

2025

SDMC Environmental, Social and Governance (ESG) Report



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About this Report

Report Scope

The report scope aligns with that of the 2025 Annual Report of Shenzhen SDMC Technology Co., Ltd., covering all corporate entities, including subsidiaries and branches. Where specific provisions regarding the scope of information differ, the details in this Report shall prevail. This defined scope is intended to accurately reflect the effectiveness of the Company's ESG policies and ensure alignment with the annual report, enabling stakeholders to make meaningful comparisons between ESG performance and financial results.

Unless otherwise specified, all monetary figures in this Report are denominated in Renminbi (CNY).

Reporting Period

This is an annual report covering the period from January 1, 2025 to December 31, 2025 (hereinafter referred to as the "Reporting Period"). To enhance comparability and completeness, certain content is made to include a retrospective review of previous years or forward-looking statements. Any information extending beyond the stipulated period is explicitly noted.

Basis of Preparation

This Report has been prepared with reference to the following standards and requirements:

- Global Reporting Initiative Standards ("GRI Standards")
- HKEX Listing Rules Appendix C2 (ESG Reporting Code)
- International Financial Reporting Standard S1: General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)
- International Financial Reporting Standard S2: Climate-related Disclosures (IFRS S2)
- The 17 Sustainable Development Goals (SDGs)

Reliability Statement and Verification

The Board of Directors assumes full responsibility for the truthfulness, accuracy, and completeness of the contents of this Report. SDMC has commissioned Intertek Zhuhai Yue'ao Quality & Technology Service Co., Ltd. to conduct independent third-party verification. [Please refer to Appendix 6 Verification Statement for details.](#)

Explanation

For ease of reference, the terms "SDMC", "we", and "the Company" used in this Report all refer to Shenzhen SDMC Technology Co., Ltd.

Confirmation and Approval

This Report was reviewed and approved by the Board of Directors on 12 May 2026.

Electronic versions of this Report in both simplified Chinese and English are available on the Company's official website. In the event of any discrepancy, the simplified Chinese version shall prevail.

Special Notes

This is the Company's inaugural Environmental, Social, and Governance (ESG) Report. Distinct from subsequent standardized annual reporting periods, it is characterized by its foundational and transitional nature. It serves as a critical window for integrating ESG concepts into business and development strategies and transforming ESG practices from ad-hoc initiatives into a standardized management system. Furthermore, it marks a vital phase in aligning with regulatory requirements from the Hong Kong Exchanges and Clearing Limited (HKEX) and effectively meeting the ESG information needs of stakeholders.

Its particularities are mainly reflected in:

Foundational Nature of the Reporting Period: This marks the Company's first full cycle of formally establishing an ESG management system and disclosing related ESG practices. The primary value of this Report lies in documenting the initial ESG journey, identifying gaps and areas for improvement, and mapping out the path for future strategy implementation. It serves as a foundational milestone, setting the stage for ongoing exploration and progress.

Continuity in Disclosure Scope: This Report embraces a three-dimensional framework that integrates a review of past practices, a presentation of current achievements, and an alignment with plans. It comprehensively covers tangible initiatives, quantitative outcomes, and risk control across the Environmental (E), Social (S), and Governance (G) dimensions. Additionally, it incorporates a retrospective look at foundational ESG efforts from previous years, such as environmental compliance, employee welfare, and internal controls. This approach facilitates a smooth transition from scratch, significantly enhancing the continuity and completeness of ESG disclosure.

Transitional Alignment with Standards: During this reporting period, the Company has proactively aligned its practices with the latest regulatory requirements and industry best practices. This prepares the Company for the seamless integration of ESG reporting into regular annual disclosure cycle, ensuring ESG practices remain both compliant and forward-looking.

The Company is committed to annual ESG reporting by compiling and publishing a report for the preceding year, ensuring that all disclosed information is timely, truthful, accurate, and complete. This Report has been approved by the Board of Directors and is publicly released via designated platforms, including the official websites of the Stock Exchange and the Company. The Company is committed to consistently complying with annual disclosure requirements to ensure the continuity and stability of ESG reporting.



About SDMC

Founded in 2003, SDMC is an AI Home solution provider dedicated to corporate clients, committed to accelerating the application of AI technologies across all home scenarios. The Company focuses on cutting-edge technologies, including AI, edge cloud computing, wireless communication, and IoT. Deeply integrated with the Google ecosystem, the business of the Company spans home networking, home entertainment, and whole-home intelligence, delivering innovative smart products and services to global operators and retail brands.

The Company delivers products and services to over 300 clients across more than 80 countries and regions, serving telecom operators and retail service providers. The Company has established long-term, stable strategic partnerships with leading telecom operators across Europe, the Americas, Latin America, and Asia.



Vision

To Be the World's Leading Provider of AI Home Solutions



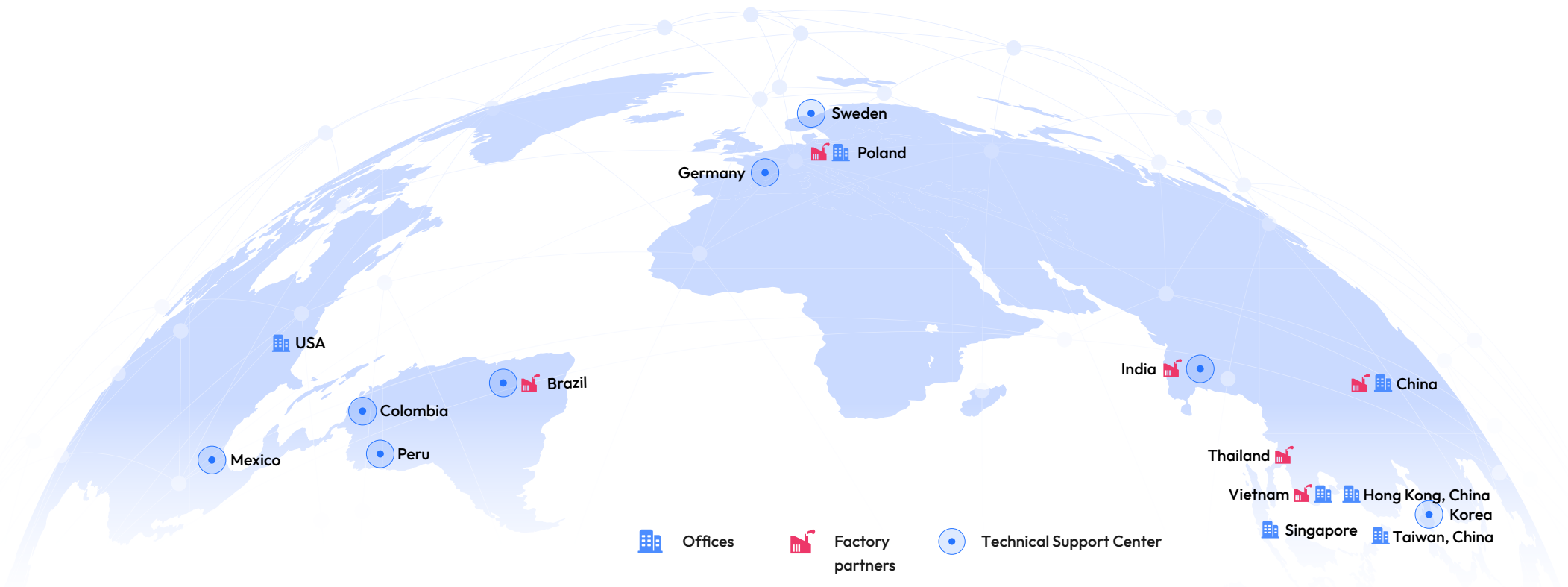
Mission

AI for Every Home. Delight for Every Life



Core values

Empowering customer success · Pragmatism & Accountability ·
Value Innovation · Win-Win & Sharing





Milestones





Annual Chronicle of Events

Attained numerous enterprise-level and project-level industry honors backed by solid innovation strength



- Shenzhen Enterprise Innovation Record
- Greater Bay Area Enterprise Innovation Ranking · Innovation Achievement List
- Shenzhen Enterprise Innovation Record: Benchmark Enterprise for Independent Innovation

European Office officially put into operation



Recognized as a National Specialized, Refined, Distinctive and Innovation-driven Key "Little Giant" Enterprise



- Passed joint official appraisal by the Ministry of Finance and the Ministry of Industry and Information Technology

R&D Building Groundbreaking Ceremony Successfully Held



AI Home Ecosystem Construction Joint Laboratory



Won the 7th Shenzhen Industry Award



- Shortlisted for the Android TV Smart Converged Terminal Project

Ranked among the Top 100 Leading Industrial Enterprises in Shenzhen (2025)



- Leveraging global leadership in AI home solutions
- Sustained innovation capability and ecosystem strengths

Listed in Shenzhen Top 500 Enterprises 2025



- Ranked on the list in four consecutive years by virtue of persistent innovation capability and sound global deployment layout

Joint Innovation Laboratory officially inaugurated



- Longsys-SDMC Joint Innovation Laboratory, jointly building the computing and storage ecosystem for AI home scenarios



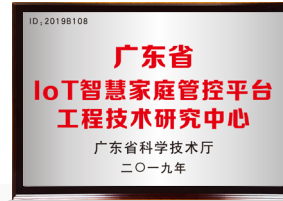
Awards & Accreditations



National High-Tech
Enterprise



National Specialized, Refined,
Distinctive and Innovation-driven Key
"Little Giant" Enterprise



Guangdong IoT Smart Home Control
Platform Engineering Technology
Research Center



Outstanding Cultural
Enterprise with New Business
Forms



Key Cultural Export
Enterprise



International Renowned
Brand



Shenzhen Famous
Brand



Shenzhen Top 500
Enterprises



Shenzhen Top 100 Industry
Leading Enterprises



Shenzhen Industry Award
(Nomination Award)



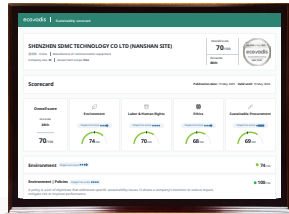
Shenzhen Enterprise Innovation
Record Independent Innovation
Benchmark Enterprise



Shenzhen Top 100 Independent
Innovation Small- and Medium-
sized Enterprises



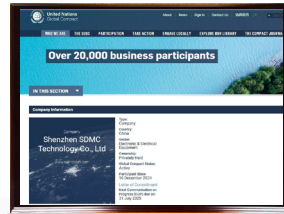
Initiatives & System Certifications



EcoVadis Silver Medal



CDP Grade B



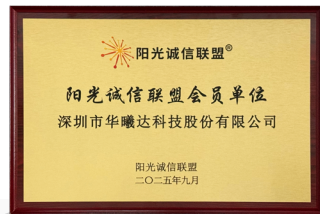
UNGC



SBTi



Enterprise Anti-Fraud Alliance



Trust and Integrity
Enterprise Alliance



SA8000



Construction and service capability for
information system Basic Level CS2



GB/T 19001
ISO 9001



GB/T 24001
ISO 14001



GB/T 45001
ISO 45001



ISO 28000



ISO/IEC 27001



ISO 37001



ISO 14064-1

Sustainable Development Governance

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The Company is fully aware that sustainable development is a shared vision of modern society and a core pillar to address future global challenges. Based on its own strategic development goals, the Company integrates sustainable development concepts into business operation strategies, takes promoting green development as its responsibility, actively fulfills corporate social responsibilities and contributes to global sustainable development.

01



ESG Issue Materiality Assessment

The Company has always attached great importance to building sound relationships with all stakeholders, clarify their core expectations and needs, and establish regular and diversified communication mechanisms to ensure effective responses to stakeholders' opinions and suggestions, so as to achieve coordinated development between the Company and all stakeholders.

Stakeholders	Concerned Issues	Communication Channels	Response Measures
 Employees	- Welfare benefits and career development - Occupational health and safety - Labor rights and interests protection - Anti-discrimination and anti-forced labor	- Instant messaging tools - Bulletin boards and internal office platform - Meetings and training sessions - Staff congress - Suggestion box - Employee satisfaction survey	- Conduct regular employee satisfaction surveys and collect their opinions - Optimize salary and welfare system to safeguard employees' benefits - Establish an occupational health and safety management system to improve working conditions - Record and settle labor disputes to maintain harmonious labor relations - Implement management requirements on anti-discrimination and anti-forced labor
 Government departments, regulatory and audit institutions	- Economic contribution - Tax obligations - Law-abiding and compliance management - Social Responsibility	- Work reports - Information submission - Government meetings - On-site inspections	- Pay taxes in full and on schedule in accordance with laws and retain tax payment records - Strictly abide by laws and regulations to ensure compliant operation - Initiatively submit regulatory data and cooperate with supervision and inspection - Monitor environmental protection, safety and occupational health data for continuous improvement - Maintain valid management system certificates and compliance qualifications
 Shareholders, investors, and rating agencies	- Corporate performance, investment returns, control rights - Financial compliance and anti-bribery - Benefits of continuous system improvement	- General meeting of shareholders - Online communication meetings - Information disclosure - Investor communication platform	- Hold regular shareholders' meetings and disclose operational information - Standardize financial accounting to ensure financial compliance and transparency - Conduct management reviews to drive continuous improvement of management systems - Monitor performance indicators of various systems to boost operational efficiency - Establish anti-fraud and anti-bribery control mechanisms
 Customer	- Product and service quality, pricing, delivery cycle - Product safety and information security - After-sales service guarantee - Compliance requirements	- Online customer service / service hotline - After-sales follow-up visits - Online product launch conferences - Offline customer appreciation events - Customer satisfaction surveys	- Conduct regular customer satisfaction surveys to continuously improve service quality - Establish and implement customer complaint handling procedures for timely closed-loop resolution - Count and improve the on-time delivery rate to guarantee the delivery schedule - Monitor and reduce customer churn rate to maintain stable customer relations - Inspect product quality as required, issue and keep inspection reports

Stakeholders	Concerned Issues	Communication Channels	Response Measures
 Suppliers, service providers, and contractors	- Long-term mutually beneficial cooperation, payment settlement, and supply cycle - Supply chain security - Sustainable procurement - Fair competition	- Instant messaging tools - Site visit - Supplier exchange conferences - Research questionnaires	- Conduct supplier surveys and access evaluations, and dynamically manage the supplier list - Standardize payment procedures and improve on-time payment rate - Review supplier performance and implement the survival of the fittest mechanism - Inspect supply chain security and establish a supply chain security management and control mechanism - Promote anti-bribery and integrity cooperation and sign integrity agreements
 Surrounding communities including local residents, organizations, and non-governmental organizations	- Social responsibility, legal compliance, and environmental protection - Public welfare participation and public opinion response - Employee rights and interests - Coordinated community development	- Community activities - Staff visits - Community bulletin boards - Information disclosure	- Establish public opinion monitoring records and respond to social concerns promptly - Conduct community visits and resident surveys to maintain good neighborhood relations - Organize public welfare activities to fulfill social responsibilities - Hold regular communication forums to collect opinions and make improvements - Protect employees' legitimate rights and interests and establish a sound corporate image
 Industry partners, industry associations, research institutions, and universities	- Industry policy interpretation - Industry development and exchanges - Industry standards	- Seminars and exhibitions - Visits and exchanges - Information disclosure	- Track updates of industry policies and standards, and timely carry out internal publicity and implementation - Actively participate in industry association activities, standard formulation and industry issue discussions - Strengthen cooperation with research institutions and universities to boost technological innovation, achievement transformation and talent training - Conduct industry exchanges and benchmarking learning to elevate corporate management and technical capabilities - Share industry information and compliance experience to drive coordinated high-quality industrial development
 Media	- Information disclosure - Brand promotion - Public opinion management	- Media briefings - Exclusive media interviews - Press releases and announcements - Official media platforms	- Establish a standardized information disclosure mechanism to release important information in accordance with laws and regulations - Improve media liaison procedures and maintain regular and professional communication and cooperation - Optimize mechanisms for public opinion monitoring, analysis, and emergency response to enhance response capacity - Positively convey corporate values and social responsibility practices to safeguard brand reputation - Establish media archives and communication records



Identification Procedures



Business logic research

- Learn about the external objective
- environment
- Analyze internal corporate activities
- and business relations



