, data minimization and regular erasure mechanisms are enforced to minimize privacy risks to the greatest extent possible.



Case: A Multi-layered Data Security Protection System for the SaaS Cloud Platform

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Global Cross-Border Data Compliance Program

Hanshow Technology regards data security and privacy compliance as the lifeline of sustainable development. We are continuously advancing our global data cross-border compliance consulting projects to comprehensively ensure data security and privacy compliance across all business scenarios in different countries. For overseas employees, we have established a robust compliance management framework and privacy policy for cross-border personal information transfers, covering the full employee lifecycle from candidates to employees, ensuring that processing procedures strictly adhere to local regulations and safeguard employees' right to be informed and their privacy rights. Similarly, we have built a compliant cross-border transfer system for contact information of overseas and China-based suppliers and customers, providing strong data security protection for our partners.

We have clarified our responsibilities as a data processor, actively fulfilling our notification obligations, ensuring that all stakeholders clearly understand the data processing procedures and purposes. The Company has established a dedicated organizational structure for data security and privacy protection, appointing Data Protection Officers (DPOs) in overseas operations to oversee privacy compliance activities, formulate and implement privacy compliance strategies, and supervise the effective execution of various protective measures. We have established a clear mechanism and process for responding to individual data subject rights, which are formally communicated to data subjects to enhance trust. Additionally, a comprehensive personal data security incident management framework defines incident response methods, procedures, and responsibilities for each role, ensuring swift and orderly responses when incidents occur, thereby minimizing impact to the greatest extent possible.

In terms of internal enterprise management, Hanshow has established relevant standards and procedures for personal information protection impact assessments as a key system for managing risks associated with privacy data processing, enabling timely identification and resolution of potential risks through regular evaluations. We have implemented a unified account permission application process, clearly defining the mechanisms for system permission allocation and management, ensuring that employee access rights are aligned with their job responsibilities, and promptly updating permissions following role changes to prevent data leakage risks caused by inappropriate access. At the same time, we have established a data retention management mechanism for payroll-related personal data of former employees, as well as personal information of suppliers and customers within systems, ensuring secure storage of personal data in relevant business systems and maintaining the confidentiality and integrity of personal data even after employee departure or termination of business relationships.

In 2025, the Company's information security management measures proved highly effective, with no complaints regarding information security incidents or loss of customer privacy data.

DATA SECURITY



4.2. EMPOWERING EMPLOYEES: A WORKPLACE OF DIVERSITY, EQUITY, AND INCLUSION

Talent is the core driver of technological innovation and sustainable development. We are committed to creating a fair, respectful, diverse, and inclusive work environment for our global employees, enabling each individual to achieve personal growth in a safe and healthy setting. In 2025, the Company continued to optimize its human resource management system, systematically advancing employee empowerment initiatives across five dimensions: talent attraction and retention, development support, diversity and inclusion, occupational health and safety, and well-being. We continue to improve the full-cycle talent management mechanism covering recruitment, deployment, development, and retention. Adhering to the integration of global unified principles with localized practices, we ensure effective implementation of policies across all global operations, continuously strengthening organizational resilience and cultural cohesion.

4.2.1 TALENT ATTRACTION

Compliant Employment

Hanshow attaches great importance to the compliance, fairness and transparency of employment practices, adhering to the employment principles of “voluntariness, fairness, and legality.” The company strictly complies with labor rights-related laws and regulations in countries where it operates, fully observing China’s Labor Law, Regulations on the Prohibition of Child Labor, relevant EU directives, and laws in regions such as the United States, Japan, and Australia. Hanshow also adopts the highest internationally recognized standards as the non-negotiable standards for its global supply chain and internal operations. It has established the Hanshow Employee Handbook and the Recruitment Management System as unified guidelines for global recruitment activities under Hanshow Technology, clearly defining recruitment procedures and hiring criteria to ensure standardized hiring processes.

In addition, the Company proactively benchmarks against the International Labour Organization (ILO) core standards and the United Nations’ Guiding Principles on Business and Human Rights, formulating and implementing the *Business and Human Rights Policy* company-wide. Prohibiting child labor and forced labor is established as an inviolable bottom line, fully integrated into the Company’s internal management processes and supplier conduct guidelines. Through a standardized employee onboarding document verification process, the Company focuses on verifying employees’ age and identity to eliminate child labor risks at the source. A transparent management mechanism spanning the entire employment lifecycle—onboarding, ongoing employment, and offboarding—is established to ensure the voluntary and safe nature of employees’ work, thereby strengthening compliance in employment practices.

In 2025, the Company did not have any violations related to child labor or forced labor worldwide.

Indicator	Unit	2025
Number of child and forced labor incidents	Number of incidents	0

Talent Attraction

In 2025, the Company experienced rapid business growth, leading to a significant increase in demand for various types of talent. By formulating a detailed annual recruitment plan, optimizing recruitment processes, and expanding recruitment channels, the Company ensured that hiring activities were precisely aligned with its needs. In 2025, Hanshow successfully recruited and onboarded 215 full-time employees, achieving an annual new employee hiring rate of 21.39%. This outcome effectively met the staffing requirements across all departments, providing solid talent support for project advancement and business growth.

As of the end of 2025, the Company had a total of 1,005 full-time employees, forming a stable talent pipeline primarily composed of young and middle career professionals. Meanwhile, we have established a corporate talent pool to systematically categorize and regularly follow up on potential candidates. By organizing talent exchange events and conducting talent assessments, we proactively identify and secure outstanding talents to support the Company’s future development.

Indicator	Unit	2025
Total number of employees	Employees	1,005
Number of new employees hired	Employees	215
New employee onboarding rate	%	21.39



4.2.2 EMPLOYEE EMPOWERMENT

The Company, based on the *Hanshow Employee Handbook* and the *Recruitment Management System*, has established an employee development system that covers the entire career cycle of employees and balances global commonalities with regional characteristics. Through clear promotion pathways, systematic training and capability development, and robust incentive and performance evaluation mechanisms, the Company supports employees in enhancing both professional competencies and overall capabilities, cultivating core talent for sustainable development.



Development and Incentives

The Company's currently issued *Hanshow Technology Position Management System* clearly defines the job levels, responsibilities, and qualification standards for each position series, establishing an objective and fair foundation for talent selection and promotion at the institutional level, ensuring promotion decisions are transparent and evidence-based.

Regarding performance evaluation, the Company implements a quarterly performance management system, fully integrating regular assessments into employees' daily management and long-term development planning, thereby standardizing and strengthening the evaluation process. To enhance the relevance and effectiveness of evaluations, the Company has introduced a performance goal management tool to assist employees in breaking down performance objectives and promoting their effective implementation. Meanwhile, the Company has comprehensively revised its performance indicators and evaluation criteria, making the assessment system more scientific, rational, and fair. By closely aligning corporate strategic goals with individual work plans, the system effectively guides employee behavior to remain consistent with the Company's development direction.

The Company closely integrates employee performance appraisal results with capability assessments as the core basis for promotion decisions, ensuring that the entire promotion selection process focuses on job performance, professional competence, and development potential. By introducing performance goal management tools, the Company assists employees in breaking down and implementing performance targets, guiding them to clarify work directions and enhance work efficiency, thus truly achieving the principle of "promoting the capable and advancing the outstanding." A total of 70 employees were promoted in 2025, and the Company plans to hold an awards ceremony in 2026, establishing multiple awards including Gold Medal Manager, Gold Medal Employee, Gold Medal Newcomer, Gold Medal Mentor, and the General Manager's Special Award, to collectively recognize and incentivize outstanding employees, thereby enhancing employee engagement and motivation. To ensure fairness, impartiality, and transparency of the mechanism, the relevant assessment procedures and evaluation criteria have been clearly incorporated into the *Employee Handbook* and fully disclosed to all employees, enabling each employee to clearly understand the promotion rules and assessment requirements. Meanwhile, the Company continues to strengthen the implementation of performance feedback and performance review meetings, requiring managers at all levels to conduct one-on-one in-depth performance discussions with their subordinates to comprehensively review their performance during the period, accurately identify individual strengths, clarify areas for capability improvement, and jointly outline subsequent development paths, effectively supporting employee growth through regular feedback.



Training and Empowerment

The Company continues to optimize its training system by focusing on employees' different development stages and job requirements, establishing a multidimensional training content system that includes onboarding training for new employees, professional skills training, and management capability development. Meanwhile, we are actively advancing the upgrade of our digital learning platform, expanding high-quality online course resources across various fields such as cutting-edge technologies, management concepts, and communication skills. We are committed to creating a flexible training environment that meets diverse employee needs and supports learning anytime and anywhere, comprehensively covering all employee groups and supporting them in enhancing their overall competencies and job proficiency, thereby building talent capacity for the Company's sustainable development. In 2025, the Company organized a total of 53 training sessions, achieving a training coverage rate of 90.55%. A total of 910 employees participated in the training, accumulating 9,168.64 training hours, with a total training expenditure of RMB 430,000, effectively ensuring the smooth progress and practical implementation of training initiatives.

Throughout the training implementation process, the Company adheres to the principle of a tailored training approach, establishing a tiered and categorized training delivery system based on the developmental needs of employees at different levels and from different groups, ensuring precise allocation and efficient utilization of training resources. In particular, the training coverage rate for employees at the manager level and above reached as high as 99.40%. Meanwhile, the Company fully considers the training needs of frontline employees and employees of different genders, striving to ensure equitable access to training opportunities and enhancing overall employee capabilities. To ensure the accuracy and effectiveness of training initiatives, we have focused on building and refining a structured training evaluation system. This includes comprehensive assessments of training effectiveness through post-training questionnaires, comparative analyses linked to performance outcomes, and long-term follow-ups with participants. We systematically collect and analyze employee feedback, using these insights to continuously optimize and dynamically adjust training content and instructional methods.

In terms of training content, the Company focused on strengthening employees' professional skill development, organizing a total of 25 skill training sessions throughout the year, attracting 640 participants, effectively enhancing employees' job performance capabilities and providing solid talent support for the high-quality business growth. On the other hand, the Company deepened the protection of employee rights and the promotion of sustainable development concepts by actively conducting specialized training on anti-discrimination and harassment, as well as ESG-related programs. Among these, the ESG-specific training reached 61 participants, promoting the deep integration of ESG principles into employees' daily work and demonstrating the Company's commitment to corporate social responsibility.

Indicator Name	Unit	2025
Employees trained	Employees	910
Employee coverage rate for training	%	90.55
Total employee training hours	hours	9,168.64
Number of participants in ESG-related training	Participants	61

Research

TRAINING

4.2.3 DIVERSITY, EQUITY AND INCLUSION (DEI)

Hanshow Technology regards diversity, equity, and inclusion as core drivers of organizational development and a key foundation of social responsibility. We are committed to providing equal opportunities for all employees across all employment stages—including recruitment, promotion, compensation, training, and development—and strictly prohibit any form of discrimination based on gender, race, ethnicity, age, religion, sexual orientation, or disability. We continuously strive to foster a fair, respectful, and inclusive global workplace environment.

Establishing a Globally Consistent Equal Employment Framework

The Company has established unified recruitment standards and procedures through the Hanshow Employee Handbook and the Recruitment Management System, explicitly prohibiting employment discrimination and ensuring compliance, fairness, and transparency in the recruitment process. As a globally operating enterprise, Hanshow fully respects the legal environments, market characteristics, and cultural practices of each local jurisdiction, promoting effective alignment between headquarters' policies and local implementation. Hanshow Japan has formulated and publicly implemented the Hanshow Japan Employment Regulations, while Hanshow UK Co., Ltd. implements the Equality and Diversity Policy and the Background Check Policy, ensuring global consistency while achieving local adaptation, and guaranteeing that all policies are lawful, compliant, and enforceable across different jurisdictions.

Continuously Advancing Gender Equality and Women's Empowerment

The Company continues to focus on the career development and well-being of its female employees across its global operations and addressing the specific needs of different regions by implementing diverse support initiatives to help female employees achieve professional growth and work-life balance.

We have established clear gender equality policies in our Employee Handbook, supported by a robust implementation mechanism to ensure that all employees, regardless of gender, enjoy equal opportunities for career development—covering fair promotion pathways, systematic training programs, and diverse career growth trajectories. In 2025, the Company implemented standardized job placement and evaluation criteria for all entry-level recruitment positions, further narrowing gender pay gaps and strengthening the foundation of internal pay equity. In terms of benefits, Hanshow Technology provides diversified support for female employees, including maternity leave allowances, parental leave, free gym access, paid holidays and gifts for International Women's Day, among others. Meanwhile, the Company continues to enhance care initiatives for female employees by improving access to feminine hygiene products and supporting the establishment of dedicated lactation rooms. Nursing rooms have already been equipped in office buildings in Beijing, Shanghai, and Shenzhen, effectively meeting the practical needs of nursing mothers. Globally, we are actively promoting more inclusive family-friendly policies. Hanshow Japan has responded to government initiatives by implementing a postnatal paternity leave policy, while Hanshow Netherlands B.V. has installed shared sanitary pad dispensers, offering thoughtful, detail-oriented care. Furthermore, as a signatory of the UN Women's Empowerment Principles (WEPs), Hanshow continues to engage in global gender equality initiatives. In 2025, the Company selected and dispatched two female employees to participate in the United Nations TGE Gender Equality Accelerator Program, both of whom successfully completed the program—demonstrating our commitment to developing female leadership.



▲ Shared Feminine Hygiene Product Dispenser — Hanshow Netherlands

Actively Fostering an Inclusive and Accessible Workplace

The Company adheres to the principles of "fairness, equity, and transparency," maintaining a zero-tolerance stance toward any form of racial, ethnic, or regional discrimination. It has established a formal anti-discrimination policy and released the Hanshow Technology Support Policy Handbook for Employees with Disabilities, which clearly defines support mechanisms for employees with disabilities in recruitment, job placement, and rights protection. Based on the *Hanshow Technology Business and Human Rights Policy*, we have established a regular, institutionalized supervision system across all departments and levels of the Company to conduct regular reviews of employee working conditions, ensuring that every employee can perform their duties and grow in an environment that is equal, respectful, inclusive, diverse, and free from discrimination. In 2025, the Company proactively recruited individuals with disabilities, hiring two new employees with disabilities, bringing the total number of employees with disabilities to nine, accounting for 0.90% of the total workforce. This demonstrates our concrete actions in fulfilling corporate social responsibility and continuously enhancing the contribution and development potential of employees with disabilities.

The Company is committed to integrating anti-discrimination principles into its corporate culture, enhancing employees' awareness of diversity, equality, and inclusion through regular training. From 2024 to 2025, Hanshow UK Co., Ltd. regularly shared the anti-discrimination training video titled *Building Respectful Workplaces: Comprehensive Harassment Awareness and Prevention Training* via WeChat Work, requiring all employees to complete the course to continuously strengthen awareness and prevention of harassment and discriminatory behaviors. In 2025, no discrimination incidents occurred within the Company.

Respecting Multiculturalism and Building an Inclusive Global Team

As an international enterprise with global operations, Hanshow Technology fully respects the cultural diversity of its employees and pays close attention to understanding the religious beliefs, festival customs, and cultural practices of staff from different countries. When organizing various team activities, the Company places special emphasis on details such as meal arrangements, fully taking into account diverse cultural and religious needs, and providing corresponding support and convenience to employees. Hanshow is committed to fostering a work environment where every employee feels respected and included.

Indicator	Unit	2025
Percentage of male employees	%	63.88
Percentage of female employees	%	36.12
Employees with disabilities	Numbers	9
Percentage of women in management positions (excluding the Board of Directors)	%	32.14
Employees under the age of 30	%	39.50
Employees aged between 30 and 50	%	57.71
Employees aged over 50	%	2.79
Number of male employees taking parental leave	Numbers	22
Number of female employees taking parental leave	Numbers	14

4.2.4 OCCUPATIONAL HEALTH AND SAFETY

Hanshow safeguards the health and safety of every employee, consistently adhering to the principle of “safety first, prevention-focused, comprehensive management”, and is committed to creating a safe, healthy, and secure working environment, comprehensively protecting the vital rights, physical health, and mental well-being of each employee.

The Company adopts the internationally recognized ISO 45001 occupational health and safety management system as a framework to implement unified and high-standard safety and health management practices globally. This system comprehensively covers the entire process, including risk identification, assessment, control, emergency response, and continuous improvement, and ensures its effectiveness and applicability through regular internal review mechanisms. At the same time, we have established a series of core management documents, including the *Management Manual on Quality, Environment and Occupational Health and Safety Management Systems*, which provides clear guidelines for the procedures, standards, and responsibilities of various safety and health activities, ensuring that management requirements are clearly communicated and effectively implemented. For overseas subsidiaries, the Company promotes localization of safety and health policies by integrating local legal requirements and operational realities. For instance, Hanshow Australia has issued and implemented the *Workplace Health & Safety (WHS) Policy*, while Hanshow UK Co., Ltd. has developed the *Sickness Absence and Medical Capability Policy* addressing employee sick leave and medical support, further refining the employee health support system.

The Company places great emphasis on safety and health training, establishing a systematic and routine training system. In 2025, it organized two employee health and safety training sessions, with a total participation of 206 participants. The training content focused on relevant standards and implementation procedures of quality, environmental, and occupational health and safety management systems, covering core topics such as risk identification and control methods, emergency response procedures, and workplace safety conduct guidelines. To meet the training needs of different employee groups, the Company implements tiered and categorized training programs. New employees receive standardized basic safety training upon onboarding to ensure they fully understand the Company's safety and health policies and related work procedures. After onboarding, the Company regularly conducts various safety and health training activities, including monthly workplace safety training, as well as fire and evacuation drills held twice a year, continuously strengthening employees' safety awareness and emergency response capabilities. In 2025, 65 employees from Hanxian Company participated in emergency drills. For production line workers, specialized safety operation training is conducted to ensure they properly apply various safety protection measures in daily operations, integrating safety and health awareness into every work process.

In 2025, the Company's total occupational health and safety investment amounted to RMB 211,294.25.



▲ ISO 45001 Occupational Health and Safety Management System Certification

Case Study: Workplace Safety Education and Training

The Company organized multiple specialized safety production training sessions in 2025, covering all employees.

The training program systematically outlines the fundamental concepts of workplace safety and legal requirements, providing an in-depth interpretation of the *Fire Control Law of the People's Republic of China*, the *Regulations on the Safety Management of Hazardous Chemicals*, and the fire safety responsibilities of organizations. At the operational level, it covers the working principles of four major systems: automatic fire alarm, automatic sprinkler fire suppression, fire hydrants, and smoke control and exhaust systems. It also includes the correct usage of fire extinguishers and fire hydrants, as well as safety management measures during construction, establishing a closed-loop management system from responsibility implementation and standardized operations to accident investigation and handling. Additionally, the training delivers ten key fire evacuation techniques and the implementation standards for the “Four Fire Safety Capacities”, enabling employees to master practical skills such as the “Ten Inspections and Ten Prohibitions” and the “Three Nearest” principle. It integrates the concept of standardized work into safety culture, clarifying its managerial value as a baseline for continuous improvement.



▲ Workplace Safety Training Photos

This training not only strengthened employees' safety awareness and emergency response capabilities, but also internalized workplace safety from a regulatory requirement into a shared behavioral commitment across the organization, laying a solid foundation for the Company's sustainable development.

Case: Fire Emergency Drill — “Workplace Safety Is Everyone's Responsibility”

In 2025, the Company organized two fire evacuation emergency drills for all employees of Hanshow Technology and Hanxian Company, held in April and September respectively. Each drill consisted of four phases: fire safety training, evacuation, fire extinguishing practice, and post-drill review and summary.

During the fire safety training session, the deputy commander delivered an explanation centered on the “Four Capabilities” (identifying and eliminating fire hazards, organizing initial fire suppression, organizing personnel evacuation and escape, and conducting fire safety education and training) and the “Three Understands and Three Can-Dos” (understanding basic fire safety knowledge, understanding the operation of fire protection equipment, and understanding evacuation and self-rescue techniques; being able to inspect and remove fire hazards, being able to extinguish initial fires, and being able to organize personnel evacuation). The deputy commander also clarified the daily fire prevention self-inspection requirements for employees before and after work, including checking for violations in the use of fire, electricity, oil, and gas; ensuring unobstructed evacuation routes and emergency exits; verifying that fire-fighting equipment and signage are in good condition; and confirming the absence of any potential fire hazards on the premises. During the evacuation drill, upon the alarm sounding, the main power supply was cut off, emergency lighting activated, and employees evacuated in an orderly manner via designated safe routes. Both drills achieved full evacuation within five minutes. In the practical fire extinguishing segment, on-site instruction covered fire extinguisher inspection procedures and the proper use of portable ABC dry powder fire extinguishers, followed by hands-on practice in which employees took turns using the extinguishers. During the post-drill review and summary, issues identified during the exercises were addressed, with a commitment to enhanced training to ensure employees correctly master fire extinguishing skills. The importance of drills was further emphasized, particularly the critical role of proper response in real fire emergencies.

The drill effectively enhanced employees' awareness of fire safety, firefighting skills, and emergency evacuation capabilities, while accumulating practical experience in emergency rescue operations.



▲ Fire Extinguisher Training Drill



▲ Fire Safety Training



▲ Hanshow Technology Fire Emergency Drill

In managing occupational health and safety negative incidents, the Company has consistently maintained a strict prevention and control posture, achieving the goal of zero safety accidents in 2025, with no work-related fatalities, injuries, or other safety incidents, effectively ensuring employee personal safety and stable business operations.

Indicator	Unit	2025
Percentage of operating sites certified under ISO 45001 or other labor or human rights standards	%	100
Workplace accident rate	%	0
Employee injury severity rate	%	0
Number of work-related injury cases	Number of Cases	0
Total number of employees with work-related fatalities or injuries	Number	0
Absence rate due to injury	%	0



4.2.5 EMPLOYEE WELL-BEING AND BENEFITS

Hanshow Technology always regards employees as the Company's most valuable asset, building a comprehensive employee well-being system around multiple dimensions such as compensation and benefits, collective care, and cultural development, balancing personal growth, family life, and social value realization, continuously enhancing employees' sense of belonging, happiness, and cohesion.

Comprehensive Benefits and Protection System



The Company, grounded in the needs of its global workforce, has established a multi-tiered, comprehensive benefits and protection network that addresses daily health, life convenience, and family care, effectively safeguarding employees' fundamental rights. In terms of health protection, the Company provides all employees with annual health check-ups and paid health check-up leave, while also providing supplementary medical insurance and business travel insurance to comprehensively cover employees' healthcare and travel safety needs, thereby building an all-around health protection system spanning daily life and business trips. In 2025, a total of 1,005 employees were covered by

work-related injury insurance and medical insurance, achieving full coverage of core health protections. Additionally, the Company offers one fully paid sick day every two months, fully supporting employees' rights to focus on their personal health. To precisely meet the protection needs of various employee groups, the Company provides formal employees with additional supplementary medical insurance, interns with accident injury insurance, and overseas business travelers with international insurance, establishing a seamless and comprehensive health protection network. On this foundation, the Company places strong emphasis on employees' holistic well-being and systematically offers both psychological and physical environmental support in selected office locations: on one hand, professional psychological counseling hotlines are provided through partner private medical insurance, with HR team members proactively guiding and encouraging employees to communicate and share their concerns, thus ensuring psychological well-being for employees under high work pressure; on the other hand, ergonomic equipment such as height-adjustable desks and chairs and laptop risers are provided to employees, with application procedures clearly communicated during onboarding training for new hires, proactively mitigating potential occupational health risks associated with prolonged sitting.

In terms of leave and well-being support, the Company strictly adheres to local statutory standards by providing employees with parental leave, fully respecting employees' family responsibilities. The Company routinely offers festival and birthday care, hosting 12 employee birthday events in 2025, and distributing care gifts during traditional festivals such as Mid-Autumn Festival, Dragon Boat Festival, and Spring Festival to convey corporate warmth. To meet the needs of employees in certain countries and regions, the Company provides benefits such as lunch and commuting allowances in accordance with local market practices, effectively reducing employees' living costs. Additionally, the Company offers complimentary fitness facilities and sports venues for badminton, basketball, and other activities, encouraging employees to exercise regularly and relieve work-related stress. These initiatives not only support employees in maintaining physical and mental well-being but also promote team interaction, fostering a positive and vibrant work environment.

Multifaceted Collective Care and Cultural Development

The Company emphasizes strengthening team cohesion and organizational belonging through diverse and inclusive group activities. In spring 2025, it successfully hosted the Global Running Festival, organizing on-site events in six countries and simultaneously opening an online participation channel. A total of 294 employees registered, with 285 completing the on-site run, achieving an overall participation rate 4% higher than the previous year, fully demonstrating employees' positive engagement in a healthy lifestyle.



The annual strategy and recognition conference was held in a hybrid format combining online and in-person participation, with 475 employees attending in person across major domestic offices. Colleagues from 16 overseas countries joined via live streaming, supported by simultaneous interpretation in English, French, and Japanese to ensure seamless global participation. Domestic employees unable to attend due to work commitments were also able to access the event in full through live streaming and on-demand playback. Such initiatives effectively bridge geographical barriers and demonstrate the Company's culture of connectivity and collaborative progress.



▲Employee Afternoon Tea

Meanwhile, the Company actively encourages employees to pursue personal interests and physical fitness by providing complimentary access to a gymnasium and sports facilities for badminton, basketball, and other activities. This support enables employees to develop hobbies and enrich their leisure time, further enhancing communication and interaction among colleagues and strengthening team cohesion.

Integration of Social Value and Extension of Employee Care



The Company creatively integrates employee well-being with social responsibility, guiding employees to participate in public welfare initiatives while caring for their needs, thereby achieving shared value between the enterprise and society. In 2025, the Company incorporated rural revitalization into daily operations by strategically sourcing agricultural products from rural revitalization programs as holiday benefits for employees, extending care to staff while directly empowering rural communities.

In addition, the Company actively encourages and organizes employees to engage deeply in community service, giving back to society through concrete actions. In June 2025, the Company's employee volunteer team visited Beijing Guang'ai School, providing migrant children with practical assistance such as school supplies and daily necessities, while conveying warmth and encouragement through interactive companionship. This initiative not only offered tangible support to vulnerable groups but also further strengthened employees' sense of social responsibility, demonstrating the Company's commitment to corporate citizenship.



▲2025 Guang'ai School Public Welfare Campaign

4.3. COLLABORATIVE INDUSTRY: RESPONSIBLE SUPPLY CHAIN

Hanshow Technology recognizes that a robust, responsible, and resilient supply chain is not only the foundation for business continuity but also a key driver of industry advancement and sustainable development. Moving beyond conventional business relationships, we work closely with suppliers and industry partners to create a green, efficient, and mutually beneficial ecosystem, thereby supporting digital transformation and long-term prosperity of the industry.

4.3.1 INDUSTRY COLLABORATION FOR SHARED SUCCESS

In response to the accelerating global shift in the retail industry toward digitalization, personalization, and sustainability, Hanshow Technology actively plays a leading role by collaborating with leading global enterprises and research institutions to explore new models for the future of retail. We are committed to delivering customized, full-scenario smart retail solutions through technology transfer, knowledge sharing, and joint innovation, helping partners enhance operational efficiency, improve customer experience, and achieve low-carbon development objectives.

Industry-University-Research Collaboration

Hanshow Technology actively collaborates with the world's top universities and research institutions, leveraging cutting-edge academic insights to support business innovation and explore new possibilities for the future of retail. In 2025, building upon its 2024 collaborations with the University of Bath and Zhejiang University, the Company launched three new university-enterprise cooperation projects, establishing strategic partnerships with leading institutions both in China and internationally—including the University of Cambridge, Ningbo University, and Ransit University—and advancing seven key innovation initiatives. We believe that through collaborative progress and innovation across the industry, we can contribute to long-term social development and move together toward a sustainable future. Through joint innovation projects and talent development programs, Hanshow not only injects cutting-edge academic wisdom and innovative vitality into the retail sector but also cultivates a pool of multidisciplinary talent equipped with both theoretical depth and practical expertise, supporting continuous industry development through technology.



Case: Establishing the "Zhejiang Provincial Postdoctoral Workstation" to Deepen Industry-Academia-Research Integrated Innovation

In 2025, Hanshow Technology was officially approved to establish the Zhejiang Provincial Postdoctoral Workstation, marking a key step forward in deepening the integration of industry, academia, research, and application. On December 23 of the same year, the postdoctoral workstation, jointly established by Hanshow and Ningbo University, was officially awarded. The project initiation review meeting unanimously approved the research project titled "Research on High-Precision Positioning Methods for Smart Retail Stores." Relying on the Company's solid technological foundation and global resources, this platform has established an innovation platform that integrates strategic alignment, cutting-edge exploration, and industrial empowerment, driving the activation of new quality productive forces through the integrated development of industry, academia, research, and application.



▲Hanshow Technology has been approved to establish the "Zhejiang Provincial Postdoctoral Workstation"

In terms of scientific research layout, the workstation collaborates with institutions such as the School of Information Science and Engineering at Ningbo University and other universities and research institutes, focusing on cutting-edge research topics including "real-time, high-precision indoor positioning and navigation for retail stores", "AI Agent-based automated store operations", and "immersive shopping experiences based on multimodal interaction". The collaboration continues to expand in fields such as new materials, next-generation information technology, and artificial intelligence, driving technology implementation through real business scenarios and establishing a full-chain value loop that connects theoretical research, technological R&D, and industrial application.

In talent cultivation, the workstation has innovatively introduced a dual-mentor system, where academic and industry mentors jointly guide postdoctoral researchers in conducting research on real-world industrial challenges. Leveraging the Company's comprehensive talent management system—covering recruitment, deployment, training, and retention—it establishes clear career development pathways for high-level talents, achieving deep alignment between talent growth and corporate strategy, and jointly shaping the future landscape of intelligent retail.

In the future, Hanshow will leverage its postdoctoral workstation as a strategic platform, collaborating with leading global intellectual resources. Through a series of initiatives—including targeted investment in funding and equipment, clear career development pathways, an open and shared R&D platform, and innovation mechanisms that incentivize commercialization—Hanshow will continuously build a sustainable scientific and technological innovation system. By promoting the integrated development of industry, academia, research, and application, Hanshow aims to activate new quality productive forces and empower the global retail industry to evolve toward greater intelligence and higher quality.

Case: Partnering with the University of Cambridge to Explore the Frontiers of Retail IoT Innovation

In 2025, Hanshow Technology signed a multi-year project cooperation agreement with the University of Cambridge to jointly conduct research on "Next-Generation Intelligent Integrated Wireless Technology", deeply exploring wireless technology deployment and modulation optimization, as well as its applications in real-time product tracking and inventory management, directly tackling the pain points of store management. This marks an important step for the Company in deepening industry-university-research collaboration, as well as in building a global innovation ecosystem.

Drawing on the University of Cambridge's deep expertise in fundamental wireless technology research, Hanshow combines its own technical expertise built over a decade in low-power wireless communication. The Company focuses on multi-protocol integrated innovation and takes a forward-looking approach to Ambient IoT (environmental IoT) technologies, driving the evolution of the IoT ecosystem from "connectivity-driven" to "sustainable operation". By integrating theoretical modeling, simulation testing, and experimental validation, the partnership will establish a closed-loop value chain linking fundamental research, technology development, and industrial applications. The cooperation outcomes will extend beyond retail to diverse scenarios such as smart offices and smart logistics.

This industry-university-research collaboration will help Hanshow expand the boundaries of IoT innovation, transforming cutting-edge research into intelligent system solutions and enhancing operational excellence in global retail. In the future, the Company will continue to partner with top global intellectual resources, activating new quality productive forces through the integrated development of industry, academia, research, and application, and empowering the global retail industry to evolve toward smarter and higher quality.



▲Hanshow Technology's Joint Project with the University of Cambridge

Case: Co-building a provincial key laboratory to tackle key technologies in optoelectronic materials



The Company continues to deepen its scientific research collaboration with top domestic universities. The "Provincial Key Laboratory of Optoelectronic Functional Materials and Devices", jointly established with Hangzhou International Science and Technology Innovation Center of Zhejiang University and Zhejiang University, has been officially recognized as a Provincial Key Laboratory. Focusing on fundamental and applied sciences as well as cutting-edge technologies, the laboratory conducts research on the design, fabrication, testing, and analysis of various optoelectronic functional materials and devices. It aims to address key technical challenges in the field of optoelectronic functional materials and devices, supporting major national strategic priorities. The three founding parties jointly develop and share R&D outcomes, strengthen intellectual property and confidentiality management, promote integration of industry, academia, and research, and facilitate technology transfer. This will provide strong scientific and technological support for the high-quality development of the optoelectronic industry in Zhejiang Province and the Yangtze River Delta region.

Industry Exchange and Collaboration

The Company has obtained certification for the GB/T 39604-2020 Social Responsibility Management System and actively participates in authoritative industry exhibitions and forums at home and abroad to showcase its latest technological achievements and share practical experiences in digital transformation. At various exhibitions, through immersive displays and interactive experiences, Hanshow demonstrates the application value of IoT devices including smart shopping carts, marketing screens and ESLs in diverse retail environments, attracting significant attention from global retailers and technology partners. Hanshow Technology actively participates in authoritative platforms including CCFA, UNGC, WEPs, the Consumer Goods Forum (CGF), and the Bluetooth Special Interest Group (SIG) focused on low-power Bluetooth ESLs. In 2025, leveraging its technological leadership and industry influence in the field of low-power Bluetooth ESLs, Hanshow was re-elected Chair of the BLE ESL Working Group. During this period, it led the working group to advance the development of the new BLE ESL technical standard and submitted two technical proposals. This has opened new avenues for improving industry-wide technical performance and gained broad recognition among alliance members.



Meanwhile, the expert team of the Company's Retail Research Institute regularly attends industry summits and delivers keynote speeches, providing in-depth analysis of global brick-and-mortar retail development trends and proposing an AI-driven pathway for intelligent store upgrades, offering actionable development recommendations for retail enterprises in Southeast Asia, Europe, and other regions. Through organizing market research visits, workshops, and other activities, the team deepens its understanding of local market demands, providing decision-making support for the Company's global strategic planning. On this foundation, the Company actively participates in industry standardization and the output of research outcomes. It participated in compiling two major CCFA publications: *Panoramic White Paper on Generative AI in the Retail Industry (2025)* and *Special Empowerment Report on Store Digitalization (2025)*, providing forward-looking guidance and practical references for industry-wide digital transformation. The Company has successfully completed the UN Targeted Gender Equality Accelerator (TGE) program, advancing gender equality through industry collaboration and achieving new milestones in gender equality. It also published the article "ESL-Powered Smart Display Solution and Application for Promotional Products", featured in March 2026 in the special issue on e-paper display technologies and applications of the Information Technology and Standardization journal. The article shares the Company's practical achievements in ESL applications, facilitating industry-wide technology adoption and standardization.