Establishment of issue lists

- Analyze laws, regulations, regulatory policies, and industry standards
- Screen specific issues in combination with corporate businesses



Communication with stakeholders

- Communicate with stakeholders via interviews and questionnaires
- Summarize opinions and suggestions from all parties



Issue Materiality Assessment

- Invite stakeholders to rank issue materiality
- Rank issue materiality in the Company

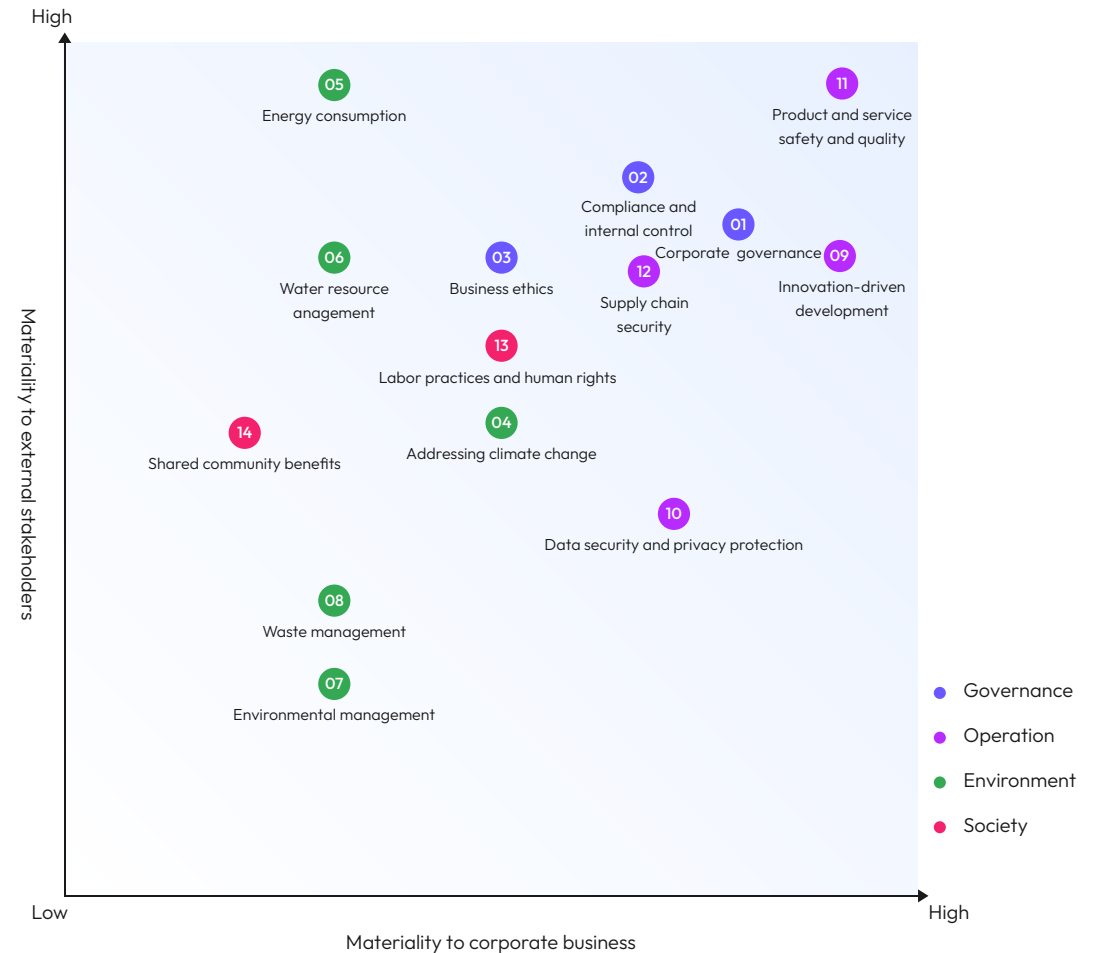


Issue review and confirmation

- Formulate the ESG materiality matrix
- Review and confirm the final results by the ESG working group

Materiality assessment

To focus on core priorities of ESG management, allocate resources rationally, and improve ESG management efficiency, based on core demands of stakeholders, the Company conducts at least one materiality assessment on ESG issues every year. adopting scientific assessment methods, the Company identifies ESG issues exerting vital impacts on corporate sustainable development and stakeholder decision-making, clarifies issue priorities, and provides a basis for ESG strategy formulation, target setting, and performance improvement.



Sustainability Performance Highlights

Sustainable Development Governance Performance

Voluntarily Joined SBTi

Science based targets initiative

Silver

Ecovadis Rating

Level B

CDP Rating



Governance Performance

3

Shareholders' meetings held

6

Board meetings held

3

Audit committee meetings held

1,075

Total attendance for compliance training

43 %

Proportion of independent directors in the Board of Directors

29 %

Proportion of female directors

100 %

Attendance rate of directors at shareholders' meetings and board meetings

100 %

Signing rate of confidentiality agreements and integrity commitment letters



Operational Performance

63.87 %

Proportion of R&D and other technical staff

4.87 %

R&D investment proportion in total operating revenue

139

Patents owned

127

Software copyrights owned

5 Years

Service life of core products

99.42 %

Product qualification ratio

0 %

Product recall rate

100 %

Signing rate of supplier social responsibility management agreements



Sustainability Performance Highlights (Continued)

Environmental Performance

↓ 8.80 %

YoY change in indirect energy emission intensity

220.01 %

Indirect energy emission target fulfillment rate

↓ 16.95 %

YoY change in water consumption intensity

169.51 %

Water-saving target fulfillment rate

↓ 18.49 %

YoY change in waste emission intensity

↓ 50 %

YoY change in Scope 1 emission intensity

↓ 10.91 %

YoY change in Scope 2 emission intensity

↓ 0.08 %

YoY change in Scope 3 emission intensity



Social Performance

0

Number of incidents involving employment discrimination, harassment, child labor, and forced labor

0

Number of major layoffs and collective labor disputes

100 %

Labor contract signing rate

CNY 2,193,200

Total investment in employee training

258

Total employee training sessions

6,010

Total number of trained employees

17.83 hours

Average duration of employee training

97.20 %

Employee satisfaction rate

CNY 751,000

Total occupational health investment

2.60 times

YoY growth of occupational health investment

1 standard

Participation in national standard formulation

4

Industry-academia-research cooperation projects





Sustainable Development Governance

ESG Management System

The Company attaches great importance to sustainable development governance and have built a systematic, standardized, and regular ESG management mechanism via dedicated rules, compliance procedures, and risk management.

The Company's ESG system fully covers the three dimensions of environment (E), social (S) and governance (G):

Environmental Management Sector

This sector involves four regulations, Greenhouse Gas Inventory Procedures, Green Product Management Procedures, SBTi Target Management Specification, and Climate Change Risk Management Specification, forming a full-process environmental management system covering carbon management and green product management.

Social Responsibility Sector

This sector involves eleven regulations, including the Basic Code of Business Conduct, ESG Management Specification for Supplier, Child Labor Prohibition Procedures, and Employee Complaint Handling Procedures. These regulations cover four major themes namely business conduct, anti-bribery management, supply chain management, and employee rights protection.

Corporate Governance Sector

This sector involves nine regulations such as Anti-fraud Management System, Detailed Procedures for the Investigation and Handling of Fraud, and Anti-bribery Due Diligence Procedures. The focuses include compliance management, risk control, and supervision mechanism.

During the reporting period, **three special ESG meetings** were held to discuss strategic planning, report disclosure, relevant ratings, and issue materiality of sustainable development business. Indicators and targets were assigned to various business departments to deepen the understanding of sustainable development among all employees.

ESG Governance Structure

The Company has established a three-tier governance framework with the Board of Directors as the decision-making level, the Sustainable Development Committee as the management level, and the ESG Project Team as the execution level, featuring clear rights and responsibilities and coordinated operation.

Decision-Making Level

- The Board of Directors evaluates and reviews sustainable development strategies and approves major projects.



Management Level

- The Sustainable Development Committee leads and coordinates overall ESG planning;
- Identifies and assesses potential project risks;
- Sets up an ESG team, allocates core resources, and promotes efficient project delivery and target fulfillment.



Execution Level

- The Sustainable Development Committee oversees an ESG Working Group composed of professionals proficient in ESG affairs and corporate business;
- Implements ESG initiatives including system establishment and optimization, ESG information system construction, and ESG report compilation and disclosure.



Statement of the Board of Directors

The Board of Directors places high priority on ESG practices, integrating sustainable development philosophy deeply into corporate strategy, daily operation, and corporate culture. It regards ESG as a core pillar and fundamental obligation supporting high-quality and long-term stable development of the Company.

As the supreme decision-making body for ESG affairs, the Board of Directors oversees overall ESG strategy formulation, major decision-making, and implementation supervision, consistently advancing ESG system improvement and performance enhancement. The Company has established a dedicated ESG framework covering environment, society, and governance, together with targeted compliance and risk control systems to ensure effective ESG implementation.

Environmentally, the Board of Directors guides the Company to pursue green development. It strictly implements greenhouse gas inventory and SBTi target management and other system requirements, actively addresses climate change, promotes green products, low-carbon production, and sustainable operation, minimizes environmental footprints, and contributes to carbon peaking and carbon neutrality goals.

In terms of social responsibility, the Board of Directors remains committed to a people-oriented philosophy, diligently protects employees' legitimate rights and interests, strictly follows international norms including the prohibition of child labor,

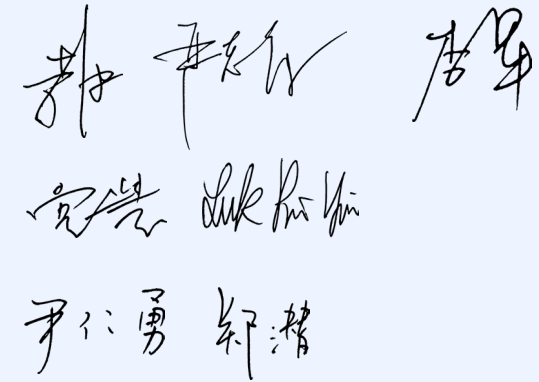
anti-discrimination, and freedom of association, and continuously enhances employee communication and grievance mechanisms. Meanwhile, it strengthens supply chain ESG management, encourages upstream and downstream partners to embrace sustainable development concepts, fulfills social responsibilities, protects legitimate stakeholder interests, and facilitates harmonious social progress.

In terms of corporate governance, the Board of Directors continuously optimizes governance structure and improves internal control and supervision mechanisms. It strictly enforces anti-commercial bribery and anti-fraud rules, standardizes business practices, enhances compliance operation, improves governance transparency and efficiency, and guarantees standardized corporate operation and maximized shareholder benefits.

The Board of Directors recognizes ESG development as a long-term systematic undertaking. In response to emerging trends and requirements in global sustainable development, the Company steadily strengthens ESG capacity building, optimizes management systems, elevates disclosure quality, and responds to expectations of shareholders, employees, customers, suppliers, and local communities. At the same time, the Board of Directors continues to oversee management's effective implementation of the ESG strategy and work plans, regularly review ESG progress and performance, and promote the deep integration of ESG with the Company's core business. Through more robust ESG practices

and stronger sustainability performance, the Company advances coordinated development with society and the environment, and strive to become an outstanding corporate citizen that is responsible and accountable.

This statement is jointly signed by all members of the Board of Directors, authentically, accurately, and completely reflecting the attitude and commitment of the Board of Directors toward ESG practices of the Company.





Sustainable Development Strategy

Customer Success



Driven by deep insights into customer and business needs, we leverage our core strengths to empower our customers' commercial success and improve the lives of end users.

Insight-Driven:

Understand both explicit and implicit needs based on real-world user scenarios. Focus on key pain points to deliver core value.

Professional Leadership:

Leverage deep industry and technological expertise to proactively offer forward-looking advice and solutions.

Agile Execution:

React swiftly to customer requests. Proactively collaborate, track end-to-end progress, and provide timely feedback to ensure a closed-loop resolution.

Honor Commitments:

Deliver on our promises. Make careful commitments and go all out to fulfill them, acting as a trusted partner.

Long-Term Focus:

Prioritize user experience and the long-term strategic goals of our customers, striving to create sustainable commercial returns.

Pragmatic & Accountable



Grounded in reality and high business ethics, we make data-driven decisions, take proactive ownership with a pragmatic mindset, and measure success by results.

Facts First:

Base judgments on data and facts. Remain objective, rely on truth rather than hierarchy or dogma, and speak up courageously.

Deep Analysis:

Look beyond the surface to identify root causes. Never settle for superficial conclusions.

Proactive Ownership:

Step up when responsibilities are ambiguous, taking full ownership from start to finish.

Results-Oriented:

Find solutions instead of making excuses. Ensure high-quality delivery and goal achievement.

Closed-Loop Review:

Track issues from discovery to resolution. Conduct timely post-mortems to turn experiences into organizational capabilities.

Value-Driven Innovation



Value-oriented and adaptable, we fuel business growth and organizational evolution through rapid iteration and systematic innovation

Value-Oriented:

Align all innovations with clear goals of enhancing customer value, business efficiency, or organizational capabilities.

Proactive Learning:

Continuously update industry and cross-disciplinary knowledge to break cognitive boundaries.

Agile Experimentation:

Validate new ideas quickly through iterative steps, embracing the necessary costs of trial and error.

Breakthrough Conversion:

Explore new methods, markets, and models, translating innovative outcomes into tangible commercial value.

Continuous Innovation:

Stay anchored to our strategic direction. Maintain focus amidst short-term fluctuations to build sustainable core competitiveness through long-term accumulation.

Shared Prosperity



Built on openness and mutual trust, we collaborate to foster a thriving business ecosystem, ensuring shared success and prosperity for individuals, the company, and our partners.

Mutual Growth:

Continuously refine professional skills. Foster team synergy through empathy, integrating personal growth with company development to achieve mutual success.

Open Collaboration:

Break down silos. Proactively cross departmental and role boundaries to integrate internal and external resources, uniting efforts toward common goals.

Knowledge Sharing:

Extract and share internal best practices while embracing external insights. Build a learning organization that drives team growth.

Value Sharing:

Stay committed to our strivers. Establish fair evaluation mechanisms, ensuring rewards lean toward those who contribute the most value.

Ecosystem Win-Win:

Build an industry community with an altruistic mindset. Integrate deeply with customers and partners to co-create the future and share prosperity.

Risks and Opportunities

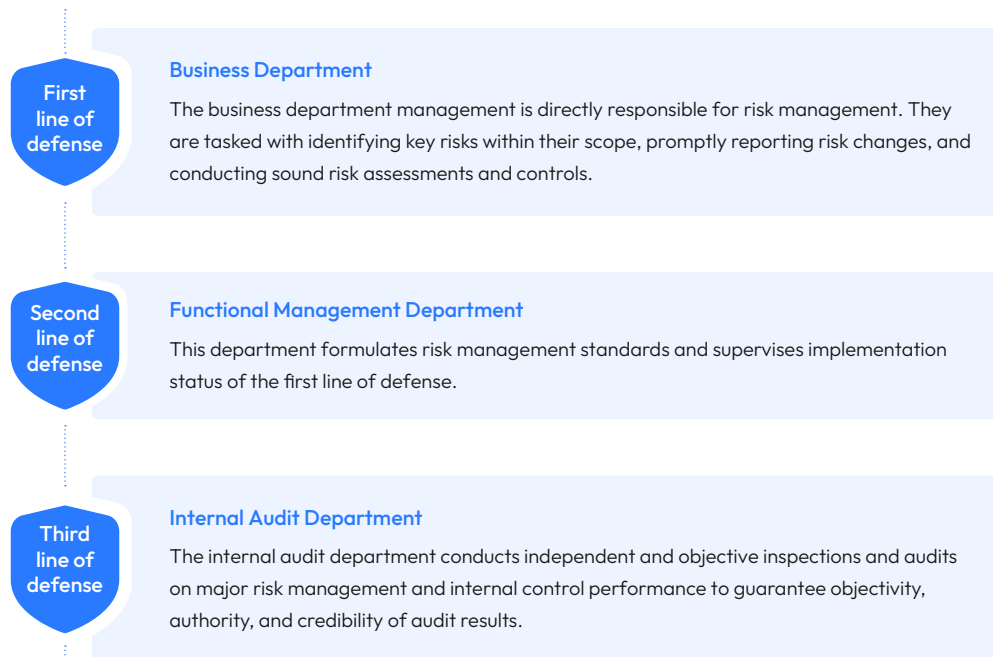
The Company has established a robust framework for risk and opportunity management covering identification, assessment, control, and review in alignment with ISO 9001 Quality Management Systems, ISO 14001 Environmental Management Systems, ISO 45001 Occupational Health and Safety Management Systems, ISO 50001 Energy Management Systems, ISO 37001 Anti-bribery Management Systems, ISO 27001 Information Security Management Systems, ISO 28000 Specification for Security Management Systems for the Supply Chain, ISO 20400 Sustainable Procurement, ISO 22301 Business Continuity Management Systems, as well as the RBA Code of Conduct and Social Accountability 8000 International Standard (SA8000). This enables the Company to effectively avoid or mitigate adverse impacts, capture and translate positive opportunities into value, ensure that all management systems meet their intended objectives, and drive the continuous improvement of the integrated management system.