Strengthening Global Ecosystem through Partnerships

As an innovation pioneer in the retail sector, Hanshow Technology is committed to collaborating with global partners to drive digital transformation across the retail industry. Through advanced technologies such as Electronic Shelf Labels (ESLs) and intelligent commercial displays, we deliver customized digital store solutions that help partners enhance operational efficiency, optimize customer experiences, and achieve sustainable development. We deeply understand the unique needs of retailers across different business models and regions, providing tailored technological capabilities and strategic support to address market challenges and share the benefits of digital growth.

Case: Joint Innovation of a Smart Shopping Cart Solution with shopreme

In March 2025, the Company launched an in-depth technical collaboration with shopreme on a joint innovation initiative for smart shopping carts. Combining their respective strengths in smart hardware, in-store interaction, and retail digital operations, the two parties co-developed a new-generation smart shopping cart solution integrating self-checkout, real-time product information display, intelligent navigation, and scenario-based marketing, achieving significant improvements in user experience and commercial value. This solution significantly simplifies the consumer shopping journey, cuts queue waiting time, and enhances shopping convenience and customer satisfaction. At the same time, as a key in-store traffic entry point, it provides strong support for unlocking the value of retail media networks, effectively connecting physical environments, data, and marketing channels to enable synergistic improvements in store operations and brand marketing. The solution has reached an industry-leading level in terms of technical implementation, scenario adaptability, and business model, demonstrating high replicability and scalability. Moving forward, both parties will continue to expand the depth and breadth of their collaboration, jointly promoting this innovative solution globally to empower more retail enterprises in achieving experience enhancement and sustainable value growth.



▲ Smart cart solution



▲ Smart cart solution

4.3.2 SUSTAINABLE SUPPLY CHAIN

Hanshow Technology recognizes that a rigorous and efficient sustainable supply chain management system is the solid foundation for stable business operations, as well as the core support for achieving collaborative growth with suppliers and advancing overall corporate sustainability. The Company consistently places supply chain security and sustainable development at the core of its strategy, building a compliant, green, efficient, and collaborative sustainable supply chain system through comprehensive management systems, strengthened risk control, promotion of green procurement, and supplier empowerment. This approach continuously creates long-term value for stakeholders.

Supply Chain System Development

In the complex and ever-changing global business environment, supply chain security and resilience are crucial. Hanshow Technology has established a systematic and rigorous supplier management system. The Company has developed and continuously improved the Supplier Management Control Procedure, clearly defining management requirements across the entire supplier lifecycle, including qualification, assessment, and evaluation, thereby building a multi-layered and comprehensive supplier management system.

The Company has established strict supplier access standards and conducts multi-dimensional evaluations of suppliers for various materials to ensure they possess the necessary compliance qualifications, quality management capabilities, and production operational capabilities. Suppliers are also required to provide relevant system certifications and licensing credentials. The Company selects partners based on the principle of quality first and reasonable pricing. Contracted suppliers must pass the Company's CSR risk assessment and accept related management requirements. In addition, the Company continuously strengthens business ethics and integrity compliance management across the supply chain. During the reporting period, the Company's legal department issued contract clauses related to anti-bribery and anti-corruption for the supply chain, and promoted the signing of compliance commitment documents with suppliers, integrating integrity and compliance requirements into the entire supplier collaboration management process, thereby further enhancing transparency and standardization in supply chain governance. Furthermore, the Company regularly conducts performance evaluations of suppliers based on five core modules—quality, delivery, cost, service, and sustainability—assigning suppliers to performance levels (A/B/C/D). Differentiated management measures are implemented according to the evaluation results; for instance, A-level suppliers receive priority support from Hanshow, such as increased allocation quotas and opportunities for new product development, while D-level suppliers are phased out. This mechanism incentivizes continuous supplier improvement and realizes the survival of the fittest in the supply chain.



Supplier Environmental and Social Risk Management

The Company has established a comprehensive supplier risk assessment system, implementing end-to-end risk management across multiple dimensions: legal compliance, quality, delivery, procurement cost, service, and operations and innovation. Corresponding mitigation measures are developed for risks at different levels to ensure a robust and reliable supply chain. Through regular risk screening and dynamic monitoring, potential risks in suppliers' operations are promptly identified and addressed, safeguarding the continuity and security of the supply chain.

LEGAL COMPLIANCE



01

Suppliers must adhere strictly to national and local laws during production processes to ensure legal operations. In the event of Level 1 risks, we will take immediate action, including emergency meetings and adjustments to procurement strategies to minimize production disruptions.

QUALITY, DELIVERY, AND PROCUREMENT COST



02

Suppliers must comply with our quality standards and delivery timelines to ensure product quality and timely delivery. We closely monitor supplier performance on an ongoing basis and, if Level 2 risks arise, we will implement measures such as on-site follow-ups to ensure timely resolution.

SERVICE



03

Suppliers' service quality is important. They must not only supply quality products but also meet our service expectations. If Level 3 risks are identified, we will require suppliers to create remediation plans and conduct thorough follow-ups.

OPERATIONS/INNOVATION



04

Suppliers' operational and innovative capabilities directly impact our market competitiveness. We encourage continuous technological innovation and process improvement from our suppliers to enhance overall competitiveness. For identified Level 4 risks, we will collaborate with suppliers to develop improvement plans and verify their effectiveness.

Conflict Minerals

The Company consistently upholds the highest standards of business ethics and has signed the *Environmental Protection and Social Responsibility Agreement* with all component suppliers, explicitly requiring suppliers to strictly adhere to relevant ethical guidelines when providing goods and services. Key areas include environmental compliance, social responsibility, conflict minerals (tin, tungsten, tantalum, and gold), and the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). Suppliers are required to fulfill their compliance obligations and accept oversight by the Company. The Company also requires suppliers to cooperate with audits and assessments conducted by the Company or its designated agencies concerning environmental, labor, human rights, ethics, and sustainable procurement. As of 2025, 89% of suppliers have provided conflict mineral information, covering all raw material suppliers (excluding equipment and office supply vendors).



Green Procurement

The Company integrates green and low-carbon principles into the entire procurement process, actively promotes the implementation of green procurement, and guides suppliers to reduce their Scope 1, Scope 2, and Scope 3 greenhouse gas emissions. It supports suppliers in establishing a sound energy management system and encourages them to obtain ISO 50001 certification. Meanwhile, the Company continues to advance centralized production management, enhancing production synergy efficiency and reducing packaging material usage through optimized raw material allocation and internal logistics routing. On this basis, the Company promotes the recycling of packaging materials, improves the reuse rate of packaging resources, and lowers overall resource consumption across the supply chain. Additionally, the Company continuously incentivizes suppliers to increase investment in technological innovation, raise the proportion of renewable energy electricity and recycled materials usage, gradually increase the share of recycled materials procurement, and advance projects for recycled precious metals, thereby supporting a green and low-carbon transformation across the entire supply chain.



Logistics and Transportation Optimization

During the reporting period, the Company continued to optimize its supply chain transportation system by implementing three core initiatives: transportation route optimization, collaborative logistics resource management, and end-to-end cost management. These efforts have enhanced logistics efficiency, reduced energy consumption and operational costs in transportation, and driven the supply chain system toward greater efficiency, further strengthening the overall resilience and sustainable operation capability of the supply chain.

In terms of logistics network layout, the Company has continued to refine its global regional warehousing system, adding six local warehouses during the year, effectively shortening last-mile delivery distances and reducing transfer-related energy consumption. Warehouse construction, workforce capability enhancement, and standardized inventory management have been successfully implemented across Europe, the Americas, and Australia. Warehouses in Spain, the UK, Canada, and Los Angeles are scheduled to be upgraded to full-function warehouses by 2026, further enhancing the responsiveness and efficiency of the global supply chain.

In terms of cost management, the Company promotes unified management of global logistics cost data and establishes a monthly cost reporting mechanism to achieve refined control throughout the entire process.



Enhancement of Intelligent Manufacturing Capabilities

During the reporting period, the Company continued to advance the automation upgrade of its manufacturing systems. Its subsidiary Hanxian Company completed the construction of automated production line for finished products, enhancing product quality stability and production efficiency by improving production automation and manufacturing consistency. This upgrade further strengthened the responsiveness of the supply chain, providing strong support for the continuous expansion of global operations.



Supplier Empowerment

The Company regards supplier empowerment as a critical component of supply chain management, utilizing a blended online and in-person training approach to help suppliers gain a deeper understanding of ESG principles. This includes integrating concepts such as compliance management, green development, and employee rights protection into daily operations. Training covers core areas including environmental risk management, product quality, employee rights protection, and anti-corruption, supporting suppliers in enhancing their sustainable operational capabilities and achieving coordinated growth with the Company.



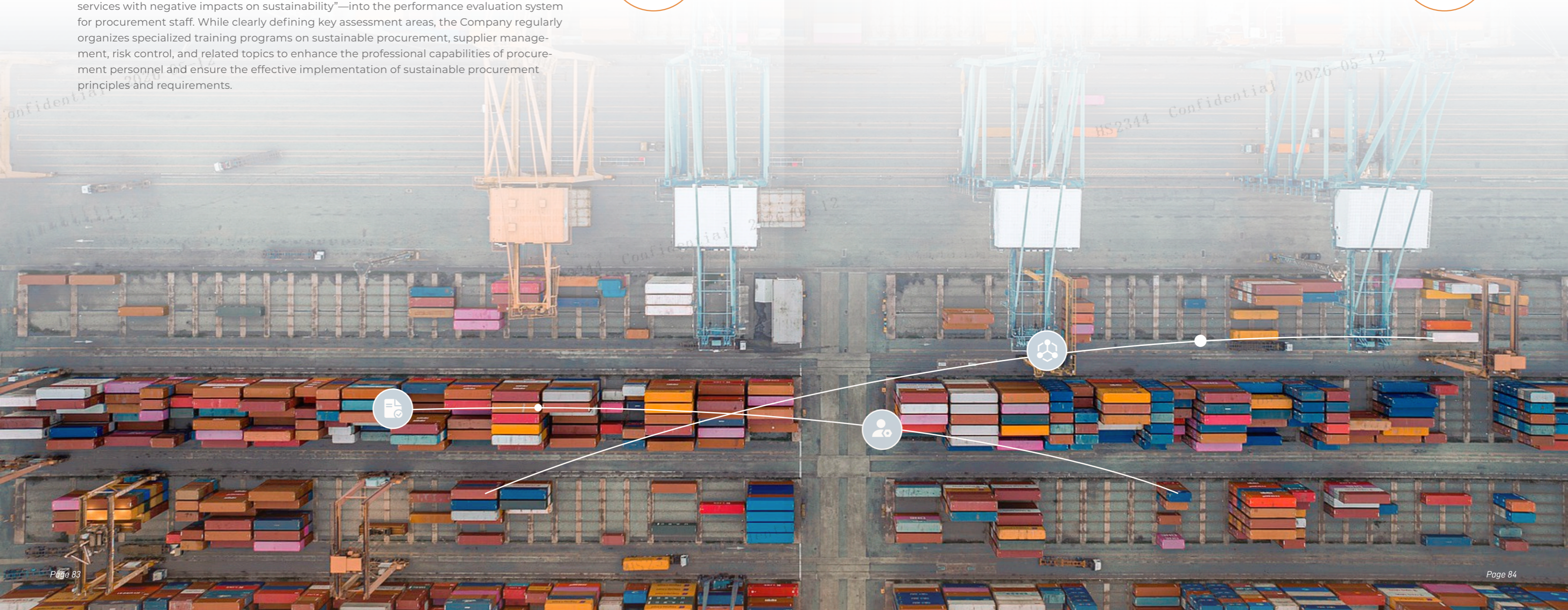
Training for Procurement Personnel

The Company places great emphasis on cultivating the professional competence, professional literacy, and occupational ethics of supply chain management personnel. It has incorporated sustainability-related procurement objectives—such as “partnering with suppliers who demonstrate strong environmental, social, and sustainability performance”, “sourcing green-certified products”, and “eliminating the procurement of products or services with negative impacts on sustainability”—into the performance evaluation system for procurement staff. While clearly defining key assessment areas, the Company regularly organizes specialized training programs on sustainable procurement, supplier management, risk control, and related topics to enhance the professional capabilities of procurement personnel and ensure the effective implementation of sustainable procurement principles and requirements.



Equal Treatment of Small and Medium-Sized Enterprises (SMEs)

The Company strictly complies with relevant laws and regulations, standardizes its cooperation processes with SMEs, makes timely payments, and regularly discloses overdue payment information on the National Enterprise Credit Information Publicity System. In 2025, there were no overdue payments to SMEs, effectively safeguarding the legitimate rights and interests of SMEs.



4.4. CARING FOR SOCIETY: COMMUNITY ENGAGEMENT AND IMPACT

Hanshow Technology has always actively fulfilled its corporate social responsibilities, adhering to the integration of business success with social value creation. In 2025, the Company continued to deepen its practices in areas such as public welfare and charity, community engagement, rural revitalization, and educational support, giving back to society and empowering communities, thus effectively fulfilling the responsibilities and commitments of a listed company. In 2025, the Company made a total social contribution of RMB 187,400.

4.4.1 PUBLIC WELFARE VOLUNTEER ACTIONS

Educational equity is a fundamental cornerstone of sustainable social development. Hanshow Technology consistently focuses on the growth needs of vulnerable groups such as migrant children, actively fulfilling corporate social responsibility through a combination of public welfare donations and employee volunteer services, and contributing to the creation of a more inclusive and balanced educational environment.

In June 2025, the Company organized the "Hanshow Public Welfare Volunteer Team" consisting of 12 employees to conduct a special care activity at Beijing Guang'ai School. In July, the Company donated RMB 10,000 to the school for campus maintenance and improvement of teaching facilities, further supporting the school in enhancing its basic educational conditions and creating a safer and more stable learning environment for students. The Company's public welfare initiatives in 2025 totaled RMB 36,200, primarily used for purchasing school supplies and daily necessities, organizing interactive support and companionship activities, and supporting the school's daily operations.

These initiatives have not only improved the learning and living conditions of supported students, but also further strengthened employees' understanding and endorsement of the Company's commitment to "promoting inclusive development and caring for vulnerable groups" as outlined in its Business and Human Rights Policy, enhanced employee engagement in social welfare activities, and reinforced organizational cohesion and awareness of social responsibility.

Hanshow Public Welfare Guang'ai Campaign



4.4.2 OVERSEAS COMMUNITY ENGAGEMENT

While expanding its global presence, Hanshow Technology actively integrates into local communities and fulfills overseas corporate social responsibilities, achieving shared prosperity between enterprise development and local communities. On April 4, 2025, Hanshow Australia Pty Ltd organized 20 local employees to participate in a voluntary tree-planting event initiated by Greater Sydney Landcare, a Greater Sydney-based public welfare organization focused on environmental conservation. This activity contributed to local environmental protection efforts. A total of 3,080 AUD (approximately RMB 13,917) was invested in the event, which not only supported the improvement of the local ecological environment but also effectively enhanced the Company's overseas brand influence, further strengthening team cohesion and local community engagement among overseas employees.

Australia Tree Planting Event



4.4.3 EMPOWERING RURAL REVITALIZATION

The Company actively responds to the national rural revitalization strategy by integrating support for rural revitalization into its daily operations and fulfilling its social responsibilities as a listed company. It has innovatively combined employee care with social responsibility, launching the "Welfare Procurement to Assist Farmers" program in 2025. Centered on consumption-driven assistance, this initiative breaks through traditional forms of public welfare by closely integrating employee well-being, rural revitalization, and sustainable consumption. By systematically procuring high-quality agricultural products from underdeveloped regions and distributing them as employee festival benefits, the Company enhances employee satisfaction while directly empowering rural communities and creating shared value. In May 2025, the Company precisely connected with local characteristic resources by purchasing specialty agricultural products from Chicheng County, Zhangjiakou City, Hebei Province, with a total procurement amount of RMB 136,800. This effectively bridged the production and sales channels for local specialty agricultural products, helped increase local incomes, and contributed Hanshow's strength to promoting regional economic development and rural industrial revitalization.

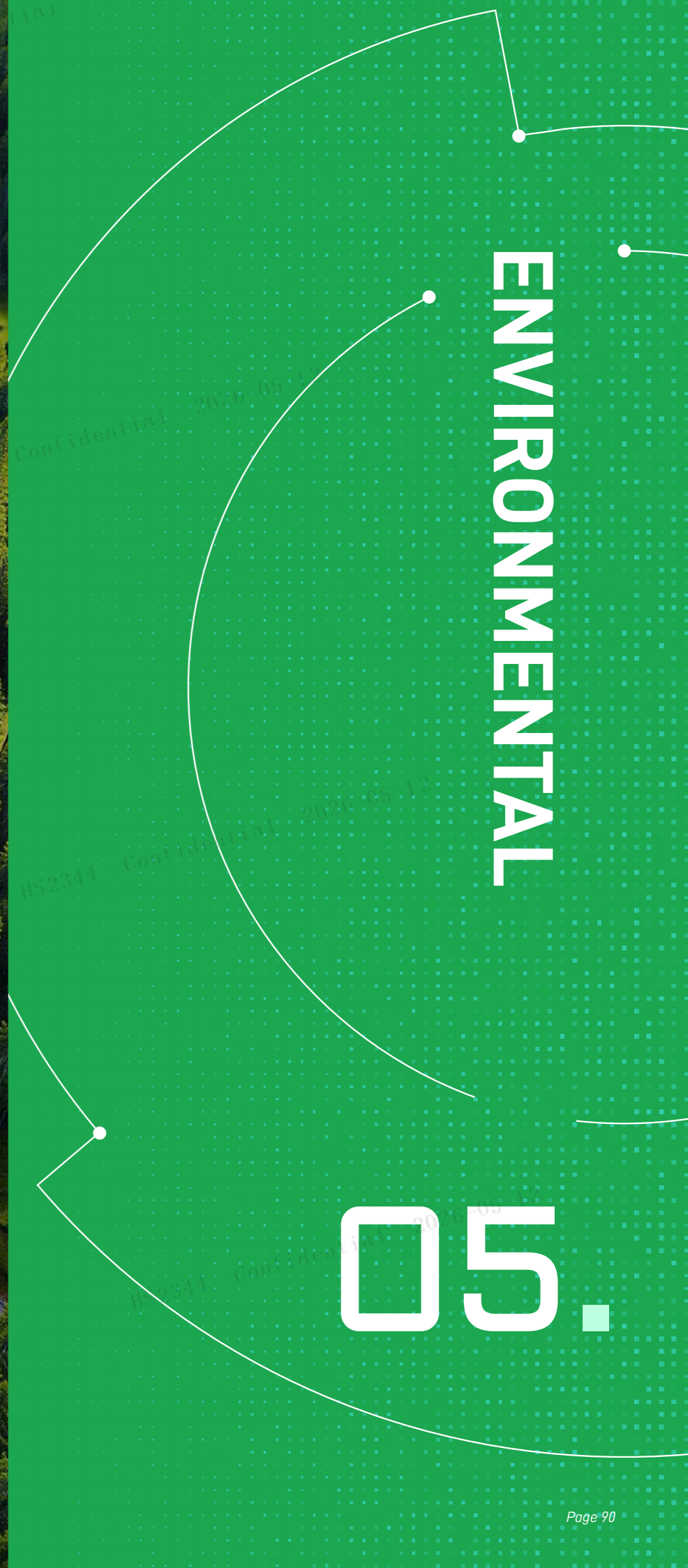
The Company has preliminarily established a public welfare operating model based on budget management, supported by employee participation, and ensured by outcome disclosure. Moving forward, the Company will continue to invest resources in public welfare volunteering and assistance initiatives, steadily expanding the scope of its social contributions. It aims to align corporate growth with societal progress, actively fulfilling its corporate responsibilities through concrete actions.





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ENVIRONMENTAL

05.



5.1. COMPLIANCE FIRST: ENVIRONMENTAL MANAGEMENT SYSTEM

A robust environmental management system is a key enabler for achieving green transformation and high-quality development. Hanshow consistently places environmental protection at the core of its strategy, continuously optimizing environmental compliance management in daily operations and business expansion. The Company is committed to improving energy and resource efficiency, reducing waste emissions, and delivering on its sustainable development commitments.

5.1.1 ENVIRONMENTAL MANAGEMENT FRAMEWORK

The Company has established a clear and hierarchical organizational structure for environmental management. The Board of Directors serves as the highest decision-making body, bearing overall responsibility for environmental management and regularly monitoring the execution progress of environmental policies and objectives. The ESG Management Committee develops and reviews environmental management policies and objectives, and reports major environmental matters to the Board of Directors. The ESG Leadership Group coordinates and drives the implementation of environmental management efforts and promotes collaborative execution across various departments. Each business department, as the implementation entity, strictly enforces environmental management requirements to ensure the effective achievement of environmental goals.

The Company strictly complies with environmental regulations both domestically and internationally, fully complying with the *Environmental Protection Law of the People's Republic of China* and environmental laws in overseas operating locations, and has incorporated international standards such as RoHS and REACH into its management system, continuously optimizing its environmental management framework. The Company has obtained ISO 14001:2015 environmental management system certification and has established specialized system documents including the *Management Manual on Quality, Environment and Occupational Health and Safety*, the *Environmental Organization Structure and Responsibility Control Procedure*, and the *Environmental Pollution Prevention and Control Procedure*, forming a structured and operational environmental management system.



▲ ISO 14001:2015 Environmental Management System Certification

To ensure the scientific rigor and effectiveness of the environmental management system, the Company dynamically adjusts its overall environmental objectives annually based on actual operational conditions and regularly reviews progress. The Company conducts in-depth analysis of underperforming initiatives to identify root causes and drives improvements. Through continuous assessment and optimization, the Company minimizes the environmental impact of its operations to the greatest extent possible, supporting green and sustainable development. During the reporting period, Hanshow did not experience any incidents of non-compliance with environmental laws and regulations.

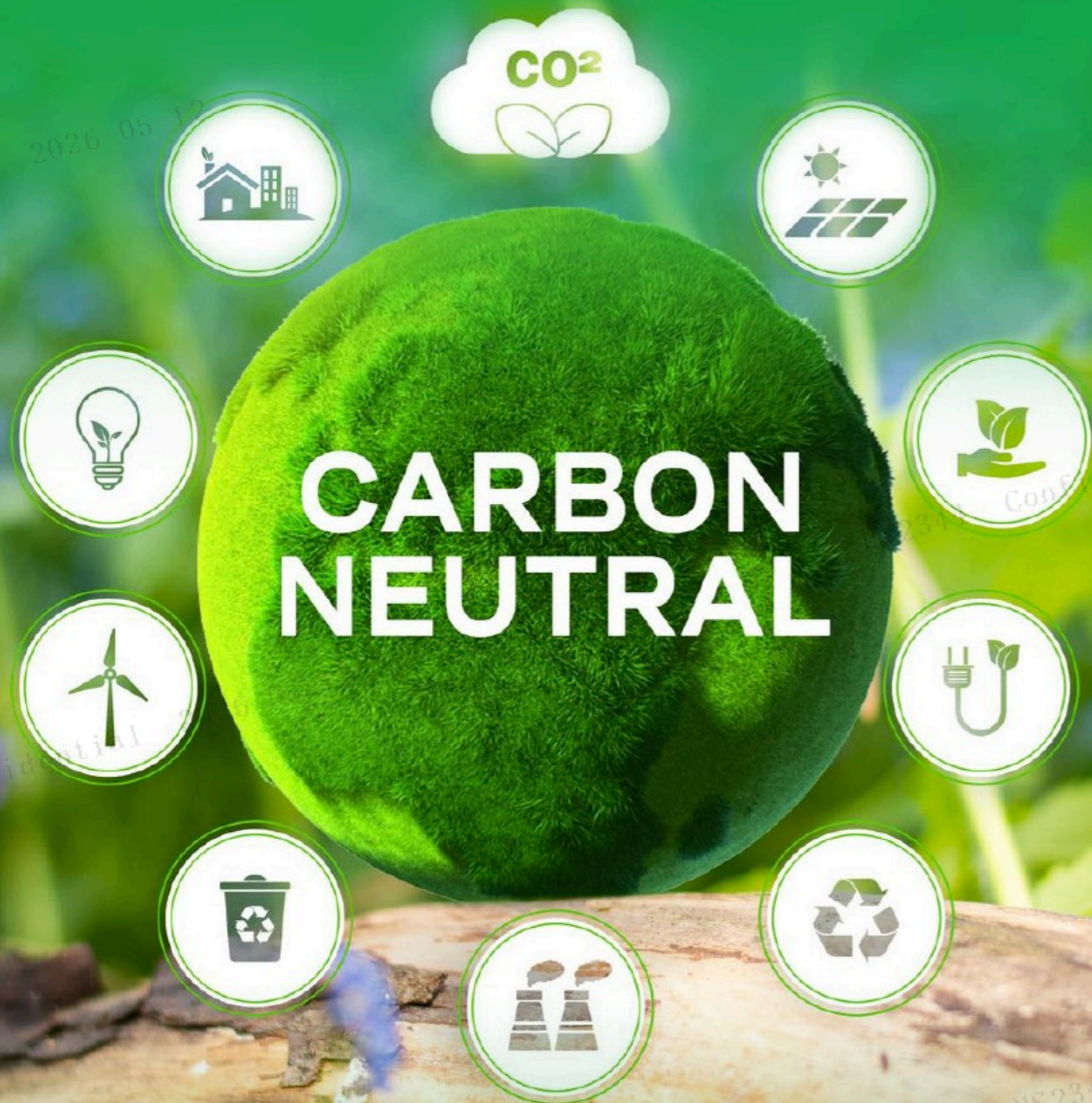
S/N	Indicator	Target	Status
1	Environmental pollution incidents	Zero	Achieved ✓
2	Score of environmental protection ledger assessment in random inspections	Above 90	Achieved ✓
3	Participation rate in environmental training, meetings, and activities	100%	Achieved ✓
4	Execution or compliance rate for environmental monitoring	100%	Achieved ✓
5	Execution and rectification rate for environmental issue/potential hazards	100%	Achieved ✓
6	Enforcement rate for penalties related to environmental violations	100%	Achieved ✓
7	Execution rate for investigations and penalties related to environmental incidents	100%	Achieved ✓
8	Compliance disposal rate for hazardous/general solid waste	100%	Achieved ✓
9	Energy control rate across all functional departments	100%	Achieved ✓
10	Effective operation rate for environmental protection equipment and facilities	100%	Achieved ✓

5.1.2 ENVIRONMENTAL EMERGENCY MANAGEMENT

Hanshow Technology attaches great importance to environmental emergency management, regarding risk prevention and emergency response capabilities as key components of its environmental management system. The Company has formulated and published the *Environmental Incident Emergency Plan*, clearly defining emergency response procedures and management requirements, thereby providing a structured framework for effectively addressing environmental incidents. The Company has established a three-tier emergency command system consisting of an emergency command headquarters, an emergency management office, and a professional emergency rescue team, ensuring clear responsibilities and rapid response. In the event of an environmental incident, the emergency mechanism can be activated immediately, enabling all levels to carry out command and dispatch, on-site response, and resource coordination according to their respective duties, so as to minimize the spread of pollution and fully protect employee safety, public health, and the surrounding ecological environment. During the reporting period, the Company did not experience any environmental incidents.

5.2. LOOKING AHEAD: CLIMATE ACTION AND RESILIENCE

In response to the profound impacts of global climate change, Hanshow Technology has established a science-based climate strategy, deeply integrating governance frameworks, risk identification, goal setting, and emission reduction actions to build a systematic and forward-looking climate response system. The Company is committed to achieving carbon neutrality at the operational level by 2035, continuously reducing operational carbon intensity through comprehensive value chain carbon accounting, green technological innovation, and ecosystem partnerships, contributing Hanshow's efforts to global climate governance.



5.2.1 CLIMATE STRATEGY DEVELOPMENT

At Hanshow Technology, we deeply recognize the critical guiding role of climate strategy in achieving sustainable development goals. In the face of profound impacts brought by global climate change, formulating and implementing scientific and systematic climate strategies has become a core imperative for enterprises to maintain long-term competitiveness and resilience.

Climate Governance Framework

Hanshow Technology has established a clear and hierarchical climate governance framework, fully integrating climate-related risks and opportunities into its corporate governance framework, thereby providing solid organizational support for climate response. The Board of Directors serves as the highest decision-making body for climate management, bearing overall responsibility for climate-related matters and regularly monitoring the execution progress of climate management policies and objectives, ensuring that the climate strategy aligns with the Company's overall development direction. The ESG Management Committee assumes the core coordinating role in climate governance, responsible for formulating and reviewing climate management systems and objectives, systematically assessing major ESG trends as well as climate-related risks and opportunities, promoting the effective implementation of ESG policies, and reporting significant climate issues and management progress to the Board of Directors.

Climate Target Setting

Based on international best practices and scientific carbon target methodologies, Hanshow Technology has formally committed to achieving carbon neutrality across our operations by 2035, based on its current operational reality and future strategic direction. In alignment with this long-term vision, the Company has systematically deployed environmental management initiatives, focusing on key areas such as standardized electronic waste recycling, efficient water resource utilization, and source reduction of pollutants. By continuously increasing resource investment, Hanshow aims to effectively reduce carbon emission intensity and improve resource efficiency, supporting green and low-carbon operations.

Based on this, we have established the following climate change management objectives:

- 01

Achieve operational carbon neutrality by 2035.
- 02

Launch products made from recycled plastics and establish a circular system that minimizes material use during production and consumption, maximizes recycling, and ensures safe end-of-life disposal.
- 03

Collaborate with key customers to collect and analyze energy consumption data, comparing energy consumption performance with post-optimization results from digital store solutions. Findings will guide retail partners in meeting their sustainability targets.
- 04

Increase the use of recyclable materials in packaging to improve business sustainability.




5.2.2 RISK AND OPPORTUNITY IDENTIFICATION

Hanshow Technology deeply recognizes the profound impacts of climate change and actively establishes a systematic climate risk management framework, committed to identifying, analyzing, monitoring, and implementing climate response measures for climate-related risks and opportunities related to the environment and climate, thereby laying a solid foundation for sustainable development.

Climate Risk Management

The Company has established a cross-functional task force to systematically gather climate-related information from government, social, and internal sources. After organizing and analyzing the data, it is regularly submitted to senior management for review. Management applies scientific and objective evaluation methods to prioritize various climate risks and fully integrates them into the Company's overall risk management framework. Based on this process, the Company has developed a climate-related risk register, clarifying key control priorities and providing a solid foundation for formulating and adjusting climate strategies, as well as defining action plans and target indicators. To standardize climate risk and opportunity management, the Company has developed and published the *Hanshow Technology Environmental Management Policy*, continuously enhancing its capability in identifying and managing climate risks.

The Company has established a comprehensive climate risk identification and climate response mechanism, with detailed risk assessment results documented in the *Risk and Opportunity Evaluation Analysis Form*. By conducting a comprehensive analysis of the severity and likelihood of risks, a risk score is calculated, based on which targeted response measures are developed. The Company continuously tracks and monitors the implementation of these measures to ensure the effective execution of risk management strategies, and dynamically adjusts them in a timely manner according to changes in internal and external environments, thereby continuously enhancing the adaptability and effectiveness of climate response.

Identification 	Analysis and Evaluation 	Supervision and Control 
<ul style="list-style-type: none"> Monitor and analyze climate-related policies and regulations, collect climate research reports from industries, research institutions, and media, and benchmark against leading domestic and international practices in climate-related disclosures. Identify significant physical risks, transition risks, and opportunities for the Company based on its actual situation, and incorporate climate-related risks into the Company's overall risk management system. 	<ul style="list-style-type: none"> Climate risks and opportunities are assessed and prioritized based on expert judgment and interviews with relevant personnel on-site, considering both likelihood and impact magnitude. Assessing the current and expected impacts of climate-related risks and opportunities on the Company's business model and value chain, including concentrated areas (business activities, geographic locations, key asset categories), timeframes (short-term, medium-term, long-term), and financial implications. 	<ul style="list-style-type: none"> Develop a climate response strategy, identify climate-related key indicators, and set targets and action plans for key indicators. Decompose indicators and objectives layer by layer down to the execution level, and formulate and implement corresponding response measures.

Climate Scenario Analysis

Hanshow Technology conducts climate scenario analysis to assess the actual and potential impacts of climate change on its business operations, enhances the risk and opportunity management system, and reduces the impacts of climate change on production and operations through prevention, monitoring, and climate response measures. At the same time, the Company proactively identifies and leverages opportunities arising from climate change, strengthens enterprise resilience, and supports its green and low-carbon transformation.

Climate Scenario Selection

Risk and Opportunity Categories	Scenario	Projected Global Temperature Increase	Scenario Description
Physical risk	SSP5-8.5	4.4°C	The rapid growth of the global economy primarily relies on fossil fuels and energy-intensive industries, with almost no climate policy regulation, leading to continuously rising carbon dioxide emissions. Emissions are expected to double by 2050, and global temperature rise could reach 4.4°C by 2100.
Transition risk	Net Zero Emissions by 2050	1.5°C	Global carbon dioxide emissions are significantly reduced, with net-zero emissions expected to be achieved by 2050. By 2100, global temperature rise is projected to be approximately 1.5°C.
Opportunity			

Time Range of Impact

The Company systematically categorizes climate-related risks and opportunities into short-, medium-, and long-term dimensions based on its own strategic planning cycle, to precisely to align with operational management timelines and support strategic decision-making.

Period	Time Range	Definition
Short-term	0-1 year	Integrate climate-related factors into the annual business plan, with a focus on managing risks and opportunities directly associated with current operations and compliance, ensuring the achievement of annual operational goals and emission reduction targets.
Mid-term	1-5 years	Advance the Company's capability building by integrating climate issues into technological upgrades and strategic planning, aiming to enhance operational resilience and seize development opportunities in the low-carbon transition.
Long-term	5 years or more	Guided by the Company's long-term development agenda, we are committed to building a long-term governance system and industrial ecosystem resilient to climate change, promoting fundamental green transformation, and achieving sustainable high-quality development through effective sustainability management.