Identification and Management

Aligned with specific business characteristics, the Company has established a full-cycle risk management mechanism and dynamic processes covering pre-event prevention, in-process monitoring, and post-event review. To identify risks and opportunities, the Company employs a diverse range of methodologies, including brainstorming, on-site verification, document review, historical data analysis, and stakeholder feedback.

As the highest governance body for the Company's risk management, the Board of Directors sets the Company's overall risk management objectives and oversees the implementation of risk governance and internal controls. A three-line defense risk governance framework is defined with clear risk management duties for all departments.

Three-Line Defense Risk Governance Framework



Pre-Event For Review

The Company has established a compliance admission process for new projects, guided by policies such as the Supplier Qualification Management Specification and Green Procurement Management Specification.

ESG risk assessments are conducted at the project initiation phase, with a specific focus on environmental impact, social risks, and compliance requirements. **In 2025, 100% of suppliers signed contracts containing environmental and labor protection clauses.**



In-process Supervision

The Company's comprehensive procedural management covers production and operation supported by **39 quality management regulations, 51 supply chain regulations, and 98 operational guidelines**. In addition, **11 financial management regulations and 8 business conduct codes** are formulated. Regular internal compliance audits cover business practice legitimacy, anti-fraud implementation, and employee rights protection.



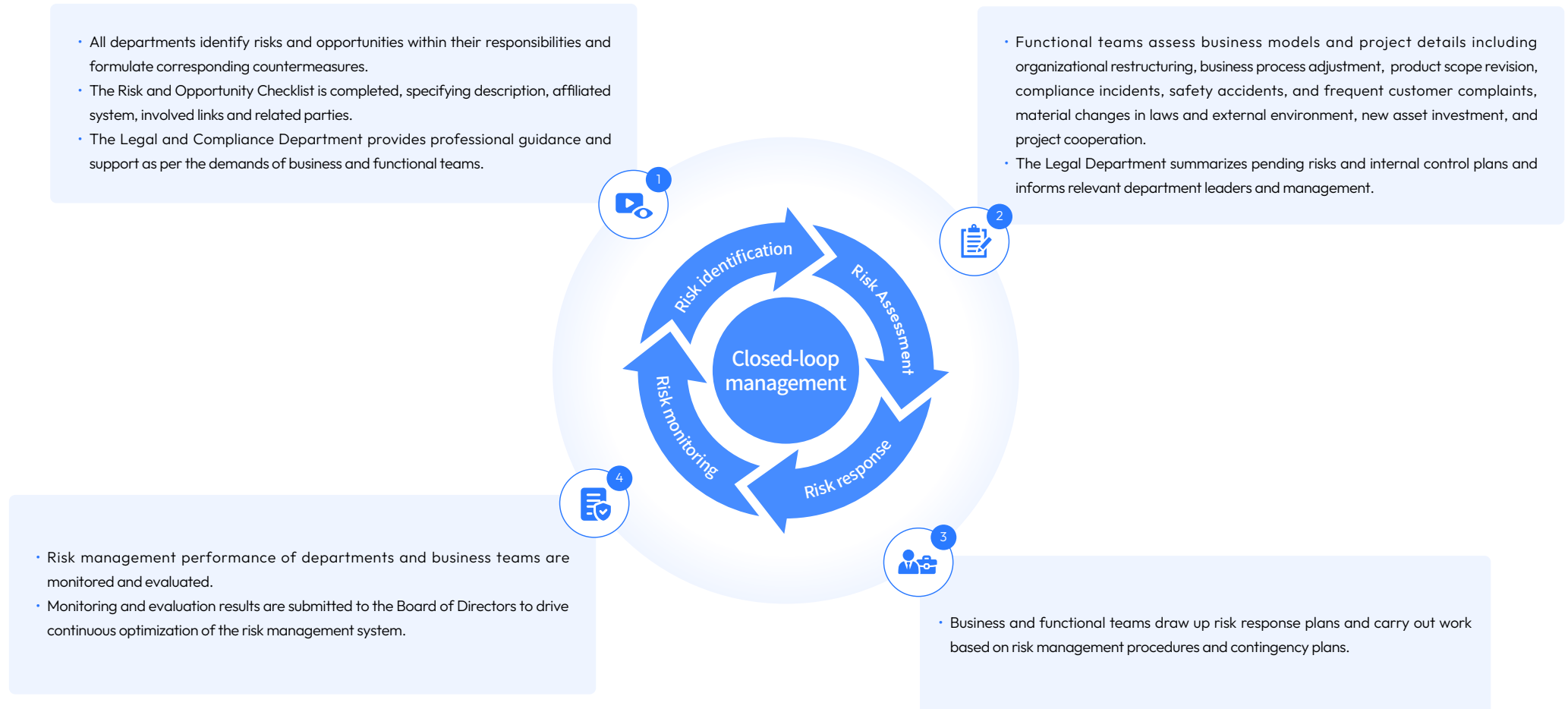
Post-event Summary

Violation incidents are investigated and handled promptly per the Detailed Procedures for the Investigation and Handling of Fraud.

Under the Incident Review and Analysis System, root cause analysis is carried out for compliance violations, and improvement measures are incorporated into institutional optimization and training systems to elevate overall compliance management capacity. **Eighteen after-sales service regulations** are issued to guarantee product quality and customer satisfaction, covering the **Management Specifications for Defective Product Returned by Customer** and the **Management Specifications for Customer Complaint Handling**.

Management Process

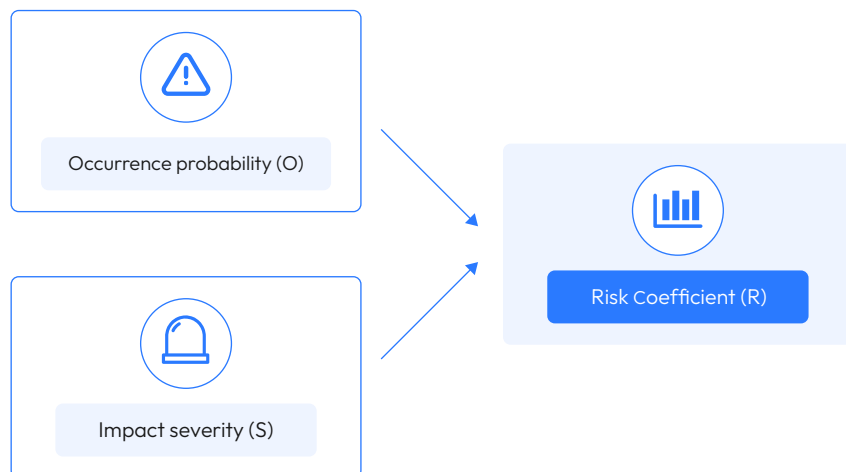
Comprehensive closed-loop risk management is implemented through four steps: identification, assessment, response, and monitoring following the Risk and Opportunity Control Procedures.



Appraisal Methods

The Company adopts a unified quantitative assessment method: $R = O \times S$.

Supplementary dimensions for risk assessment are tailored to specific risk characteristics.



Supplementary Dimensions for Specific Risk Characteristics

Anti-bribery risk

Anti-bribery risk coefficient =
 $O \times S \times \text{detection (D)}$.
 D "risk occurrence domain"
 € (1-5 points)

Information security risk

Information security risk coefficient =
 asset importance + O + S
 Asset importance € (1-4 points)

Occurrence probability (O)	Definition	Grades	Score
Extremely rare	Probability $\leq 0.01\%$	1	1
Rare	$0.01\% < \text{probability} \leq 0.1\%$	2	2
Occasional	$0.1\% < \text{probability} \leq 1\%$	3	3
Frequent	$1\% < \text{probability} \leq 10\%$	4	4
Very frequent	Probability $\geq 10\%$	5	5

Impact severity (S)	Minor	Moderate	Severe	Major	Critical
Laws, regulations, product and related requirements	-	Violation of corporate standards	Violation of regional standards	Violation of provincial and industrial standards	Violation of laws, regulations, international / national standards, and customer standards
Personal injury	-	Minor injury requiring simple dressing treatment	Injury with recuperation period less than one month	Injury with recuperation period over one month	Death, amputation, fracture, hearing loss, and chronic diseases
Property loss	-	Less than CNY 100,000	[CNY 100,000 to CNY 200,000]	[CNY 200,000 to CNY 300,000]	$\geq$ CNY 300,000
Production suspension	-	Recoverable in a short time	Intermittent recovery	Recovery available after long adjustment	Irrecoverable
Corporate reputation	-	Impact limited to surrounding areas	Regional impact	Provincial industrial impact	Major national and international influence

Risk coefficient (R)	Risk grade	Risk control measures	Major risk judgment
$15 \leq R \leq 25$	High risks	Halt production immediately and adopt risk avoidance or mitigation measures	Yes
$8 \leq R < 15$	Medium risks	Formulate effective control measures	Yes
$1 \leq R < 8$	Low risks	Acceptable low-level risk	No



Risk Response and Opportunity Capture

Based on the aforementioned assessment method, the Company has identified the following risks and opportunities. Respective departments are required to monitor their status on a monthly basis, promptly updating and submitting the Dynamic Risk and Opportunity Tracking Register to the management. Annually, the management convenes a comprehensive risk and opportunity review meeting for the entire system. During these sessions, departments report on the implementation of measures, which must clearly define responsible persons, deadlines, resource requirements, and verification standards, with all proceedings duly documented. These reviews culminate in a system-wide Risk and Opportunity Management Review Report to outline directions for improvement.

In alignment with actual business operations, the Company has adopted the following measures to mitigate risks and capitalize on opportunities:

Risk type	Description	Actions
Technological Risks	The communication industry is characterized by rapid product iteration. Consequently, any lag in R&D could erode product competitiveness.	Increase R&D investment and strengthen industrial cooperation to maintain product competitiveness.
Policy and Law Risks	New policies on climate disclosure and greenhouse gas emission raise compliance inquiry frequency and relevant costs.	Track and interpret updated climate disclosure and carbon management policies for early strategic arrangement.
Risk Response	Failure to adapt to the growing trend of green consumption could render conventional high-carbon products obsolete, resulting in a potential slump in sales volume.	Conduct research on customers' green demands, disclose low-carbon product planning and progress, launch eco-friendly product lines, and publicize product low-carbon attributes and market feedback.
Risk Monitoring	Slow progress in climate action and improper supply chain governance may trigger dissatisfaction of stakeholders such as investors and consumers and damage corporate reputation.	Establish stakeholder engagement mechanism and supply chain ESG evaluation system to respond to investor concerns and demonstrate social responsibility.

Opportunity Category	Opportunity Capture Measures
Technology	Emerging technologies such as AI bring innovation opportunities for the communication industry. The Company actively explores new technology application, launches intelligent products, and expands emerging markets.
Policies and Laws	Proactively preparing for climate disclosure and carbon management can boost low-carbon competitiveness and enhance brand value.
Market Opportunities	Driving the green transformation of the entire supply chain builds resilience and mitigates the risks of raw material price fluctuations. Meanwhile, developing low-carbon products meets evolving customer demands and expands the market share.
Reputation	Actively engaging in climate action and transparently disclosing emission reduction achievements can shape a green and responsible corporate image, enhancing brand reputation and user loyalty.

Metrics and Targets

Short, medium, and long-term sustainable development goals covering ESG are formulated for the effective implementation of the sustainable development strategy. [Refer to Appendix 3 Metrics and Targets](#). The Company regularly reviews progress toward targets to ensure the achievement of all ESG objectives.

Furthermore, the Company is committed to conducting regular training for the governance level and engaging with stakeholders through diverse channels. Moreover, the Company strictly adheres to regulatory requirements to build a robust and compliant corporate governance system, while actively fostering green supply chain collaboration to guide the Company's upstream and downstream partners in adopting environmental standards.

Governance

Corporate Governance 23

Compliance and Internal Control 24

Business Ethics 24

Standardized, transparent, efficient, and robust corporate governance serves as the cornerstone of sustainable development. The Company strictly abides by laws and regulations including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Corporate Governance Guidelines for Listed Companies, the Corporate Governance Code issued by the Hong Kong Stock Exchange, and relevant Listing Rules. The Company continuously improves internal systems such as the Articles of Association and the Rules of Procedure for the Board of Directors to establish a well-coordinated and balanced operational mechanism among decision-making, execution, and supervision. High-quality governance safeguards long-term value creation, protects the legitimate interests of shareholders and other stakeholders, and drives the Company to achieve steady and enduring growth.

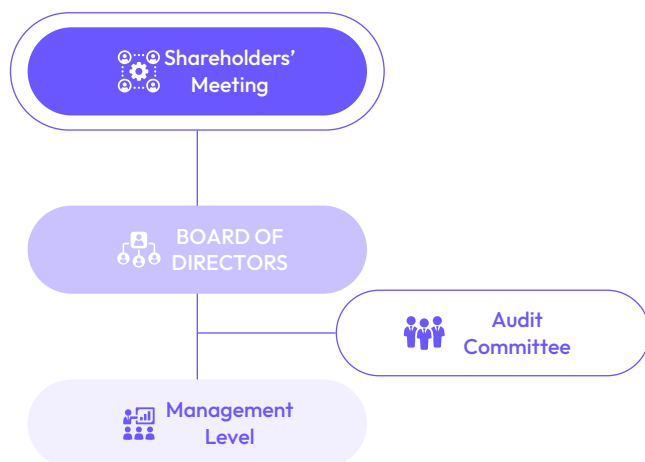
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Corporate Governance

Governance Structure

The Company has established a clear governance structure with well-defined responsibilities and a standardized operational mechanism. As the supreme authority, the Shareholders' Meeting exercises major decision-making and supervisory powers in accordance with the law. Each governance body operates independently and effectively checks the others, ensuring standardized and compliant corporate operations and development.



RESPONSIBILITIES

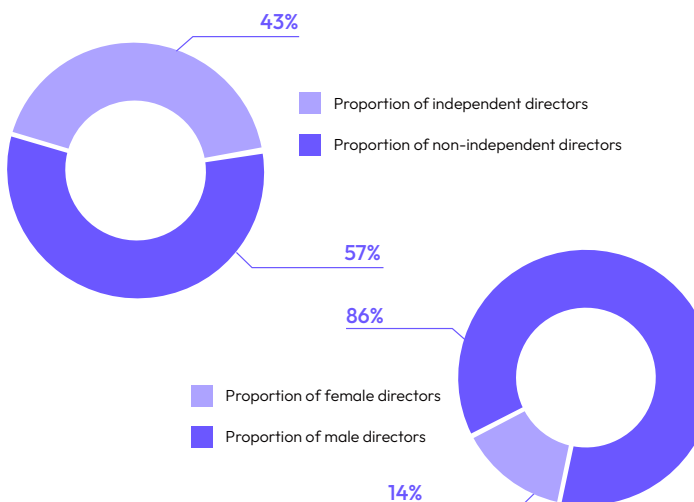
The **Board of Directors** formulates and executes business development plans, determines the Company's annual financial budget and final accounts, convenes shareholders' meetings, and implements resolutions adopted by the shareholders' meetings, exercising other powers, functions, and duties conferred by the Articles of Association.