Physical Risk Analysis

Risk Type	Risk Description	Time Range of Impact	Impact on Finance	Countermeasure(s)
Acute Physical Risks	<p>Extreme cold conditions, including heavy snowfall</p> <ul style="list-style-type: none"> Extreme low temperatures in winter may cause power supply system failures at production bases. Precision electronic components may be damaged during transportation due to sudden temperature changes. Delays in logistics can affect the delivery timelines for global customers. 	Short-term	Costs increase, revenue declines	<ul style="list-style-type: none"> Establish an extreme weather logistics early warning system and plan alternative transportation routes. Equip production bases with dual-circuit power supply and anti-freeze insulation devices. Use temperature-controlled, shock-resistant packaging for critical components to ensure quality stability during transportation.
	<p>Floods and landslides</p> <ul style="list-style-type: none"> Heavy rainfall at production bases may cause flooding in the facility, affecting production. If the drainage system in the area where the data center is located becomes overloaded, it could lead to equipment short circuits. 	Mid-term	Costs increase, revenue declines	<ul style="list-style-type: none"> Equip critical equipment with waterproof protection and deployed at elevated positions. Establish an extreme weather early-warning system and emergency response plan. Conduct flood prevention drills regularly.
	<p>Typhoons and tornadoes</p> <ul style="list-style-type: none"> Extreme wind disasters may damage the roof structure to compromising inventory. Disruption of transportation networks affects market supply. Increase safety risks for employees. 	Medium- to long-term	Costs increase, revenue declines	<ul style="list-style-type: none"> Use high-wind-resistant steel-structure factory buildings and reinforce critical structural components. Establish regional safety stock through distributed storage to diversify supply risks. Improve the employee emergency evacuation plan.
Chronic Physical Risk	<p>Rising average temperatures</p> <ul style="list-style-type: none"> Sustained high temperatures at production bases drive up cooling costs and reduce the yield rate of precision electronic components. Outdoor smart devices require enhanced cooling, increasing maintenance expenses. Cold chain logistics face increased operational burdens. 	Medium- to long-term	Costs increase	<ul style="list-style-type: none"> Upgrade the intelligent temperature control systems and energy-saving technologies to optimize energy efficiency in production environments. Develop high-temperature-resistant core components to enhance product environmental resilience. Optimize equipment heat dissipation design standards to reduce maintenance frequency of outdoor equipment.
	<p>Rising sea levels</p> <ul style="list-style-type: none"> Coastal storage facilities face long-term risks of foundation subsidence and flood infiltration. Suppliers of precision electronic components in the supply chain are affected by saltwater corrosion, which impacts the quality of raw materials. Operational stability of port logistics nodes declines. 	Long-term	Costs increase	<ul style="list-style-type: none"> Implement flood control renovation projects for coastal facilities and enhance building waterproofing standards. Incorporate climate resilience into the supplier evaluation system to enhance supplier resilience. Optimize the global logistics network layout to diversify risks associated with dependence on specific ports.

Transition Risk Analysis

Risk Type	Risk Description	Time Range of Impact	Impact on Finance	Countermeasure(s)
Policies and Laws	<p>Implementation of carbon tax</p> <p>Major export markets (such as the EU) implement the Carbon Border Adjustment Mechanism (CBAM) and impose carbon costs on hardware products such as electronic shelf labels (ESLs), which increases export costs.</p>	Mid-term	Costs increase	<ul style="list-style-type: none"> Optimize the energy structure of production bases and gradually increase the proportion of renewable energy usage. Encourage suppliers to implement carbon reduction plans. Enhance product carbon footprint accounting capabilities to provide data support for addressing carbon tariffs.
Policies and Laws	<p>Shortage of carbon emission allowances and rising carbon prices</p> <p>Tightening domestic carbon market quotas increase the carbon emission allowances, which affects compliance in IoT equipment production.</p>	Short-term	Costs increase	<ul style="list-style-type: none"> Establish an internal carbon asset management system and prioritize reducing direct emissions through technological upgrades. Participate in green power trading to reduce the need for indirect emission allowances.
Policies and Laws	<p>Policy requirements for carbon emission reduction of existing products and services</p> <p>The EU's <i>Ecodesign Directive</i> and other regulations mandate smart devices to meet lifecycle environmental requirement (such as energy consumption thresholds, maintainability, and material recovery rates), which may require significant adjustments to product design and production processes of existing ESLs.</p>	Long-term	Costs increase	<ul style="list-style-type: none"> Proactively plan Ecodesign and development, integrating principles of design for disassembly, recyclability, and low energy consumption into product iterations. Establish a regulatory tracking mechanism to ensure compliance of new product design.
Policies and Laws	<p>Litigation risk arising from non-compliance with carbon emission regulations</p> <p>Failure to meet carbon emission requirements in key markets may result in customer claims or lawsuits from environmental organizations.</p>	Long-term	Revenue declines	<ul style="list-style-type: none"> Establish a legal compliance review mechanism to integrate carbon compliance into product pre-market approval processes. Conduct regular third-party carbon audits to ensure data transparency and disclosure.
Technology	<p>Low-carbon emission technology development</p> <p>To meet the demand for low-carbon electronic products, investment in new technologies such as flexible circuit boards and low-power chips is essential.</p>	Mid-term	Costs increase	<ul style="list-style-type: none"> Cooperate with research and academic institutions to focus on key technologies such as chip energy efficiency improvement and bio-based material alternatives. Apply for green technology R&D subsidies.
Technology	<p>Low-carbon retrofitting of existing production lines</p> <p>To reduce carbon emissions in the production process, energy-saving retrofits or equipment upgrades are required for the production line.</p>	Mid-term	Costs increase	<ul style="list-style-type: none"> Promote phased energy efficiency assessments and retrofits of production lines, with priority given to upgrading high-energy-consumption processes.
Market	<p>Volatility in raw material costs</p> <p>Upstream suppliers of rare earth materials and semiconductors may increase prices due to carbon cost pass-through, which affects the production cost of ESLs.</p>	Short-term	Costs increase	<ul style="list-style-type: none"> Sign long-term supply agreements with low-carbon suppliers to secure the supply of green materials. Develop alternative material solutions to reduce dependence on critical raw materials.

Risk Type	Risk Description	Time Range of Impact	Impact on Finance	Countermeasure(s)
Market	Shift in consumer preferences toward low-carbon brands Large retail customers have included supplier carbon performance in their bidding evaluation system, and if the Company's carbon management capability is insufficient, it may affect bidding success rates. Declining consumer acceptance of high-carbon products may affect brand market share.	Mid-term	Revenue declines	<ul style="list-style-type: none"> Establish a customer carbon performance response mechanism and disclose product carbon footprint as requested by customers. Promote key products to undergo EPD (Environmental Product Declaration) certification. Strengthen the promotion of green brands and integrate low-carbon concepts into marketing campaigns. Launch a new generation of products with a lower carbon footprint to meet low-carbon consumer demand.
Reputation	Reputational risk from unmet product carbon or energy performance If smart devices fail to meet stated energy efficiency commitments, this may lead to a loss of customer trust and affect long-term business relationships.	Short-term	Revenue declines	<ul style="list-style-type: none"> Regularly disclose the product carbon emissions throughout the product life cycle and undergo third-party verification. Establish an internal review mechanism for energy efficiency commitments to ensure the accuracy and credibility of public disclosures.

Climate Opportunity Analysis

Opportunity Type	Opportunity Description	Time Range of Impact	Impact on Finance	Countermeasure(s)
Resource Efficiency	ESL hardware production is shifting toward lightweight and modular designs, enhancing raw material efficiency and reducing the carbon footprint per unit.	Mid-term	Costs decline	<ul style="list-style-type: none"> Optimize chips and structural design to reduce material consumption. Establish a closed-loop recycling system to promote resource circularity. Promote modular design to extend product lifespan.
Resource Efficiency	Intelligent upgrading of the production process, reducing energy consumption and material waste through Digital Twin and lean manufacturing.	Short-term	Costs decline	<ul style="list-style-type: none"> Introduce intelligent manufacturing systems to monitor production line energy consumption and material utilization in real time.
Energy Source	Improving renewable energy infrastructure accelerates the enterprise's energy transition.	Short-term	Costs decline	<ul style="list-style-type: none"> Factories and data centers procure green electricity at scale and require supply chain partners to adopt clean energy.
Energy Source	The widespread adoption of distributed photovoltaic technology in industrial parks enhances energy self-sufficiency and improves energy supply stability.	Mid-term	Costs decline	<ul style="list-style-type: none"> Deploy distributed photovoltaic projects on production facility rooftops. Explore energy storage system configurations to enhance renewable energy utilization capacity.
Products and Services	The growing demand for carbon management in the retail industry drives the integration of ESLs with digital carbon tracking tools.	Short-term	Revenue increases	<ul style="list-style-type: none"> Develop a solution for electronic shelf labels integrated with real-time carbon footprint display. Provide retail customers with store-level carbon emissions visualization dashboards.

Opportunity Type	Opportunity Description	Time Range of Impact	Impact on Finance	Countermeasure(s)
Market	Global carbon border policies favor the procurement of low-carbon technology equipment and reshape the industry's competitive landscape.	Mid-term	Revenue increases	<ul style="list-style-type: none"> Obtain international green certifications (such as EPD, carbon footprint certification). Develop customized product lines compliant with carbon tariff standards to meet export market demands.
Market	Emerging markets are advancing digitalization and decarbonization in parallel, driving strong demand for electronic shelf labels as a cost-effective solution for improving operational efficiency.	Long-term	Revenue increases	<ul style="list-style-type: none"> Develop cost-effective low-carbon product lines by addressing energy efficiency challenges in emerging markets. Establish green solution promotion channels in collaboration with local partners.

5.2.3 IMPLEMENTING EMISSION REDUCTION ACTIONS

The Company regards environmental protection and sustainable development as key components of its corporate strategy and is committed to reducing environmental impacts through low-carbon products, green production, low-carbon operations, and resource recycling. The Company has set a target to achieve operational carbon neutrality by 2035 and is actively addressing climate change by optimizing its energy structure, introducing renewable energy, and advancing product lifecycle management.

Greenhouse Gas Emissions Performance

Hanshow Technology conducts its greenhouse gas (GHG) emissions inventory in accordance with the Greenhouse Gas Protocol, jointly published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Building on a comprehensive assessment of its own operational emissions, this year the Company continues to cover Scope 3 emissions across the upstream and downstream value chain, including purchased goods and services, upstream transportation and distribution, waste generated in operations, business travel, and employee commuting. By identifying and quantifying scope 3 emissions, Hanshow Technology can more accurately pinpoint emission reduction opportunities, establish targeted carbon reduction goals and measures, promote green transformation across the entire value chain, and support the achievement of the Company's sustainable development objectives.

Indicator	Unit	2025
Scope 1	tCO ₂ e	1.92
Scope 2 (location-based)	tCO ₂ e	6,801.23
Scope 1 and Scope 2 (location-based) total emissions	tCO ₂ e	6,803.15
Scope 1 and Scope 2 (location-based) emissions intensity	tCO ₂ e/million RMB of revenue	1.60
Scope 3 - Category 1: purchased goods and services	tCO ₂ e	363,123.52
Scope 3 - Category 4: upstream transportation and distribution	tCO ₂ e	10,861.94
Scope 3 - Category 5: waste generated in operations	tCO ₂ e	3.22
Scope 3 - Category 6: business travel	tCO ₂ e	3,620.21
Scope 3 - Category 7: employee commuting	tCO ₂ e	111.96
Scope 3 emissions	tCO ₂ e	377,720.85
Total greenhouse gas emissions	tCO ₂ e	384,524.00

Low-carbon Products

Emission Reduction through Paperless Operations

Hanshow Technology is committed to creating quantifiable environmental benefits for customers through digital innovation. Taking the ESL application for a multinational food retailer served by the Company as an example, since the implementation of ESL, approximately 3.53 million sheets of paper (measured in A4 size) have been saved, resulting in carbon emission reductions of 16.38 tCO₂e. This demonstrates the Company's tangible contribution to empowering customers in achieving low-carbon operations through product innovation.

Product Carbon Footprint Certification

Hanshow Technology deeply understands the critical role of product carbon footprint management in promoting sustainable development. The Company launched its corporate carbon inventory program in 2022 and further advanced product carbon footprint certification in 2024, gradually establishing a carbon management system covering the entire product lifecycle.

In full compliance with international standards such as ISO 14040, ISO 14044, and ISO 14067, the Company took the lead in completing carbon footprint accounting for the Hanshow Polaris Pro product series. The certification scope covers the entire product lifecycle, including raw material production, energy consumption during manufacturing, waste treatment, material transportation, and end-of-life recycling, ensuring the scientific rigor and completeness of the accounting results. To obtain accurate carbon footprint data, the Company actively communicates and collaborates with stakeholders such as raw material suppliers and manufacturing plants, systematically delivering carbon footprint information collection forms, which are then submitted to qualified third-party organizations for independent calculation, evaluation, and certification, thereby ensuring data authenticity and reliability. Based on the carbon footprint accounting results, the Company has comprehensively identified materials with high emission contributions, established a supply chain carbon management whitelist, and developed targeted low-carbon promotion plans for key materials. By quantifying carbon emissions across the product lifecycle, the Company effectively identifies and reduces emission sources in production processes, minimizes environmental impact, and significantly enhances product market competitiveness, better meeting customer and regulatory authorities demands for sustainable products.

Low-energy Product Development

Hanshow Technology strictly complies with environmental regulations in major global markets, ensuring that its products meet international and domestic mandatory standards such as RoHS, WEEE, TPCP, TSCA, and China RoHS throughout their entire life cycle. The shopping cart products have passed comprehensive compliance audits and certifications, and third-party authoritative testing has confirmed that residual levels of 10 controlled hazardous substances, including lead and mercury, are below the regulatory limits in each region. This fully demonstrates the product's core advantages in ESG compliance, quality safety, and performance stability. The Company has invested significant capital and human resources in low-carbon product development and has substantially improved product energy efficiency through continuous technological innovation.

NexShelf digital store solutions leverage the Nebular Ultra e-labels and N5 AI cameras to collaboratively build high-precision digital maps, accelerating product turnover and reducing food waste through stockout detection, thereby supporting resource conservation and carbon emission reduction from an operational perspective. Among these innovations, the Nebular Ultra positioning e-label features an innovative design that supports multiple operating modes and can adaptively adjust NFC read frequency, extending battery life by 30%. The AI camera revolutionizes traditional high-performance computing paradigms via ESL anchoring technology, transforming complex deep learning tasks into positioning tasks and significantly reducing GPU computing requirements.

The ESL positioning system saves 30% of installation energy consumption through optimized installation methods and algorithm upgrades, with long-term maintenance energy consumption expected to decrease by more than 50%. Asset location tags achieve dynamic switching of transmission frequency based on RSSI fluctuation detection,

reducing power consumption by over 50%. Dual-mode electronic shelf labels adopt clock calibration technology and high-density, low-power protocols, extending battery life by more than 20%. The Nebular Lux solar-powered electronic shelf labels are applied for the first time in retail stores, utilizing indoor low-light power generation technology to enable battery-free, lifetime operation of the labels through photovoltaic conversion and power management, thereby reducing the production and disposal of single-use lithium batteries at the source and significantly lowering the store's carbon footprint and environmental burden. The Lumina Slim digital signage, based on full-color electronic paper display technology, features extremely low standby power consumption and requires no external power supply, while replacing traditional paper posters to reduce resource consumption in printing and transportation, helping stores reduce costs and improve efficiency.

Low-carbon Production

Integrated Photovoltaic-Storage-Charging Project

Hanshow Technology's headquarters base has implemented an innovative photovoltaic power generation-energy storage-charging integrated project, which enables closed-loop energy management—from production and storage to consumption—significantly reducing the park's overall energy consumption and supporting the development of a green and low-carbon park.

The project is equipped with a 1.5 MW distributed photovoltaic system, generating over 2 million kWh of electricity annually, supplying clean electricity to the park and reducing reliance on the traditional power grid. Complementary PV carport is constructed to efficiently utilize land resources while providing shelter for vehicles, enhancing both the functionality and aesthetics of the park. The system includes a 215 kWh industrial and commercial energy storage unit that stabilizes PV power fluctuations, enables peak shaving and valley filling, reduces peak-hour electricity costs, and stores daytime solar energy for nighttime charging station operations, further improving energy efficiency. For charging infrastructure, the project deploys 36 AC chargers (7 kW each) and two DC fast chargers (120 kW each), covering both fast and slow charging needs. Leveraging dynamic scheduling through the photovoltaic power generation-energy storage-charging platform, it can prevent grid overload caused by concentrated charging and achieve vehicle-to-grid (V2G) interaction.