The **Audit Committee** manages and supervises the Group's financial affairs, reviews financial statements and performance, oversees the external audit process, and fulfills other duties and responsibilities assigned by the Board of Directors.

Composition of the Board of Directors

The Company optimizes the structure of the Board of Directors based on the principles of diversification, specialization, and independence, ensuring a balanced mix of gender, age, professional background, industry experience, and competency to enhance the scientific nature and representativeness of decision-making of the Board of Directors. Members of the Board of Directors cover diverse fields including finance and accounting, legal compliance, strategic management, and industry technology, demonstrating strong professional complementarity. Independent directors perform their duties independently and exercise professional supervision. The Company incorporates gender balance and diverse backgrounds into director selection criteria, actively increasing the proportion of female directors and inclusiveness to build a rational, experienced, and visionary team of the Board of Directors that supports high-quality and sustainable development through diverse wisdom.

The Company's Board of Directors comprises **seven members**, including **four Non-Independent Directors and three Independent Directors**. The Company strictly complies with the term requirements for directors stipulated in the Company Law of the People's Republic of China. Directors are elected and re-elected every three years.



Governance Efficiency

The Company's Rules of Procedure for the Board of Directors emphasize director responsibilities and clarify the dissent exemption mechanism, requiring the Board of Directors to hold no less than four meetings annually. The Company implements the Interested Director Recusal System. If fewer than three non-interested directors attend a meeting, the relevant proposal cannot be voted upon and must be submitted to the Shareholders' Meeting for deliberation.

During the reporting period, the Shareholders' Meeting approved the nomination of two independent directors, ratified business scope amendments, dissolved the Board of Supervisors and transferred its authority to the Audit Committee, and revised multiple internal regulations and the Employee Stock Ownership Plan management measures.

6

Board meetings held

3

Shareholders' meetings held

100 %

Attendance rate of directors at board meetings

100 %

Director attendance rate at shareholders' meetings

Compliance and Internal Control

The Company is building a Business Continuity Management (BCM) system based on the COSO framework, scheduled for completion by the end of 2026. At present, according to the Working Rules of the Audit Committee of the Board of Directors, the Company's Audit Committee functions as the internal independent audit body. Through regular inspections, audits, internal control reviews, and special checks, it continuously supervises key risk items including capital activities, senior management behavior, internal proposals, system optimization, risk management, and external auditor selection.

During the reporting period, the Company adopted resolutions regarding the 2025 Annual and 2025 Interim Reports and the reappointment of the accounting firm.

3 Audit committee meetings held
23 Internal inspections

The Company regularly provides compliance training to employees through face-to-face lectures and online courses, covering topics such as industry regulations, ESG policies, and business ethics.

During the reporting period, the Company's training overview is as follows:

48 Compliance training sessions
108 hours Cumulative training duration

1,075 Total participation volume
100 % Compliance training coverage rate

Business Ethics

The Company operates with high-standard business integrity and ethics and performs duties honestly, loyally, and fairly, complying with relevant laws, regulations, and business conventions in all countries/regions where it operates.

System Construction

The Company's General Manager's Office has formulated special policy systems including the Business Ethics Management Policy, the Basic Standards of Commercial Conduct, the Due Diligence Management Procedure, the Appeal Management and Resolution Procedure, and the Integrity Initiative Letter. These policies supervise and regulate behaviors violating business ethics, including corruption, conflicts of interest, fraud, unfair competition, and data privacy leaks.

Report Management

The Company encourages its employees and business partners to report irregular conduct. The Company strictly protects informants' confidential information including names, departments, and affiliated entities, and prohibits disclosure of reporting details to reported individuals or departments. Staff shall not display original or copied reporting documents during investigation and verification. The Company bans handwriting identification on anonymous reports, and keeps all reporting documents from external lending access.

For unethical behaviors, the Company establishes a task force and initiates an investigation within 2 to 4 working days. The company management is responsible for disciplining personnel violating business ethics and reports the results to external stakeholders. For severe violations or criminal offenses, the Company contacts judicial authorities such as customs, public security, and judicial institutions in accordance with the law and actively cooperates with investigations.

During the reporting period, **the Company received no reports regarding violations of business Ethics.**

Feedback and Appeal

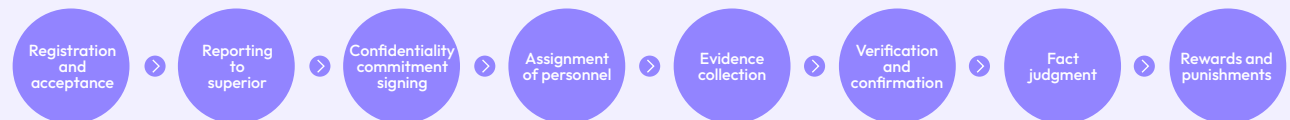
The Company provides appeal channels, and worker representatives may participate in disciplinary proceedings in accordance with the Appeal Management and Resolution Procedure. Employees who disagree with disciplinary measures may submit written appeals via suggestion box or oral petitions to company management representatives in accordance with the Appeal Management and Resolution Procedure. Management representatives shall respond to the concerned employee within 15 days.

The Company provides multi-channel mechanisms to manage illegal acts and unethical behaviors existing or potentially existing in the work.

Reporting Channels

-  **Official WeChat Account** sdmctech
-  **Reporting Hotline** +86-755-86018266-8801
-  **Email** compliance@sdmctech.com
-  **Address for on-site reporting** 19/F, Changhong Technology Building, No. 18, Science South 12th Road, Gaoxin Community, Yuehai Subdistrict, Nanshan District, Shenzhen City

Report Handling Procedure





Anti-Bribery and Anti-Corruption

The Company strictly observes national laws and regulations and maintains a zero-tolerance policy toward bribery and corruption and prohibits employees from directly or indirectly soliciting, accepting, or offering any form of bribe or providing improper benefits for improper purposes. The provision of valuable gifts and entertainment that could be perceived as bribery is strictly prohibited. All gift-giving and hospitality in commercial dealings require prior declaration and pre-approval.

During the reporting period

802

Total participation volume for anti-corruption training

209

Number of suppliers that have signed the Letter of Anti-bribery Commitment

100 %

Anti-corruption training coverage rate

100 %

Signing rate of Letter of Anti-bribery Commitment

692

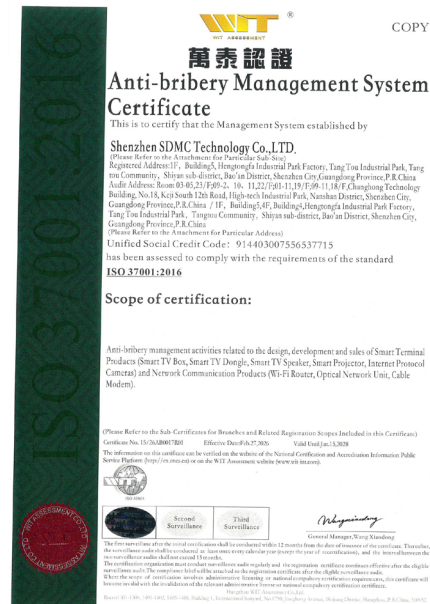
Number of employees executing the Integrity Commitment Letter

100 %

Integrity Commitment Letter signing rate of employees

0

Number of anti-corruption reports



Anti-Unfair Competition

The Company explicitly requires employees to respect the legitimate rights of customers, suppliers, and competitors and to conduct fair transactions without manipulating, concealing, or abusing privileged information, distorting facts, or engaging in other illegal business practices. The Company ensures that activities involving suppliers, customers, competitors, and government institutions reflect fair and proper business practices and comply with applicable competition laws and regulations in all countries and regions where it operates.

Insider Trading Prohibition

The Company clearly defines the scope of conflicts of interest in accordance with the Code of Business Conduct and the Management Specifications for Employee Conflict of Interest Declarations, requiring employees to report related relationships promptly. The Company strictly prohibits employees with access to insider information from buying or selling relevant securities/financial instruments, leaking insider information, or assisting others in trading. The Company manages the access to insider information based on job relevance and the Company's Securities Department maintains a list of informed persons and supervises securities trading. Employees possessing insider information must notify the securities or legal department immediately and must submit a prior application and obtain pre-approval before trading Company stock.

Anti-Money Laundering and Anti-Fraud

The Company prohibits any form of fraudulent behavior, including providing false information, falsifying or altering work records, and assisting in fraudulent acts, adhering to honest and transparent operations. The Company and its employees must observe all laws and regulations in the countries and regions where it operates. The Company's platforms and products are strictly forbidden from being used for money laundering activities. Due diligence is conducted on third-party partners, and suspicious transactions involving criminal proceeds or terrorist funding are reported promptly.



Operation

Innovation-driven Development	27
Data Security and Privacy Protection	32
Security and Quality of Products and Services	33
Supply Chain Security	36

The Company drives operational management across four core dimensions: innovation, security, quality and supply chain. It strengthens technological competitiveness via R&D innovation and intellectual property protection, builds a sound system for data security and privacy protection, sets up full-cycle product quality control mechanisms, and implements green procurement and supplier ESG management. The practice delivers balanced progress in compliant operation, technological innovation, and social responsibility.

03



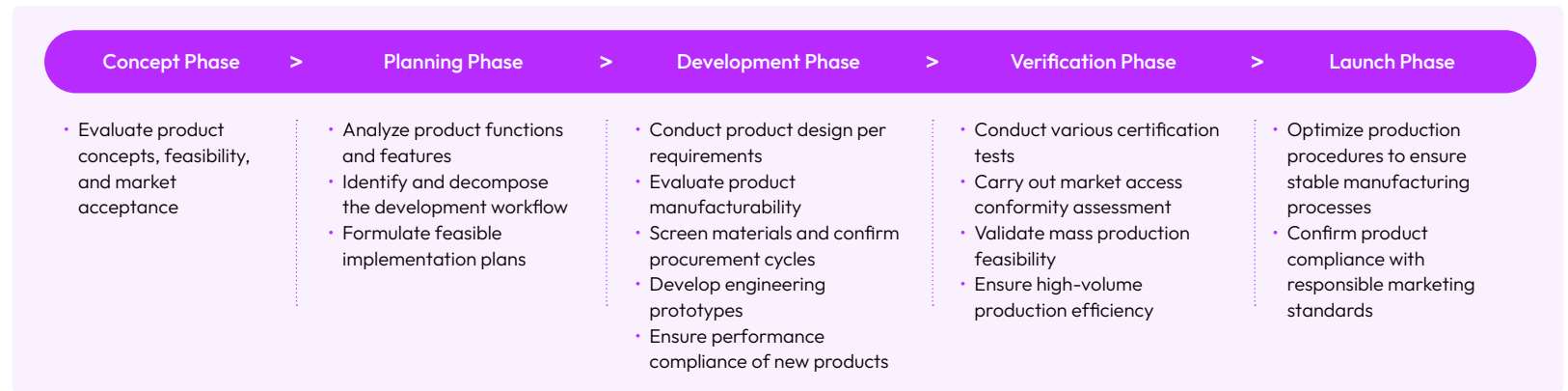
Innovation-Driven Development

The Company takes technological innovation, model innovation, and collaborative innovation as its core, integrating innovation-driven development into its sustainable development strategy. By focusing on market technology needs and industry trends and through R&D investment, talent cultivation, and industry-academia-research cooperation, the Company enhances its core technological capabilities and product competitiveness, promotes industrial technological upgrading and green-low carbon development, and realizes the synergistic win-win of innovation and social value.

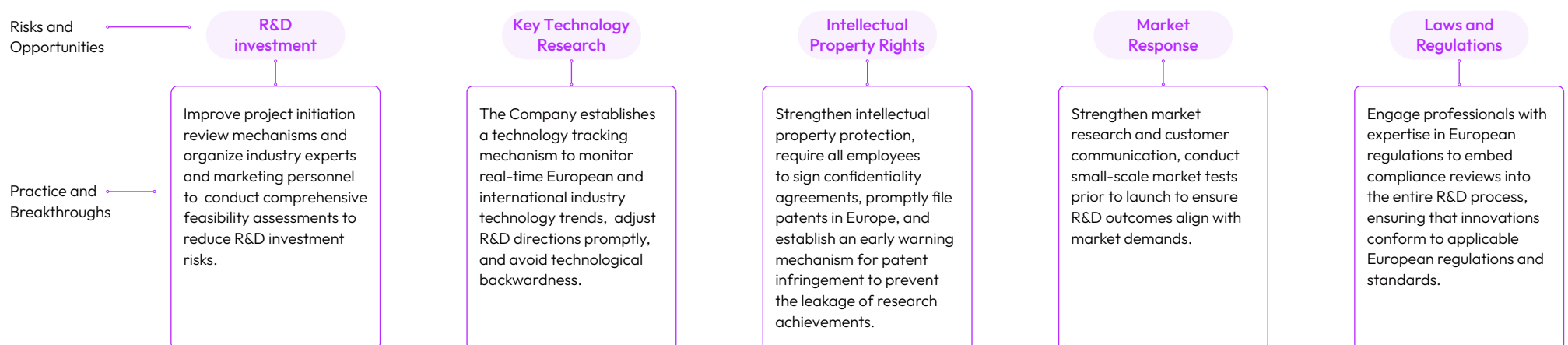
R&D Management System

R&D teams exercise full-process project control over evaluation, initiation, progress coordination, and summary through sound systems and processes.

The Company's product R&D innovation is driven by product technology iteration and market customer demand. R&D activities focus on meeting the requirements of multiple industry stakeholders while complying with ecological, content, and technology standard certifications.

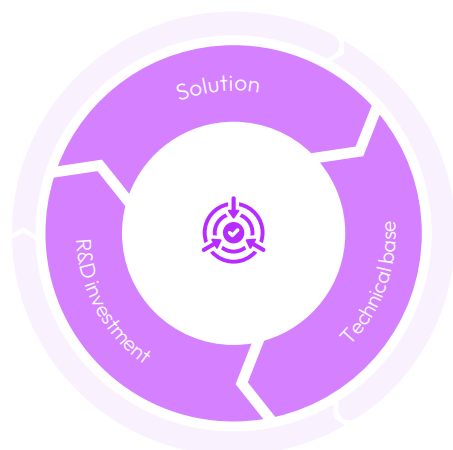


Based on a comprehensive R&D management system, the Company identifies various risks during the innovation process and implements a series of measures for prevention and monitoring, thereby improving R&D efficiency and reducing costs.



R&D Investment and Achievements

The Company focuses on the development and accumulation of independent core technologies, constructing a full-dimensional R&D system with independent core technologies as the foundation. Through continuous innovative R&D, the Company achieves technological breakthroughs and establishes a standardized, modular capability base, forming a reusable technology platform. Agile delivery relies on platform capabilities to respond quickly to customized needs, enabling efficient product iteration and value realization. The three elements form a closed loop, ultimately creating a virtuous cycle that continuously enhances the Company's R&D efficiency and strength.