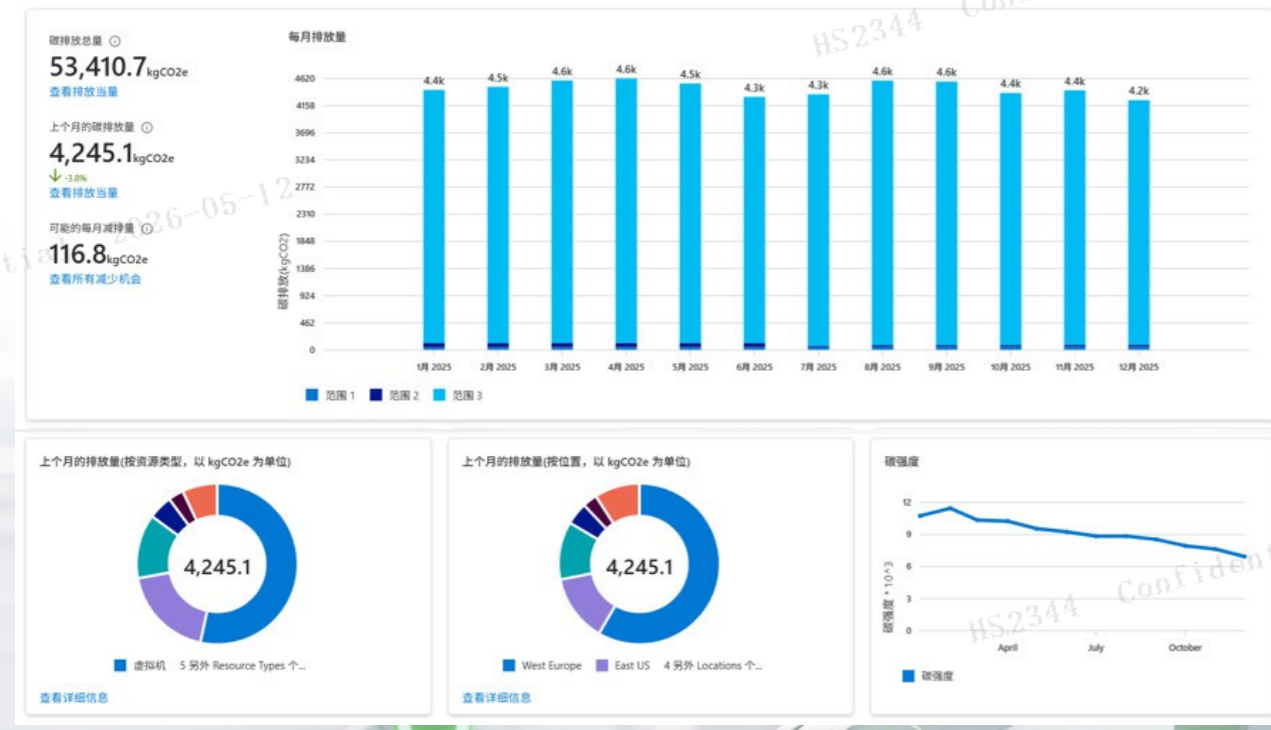
By leveraging a microgrid system, the project effectively integrates photovoltaic power, energy storage, charging infrastructure, and park power facilities, significantly improving renewable energy utilization, continuously optimizing the energy mix, and reducing carbon emissions. It is estimated that the project can reduce carbon dioxide emissions by approximately 1,994 tons annually, strongly supporting the park's near-zero carbon goal. The intelligent energy management model adopted by the project demonstrates strong replicability and can serve as a practical reference for the green transformation of various industrial parks. Meanwhile, the system has the potential to be expanded into a virtual power plant, enabling future participation in grid demand response, creating additional revenue for the park while contributing to the safe and stable operation of the power grid.

The photovoltaic power generation-energy storage-charging management platform serves as the core hub of the project, undertaking the functions of intelligent system-wide control and data operation: it monitors in real time the status of photovoltaic power generation, energy storage, and charging station utilization, and features load forecasting, energy efficiency analysis, and fault early warning. Based on historical data, the platform optimizes charging and discharging strategies to ensure efficient energy utilization and stable system operation. It can automatically generate carbon footprint reports, providing accurate data support for the Company's ESG management and facilitating continuous optimization of energy consumption strategies. Additionally, equipped with a dual-layer protection technology, the platform enables early detection of potential faults, effectively reducing equipment failure rates and ensuring reliable system operation, thus offering solid support for the long-term green and stable development of the park through intelligent operations and maintenance.

SaaS Platform

Hanshow Technology has built a SaaS platform service system on Microsoft Azure, which comprehensively covers core business modules such as data processing, application hosting, and intelligent analytics. While ensuring system stability and response performance, the Company has incorporated the carbon emissions of its cloud-based workloads into continuous monitoring and optimization efforts, actively advancing the transformation toward a green cloud architecture. Through refined energy efficiency management of computing, storage, and network resources, the Company has achieved carbon emissions tracking. Data shows that total carbon emissions have remained stable with a slight decline, with a month-on-month reduction of approximately 2%, reflecting the initial effectiveness of resource scheduling strategies and configuration optimization measures.

The Company has simultaneously conducted a systematic assessment of idle resources, inefficient instances, and auto-scaling strategies. Analysis indicates that approximately 82.4 kgCO₂e in additional emission reductions per month remains achievable under the current cloud architecture. This potential primarily stems from further rationalization of instance specifications, continuous improvement in server utilization, and refined operational governance of data storage lifecycles. In response to these identified reduction opportunities, the Company has developed targeted optimization plans. These will be progressively implemented through measures such as automated scheduling, regional resource preference, and tiered storage for hot and cold data, continuously reducing the carbon footprint of the SaaS cloud platform in a quantifiable and traceable manner, thereby supporting the achievement of the Company's medium- to long-term carbon neutrality goals.



▲SaaS Carbon Emission Data Display

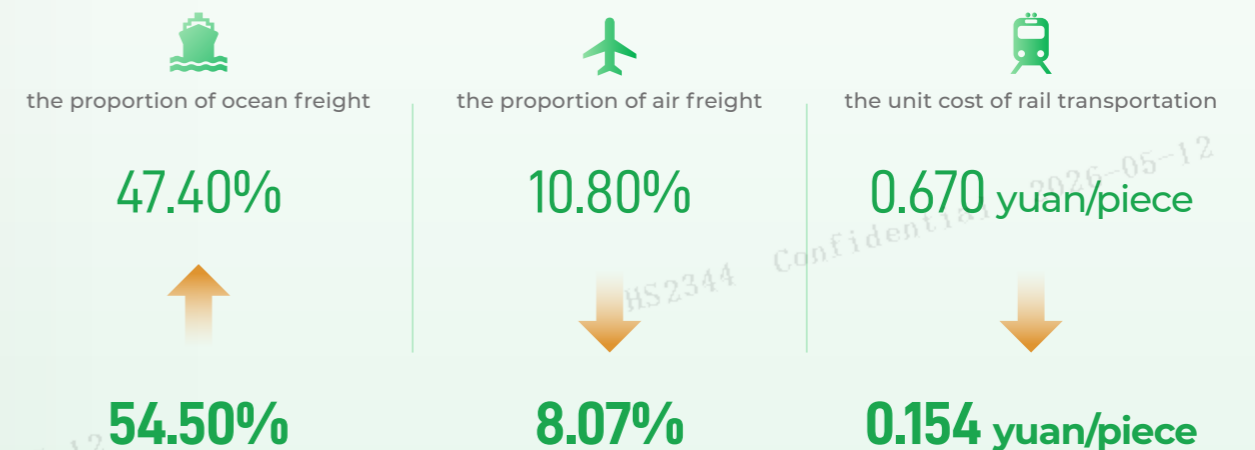
Low-carbon Logistics



As a critical connection between products and the market, logistics and warehousing play an irreplaceable role in driving green transformation of the entire value chain. The Company consistently adheres to the core warehousing management principles of "cost reduction, energy conservation, operational precision, and safety", deeply integrating them into every aspect of daily operations.

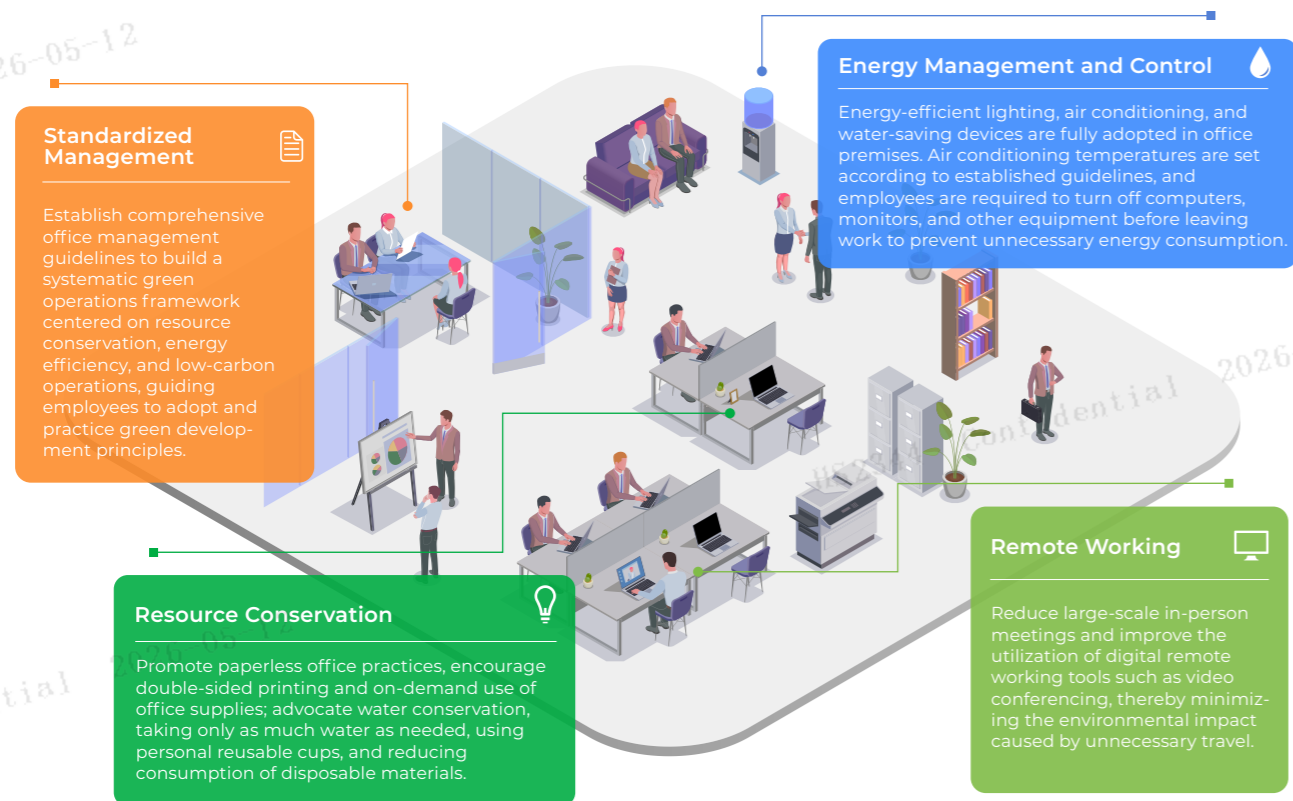
In 2025, the Company continued to optimize its global logistics network layout and transportation structure, advancing green and low-carbon development. In terms of transportation modes, the proportion of ocean freight was significantly increased from 47.40% in 2024 to 54.50%, while the proportion of air freight was reduced from 10.80% to 8.07%. Additionally, the unit cost of rail transportation decreased substantially from RMB 0.670 yuan/piece to RMB 0.154 yuan/piece. By implementing strategies such as pre-positioning materials based on overseas demand forecasting, utilizing forward warehouses, optimizing locked pricing for ocean, truck, and rail transport, executing tiered pricing schemes, and rigorously managing transportation costs, the Company effectively reduced unit transportation costs and improved delivery efficiency for international shipments.

The Company sets regional last-mile transportation management targets, continuously exploring cost reduction and carbon emission reduction potential to steadily achieve its green logistics goals. Through these measures, the Company ensures delivery efficiency while significantly reducing the environmental impact of logistics operations, promoting a green and low-carbon transformation of the supply chain.



Low-carbon Office

Hanshow Technology has incorporated green development into its core development principles, actively promoting a low-carbon lifestyle and integrating energy-saving awareness into employees' daily conduct. By continuously fostering a green corporate culture and implementing green office practices, Hanshow Technology drives efficient and low-carbon operations while enhancing employees' environmental awareness, enabling every employee to actively practice green operations.



Low-carbon Public Welfare

To continuously promote the implementation of green development concepts within the enterprise, Hanshow Technology actively carries out the "Low-Carbon Public Welfare Initiative", encouraging employees to engage in green practices and social welfare activities through daily actions, transforming low-carbon lifestyles into concrete actions supporting sustainable development. The Company has established an employee participation mechanism centered on three key areas—green recycling, low-carbon commuting, and public welfare—offering incentive points to motivate employees to actively participate in activities such as used battery recycling, public transportation use, cycling to work, and volunteer services, thereby continuously enhancing environmental awareness and social responsibility among employees.

Meanwhile, the Company has established a green points public welfare conversion mechanism, which collects and converts the points accumulated by employees' low-carbon behaviors into charitable funds to support social welfare projects and the development of charitable organizations, thereby extending individual green actions to social value. During the reporting period, a total of 772 employees participated. Through such initiatives, the Company continues to foster a low-carbon philanthropy culture characterized by "full participation, continuous action, and value symbiosis", contributing positively to building green enterprises and a sustainable society.



▲Used Battery Recycling Bin

5.3. LEAN OPERATION: RESOURCE AND ENERGY MANAGEMENT

Hanshow Technology has deeply integrated resource and energy management into its daily operations, systematically advancing pollution control, energy optimization, water conservation, and ecosystem protection. Through institutional guidance, goal-driven strategies, and full-process management, the Company continuously reduces its environmental footprint across operational stages, enhances resource efficiency, and strengthens the foundation of green production. In driving its own sustainable development, Hanshow contributes its solutions to the industry's green transformation.



5.3.1 MANAGEMENT OF POLLUTANTS AND WASTE

Hanshow Technology has established an integrated management system centered on full-process control, covering air pollutants, general solid waste, hazardous waste, and chemicals, ensuring that all emissions and disposals are fully compliant and under control throughout the entire process. The Company strictly adheres to the "reduce, reuse, recycle" principle to minimize environmental impact at the source, and through professional facilities and standardized procedures, maximizes the reduction of operational impacts on the ecosystem.

Pollutant Management

In the Company's environmental protection efforts, air pollutant management plays a significant role. To effectively control emissions generated during the Company's operations, products, and services, reduce their negative environmental impacts, and enhance the Company's overall environmental performance, we have established strict *Waste Gas Emissions Management Regulations*.

We are committed to strictly controlling waste gas emissions from production and operation processes. To this end, the Company has implemented a series of comprehensive measures, including installing high-efficiency dust removal systems, continuously upgrading air exhaust equipment, and regularly replacing activated carbon to ensure the efficient operation of the exhaust treatment system. Additionally, we engage independent third-party agencies to conduct regular monitoring of noise, exhaust emissions, wastewater, and pollutant treatment, ensuring all emission indicators fully comply with national and local environmental standards. Furthermore, the Company strictly adheres to safety technical inspections for stationary pressure vessels. Our goal is to maintain a 100% compliance rate in government waste gas emission inspections annually through 2028.



▲Regularly Replaces the Activated Carbon

During the reporting period, the Company's air pollutant emissions were as follows:

Indicator	Unit	2025
VOCs emissions	kg	2,260.00
Particulate matter emissions	kg	87.50
Tin and its compounds emissions	kg	0.0180

Waste Management

Hanshow Technology regards waste management as a key lever for environmental protection, minimizing the impact of operational activities on the ecological environment through standardized classification, professional disposal, and full-process control, thus actively fulfilling its commitment to green operations. During the reporting period, the Company continued to prioritize waste reduction and resource recovery in daily management, generating revenue of RMB 22,844.38 yuan from waste sales. Based on this, Hanshow continues to promote the implementation of the circular economy.

The Company strictly complies with relevant national laws and regulations, implementing rigorous storage, transportation, and disposal procedures for all types of waste. We actively practice the "3R" principle—Reduce, Reuse, and Recycle—continuously reducing chemical usage and minimizing the environmental impact of waste. The Company is committed to ensuring 100% compliance with local environmental regulations for waste disposal across all production facilities, demonstrating our firm determination to promote resource conservation and environmental protection. The Company has established clear waste classification standards, categorizing waste into general industrial solid waste, hazardous waste (including waste liquids), and household waste, and has developed the Hazardous Waste List and the General Solid Waste List to define the scope and handling procedures for each type of waste. The Company entrusts qualified third-party organizations with professional credentials to carry out recycling, utilization, and disposal activities, and signs strict environmental protection agreements to guarantee that the entire waste management process is controllable and traceable.

For household waste, the Company adopts scientific and environmentally friendly treatment methods by establishing centralized storage or collection sites equipped with rainproof and leak-proof facilities. The storage points implement zonal classification management, covering categories such as recyclables, non-recyclables, kitchen waste, and hazardous waste. The scale of each zone is dynamically adjusted according to actual needs to promote effective resource recovery.

For general industrial solid waste, the Company has established dedicated storage warehouses, carefully planned according to the type and quantity of waste. Each area is labeled for quick identification and classification by employees. The warehouse is equipped with weatherproof roofing and fire safety equipment, and the electrical system has been explosion-proof treated, ensuring comprehensive operational and storage safety.

POLLUTANT AND WASTE MANAGEMENT



For hazardous waste, the Company has identified hazardous chemicals including alcohol, inks, and thinners. During collection, storage, and transportation, these materials are classified, packaged, and labeled with professional markings and prominent warning labels according to their hazardous characteristics such as corrosivity, toxicity, and flammability. Comprehensive safety measures are fully implemented to prevent explosions, fires, leaks, and dust. The Company entrusts qualified third-party organizations with the appropriate hazardous waste disposal credentials to regularly carry out off-site disposal, ensuring its proper management.

The Company has obtained QC 080000:2017 certification for the Hazardous Substance Process Management System for Electrical and Electronic Components and Products, and has achieved systematic identification of all chemicals, ensuring that chemicals used in products meet the relevant requirements of RoHS and REACH. For newly introduced chemicals, strict safety pre-assessments are implemented, and Material Safety Data Sheets (MSDS) are comprehensively collected to obtain critical information such as chemical names, hazardous properties, emergency treatment measures, and spill handling methods. Prior to implementation, chemicals must pass stability assessments, and their storage and usage are strictly supervised by professional personnel. The Company regularly organizes professional training to enhance employees' safety awareness and emergency response capabilities, creating a green and safe working environment for employees.