During the reporting period, the Company's R&D performance is as follows:

442

Number of R&D and other technical staff

63.87 %

Proportion of R&D and other technical staff

CNY 163.9004 million

R&D investment amount

↑1.99 %

YoY increase in R&D investment

4.87 %

R&D investment proportion in total operating revenue

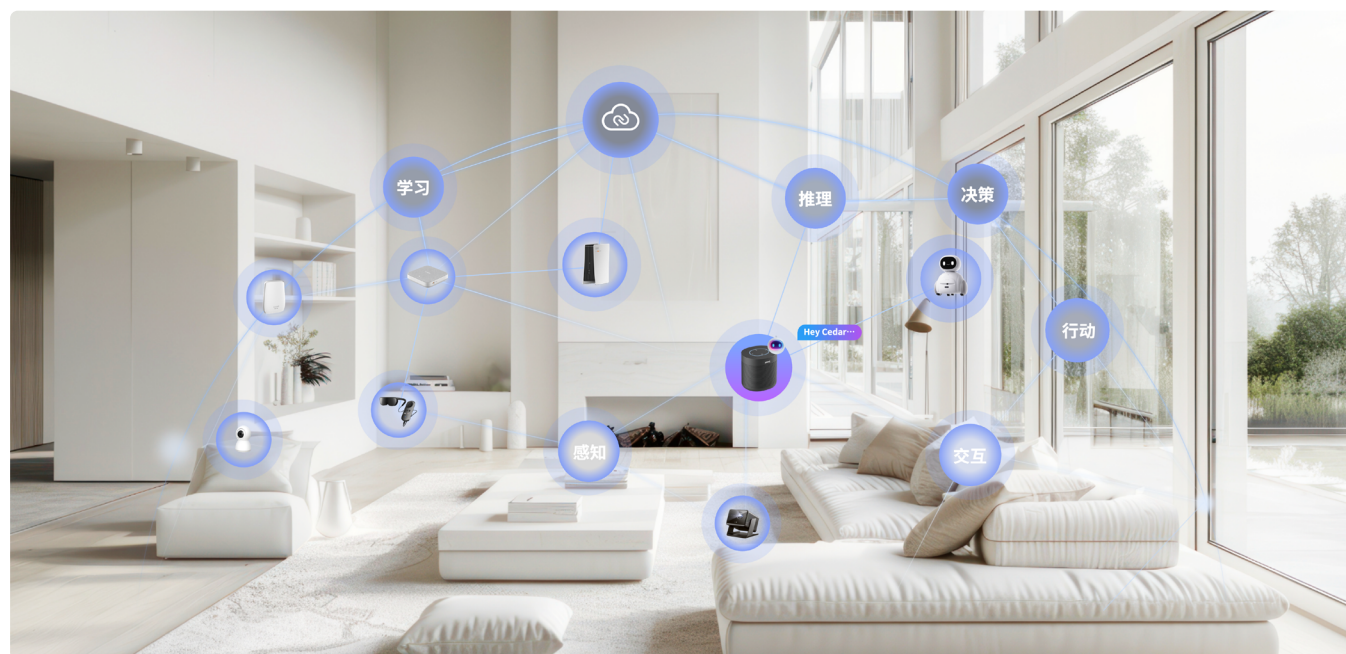
Technical Base

The Company's technology is based on two major systems: the system platform and the home hub. The former can be further divided into two key processes: "Thinking" and "Action". The intelligent agent, as the main processing unit for the "Thinking" process, is responsible for logical reasoning of user instructions. Third-party large language models process user instructions and interpret the intent of device instructions. Memory modules store user-specific information, while planning modules learn and summarize information stored in memory modules and make autonomous decisions based on interactions with memory modules. After completing the "Thinking" process, the generated instructions are transformed into "Actions" and executed through the streaming media platform (XMediaTV), the device control platform (XHome), and compatible third-party application interfaces.

The Company adopts technologies such as Matter and edge computing to enhance the performance and response speed of smart homes, achieving environmental perception and automatic control, enabling AI home solutions to interact more accurately and effectively with home users.

Solution

The Company provides AI Home solutions, utilizing digital video devices, network communication devices, and system platforms to enable users to easily control their home environment via cloud technology, IoT, and AI technology.



Innovation Achievements

AI Home Ecosystem Construction Joint Laboratory

In June 2025, the Company officially signed a strategic cooperation agreement with Luxshare Precision Industry Co., Ltd. and inaugurated the AI Home Ecosystem Construction Joint Laboratory. The Joint Laboratory fully integrates the resources and technological advantages of SDMC and Luxshare Precision, focusing on the innovative R&D of Home AI Agent, smart hubs, and terminal devices. Both parties will continuously deepen scenario definition and multi-device collaboration solutions, building a complete ecosystem chain covering algorithm R&D, software-hardware coordination, solution design, and market verification to accelerate the efficient implementation and large-scale promotion of AI Home solutions.



Longsys-SDMC Joint Innovation Laboratory

In December 2025, the Longsys-SDMC Joint Innovation Laboratory was inaugurated. Leveraging Longsys's technological advantages in semiconductor storage chip design, verification, and packaging processes, combined with SDMC's long-term accumulation in AI Home device R&D and home scenario adaptation, both parties will start from the underlying hardware to break the conventional supply-demand boundary and build collaborative capabilities from underlying storage to upper-level intelligent scenarios.



Technique	Application
Cloud-edge collaborative image recognition technology	Applied to streaming media terminals to enable gesture remote control and related content recommendation functions.
AI super-resolution technology	Applied to streaming media terminals to drive ultra-high-definition video reconstruction and enhance video content quality through AI.
Wi-Fi sensing based near-field perception technology	Applied to streaming media terminals to achieve seamless intelligent scenario control.
Global multi-standard digital television protocol stack technology	Applied to hybrid streaming media terminals to achieve deep integration of global digital TV broadcasting and Android TV.
Network self-optimization algorithm technology	Applied to network communication products to empower Mesh Wi-Fi with edge algorithms. Each Wi-Fi node monitors the home network in real-time, automatically selects the optimal channel, guides devices to connect to the best frequency band, and achieves seamless roaming, enhancing the overall home network experience.
Dedicated channel technology	Applied to network communication products, deeply integrating multiple algorithms to realize intelligent network traffic scheduling and "Dedicated Channel" services. This technology restricts the bandwidth of non-dedicated devices to ensure the real-time network performance of critical devices.
Intelligent projection algorithm technology	Applied to smart projectors. By combining sensors such as Time-of-Flight (ToF) and cameras with software algorithms, the projectors achieve real-time automatic focusing, automatic keystone correction, obstacle avoidance, screen alignment, and intelligent eye protection without manual intervention, significantly enhancing the user experience.
Intelligent recommendation technology	Applied to the XMediaTV system platform to provide intelligent video recommendation services based on big data analytics. The system analyzes user behavior and video attributes to generate user and content tags. It employs diverse recommendation strategies to dynamically generate personalized content, enhancing the user experience. The system also supports flexible configuration of recommendation slots to enable personalized content distribution and intelligent operation management.
Low-latency voice interaction technology	Applied to the Home AI Agent, Cedar, to enable real-time voice interaction, including second-level transcription of user voice input, accurate intent response, and low-latency interaction.
Intelligent agent intention recognition technology	Applied to the Home AI Agent, Cedar, to achieve contextualized and accurate intent recognition of user commands.
Agent memory technology	Applied to the home AI Agent, Cedar, to achieve rapid comparison through vector retrieval, topic-based dialogue content aggregation and grouping, and to extract and update user profiles and preferences using third-party large language models. This technology constructs a multi-layer memory system combining short-term, medium-term, and long-term memory to gradually improve user profiles, enabling the home AI Agent to better understand users.

Intellectual Property Protection

The Company has established a standardized, full-cycle intellectual property management system and formulated internal regulations such as the Management Regulations for Inventions and Utility Model Patents, the Patent Management Regulations, the Trademark Management Regulations, and the Computer Software Copyright Registration Regulations. The Company relies on patent, copyright, and trademark laws, trade secret protection, and confidentiality agreements with customers, suppliers, and employees to protect its intellectual property, ensuring that patent achievements are deeply integrated with and progress in tandem with core business operations.

R&D departments across the Company's product lines are responsible for the specific implementation and achievement of their respective departmental IP objectives, safeguarding the security of the Company's technology through employee IP training. The Company follows the Intellectual Property Reward Measures and sets up awards such as the Annual Innovative Award to incentivize inventors who successfully apply for inventions, utility models, designs, and computer software copyrights.

During the reporting period, the Company conducted **5 IP-related training sessions** covering enterprise IP management and risk response measures, patent information to assist R&D and innovation, patent infringement comparison and analysis, open-source software IP risks and prevention, and patent design-around strategies. **The cumulative training duration was 66 hours.**



The Company holds patents and software copyrights covering key fields such as digital TV, IoT, smart terminals, AI, projectors, and audio equipment. These cover specific subdivisions, including smart homes, digital copyright protection technology, encryption technology, voiceprint recognition technology, media playback, digital broadcast transmission and reception, smart terminal management, network technology, device power consumption control, projection technology, and smart hardware R&D.

During the reporting period, the Company **filed 16 patents (refer to Appendix 5 Patents and Software Copyright for details)**, focusing on the iteration of core products and the exploration of frontier technology fields.

In the same period, the Company **applied for 7 software copyrights**, covering XMediaTV series system upgrades, cybersecurity, smart terminal data collection, and the home AI Agent, strengthening its technological advantages in these fields.

As of the end of the reporting period, the Company's owned patents and software copyrights are as follows:

379

Cumulative number of patent applications

127

Number of software copyrights owned

139

Number of valid patents held

12

Number of utility model patents

74

Number of authorized invention patents

67

Number of design patents

Innovation Strategy and Planning

Taking into account industry characteristics as well as European market policies and demands, the Company plans to continuously increase the application of AI technologies in streaming media terminals, network communication devices, and system platforms.



Streaming media terminal

- Achieve breakthroughs in edge computing technology by means of integrating distributed intelligent units, thereby forming a closed-loop “perception–decision–execution” capability
- Continuously improve the accuracy and response speed of user interactions in the fields of acoustics, vision, radar, and UWB



Network communication equipment

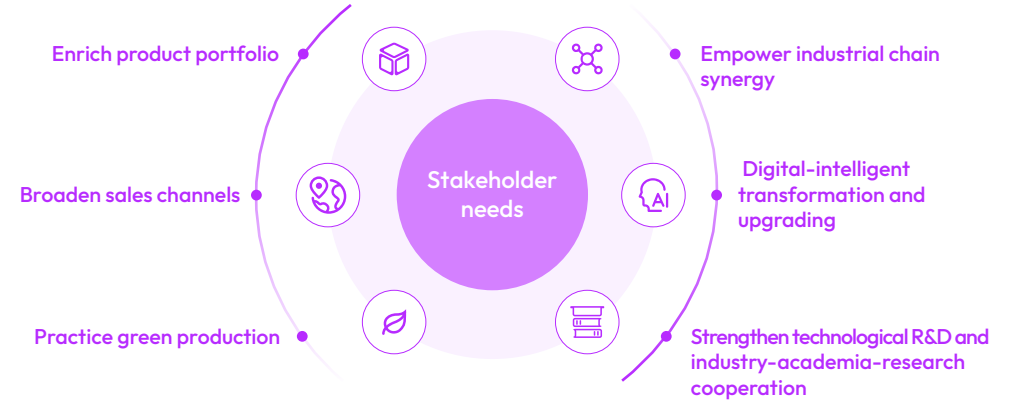
- Deeply integrate AI with edge computing technology to continuously optimize algorithm performance in anti-interference, automatic detection, and network congestion traffic regulation
- Achieve higher precision in Wi-Fi sensing algorithms



System platforms

- Realize the integration of third-party large language models with real-time audio and video technology, and cloud-based AI visual analysis algorithms
- Deepen cloud-edge collaborative networking technology to reduce response latency
- Utilize technologies such as rule engines, edge computing, and third-party large language models to achieve automated collaboration among devices and concurrent access for tens of millions of devices

Through ongoing communication with stakeholders, the company continuously promotes and drives the common development of the industry, ensuring that its innovation outcomes are closely aligned with practical business needs and social value.



During the reporting period, the Company did not experience any material data security incidents recognized by regulatory authorities, nor any administrative penalties or valid complaints for violations of data privacy laws and regulations. Its overall data compliance management system runs effectively.

Product and Service Safety and Quality

The Company establishes the Quality Center as a dedicated department for product quality management and safety, which is solely responsible for the establishment, operation, and maintenance of the quality system as well as management of product quality and safety, implementing quality and safety responsibilities, and preventing and controlling product quality and safety risks. The General Manager of the Quality Center takes the lead in the formulation of product safety policies, strategies, and objectives, ensuring the direction and effectiveness of the Company's quality management efforts. The Legal, Compliance, R&D, Supply Chain, and Customer Service Departments collaborate in implementation, while internal audit and third-party bodies are responsible for supervision and attestation, forming a governance structure characterized by "clear rights and responsibilities, closed-loop processes, and multi-dimensional supervision".

During the reporting period, the security and quality status of the Company's products and services was as follows:

0

Complaints regarding product and service

99.42 %

Product qualification ratio

0 %

Product recall rate

93.56 %

Material delivery fulfillment rate

100 %

Order fulfillment rate

During the reporting period, the Company **organized 155 training sessions on safety and quality of product and service**, covering quality control, system compliance, test verification, risk prevention, and process compliance, to ensure product and process quality.



Quality Safety Management System

The Company applies total quality management (TQM), leveraging professional technologies and scientific methods to continuously improve product and service quality across the entire process, from such aspects as customer needs, product delivery, and after-sales follow-up.

Project Quality Management

- Formulate the Project Quality Management Specifications to control the entire process from requirement submission to delivery.

Design Quality Management

- Establish the Customized Product Development Process and define the review requirements for each key technical review (TR).

Supplier Quality Management

- Establish a series of supplier management processes and refine standardized management from supplier sourcing to delisting.
- Execute the Agreement on Non-use of Hazardous Substances and comply with relevant Chinese and international regulations and standards.

Process and Delivery Quality Management

- Formulate the Specification for the Introduction and Management of Production Outsourcers and the Management Specifications for Production Outsourcers, and apply continuous quality control for the production process of production outsourcers.

After-sales Quality Management

- Formulate the Control Procedures for After-sales Service and the Management Specifications for Defective Product Returned by Customer.
- Respond promptly to after-sales issues, and provide and implement solutions.



Product Quality and Compliance Certification

Country/region		Certification
Global		CB, MTBF, BQB, Wi-Fi Alliance
Europe		CE, ERP, European Accessibility Act (EAA), EU Cybersecurity, RoHS, REACH, WEEE, UN 38.3, Air and Sea Transport Certificate, MSDS, EU Packaging Directive, Halogen-free Test, EU Battery Regulations, Photobiological Hazard, Swedish Chemical Tax, UKCA
Asia	China	SRRC, BSMI, NCC
	Japan	PSE, JATE, TELEC, VCCI, CQC
	Others	Thailand: NBTC; Malaysia: SIRIM; Singapore: IMDA; Philippines: NTC; India: BIS, Vietnam: MIC; Saudi Arabia: CITC; Saudi Arabia: CTIC; Qatar: CRA; Oman: TRA; Jordan: TRC; Kuwait: CITRA; Egypt: NTRA; Algeria: ANF; Morocco: ANRT / CMIM; Korea: KCC; UAE: TDRA / ECAS LVE; India: WPC
North America	USA	FCC, ETL, UL, MET, TSCA, CP65, TPCH, RoHS
	Canada	ISED, ICES 003, NRCan EEV
	Others	Mexico: CIDEF / NOM / IFETEL; the Bahamas: URCA; Aruba: DTZ; Curaçao: BT&P; Dominican Republic: INDOTEL; Haiti: CONATEL
Central America		Panama: ASEP; Costa Rica: SUTEL; Nicaragua: Telcor; Honduras: CONATEL
South America		Brazil: ANATEL; Uruguay: URSEC; Chile: SUBTEL; Colombia: CRC; Argentina: ENACOM; Ecuador: ARCO TEL; Bolivia: ATT; Venezuela: CONATEL; Peru: MTC
Oceania		Australia: RCM, GEMS, MEPS
Africa		South Africa: ICASA; Egypt: NTRA; Algeria: ANF, Morocco: ANRT / CMIM

Product and Service Assurance



Product Assurance

The Company has a sound product recall system to recall defective products. Based on the severity of the product defect, the Company divides product recall into three levels, while formulating differentiated recall strategies.

Classification	Three-level software patch repair	Level II regional targeted recall	Level I global emergency recall
Trigger conditions	Repair via OTA	Comprehensively assessing the scope of impact	Regulatory requirements mandate a recall
Recall strategy	Conduct remote OTA patch repair	Send a notice of initiating a recall Repair/replacement	Issue a public announcement to initiate a recall Repair/replacement/return
Recall deadline	Within 10 business days	Within 5 business days	Within 72 hours

The Company establishes a cross-departmental recall task force, incorporating Quality, R&D, Supply Chain, Legal, and other departments to ensure efficient collaboration and clear division of function during the product recall process.

The entire process, from defect identification, risk assessment, and recall decision-making to execution (plan development, customer notification, product recovery, and corrective improvement), must be standardized, with time limit compliance required at all key milestones. Provide weekly progress updates. Upon completion of a recall, submit a closure report and collect customer feedback to continuously enhance the defect management process.