During the reporting period, the Company's waste emissions are as follows:

Indicator	Unit	2025
Waste generated	Tonne	22.97
Hazardous waste treatment	Tonne	5.14
Hazardous waste treatment per million RMB of revenue	Tonne/million RMB of revenue	0.0012
Non-hazardous waste generated	Tonne	17.83
Non-hazardous waste generated per million RMB of revenue	Tonne/million RMB of revenue	0.0042
Waste recycled	Tonne	21.69
Waste recycling rate	%	94.41
Waste recycled per million RMB of revenue	Tonne/million RMB of revenue	0.0051
Plastic	Tonne	3.72
Paper	Tonne	14.11

5.3.2 OPTIMIZING RESOURCE MANAGEMENT

Hanshow Technology integrates energy, water resources, and biodiversity into a unified resource management framework, using systems as safeguards and goals as guidance to continuously optimize resource utilization structures and reduce environmental footprint in operational processes. Through systematic energy management, refined water use management, and forward-looking ecological conservation commitments, the Company promotes synergistic advancement of resource conservation and environmental protection.

Energy Management

Hanshow Technology deeply recognizes the critical supporting role of energy management in sustainable development. The Company continuously improves its energy management system and systematically advances energy efficiency improvements in factories, striving to reduce energy consumption and carbon emissions to lay a solid foundation for green operations. The Company has established and implemented specialized regulations including the *Regulations on Energy Conservation and Consumption Reduction Management*, the *Regulations on the Use of Air Conditioners*, and the *Lighting Management Regulations*. By combining scientific management with technical measures, Hanshow ensures effective control across all stages of energy utilization and will progressively set energy-saving targets according to future business conditions. In production and operations, the electricity is the Company's core source of energy consumption.



During the reporting period, the Company's energy-related performance was as follows:

Indicator	Unit	2025
Gasoline (mobile combustion)	Liter	858.06
Total amount of direct energy consumption	Tce	0.92
Total amount of electricity consumption	MWh	12,818.00
Total amount of indirect energy consumption	Tce	1,575.33
Total energy consumption	Tce	1,576.25
Energy consumption intensity	Tce/million RMB of revenue	0.37

Water Resources Management

Hanshow Technology deeply recognizes the increasing scarcity and value of water resources amid rising global resource pressures, and has fully integrated the principles of efficient and sustainable water resource management into its daily operations, committing to safeguarding water resources in a responsible manner.

The Company strictly complies with national laws and regulations such as the *Water Law of the People's Republic of China* and the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, and has formulated and implemented a *Water Conservation Management System* to standardize the entire process of water withdrawal and usage. By defining operational procedures, strengthening daily supervision, and enhancing employees' awareness of water conservation, the Company ensures the rational use of water resources. Currently, the Company's water consumption is primarily concentrated in two areas: office and construction projects. During the project construction, water is mainly used for dust control and greening irrigation, with relatively limited demand.

The Company is committed to continuously optimizing its water usage structure by implementing water-saving measures and strengthening water management to reduce water consumption in research, development, and production processes. In 2023, the Company set a clear goal: to achieve optimal efficiency in our core water-consuming facilities and equipment by 2028. This goal will guide the Company's ongoing innovation and breakthroughs in water resource management.

During the reporting period, the Company's water-related performance was as follows:

Indicator	Unit	2025
Total water withdrawal	Tonne	16,285.00
Per capita water consumption	Tonne/person	16.20
Water consumption intensity	Tonne/million RMB of revenue	3.84

Ecosystem and Biodiversity

Hanshow Technology deeply recognizes the significant importance of biodiversity to the Earth's ecological balance and human well-being. With reverence for nature and adherence to ecological principles, the Company integrates conservation concepts into every stage of its corporate development.

The Company solemnly commits to strictly abide by national and local ecological protection laws and regulations, establishing a robust ecological compliance baseline aligned with the strictest standards throughout the entire lifecycle of project development, construction, production, and operating processes, minimizing the potential impacts of business activities on ecosystems, and is dedicated to fostering a culture of biodiversity conservation within the organization to achieve harmonious coexistence between the business and nature.

To translate ecological conservation commitments into concrete actions, the Company has established and implemented clear biodiversity management goal: By 2028, all our self-operated production bases will conduct biodiversity risk assessments to systematically identify and address potential ecological risks arising from production activities; all new projects must undergo and pass environmental impact assessments before implementation, with operational approval contingent upon demonstrating zero negative biodiversity impact, thereby establishing a robust safeguard at the project origination phase.

Throughout the construction and operation of the project, the Company fully adopts advanced environmental protection technologies and equipment, optimizes construction plans, and minimizes disturbances to the surrounding ecological environment. The Company conducts regular environmental monitoring and assessments, promptly identifying and effectively addressing potential environmental issues to ensure that production and operational activities remain aligned with nature conservation requirements.

The Company actively collaborates with government departments, scientific research institutions, and social organizations to advance biodiversity conservation projects, bringing together ecological protection efforts through experience sharing and resource coordination. During the reporting period, the Company did not receive any penalties due to ecological impacts from its projects.

5.4. CIRCULAR ECONOMY: WASTE AND RECYCLING

Hanshow Technology has deeply integrated the concept of circular economy into its ESG management system, viewing it as a key pathway to drive green innovation, enhance resource efficiency, and address climate change. By implementing the principles of reduce, reuse, and recycle throughout the entire product lifecycle, we are committed to decoupling economic growth from resource consumption, thereby providing sustained momentum for sustainable development.

5.4.1 GREEN VISION AND MISSION

The Company has established clear circular economy targets: conduct comprehensive lifecycle assessments for at least five core products by 2028 and implement targeted measures based on evaluation results to reduce the environmental impact of products during manufacturing, use, and end-of-life stages. Using 2022 as the baseline year, the Company aims to increase the overall product recycling rate by at least 5% by 2028, continuously improving resource recovery and utilization efficiency through ongoing innovation.

The circular economy is a key driver for promoting economic innovation and upgrading, helping to establish a virtuous balance between economic growth and resource consumption, as well as environmental pollution. Hanshow Technology advances circular economy practices systematically, effectively alleviating resource constraints, improving utilization efficiency, reducing environmental impact, and laying the foundation for long-term, stable corporate development, while also contributing to the long-term interests of society and the planet. We actively implement the "3R" principle—Reduce, Reuse, Recycle—continuously decreasing raw material consumption and enhancing the sustainability of materials.

5.4.2 GREEN INITIATIVE OUTCOMES

The Company integrates green and low-carbon principles throughout all stages of the product lifecycle, fulfilling its green commitments in design, procurement, production, packaging, recycling, and refurbishment.

In the product design phase, the Company promotes green, low-carbon, and non-toxic design principles, giving priority to environmentally friendly bio-based plastics and biodegradable composites. Product energy consumption is significantly reduced compared to traditional solutions, and compatibility with clean energy sources such as photovoltaics is supported. Through an innovative modular architecture in structural design, the lifespan of core components is extended to over 10 years. Combined with remote firmware updates, this enables continuous iteration of terminal devices without requiring hardware replacement.

In terms of raw material procurement and supply chain collaboration, the Company works closely with suppliers to promote the procurement of recycled precious metals, encourage technological innovation, and continuously increase the proportion of recycled materials purchased. By introducing environmental certification systems and strengthening the entire process management of suppliers, it ensures that all stages—from raw material procurement to production and logistics—comply with environmental requirements.

In terms of green production, the Company optimizes product design, selects environmentally friendly materials, and extends battery lifespan. Currently, the Company's electronic shelf labels have obtained RoHS and WEEE certifications, with a product recyclability rate reaching 75%.

In terms of packaging, the Company has revised its internal *Packaging Material Technical Specifications* in accordance with the standard *Packaging Recycling Marking (GB/T 18445-2022)*, and reduced packaging size and weight through optimized cushioning materials and lightweight design.

In terms of product recycling, the Company places great importance on compliant end-of-life disposal and actively collaborates with customers to promote product take-back, with a focus on improving the recycling rates of key components such as batteries. Currently, in the Dutch market, the Company has established a full-chain compliant recycling system covering batteries and electronic waste, completed registration and reporting through Stichting Open, and paid recycling fees in accordance with regulations. Additionally, differentiated recycling processes are implemented for electronic shelf labels with removable and non-removable batteries, respectively.

In terms of product refurbishment, the Company recycles and refurbishes electronic shelf labels, with carbon emissions from refurbished products accounting for only 20% of those from manufacturing new ones, effectively extending product life cycles.

Appendix 1: Key Performance Indicators

Indicator	Unit	2025
Environment		
Greenhouse Gas Emissions		
Scope 1	tCO ₂ e	1.92
Scope 2 (location-based)	tCO ₂ e	6,801.23
Scope 1 and Scope 2 (location-based) total emissions	tCO ₂ e	6,803.15
Scope 1 and Scope 2 (location-based) emissions intensity	tCO ₂ e/million RMB of revenue	1.60
Scope 3 - Category 1: purchased goods and services	tCO ₂ e	363,123.52
Scope 3 - Category 4: upstream transportation and distribution	tCO ₂ e	10,861.94
Scope 3 - Category 5: waste generated in operations	tCO ₂ e	3.22
Scope 3 - Category 6: business travel	tCO ₂ e	3,620.21
Scope 3 - Category 7: employee commuting	tCO ₂ e	111.96
Scope 3 emissions	tCO ₂ e	377,720.85
Total greenhouse gas emissions	tCO ₂ e	384,524.00
Air Pollutants		
VOCs emissions	kg	2,260.00
Particulate matter emissions	kg	87.50
Tin and its compounds emissions	kg	0.0180
Solid Waste		
Waste generated	Tonne	22.97
Hazardous waste treatment	Tonne	5.14
Hazardous waste treatment per million RMB of revenue	Tonne/million RMB of revenue	0.0012
Non-hazardous waste generated	Tonne	17.83
Non-hazardous waste generated per million RMB of revenue	Tonne/million RMB of revenue	0.0042
Waste recycled	Tonne	21.69
Waste recycling rate	%	94.41
Waste recycled per million RMB of revenue	Tonne/million RMB of revenue	0.0051
Plastic	Tonne	3.72
Paper	Tonne	14.11
Energy Usage		
Gasoline (mobile combustion)	Liter	858.06
Total direct energy consumption	Tce	0.92
Total electricity consumption	MWh	12,818.00

Appendix 1: Key Performance Indicators

Indicator	Unit	2025
Environment		
Energy Usage		
Total indirect energy consumption	Tce	1,575.33
Total energy consumption	Tce	1,576.25
Energy consumption intensity	Tce/million RMB of revenue	0.37
Water Resource Use		
Total water withdrawal	Tonne	16,285.00
Water consumption per capita	Tonne/person	16.20
Water consumption intensity	Tonne/million RMB of revenue	3.84
Social		
Employee		
Total number of employees	Person	1,005
Employees - Number of Employees by Employment Type		
Full-time employee	Person	1,005
Part-time employee	Person	0
Employees - Number of Employees by Age		
Employees under the age of 30	Employees	397
Employees aged 30 to 50	Employees	580
Employees aged 50 and above	Employees	28
Employees - Number of Employees by Gender		
Male	Employees	642
Female	Employees	363
Employees - Number of Employees by Region		
China	Employees	772
France	Employees	56
Netherlands	Employees	35
Germany	Employees	53
United Kingdom	Employees	10
Spain	Employees	7
Poland	Employees	1
United States	Employees	30
Canada	Employees	1

Appendix 1: Key Performance Indicators

Indicator	Unit	2025
Social		
Employees - Number of Employees by Region		
Australia	Employees	24
New Zealand	Employees	2
Singapore	Employees	0
Japan	Employees	14
Employees - Number of Employees by Ethnicity		
Han (China)	Employees	806
Others (other ethnic minorities in China and overseas ethnic groups)	Employees	199
Employees with Disabilities		
	Employees	9
Percentage of women in Management Positions (Excluding the Board of Directors)		
	%	32.14
Employment		
Annual number of new employees	Employees	215
Annual new employee hiring rate	%	21.39
Employment Rate by Age		
Employees under the age of 30	Employees	87
Employees under the age of 30	%	40.47
Employees aged 31-50	Employees	124
Employees aged 31-50	%	57.67
Employees aged over 50	Employees	4
Employees aged over 50	%	1.86
Employment Rate by Gender		
Number of new male employees	Employees	144
Percentage of new male employees	%	66.98
Number of new female employees	Employees	71
Percentage of new female employees	%	33.02
Employee Training		
Number of trainings	Times	53
Employees trained	Employees	910
Employee coverage rate for training	%	90.55
Total employee training hours	Hours	9,168.64

Appendix 1: Key Performance Indicators

Indicator	Unit	2025
Social		
Employee Training - Number of Employees Trained by Level		
Number of trainees at and above the manager level	Employees	167
Percentage of trainees at and above the manager level	%	99.40
Number of trainees at other levels	Employees	743
Percentage of trainees at other levels	%	88.77
Employee Training - Number of Employees Trained by Gender		
Male employees trained	Employees	575
Male employees trained	%	89.56
Female employees trained	Employees	335
Female employees trained	%	92.29
Employee Training - Hours of Employees Trained by Level		
Training hours for managers and above	Hours	1,637.55
Average training hours for managers and above	Hours/employee	9.75
Training hours for employees at other levels	Hours	7,531.09
Average training hours for employees at other levels	Hours/employee	9.00
Employee Training - Hours of Employees Trained by Gender		
Training hours for male employees	Hours	6,433.33
Average training hours for male employees	Hours/employee	10.02
Training hours for female employees	Hours	2,735.31
Average training hours for female employees	Hours/employee	7.54
Employee Training - ESG-Related Training		
Number of ESG-related training courses provided	Times	1
Number of participants in ESG-related training	Participants	61
Employee Training - Occupational Health and Safety Training		
Number of health and safety incidents	Pieces	0
Number of occupational health and safety training sessions provided	Times	2
Number of participants in occupational health and safety training	Participants	206
Employee Training - Anti-Bribery, Anti-Corruption, and Business Ethics Training		
Total duration of anti-bribery, anti-corruption, and business ethics training	Hours	403.26
Number of anti-corruption and business ethics training sessions	Times	3

Appendix 1: Key Performance Indicators

Indicator	Unit	2025
Social		
Employee Training - Anti-Bribery, Anti-Corruption, and Business Ethics Training		
Percentage of Chinese employees who have received anti-corruption and business ethics training	%	97.40
Number of training sessions attended by directors and senior management	Times	1
Number of training sessions attended by employees	Times	2
Passing rate of training sessions attended by directors and senior management	%	98.01
Passing rate of training sessions attended by employees	%	96.50
Employee Training - Information Security Awareness Training		
Number of information security awareness training sessions conducted	Times	1
Total hours of information security awareness training	Hours	611.25
Number of employees participating in information security awareness training	Employees	815
Coverage rate for information security awareness training	%	81.09
Employee Training - Skill Development		
Number of times employee skills training courses provided	Times	25
Number of employee participating in employee skills training	Participants	640
Collective Bargaining Agreement		
Employees covered by employee representatives	Employees	773
Employees covered by collective agreements	Employees	56
Parental Leave		
Total number of employees enjoying parental leave	Employees	36
Total number of employees on parental leave	Employees	28
Return-to-work rate after parental leave	%	100
Retention rate after parental leave	%	92.86
Parental Leave - Number of Employees Having Parental Leave by Gender		
Number of male employees having parental leave	Employees	22
Number of female employees having parental leave	Employees	14
Parental Leave - Number of Employees Taking Parental Leave by Gender		
Number of male employees taking parental leave	Employees	13
Number of female employees taking parental leave	Employees	15

Appendix 1: Key Performance Indicators

Indicator	Unit	2025
Social		
Parental Leave - Number of Employees Returning to Work Within the Reporting Period After the End of Parental Leave, by Gender		
Number of male employees who returned to work after parental leave during the reporting period	Employees	13
Number of female employees who returned to work after parental leave during the reporting period	Employees	15
Parental Leave - Number of Employees Who Returned to Work After Parental Leave and Remained Employed for 12 Months, by Gender		
Number of male employees who returned to work after parental leave and remained employed 12 months later, by gender	Employees	13
Number of female employees who returned to work after parental leave and remained employed after 12 months, by gender	Employees	13
Benefits and Others		
Number of employees with health insurance	Employees	1,005
Percentage of operating facilities certified under ISO 45001 or other labor or human rights management standards	%	100
Research and Development (R&D)		
Total R&D investment	10,000 RMB	20,255.88
R&D investment as a percentage of revenue	%	4.77
Number of R&D personnel	Persons	329
Percentage of R&D personnel	%	32.74
Patents and Intellectual Property Rights		
Number of new patents during the reporting period	Pieces	201
Number of valid patents as of the end of the reporting period	Pieces	602
Number of intellectual property rights as of the end of the reporting period	Items	830
Number of trademark authorizations obtained as of the end of the reporting period	Pieces	182
Social Contribution		
Total social contribution investment	RMB	187,400