Service Assurance

The Company adheres to its core service philosophy of “Empowering Customer Success”, continuously improving and deepening the development of its customer service system across pre-sales, in-sales, and after-sales stages. The Company establishes a global customer service network, improving customer service efficiency and spare parts responsiveness through digital management, while proactively exploring new business models and opportunities in the new energy aftermarket to further strengthen its overall competitiveness.

Pre-sales phase

- Product overview
- Q&A
- Product demo
- Customized solutions

In-sales phase

- Order tracking
- After-sales assurance
- Customer training
- Feedback collection

After-sales phase

- After-sales consultation
- Maintenance
- Service tracking
- Customer care

Protection for customer rights: The Company establishes a comprehensive, systematic, and efficient customer complaint handling mechanism, covering management for the entire process including complaint acceptance, analysis and investigation, solution formulation and communication, complaint handling, follow-up, summary and improvement. Multiple departments, including the Global Marketing Center and the Global Sales and Support Department, collaborate to ensure that customer feedback and complaints are handled in a timely, accurate, and effective manner. Clearly defined processing timelines are set for customer complaints of varying severity level. For example, for Level 0 (Critical) complaints, the response time to the customer is 1 business day, and the timeline for providing interim measures is 2 business days. This fully safeguards customer rights and interests and enhances customer satisfaction.

Risk management and quality enhancement: During the complaint handling process, each department has clear responsibilities. The Quality Management Department of the Quality Center is responsible for conducting end-to-end customer complaint management, organizing cross-departmental analysis and discussion, identifying interim measures, root causes, and responsible parties, issuing the 8D report, and following up on the verification and implementation of measures to ensure closed-loop issue resolution. The Material Quality Management Department, the Outsourced Quality Management Department, the Supply Chain Center, and other departments respectively investigate, resolve, and verify issues across the material, production, and delivery phases. Through rigorous process controls and cross-departmental collaboration, product and service quality issues are promptly identified and resolved, thereby effectively mitigating risks and driving the continuous improvement of the product and service for the Company.

Internal governance and continuous improvement: The Company strengthens internal governance through the customer complaint handling process. PQE organizes and conducts internal reviews, monitors the implementation of improvement measures, audits the fulfillment, incorporates non-compliance with requirements into performance evaluations, and reports to the direct supervisor. After the issue is resolved, the Company closes the complaint to achieve closed-loop management. It also continuously improves the customer complaint handling mechanism, and promotes the enhancement of its overall operational management, demonstrating the effectiveness and continuous improvement capability of its governance.

Supply Chain Security

Supply Hain Management

For better supplier management, the Company establishes institutional documents including the Control Procedures for Sustainable Procurement, Procedures for Supplier Management & Control, Supplier Audit and Evaluation Form, and ESG Management Specification for Supplier, covering aspects such as labor rights and interests, occupational health and safety, environmental protection, and supply chain management performance. Through on-site or documented audits, the Company requires that its cooperative suppliers hold the quality management system certification ISO 9001, maintain the absence of child labor, forced labor, use of hazardous substances, and any other non-compliance with legal regulations, and sign the ESG Management Agreement covering environmental protection, energy conservation and consumption reduction, business ethics, anti-corruption, and others.



Sustainable Supply Chain Management

In order to pursue the concept of sustainable development, promote the green transformation of enterprises, and reduce environmental risks in the supply chain, the Company, in accordance with Chinese laws and regulations for environmental protection, guidelines of green procurement policies, and its sustainable development strategy, formulates the Social Responsibility Management Agreement, the Management Specification for Green Procurement, the Scorecard for Evaluation Criteria of Green Procurement from Supplier, and the Questionnaire for Sustainable Development as evaluation standards for supplier admission.

Based on business requirements, the Company procures from suppliers various materials necessary for manufacturing, including master control chips, memory chips, flash memory chips, functional chips, modules, remote controls, power adapters, PCB boards, and connecting cables. During the reporting period, the Company's primary suppliers were domestic suppliers of raw materials for chips and modules.

During the reporting period, the Company's suppliers and procurement status was as follows:

209

Number of core suppliers

11.91 %

Percentage of procurement amount from the top 1 supplier

37.04 %

Percentage of procurement from top 5 suppliers

During the reporting period, the Company conducted on-site audit and spot-checks on its core suppliers, **with a sampling rate of 20% and a compliance rate of 83%.**

Labor rights and Interests

- Prohibition of child labor
- Decent work
- Human rights protection
- Anti-discrimination

Health and Safety

- Health check
- Incident response
- Security protection
- Security drills

Environmental Protection

- Addressing climate change
- Pollutant emission
- Energy consumption
- Water resources

Ethics

- Prohibition of child labor
- Decent work
- Human rights protection
- Anti-discrimination

As of the end of the reporting period, **100% core suppliers of the Company have executed the Social Responsibility Management.** The agreement explicitly defines the performance standards and obligations of suppliers in the aspect of environmental responsibility, and the cooperation will be terminated for suppliers that fail to meet the requirements herein.

The Scoring Sheet for Evaluation Criteria of Green Procurement from Supplier covers multi-dimensional assessment, including green operations, manufacturing, transportation, and certification of management system, with a score of no less than 80 points considered qualified. The mandatory indicators on the scoring sheet include getting certification of the environmental management system ISO 14001, complying with regulatory requirements of RoHS and REACH, handling hazardous waste in accordance with provisions, and absence of major environmental incidents. Failure to meet any mandatory criterion will result in disqualification for acceptance.

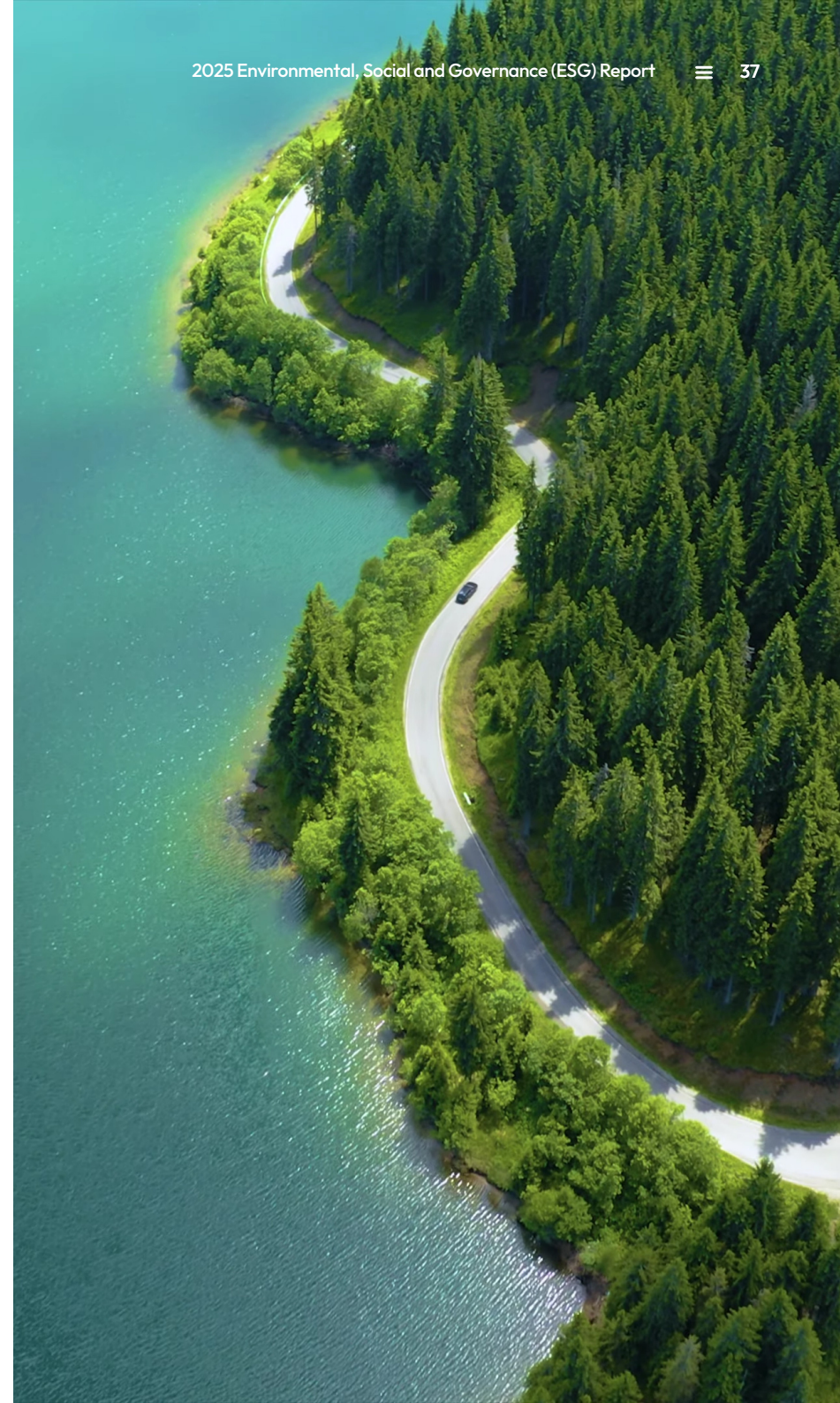
The Company plans to drive 10% of its core suppliers to meet the green supplier audit standard in 2026. It encourages suppliers to continuously improve their management level and performance in labor rights and interests, environmental protection, health and safety, and business ethics, and provides supports to them in enhancing sustainable development and management capabilities.

The Company annually invites internal and external experts to share requirements for environment, society, and governance with suppliers, and relevant content of the latest regulations and standards. In 2025, the Company delivered **10 ESG-related training sessions to suppliers through a combined model of online and offline training, totaling 16.5 hours, with a cumulative attendance of 278 participants.**

Environment

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The Company upholds the core principles of “energy conservation, consumption reduction, carbon reduction, and environmental protection”, deeply integrates them with our business characteristics, and integrates green development throughout our entire operations. Based on the product business, the Company focuses on key links such as component processing and assembly manufacturing, strengthens efficient energy utilization, reduction of waste, and compliance with pollutant discharge standards. Additionally, the Company continues to promote green production and strictly controls environmental risks throughout the production process. For solution-oriented business, the Company adheres to green design and a low-carbon orientation, prioritizes low-consumption, high-efficiency, and environmentally friendly technical solutions, and enables full life cycle of products and services to be low-carbon.



Environmental Management System

The Company recognizes that environmental protection is the cornerstone of sustainable development and a core commitment to its global customers, shareholders, and communities. The Company strictly complies with Chinese laws and regulations such as the Environmental Protection Law of the People's Republic of China and the Environmental Impact Assessment Law of the People's Republic of China, as well as local environmental protection ordinances and industry control regulations. Guided by the Environmental Management Policy as the overarching framework and aligned with the requirements of the international standard ISO 14001, the Company establishes a systematic, standardized, and normalized environmental management system, fully defining the core principles of lawful and compliant operations, green and low-carbon development, pollution prevention at the source, and continuous performance improvement. The Company builds an institutional framework for environmental management which is characterized by clear accountability, well-defined processes, and closed-loop oversight, thereby laying a solid institutional foundation and providing process assurance for the effective implementation of green operation goals.

Management Architecture

The Company establishes an organizational structure for multi-level environmental management, clearly defining the environmental management responsibilities of each department, and achieving full participation and hierarchical control:

Management Level

- Coordinate the formulation of environmental strategies, annual environmental protection objectives, and low-carbon development plans.
- Approve the environmental management system, major environmental protection investments, and emergency response plans.
- Be responsible for the overall environmental management performance.

ESG Work Group

- Be responsible for system implementation and operation, daily environmental supervision, self-assessment on compliance, risk screening, maintenance of system certification, emergency management, and environmental data statistics and disclosure.

Business/functional department

- Implement the daily environmental control requirements of the department, and standardize routine work such as waste classification, energy conservation and consumption reduction, clean operations, and rational use of resources.

Supply Chain

- Concurrently adhere to environmental management requirements, carry out pollution control, energy conservation and emission reduction, and compliance controls in production processes, and achieve full-chain environmental collaborative management

Management Model

The Company commits to continually improving environmental performance, proactively identifying and managing climate-related risks and opportunities, and orchestrate responses to environmental risks, including extreme weather, abnormal pollutant discharges, and chemical spills, to ensure that business operations coexist harmoniously with the natural ecosystem. To effectively prevent and properly handle environmental emergencies, the Company has formulated the Environmental Emergency Management Measures. Through regular risk assessments, hazard identification, environmental protection knowledge training, and unscheduled emergency drills, the Company reinforces employees' awareness on environmental risk prevention and emergency response capabilities, ensuring rapid warning, timely response, and science-based handling during environmental incidents. This minimizes the release of pollutants, ecological damage, and impacts on surrounding communities, thereby preventing environmental compliance risks and secondary social risks.

Plan

- Continuously monitor industry-specific characteristics, operational conditions, regulatory updates, and climate and environmental risks.
- Conduct regular identification of environmental aspects, evaluation on significant environmental aspects, and determination of environmental impact sources.

Implementation

- Promote green office practices, paperless operations, and conservation of consumables.
- Implement green production to reduce environmental load at the source.

Inspection

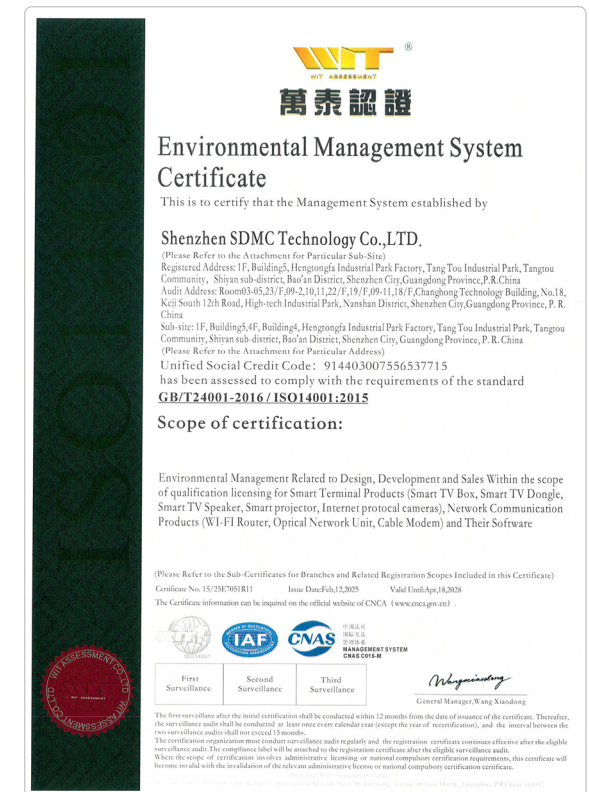
- Establish mechanisms for routine inspections, periodic special audits, and annual internal reviews.
- Periodically conduct environmental compliance assessments, and continuously monitor key environmental control indicators.

Improvement

- Develop corrective actions, define rectification timelines and assign responsible persons, thereby establishing closed-loop management for issues.
- Continually revise and improve management systems, optimize control processes, and drive continuous improvement of environmental performance.

System Certification

As of the end of the reporting period, the Company has passed environmental management system certification ISO 14001:2015, which covers its main office premises. Furthermore, the Company incorporates its key outsourcing manufacturers (ODM/OEM partners) into the "extended environmental management scope". Through the Supplier Admission Criteria, ODM/OEM and core suppliers are mandated to obtain the certification of ISO 14001 or pass audits as per equivalent standards.



Energy Consumption

The Company has established energy management as a core corporate strategy, positioning it as a key driver for business growth and competitive advantage. Following the Procedures for Greenhouse Gas Management and the Work Instructions for Energy and Resource Conservation, the Company has established a full-chain tracking mechanism for carbon footprint, covering energy procurement, conversion, and utilization. The Company vigorously promotes substitution of clean energy and energy-saving transformation for processes, committing to achieving carbon reduction across the entire lifecycle.