Appendix 2: Hanshow Operating Entities Covered in the Report

No.	Operating Entity	Location
1	Hanshow Technology Co., Ltd.	China
2	Beijing Hanshi Electronic Technology Co., Ltd.	China
3	Beijing Hanshi Smart Retail Co., Ltd.	China
4	Shanghai Hanshi Information Technology Co., Ltd.	China
5	Zhejiang Hanshi Trading Co., Ltd.	China
6	Anhui Hanxing New Energy Technology Co., Ltd.	China
7	Zhejiang Hanxing New Energy Co., Ltd.	China
8	Zhejiang Hanyao Electric Power Technology Co., Ltd.	China
9	Zhejiang Hanxian Technology Co., Ltd.	China
10	Zhejiang Hanhe IoT Technology Co., Ltd.	China
11	HANSHOW AMERICA INC.	United States of America
12	HANSHOW VIETNAM COMPANY LIMITED	Vietnam
13	HANSHOW PTE. LTD.	Singapore
14	Hanshow Japan Co., Ltd.	Japan
15	HANSHOW MALAYSIA SDN. BHD.	Malaysia
16	HANSHOW HONG KONG CO., LIMITED	Hong Kong, China
17	HANSHOW FRANCE SAS	France
18	Hanshow Germany GmbH	Germany
19	HANSHOW AUSTRALIA PTY LTD	Australia
20	HANSHOW NEW ZEALAND LIMITED	New Zealand
21	Hanshow Netherlands B.V.	Netherlands
22	HANSHOW UK CO., LTD	United Kingdom
23	HANSHOW CANADA LTD.	Canada
24	Hanshow Spain S.L.	Spain
25	HANSHOW POLAND SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ	Poland
26	HANSHOW GREECE SINGLE MEMBER P.C.	Greece

Appendix 3: A-Share Sustainability Disclosure Index

Dimension	No.	Topic	Location
Environment	1	Climate response	5.2. Looking Ahead: Climate Action and Resilience
	2	Pollutant discharge	5.3. Lean Operations: Resource and Energy Management
	3	Waste disposal	5.3. Lean Operations: Resource and Energy Management
	4	Ecosystem and biodiversity protection	5.3. Lean Operations: Resource and Energy Management
	5	Environmental compliance management	5.1. Compliance First: Environmental Management System
	6	Energy utilization	5.3. Lean Operations: Resource and Energy Management
	7	Water resources utilization	5.3. Lean Operations: Resource and Energy Management
	8	Circular economy	5.4. Circular Economy: Waste and Recycling
Community	9	Rural revitalization	4.4. Caring for Society: Community Engagement and Impact
	10	Social contribution	4.4. Caring for Society: Community Engagement and Impact
	11	Innovation	4.1. Customer-Oriented Innovation: Premium Products and Services
	12	Ethics of science and technology	4.1. Customer-Oriented Innovation: Premium Products and Services
	13	Supply chain security	4.3. Collaborative Industry: Responsible Supply Chain
	14	Equal treatment of SMEs	4.3. Collaborative Industry: Responsible Supply Chain
	15	Product and service safety and quality	4.1. Customer-Oriented Innovation: Premium Products and Services
Sustainability related governance	16	Data security and customer privacy	4.1. Customer-Oriented Innovation: Premium Products and Services
	17	Employees	4.2. Empowering Employees: A Workplace of Diversity, Equity, and Inclusion
	18	Due diligence	2.1. Building Consensus: ESG Strategy and Management 2.2. Listening and Responding: Stakeholder Engagement
	19	Stakeholder engagement	2.2. Listening and Responding: Stakeholder Engagement
	20	Anti-commercial bribery and anti-corruption	3.3. Root of Conduct: Compliant Business Operations
	21	Fair competition	3.3. Root of Conduct: Compliant Business Operations

Appendix 4: GRI Standard Content Index

Number	Subject	Disclosure	Location
2-1	Organization Details	Disclosed	1.1. Overview of the Report
2-2	Entities included in the organization's sustainability report	Disclosed	1.1. Overview of the Report Appendix 2: Hanshow Operating Entities Covered in the Report
2-4	Restatements of information	N/A	N/A
2-5	External assurance	Disclosed	Appendix 5: Assurance Report
2-6	Activities, value chain, and other business relationships	Disclosed	1.3. About Hanshow Technology
2-7	Employees	Disclosed	4.2. Empowering Employees: A Workplace of Diversity, Equity, and Inclusion
2-8	Workers who are not employees	Disclosed	4.2. Empowering Employees: A Workplace of Diversity, Equity, and Inclusion
2-9	Governance structure and composition	Disclosed	2.1. Building Consensus: ESG Strategy and Management 3.1. Foundation of Trust: Excellence in Corporate Governance
2-13	Delegation of responsibility for managing impacts	Disclosed	3.1. Foundation of Trust: Excellence in Corporate Governance
2-16	Communication of critical concerns	Disclosed	2.2. Listening and Responding: Stakeholder Engagement
2-23	Policy commitments	Disclosed	3.3. Root of Conduct: Compliant Business Operations
2-24	Embedding policy commitments	N/A	N/A
2-29	Approach to stakeholder engagement	Disclosed	2.2. Listening and Responding: Stakeholder Engagement
2-30	Collective bargaining agreements	Disclosed	4.2. Empowering Employees: A Workplace of Diversity, Equity, and Inclusion
201-2	Financial implications and other risks and opportunities due to climate change	Disclosed	5.2. Looking Ahead: Climate Action and Resilience
205-1	Operations assessed for risks related to corruption	Disclosed	3.3. Root of Conduct: Compliant Business Operations
205-2	Communication and training on anti-corruption policies and procedures	Disclosed	3.3. Root of Conduct: Compliant Business Operations
205-3	Confirmed incidents of corruption and actions taken	Disclosed	3.3. Root of Conduct: Compliant Business Operations
302-1	Energy consumption within the organization	Disclosed	5.3. Lean Operations: Resource and Energy Management
302-2	Energy consumption outside of the organization	Disclosed	5.3. Lean Operations: Resource and Energy Management

Appendix 4: GRI Standard Content Index

Number	Subject	Disclosure	Location
302-4	Reduction of energy consumption	Disclosed	5.3. Lean Operations: Resource and Energy Management
303-5	Water consumption	Disclosed	5.3. Lean Operations: Resource and Energy Management
305-1	Direct (Scope 1) GHG emissions	Disclosed	5.2. Looking Ahead: Climate Action and Resilience
305-2	Energy indirect (Scope 2) GHG emissions	Disclosed	5.2. Looking Ahead: Climate Action and Resilience
305-3	Other indirect (Scope 3) GHG emissions	Disclosed	5.2. Looking Ahead: Climate Action and Resilience
305-4	GHG emissions intensity	Disclosed	5.2. Looking Ahead: Climate Action and Resilience
305-5	Reduction of GHG emissions	Disclosed	5.2. Looking Ahead: Climate Action and Resilience
305-6	Emissions of ozone-depleting substances (ODS)	N/A	N/A
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Disclosed	5.3. Lean Operations: Resource and Energy Management
306-2	Total amount of waste classified by category and treatment method	Disclosed	5.3. Lean Operations: Resource and Energy Management
306-2	Waste generated	Disclosed	5.3. Lean Operations: Resource and Energy Management
306-4	Waste diverted from disposal	Disclosed	5.3. Lean Operations: Resource and Energy Management
306-5	Waste directed to disposal	Disclosed	5.3. Lean Operations: Resource and Energy Management
401-1	New employee hires and employee turnover	Disclosed	4.2. Empowering Employees: A Workplace of Diversity, Equity, and Inclusion
401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	Disclosed	4.2. Empowering Employees: A Workplace of Diversity, Equity, and Inclusion
401-3	Parental leave	Disclosed	4.2. Empowering Employees: A Workplace of Diversity, Equity, and Inclusion
403-1	Occupational health and safety management system	Disclosed	4.2. Empowering Employees: A Workplace of Diversity, Equity, and Inclusion

Appendix 4: GRI Standard Content Index

Number	Subject	Disclosure	Location
403-2	Hazard identification, risk assessment, and incident investigation	Disclosed	4.2. Empowering Employees: A Workplace of Diversity, Equity, and Inclusion
403-3	Occupational health services	Disclosed	4.2. Empowering Employees: A Workplace of Diversity, Equity, and Inclusion
404-1	Average hours of training per year per employee	Disclosed	4.2. Empowering Employees: A Workplace of Diversity, Equity, and Inclusion
405-1	Diversity of governance bodies and employees	Disclosed	4.2. Empowering Employees: A Workplace of Diversity, Equity, and Inclusion
405-2	Ratio of basic salary and remuneration of women to men	Disclosed	4.2. Empowering Employees: A Workplace of Diversity, Equity, and Inclusion
406-1	Incidents of discrimination and corrective actions taken	Disclosed	4.2. Empowering Employees: A Workplace of Diversity, Equity, and Inclusion
408-1	Operations and suppliers at significant risk of child labor incidents	Disclosed	4.2. Empowering Employees: A Workplace of Diversity, Equity, and Inclusion
409-1	Operations and suppliers at significant risk of forced or compulsory labor incidents	Disclosed	4.2. Empowering Employees: A Workplace of Diversity, Equity, and Inclusion
413-1	Operations with local community engagement, impact assessments, and development programs	Disclosed	4.4. Caring for Society: Community Engagement and Impact

Appendix 5: Assurance Report

Deloitte.

德勤

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INDEPENDENT LIMITED ASSURANCE REPORT

DTTBJ(26)BAR00010

To the Board of Hanshow Technology Co., Ltd.

We have been engaged to perform a limited assurance engagement on selected 2025 Key ESG Indicators (the "Selected Indicators") in the 2025 Environmental, Social and Governance Report (the "ESG Report") prepared by Hanshow Technology Co., Ltd. (the "Company").

Subject Matter Information

The subject matters information of this assurance engagement include the following Selected Indicators in the 2025 ESG Report:

- Major management system certifications obtained
- Number of valid patents as of the end of the reporting period
- Total number of employees
- Total number of Female employees
- Percentage of women in management positions (excluding the Board of Directors)
- Total employee training hours
- Employee coverage rate for training
- Number of employees participated in information security awareness training

Our limited assurance engagement is limited to the Selected Indicators in the ESG Report above, and does not extend to information disclosed in the ESG Report that is not included in the "Subject Matter Information", as well as the 2024 and prior years' Selected Indicators and other information.

Applicable Criteria

The applicable criteria used by the Company in the preparation of the Selected Indicators are set out in the Appendix to this report.

Responsibility of Management and Those Charged with Governance

The management of the Company is responsible for the preparation of the Selected Indicators in accordance with the applicable criteria. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation of the Selected Indicators that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the reporting process.

Inherent Limitations of Applicable Criteria

We draw attention of the users of this report to the fact that there is no generally accepted evaluation and measurement basis for the preparation of non-financial information, which may affect the comparability of sustainability information between entities and over time.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies *International Standard on Quality Management 1*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding

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Appendix 5: Assurance Report

compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to perform limited assurance in accordance with the *International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information*. We express assurance conclusions with limited assurance on whether the Selected Indicators in the ESG Report have been prepared in all material respects in accordance with the applicable criteria.

Assurance Procedures

The procedures performed in a limited assurance engagement substantially vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Therefore, the level of assurance obtained by limited assurance was substantially lower than reasonable assurance. We do not provide reasonable assurance that the Selected Indicators in the ESG Report were disclosed in all material respects in accordance with the applicable criteria. Our assurance included identifying areas where Selected Indicators for 2025 may be materially misstated in the ESG Report, designing, and implementing assurance procedures to address these identified areas, and obtaining evidence accordingly. The assurance procedures we carried out depend on our professional judgment and risk assessments of assurance.

We carried out the following assurance procedures:

- Interviewed the Company's management and staff responsible for information collection, consolidation and disclosure to understand the process of reporting in relation to these Selected Indicators;
- Inspected relevant supporting documents on a sample basis;
- Performed analytical procedures on Selected Indicators;
- Recalculated Selected Indicators on a sample basis.

Limited Assurance Conclusions

Based on the above work performed and the evidence we have obtained, nothing has come to our attention that would cause us to believe that the Subject Matter Information in the ESG report, is not prepared, in all material respects, in accordance with the Applicable Criteria.

Use of Independent Limited Assurance Report

This independent limited assurance report is solely for the purpose of preparing the Company's 2025 ESG Report, and is not suitable and cannot be used for other purposes. We do not assume responsibility or accept liability to any other person or third party other than the Company's Board of Directors for this report.

This is the English translation of the Independent Limited Assurance Report in Chinese version. If there is any conflict between the translated and Chinese version, the Chinese version shall prevail.

Deloitte Touche Tohmatsu Certified Public Accountants LLP Beijing Branch
Beijing, China
May 8, 2026



Appendix 5: Assurance Report

Appendix: Applicable Criteria

- **Major management system certifications obtained:** As of 31 December 2025, Hanshow Technology Co., Ltd. and its subsidiaries have obtained effective management system certifications under international standards (ISO) and Chinese national standards (GB/T). The list of management system certifications is shown on Page 19 of the report.
- **Number of valid patents as of the end of the reporting period:** As of December 31 2025, the number of valid patents of Hanshow Technology Co., Ltd. and its subsidiaries that are licensed and in force.
- **Total number of employees:** As of December 31 2025, the total number of regular employees of Hanshow Technology Co., Ltd. and its subsidiaries with labor contracts.
- **Total number of Female employees:** As of December 31 2025, the total number of regular female employees of Hanshow Technology Co., Ltd. and its subsidiaries with labor contracts.
- **Percentage of women in management positions (excluding the Board of Directors):** As of December 31 2025, the percentage of female executives among the employees of Hanshow Technology Co., Ltd. and its subsidiaries as a percentage of the number of management. Management consists of general managers, vice presidents, deputy general managers and directors of Hanshow Technology Co., Ltd. and its subsidiaries, as well as managers of various departments.
- **Total employee training hours:** From 1 January 2025 to 31 December 2025, employees of Hanshow Technology Co., Ltd. and its subsidiaries accumulated total training hours measured in hours.
- **Employee coverage rate for training:** As of December 31 2025, the proportion of employees of Hanshow Technology Co., Ltd. and its subsidiaries who participated in training accounted for the total number of employees.
- **Number of employees participating in information security awareness training:** Number of employees of Hanshow Technology Co., Ltd. and its subsidiaries who participated in information security awareness training during the period from January 1, 2025 to December 31, 2025.

Appendix 6: Disclaimer and Forward-Looking Statement

The report contains forward-looking statements. All statements, except for statements of historical fact, are forward-looking statements. Words and phrases such as will, proposed, may, commit, target, transition, expect, support, intend, enable, strategic, risk, opportunity, comply, estimate, continue, lead, anticipate, desire, should, challenge, endeavor, possible, future, hope, accelerate, throughout, potential, assume, strengthen, assert, progress, maintain, remain, rise, long-term, through, ambition, plan, believe, transform, ensure, expand, mitigate, continuity, goal, achieve, must, next steps, ongoing, outlook, or similar expressions are typically used to identify forward-looking statements.

Forward-looking statements are subject to risks, uncertainties, and other factors that are difficult to predict, which may cause the Company's actual results to differ materially from those expressed or implied by such forward-looking statements.

These factors include, but are not limited to: risks related to the Company's inability to successfully implement its strategy, manage business growth, or achieve expected benefits from acquisitions; competitive risks and margin pressures in the pan-retail industry; the impact of economic conditions (including high inflation levels) on consumer spending; changes in consumer expectations and preferences; global capital market volatility; political developments, natural disasters, and pandemics; climate change; energy supply issues; raw material shortages and human rights developments in the supply chain; operational disruptions and other factors negatively affecting the Company's suppliers; changes in supplier terms and the inability to reflect cost increases to prices; risks related to environmental, social, and governance matters (including performance) and sustainable retail; product quality issues leading to product liability claims and negative publicity; environmental liabilities related to properties owned or leased by the Company; a highly competitive labor market, changes in labor conditions, and labor disruptions; ransomware and other cybersecurity issues related to IT system security failures or breaches; antitrust and similar legislation; unexpected outcomes in the Company's legal proceedings; additional costs or capital expenditures associated with compliance with national and local laws and regulations; unexpected outcomes in tax audits; the impact of the Company's outstanding financial debt; the Company's ability to generate positive cash flow; interest rate fluctuations; changes in reference rates; the impact of a downgrade in the Company's credit rating and the related increase in borrowing costs; exchange rate fluctuations; inherent limitations in the Company's control systems; changes in accounting standards; inability to obtain insurance at effective levels; adverse outcomes arising from claims under the Company's self-insurance programs; the Company's inability to find suitable real estate or enter into real estate leases on commercially acceptable terms; and other factors discussed in the Company's public filings and other disclosures.

Forward-looking statements reflect the current views of the Company's management and assumptions based on information currently available to the Company's management. Forward-looking statements are made only as of the date they are issued, and the Company undertakes no obligation to update such statements, except as required by law.

Appendix 7: Feedback

Thank you for reading *Hanshow Technology Co., Ltd. 2025 Environmental, Social, and Governance (ESG) Report*. To provide you and other stakeholders with more valuable information and to enhance our overall performance, we sincerely welcome your feedback on the report. Please share your insights with us through the following contact information:

Address: Hanshow Technology Headquarters Base, intersection of Dongsheng West Road and Gaoke Road, Gaozhao Subdistrict, Xiuzhou District, Jiaxing, Zhejiang Province

Postal Code: 314031

Email: info@hanshow.com

① Which of the following stakeholder categories do you belong to? ____

A Government and regulatory agency B Customers C Investors/shareholders D Suppliers E Employees F Partners G Community H Experts

② Does the report meet your expectations for the Company? ____

A Yes. B No. What expectations are not reflected in this report?

③ Does the Company meet your expectations? ____

A Yes. B No. What expectations do we fall short on?

④ How do you find the content arrangements and layout design of this report? ____

A Excellent B Good C Average D Not Good

⑤ What additional comments or suggestions do you have regarding our ESG work and this report?

Thank you for your participation!