During the reporting period, the Company

387.62 tons of standard coal equivalent

Total energy consumption

11.51 tons of standard coal equivalent/ CNY 100 million in revenue

Energy consumption intensity

Energy type	Application scenario	Dosage	Total comprehensive energy consumption
Direct energy	Gasoline (for operation of the Company's vehicle)	5,579.92 L	6.14 tce
Indirect energy	Electricity (for daily office operation)	3,149.01 MWh	381.48 tce
Total			387.62 tce

93.51 MWh/CNY 100 million in revenue

Electricity emission intensity

↓8.80 %

year-over-year compared to 2024

220.01 %

Target fulfillment rate

Basic Training

Continuously strengthen employees' energy conservation awareness, to provide critical support for the systematic implementation of energy management goals.

Energy-Conservation Design

Provide products that comply with regulations such as REACH and RoHS directives and meet environmental requirements.

Green Office

Strengthen supervision on electricity utilization; enhance the management, repair, and maintenance of power supply equipment, facilities, and appliances to ensure their normal operation.

Consumption of Facilities With GEC Qualification

Purchase facilities with GEC qualification to increase the proportion of clean energy consumption and reduce the environmental impact of operations. In 2025, **facilities with GEC qualification offset 1,722.00 MWh of electricity consumption, accounting for 66% of the total electricity consumption in 2024.**

The Company delves deeply into product R&D, striving to enhance product performance while significantly reducing operational power consumption, thereby creating more low-carbon and economical products for users experience. In 2025, **a total of 21 of the Company's core products successfully passed the ERP energy efficiency certification of EU.** This achievement not only signifies that the Company has met internationally leading standards in energy efficiency ratings, ecological design, and environmental friendliness, but also underscores the its commitment to responsibility amid the global wave of sustainable development.

I-Rec green electricity certificate





Water Resource Management

The water resources obtained by the Company are primarily used to meet basic operational of the office and domestic needs, with all water sourced from the municipal supply system. To significantly enhance water resource utilization efficiency and practice the green operation concept, the Company has established and rigorously enforces the Management Procedures for Water and Electricity Resources and the Management Measures for Water Resource. Through continuous monitoring and management, the Company improves resource utilization efficiency and reduces energy and water consumption per unit of output value.

10,840.22 tons

Total water consumption

3.22 tons/CNY 1 million in revenue

Water consumption intensity

169.51 %

Target fulfillment rate

↓16.95 %

year-over-year compared to 2024

Campaign of water conservation awareness and training

Design and produce water conservation posters, put up these posters in key locations such as the office area and restrooms, and remind employees to cherish water resources in a visual way.

Water-saving equipment Erection

Uniformly replace outdated water fixtures. For high-efficiency water-saving valves, reduce waste and lower water consumption at the source.

Wastewater Management

The Company primarily outsources its production. Pollutant emissions are limited to the treatment and discharge of domestic wastewater. During the reporting period, total wastewater discharge volume was 9,756.20 tons. In strict compliance with local laws and regulatory standards, the Company ensures the discharge of domestic wastewater meets all applicable requirements. The wastewater is discharged into the local municipal sewage network and subsequently conveyed to the municipal wastewater treatment plant for advanced treatment.

During the reporting period, **the Company was not subject to any major administrative penalties or held criminally liable for pollutant emissions.**

Waste Management

The Company strictly adheres to the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and other applicable laws and regulations, formulates the Management Procedures for Solid Waste Collection and Disposal and Waste Management Measures, and carries out waste management. By implementing strategies such as waste reduction at source, separate collection, and resource recovery, the Company ensures that the recovery rates for general industrial solid waste are maximized.

During the reporting period

325.87 tons

Total waste discharge

9.68 tons / CNY 100 million in revenue

Waste emission intensity

↓18.49 %

year-over-year compared to 2024

0.002 tons
Hazardous wastes

4.18 tons
General industrial waste

321.69 tons
Domestic waste

Waste reduction at source

Launch the electronic seal feature, promote paperless office operations, reduce paper waste, and improve efficiency in handling urgent seal usage.

Recovery

Electronic office devices such as computers are recycled after employees' dismission, thereby increasing the reutilization rate of the electronic equipment and minimizing the generation of waste.

Harmless disposal

Waste plastics, cardboard, and similar materials generated in warehouses are all handed over to a third party for recycling; hazardous waste produced in laboratories is submitted to qualified third parties for non-hazardous treatment; and other waste is primarily disposed of through incineration.

Addressing Climate Change

In order to proactively address systemic risks arising from global climate change, the Company strictly adheres to the Chinese strategies of “Carbon Peaking and Carbon Neutrality” and applies the Reporting Guide of Environmental, Social and Governance of HKEX, IFRS S2, and TCFD framework for climate-related information disclosure.

Governance

The Company establishes a climate governance system with the Board of Directors as the highest body, driving climate change management from the top down. The Board of Directors is responsible for formulating climate-related strategies; the Sustainable Development Management Committee is responsible for identifying, prioritizing, analyzing, and managing climate risks and opportunities, managing the annual budget for climate affairs, formulating climate-related targets, and supervising and supporting specific work, providing guidance and coordinating resources for related work, and reporting risks and response strategies to the Board of Directors; the ESG team is responsible for implementing the blueprint for specific climate-related work and reporting to the Committee on key progress and risk management; the cross-departmental special task force focuses on promoting the high-quality implementation of the “net zero strategy” project. Relevant departments have integrated climate-related risk management into routine operations, focusing on energy efficiency enhancement, the use ratio of clean energy, and carbon reduction in supply chain, thereby driving proactive participation by partners of upstream and downstream value chain in the low-carbon transition.

The Company formulates the Management Specifications for Climate Change Risk as the guiding document for management of climate change risks. The Board of Directors is responsible for approving the Company’s strategy and core policies for addressing climate changes, as well as the supervision and management of climate-related risks and opportunities. The ESG Committee is responsible for regularly reviewing climate change risks and adjusting risk management strategies based on the internal and external environment. In 2025, the goal of scientific carbon reduction was identified as a Key Risk Indicator (KRI) for the Company, with ongoing progress tracked.

Strategy

To enhance the climate knowledge and skills of its management, the Company provides climate change-related training and organizes thematic seminars on climate issues with industry experts and professional institutions, all with the goal of improving its climate resilience.

Considering the business characteristics of a company integrating digital video technology and Internet of Things (IoT) solutions, the Company selects both low-carbon and high-carbon scenarios and conducts scenario analysis over short-term, medium-term, and long-term horizons by referring the Shared Socioeconomic Pathways from the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR6 SSP) as well as IEA datasets.

Risk Management

Pursuant to the Climate Risk Management Specification, the Company establishes standardized processes for identifying, assessing, and managing climate risks. The Sustainable Development Committee is responsible for regularly reviewing climate change risks, making adjustments in light of evolving internal and external conditions and changes to the Company’s business plans, and continuously enhances the Company’s climate risk management practices. In 2025, the Company incorporates science-based carbon reduction targets as a KRI of operation level, continuously tracks progress, and effectively drives climate-related risk response.

Risks and opportunities identified by the Company during the reporting period are listed in [Appendix 1 Risk Identification List and Response Measures](#) and [Appendix 2 Climate Change Opportunities and Capturing Measures](#).

Risk Management Process	
Confirmmanagement boundaries	Operations, value chain, products
Identify risk list	- Comprehensive analyze current trends of natural and social environment to identify risks in various scenarios. - Assess the gap between climate and energy goals and the current status.
Risk ranking assessment	- Develop a climate risk list based on the task force on climate-related financial disclosures (TCFD) framework. - Incorporate identified material climate risks and prioritize them based on significance.
Formulation of response measures	- Conduct specific risk management and response efforts, and develop risk treatment plans. - Organize reviews by the Risk Management and Sustainable Development Committee.
Monitoring management	- Periodically review key risk indicators. - Report significant climate-related risks to the Board of Directors annually.
External disclosure	Periodically disclose risk identification and management status.



Metrics and Targets

The Company sets the baseline year as 2023 and the target completion deadline as 2030. The Company commits to a 42% reduction in absolute greenhouse gas emissions in Scope 1 and Scope 2, **and a 51.6% reduction in the carbon intensity (purchased goods and services) in Scope 3, with the latter measured as emissions per CNY 1 million of value added.** The goals of carbon reduction and net zero emissions have been approved by the Science Based Targets initiative (SBTi) on February 26, 2025, and such goals aligned with the SBTi Version 5.2 standards and guidelines. To better track the progress of carbon neutrality and manage climate-related risks and opportunities, the Company, referencing the Reporting Guide of Environmental, Social and Governance of HKEX, IFRS S2, TCFD, and other standards, focuses on energy-intensive manufacturing, complex supply chains, and product lifecycle management, and establishes phased targets for the short term (2026) and the medium to long term (2027 - 2030), **as detailed in Appendix 3 Metrics and Targets.**

SBTi Certificate

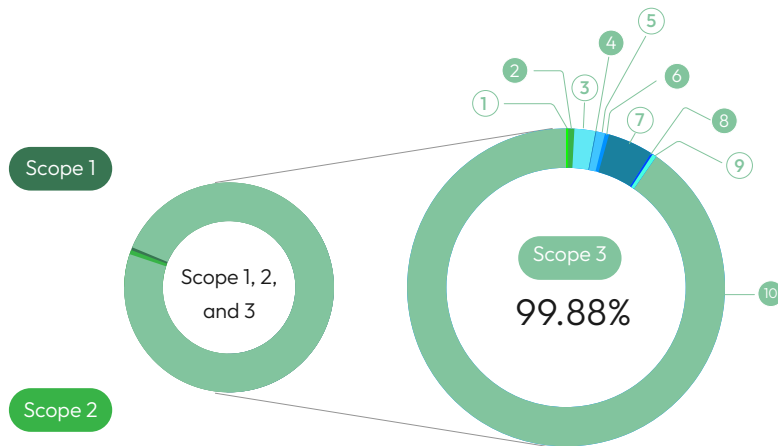
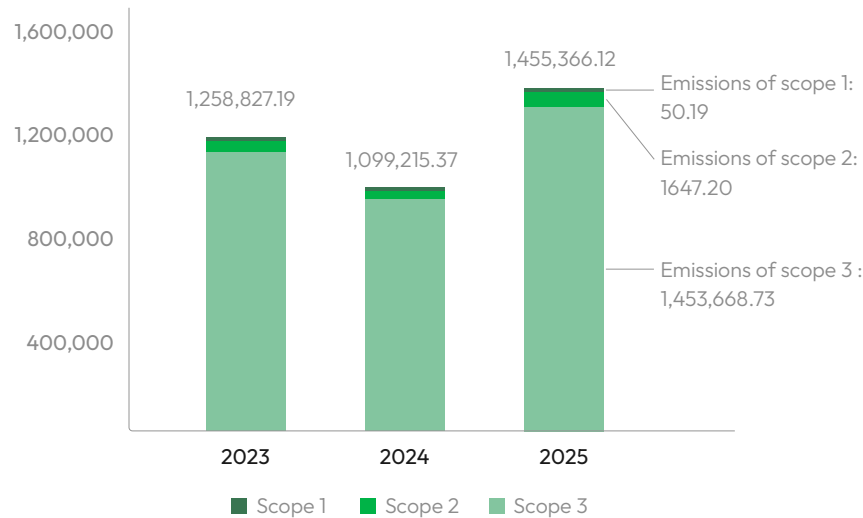


Greenhouse Gas Emission Management

In strict compliance with internationally accepted standards such as the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol) and the Greenhouse Gases - Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals (ISO 14064-1:2018), the Company formulates and implements the Management Procedures for Greenhouse Gas by integrating its business structure, operational features, and internal management practices based on the defined accounting boundaries, category classifications, and quantification methods required by these standards, with a standardized and traceable GHG management system established. The Company conducts a comprehensive and systematic carbon inventory of its greenhouse gas emissions from 2023 to 2025 in accordance with the operational control approach and obtains a third-party verification statement.

2025 Verification Statement on Greenhouse



Emissions (tons of CO₂ equivalent)

2025 Scope 3 emissions distribution

① Scrapping and disposal	0.004%	⑥ Capital Goods	0.01%
② Employee commuting	0.02%	⑦ Purchased Goods and Services	7.86%
③ Upstream transportation and distribution	0.52%	⑧ Downstream transportation and distribution	0.002%
④ Waste disposal	0.001%	⑨ Fuel and Energy-Related Activities	0.01%
⑤ Business travel	0.06%	⑩ Product Application Phase	91.52%

SBTi Goals

Based on its greenhouse gas emissions, the Company analyzes the characteristics and structure of carbon emission across various dimensions, and formulates the SBTi Management Procedure. This procedure defines the management responsibilities, processes, assessment criteria, and supporting measures for SBTi carbon reduction efforts. Taking into account the business characteristics, operational scale, and current carbon emission status of each department, the Company scientifically breaks down and reasonably allocates carbon reduction goals, clearly defining emission reduction objectives, responsibility assignments, and completion deadlines for each department, thereby promoting the orderly performance of carbon reduction initiatives in Scope 1, 2, and 3 across all dimensions.

Emission Category

Emission Reduction Measures

Gasoline Combustion

- Plan to replace fuel vehicles with new energy vehicles for business receptions

Purchased Electricity

- Procure green electricity to increase the use ratio of renewable energy.

Upstream transportation and distribution

- Choose intensive transportation or low-carbon transportation routes and modes for transportation of raw materials and products, including electrified railways and low-sulfur-fuel-powered ocean liners.

Employee commuting

- Encourage employees to use public transportation or other green modes of transportation for commuting.

Purchase of goods and services

- Call upon suppliers to use renewable electricity during the manufacturing of products for SDMC.
- Reduce the usage of packaging material through lightweight design.
- Use lightweight product design to reduce material procurement and usage.
- Use recycled materials in product manufacturing to reduce upstream emissions.

Use of sold Products

- Extend product lifespan and reduce environmental impact across the product life cycle.
- Improve product energy efficiency and reduce energy consumption during the usage phase.

Green Products

The Company is committed to providing environmentally-friendly products, integrating green principles into the entire life cycle of product, including design, material, and usage. In accordance with the Green Product Procedures, the concept of design for environment (DfE) is introduced during the product development stage, and all products are assessed by the Green Product Scorecard. By using environmentally friendly materials, optimizing energy efficiency structures, and enhancing recyclability, low-carbon, non-toxic, long-life, green and smart terminal products are created, contributing to the achievement of Scope 3 emission reduction goals.

Product Design

- Use energy-efficient electronic components to reduce energy consumption of equipment.
- Design an appropriate cooling system to prevent equipment overheating and energy waste.
- Optimize software code (energy-efficient algorithms) to allow for more efficient tasks, thereby reducing energy consumption of equipment.
- Optimize product structure and continuously advance the small-scale R&D of PCB panels to achieve a utilization rate exceeding 80%.
- Design recyclable components to facilitate equipment updates and maintenance.
- Use a 100% recyclable plastic housing, a screwless design, and labels without chemical adhesives.
- Employ data compression and streamlined software design to minimize resource waste during data storage and transmission.
- Gradually replace paper manuals with electronic manuals to reduce paper waste.

Product Material

- Utilize recyclable and reusable materials to minimize environmental impact.
- Select materials and suppliers that comply with environmental standards to minimize the environmental impact from materials.
- Adopt lead-free soldering technology for electronic components to minimize hazardous substance emissions and environmental pollution.

Product Usage

The Company's core products include smart TV boxes, smart projectors, smart cameras, first-class digital video equipment and network communication equipment such as Wi-Fi routers, optical network terminals, and cable modems. Through software updates and upgrades, device functionality is enhanced and product lifespan is extended.





Low Energy Efficiency Certification

In 2025, low-energy-efficiency product designs were implemented for products covering projects in Asia, Europe, and the Americas. Starting from the approval of the product project, a stringent power consumption target of 0.3W is set upfront. By streamlining the collaborative workflow across the three core departments, software, hardware, and test, an end-to-end low-power solution design, multi-round validation, and iterative optimization are carried out. Through cross-domain synergy, refined power consumption control is achieved, ensuring an optimal balance among product functionality, performance, and power consumption. Ultimately, 100% of the predefined low-power design goals are met, providing core technical support for the green and energy-saving attributes of our products.

The Company optimizes product energy efficiency through iterative improvements in chip manufacturing processes, upgrading the set-top box SoC from 12nm to 6nm, thereby achieving a 35.38% reduction in standby power consumption and a 24.23% power reduction in playing 4K videos, with an estimated annual emission reduction of approximately 0.81 kg CO₂ equivalent per equipment.

ERP Certification



ERP TEST REPORT

FOR

Applicant	Shenzhen SDMC Technology Co., Ltd.
Address	Floor 1, Building 5, Hengtong Industrial Zone, Tangjiao Industrial Park, Tangjiao Community, Shiyao Street, Baoan District, Shenzhen
Equipment under Test	Dockak 3.0 Cable Modem
Model No.	NE011B
Trade Mark	N/A
Manufacturer	Shenzhen SDMC Technology Co., Ltd.
Address	Floor 1, Building 5, Hengtong Industrial Zone, Tangjiao Industrial Park, Tangjiao Community, Shiyao Street, Baoan District, Shenzhen

Issued By: Guangdong Donglian Testing Service Co., Ltd.

Add: Unit 2, Building 1, No. 17, Zonghu 2nd Road, Songshan Lake Park, Dongguan, Guangdong, China, 523809

Tel: +86-6769-3852678 E-mail: dnt@gdtdt.com Http://www.gdtdt.com

Guangdong Donglian Testing Service Co., Ltd. Report No.: DDT-RE25021927-1501V1

COMMISSION REGULATION (EU) 2023/3026 of 17 April 2023
laying down ecodesign requirements for off mode, standby mode, and networked standby energy consumption of electrical and electronic household and office equipment pursuant to Directive 2009/125/EC of the European Parliament and of the Council and repealing Commission Regulation (EC) No 1274/2008 and (EC) No 107/2009

Report Reference No.: DDT-RE25021927-1501V1

Tested by (+ signature): Nina Zhang

Approved by (+ signature): Henry Fu

Date of issue: 2025/08/18

Total number of pages: 18 pages

Testing Laboratory Name: Guangdong Donglian Testing Service Co., Ltd.

Address: Unit 2, Building 1, No. 17, Zonghu 2nd Road, Songshan Lake Park, Dongguan, Guangdong, China, 523809

Applicant's name: Shenzhen SDMC Technology Co., Ltd.

Address: Floor 1, Building 5, Hengtong Industrial Zone, Tangjiao Industrial Park, Tangjiao Community, Shiyao Street, Baoan District, Shenzhen

Manufacturer's name: Shenzhen SDMC Technology Co., Ltd.

Address: Floor 1, Building 5, Hengtong Industrial Zone, Tangjiao Industrial Park, Tangjiao Community, Shiyao Street, Baoan District, Shenzhen

Test specification:
Standard: COMMISSION REGULATION (EU) 2023/3026, EN 50564:2011
Test procedure: COMMISSION REGULATION (EU) 2023/3026, EN 50564:2011
Non-standard test method: NA

Test item description: Dockak 3.0 Cable Modem

Trade Mark: N/A

Model/Type reference: NE011B

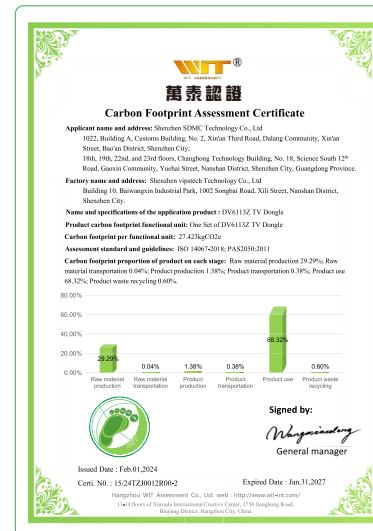
Rating: Input: 12VDC, 1.6A

Carbon Footprint Certification of Product

The Company is committed to minimizing the environmental impact of its products through green design and sustainable management. Following the Environmental Management - Life Cycle Assessment - Principles and Framework (ISO 14040:2006) and the Environmental Management - Life Cycle Assessment - Requirements and Guidelines (ISO 14044:2006), the Company calculates and evaluates the environmental impacts across the full life cycle of eight products, including TV sticks, smart set-top boxes, cable modems, and optical modems. The assessment covers the following impact categories: global warming potential over a 100-year horizon (GWP100), eutrophication potential (EP), acidification potential (AP), human toxicity potential (HTP), and abiotic depletion potential (ADP).

During the reporting period, the Company has passed product carbon footprint certification for two products: the DV6113Z TV stick and the DV8919X smart set-top box.

Carbon Footprint Certification of Product



Green Base

In 2025, the Company initiated developing and constructing the Bao'an Joint Industry Base Project for Chip and Digital Video. Throughout the construction process, it strictly adhered to the Environmental Protection Law of the People's Republic of China, the Law on the Prevention and Control of Noise Pollution, and other relevant laws and regulations. A third-party organization was engaged to assess environmental factors, including outdoor noise, air quality, and light pollution, for the newly constructed R&D building.

Green Building Compliance	The Project complies with the requirements for outdoor noise and light pollution stipulated in the Green Building Evaluation Standard (GB/T 50378-2019, 2024 Edition).
Air Quality Requirements	The concentrations of pollutants such as ammonia, formaldehyde, benzene, total volatile organic compounds, and radon inside the R&D building must remain below 20% of the limit values stipulated in the existing Chinese standard, Standard for Indoor Air Quality (GB/T 18883). The annual average indoor concentration of PM2.5 is not more than 25 µg/m³, and the annual average indoor concentration of PM10 is not more than 50 µg/m³, meeting the requirements for a Two-Star Green Building.
Energy-Saving and Consumption-Reducing Design	Based on specialty analysis, the carbon emission intensity of operation of the project building is expected to be reduced by 40.37% compared to the energy-saving design criteria of 2016, with a projected reduction in carbon emission intensity of 10.19 kgCO ₂ e/(m²·a).
Photovoltaic Nstallation	The Company plans to install distributed PV systems on the roof of the building, covering a total area of 900 m². This is expected to provide the Company with 166,904 kWh of green electricity annually.
Installation of Energy - Efficient Facilities	To minimize water loss and waste, the Company deploys water-saving faucets at all water consumption points in the new building, and installs flow controllers on the faucets.
Monitoring Device for water supply and Drainage	The Company deploys a remote metering system to meter consumption of domestic water, fire water, and others within the building in real time, and performs monitoring and centralized control on water supply and drainage equipment via Direct Digital Controllers (DDCs), various sensors, actuators, and other devices;
Monitoring and Regulation for Energy Consumption	The Company conducts real-time monitoring and dynamic control for energy-consuming terminals such as lighting equipment, air conditioners, elevators, and office equipment within the building, which is expected to reduce the overall energy consumption of the new building by 20% - 30% compared to conventional buildings.
Rainwater Reuse	In accordance with the regulatory requirements for sponge cities, a rainwater tank for reuse in road washing and landscaping has been provided to the Project.

Application of Green Technology

Reduce electricity costs, cut carbon emissions, and enhance ecological resilience of the park

Smart Management Digitalization

Achieve intelligent, data-driven management to promote operational efficiency



Society

labor practices and human rights 48

Shared Community Benefits 53

The Company always places employees' rights and interests as well as social responsibility at the core, and builds a compliant and comprehensive system covering employment management, career development, health and safety, and communication safeguards. Uphold the bottom line of labor rights and interests; create a diverse, inclusive, safe, and healthy workplace; and promote the shared growth of employees and the Company. Additionally, the Company actively promotes shared community benefits, fulfill social responsibility of corporate through concrete actions, and achieve the synergistic and sustainable development of corporate value and social value.

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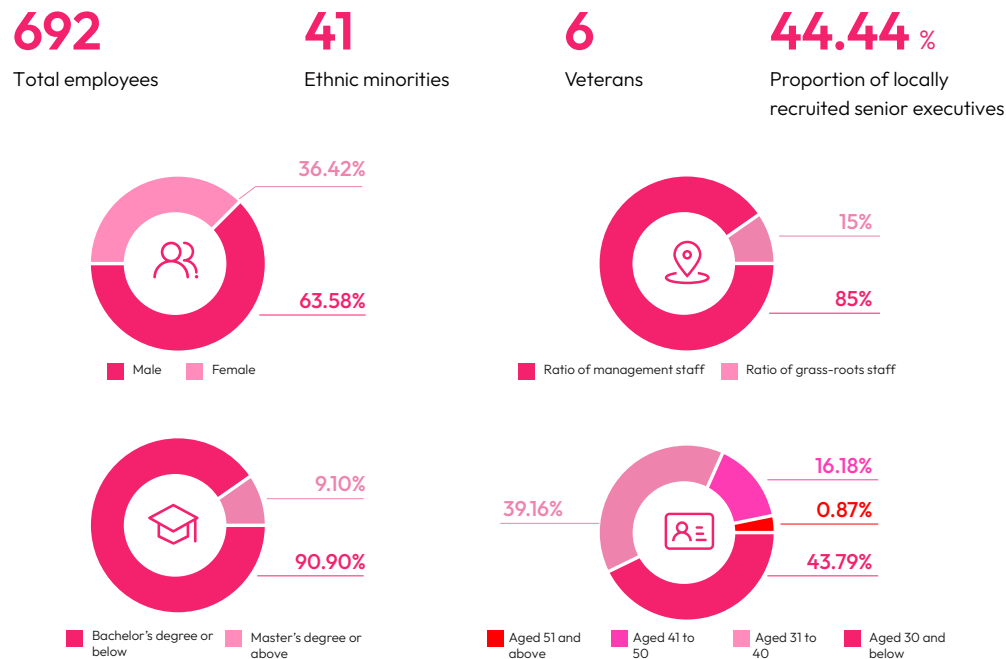
Labor Ractices and Human Rights

Employment and Rights Protection

The Company has established a full-process employee management mechanism of “policy formulation - communication and implementation - supervision and assessment - optimization and iteration”. The Human Resources and Administration Department is responsible for the formulation, establishment, auditing and updating of policies. Each department strictly implements the employee handbook and supporting management systems to ensure that protection of employee rights and career development promotion are effectively carried out. In addition, employees may participate in corporate management through rationalization proposals, appeal channels, forums, and other forms. The feedback on demands and the handling results will be uniformly followed up and closed-looped by the Department of Human Resources Administration, ensuring that the voices of employees are integrated into the management decisions of the enterprise.

The Company adopts a multi-channel recruitment approach, including campus recruitment, online recruitment, other external hiring channels, and internal referrals and reassignments. It establishes a stringent qualification verification mechanism, requiring candidates to provide original and photocopies of their identity documents, highest academic qualification certificates, and other credentials. Through multiple verification steps, the Company ensures that all recruited personnel meet the statutory employment age. The Company is committed to providing equal opportunities in all aspects of employment and tolerates no illegal discrimination or harassment based on race, color, religion, gender, age, disability, or national origin.

During the reporting period, the employment performance of the Company was as follows:



Fair Employment and Diversity

The Company complies with Chinese labor protection laws and regulations, including the Labor Contract Law of the People's Republic of China and the Work Safety Law of the People's Republic of China, and aligns with international standards such as the SDGs and the Ten Principles of the UN Global Compact. It develops and implements a series of policies, including the Employee Handbook, Control Procedures for Labor and Human Rights, Management Procedures for Employee Communication and Engagement, Management Procedures for Occupational Health and Safety, Management Procedures for Forced and Compulsory Labor, Employment Control Procedures, Procedures for Prohibiting Child Labor, Rescuing Child Labor, and Protecting Minors, Working Procedures for Freedom of Association and Collective Bargaining, Anti-Discrimination Management Procedures, and Handling Procedures for Workplace Injury. The Company is committed to fair employment and pay equality, rejecting all forms of employment discrimination. It upholds the bottom lines of zero child labor and zero forced labor, protects employees' labor safety and health in accordance with the law, provides sustainable career development opportunities, ensures reasonable returns for those who contribute, and fosters a community of shared interests among customers, employees, and partners.

The Company has a management system whereby all employees are employed under labor contracts. Employees perform their job duties in accordance with their labor contracts and may voluntarily resign in accordance with the law.

As of the end of the reporting period, the Company's employment status was as follows:

0 individual
Child laborers employed

0
Forced labor

100 %
Labor contract signing rate

0
Employment discrimination and harassment

0
Major layoffs and collective labor dispute



Compensation and Incentives

The Company establishes its wage system in compliance with laws and follows the principle of pay equality. No differences in compensation are made based on gender, age, nationality, or any other status. Statutory pay rights, including overtime pay and paid leave wages, are strictly enforced.

The Company establishes a two-dimensional incentive system of “material rewards + spiritual recognition” through the strict implementation of the Employee Handbook (Discipline and Reward Provisions), the Reward System for Qualification, Certification and Examination, the Implementation Management Specification for Timely Incentives, and the Performance Management System. Employees/teams who practice the Company’s values, demonstrate excellent work performance, and make outstanding contributions to the Company shall receive company-level and department-level rewards, including honorary titles, trophies/certificates, cash awards, public commendations, and promotion on honor list. All reward information will be recorded in employee files and serve as an important reference for salary adjustments, promotions, and talent development.

During the reporting period, the Company’s employee compensation and incentive performance were as follows:

CNY **244.3973** million
Expense of employees’ compensation



Benefits and Protections

The Company formally establishes a trade union in accordance with the Trade Union Law of the People’s Republic of China and the Constitution of Chinese Trade Unions, and convenes the First Employee Representative Assembly. The Assembly approves the election methodology and the slate of scrutineers. Upholding the principles of fairness and justice, all delegates successfully elects the inaugural members of the Union Committee, the Finance and Auditing Committee, and the Women’s Committee via a secret ballot. This marks a significant step towards fostering harmonious labor relations and protecting employees’ statutory rights.

The Company pays the social insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, and the housing provident fund for all employees in accordance with the law, and fully complies with the Chinese regulations on paid leave, such as statutory holidays, annual leave, marriage leave, maternity leave, paternity leave, bereavement leave, and work-related injury leave. Leave pay is determined in accordance with the Employee Handbook, thus protecting employees’ statutory rights to rest and leave.

During the reporting period, **the coverage rate of social insurance and housing fund for employees of the Company was 100%.**





Talent and Career Development

The Company establishes the Policies and Management Procedures for Recruitment, Training, Resignation, and Career Development, the Management Regulations for Career Development Access, the Management Policies for Management Cadre, and other personnel management system, with a comprehensive talent selection and training system established with reference to these policies. The employee training system is structured around core modules comprising Leadership Training, High-potential Talent Training, Professional Skills Training, and New Force Training. A dedicated professional training team is in place to oversee design, implementation, and operational management of the training program.



New Employee Onboarding Training

It is designed to help newly onboarded employees quickly understand and integrate into the Company, and to rapidly acquire role-specific skills. New employee onboarding training encompasses courses such as general corporate knowledge, information security and employee integrity training, incorporating compliance in employment including anti-discrimination, anti-sexual harassment, and prohibition of child labor and forced labor.



Training on Professional Skills

To safeguard product quality and the continuous enhancement of employees' professional competencies, the Company establishes a mechanism for routine skill assessment and training. For key positions such as OQC inspectors, trap tests and professional skill assessments are conducted on a regular basis. Specific coaching and retraining are given to personnel who fail to meet the assessment criteria. Through the closed-loop management of "assessment - coaching - reassessment", frontline employees' quality control capabilities and job competencies are continuously enhanced, thereby fortifying the end-to-end quality assurance of the product and upholding the responsible manufacturing philosophy.



Management Training

With the objective of improving the insight and execution capabilities of its managers, the Company adopts a comprehensive echelon management system for internal talents to effectively pinpoint professionals with outstanding expertise and strong team cohesion, facilitating the realization of the Company's strategic objectives.

The Company adheres to the promotion principle of "primarily internal promotion, supplemented by external recruitment", encourages employees to work hard, and provides opportunities for those who are diligent, perform well, and possess outstanding abilities. Promotion assessment is carried out in combination of the employee's work performance, competency, attitude, and annual evaluation results. The Human Resources and Administration Department coordinates the process, while department heads organize evaluations to ensure promotions are carried out in a fair, just, and transparent manner. Promotion results serve as a key basis for salary adjustment and job adjustment, establishing clear and predictable career development pathways for the employee.

The Company provides internal transfer opportunities for employees. If a probationary employee fails the performance assessment but is still considered to have development potential, the employee may be transferred to another position, upon the mutual consent between the Company and the employee. Serving employees may apply for internal job postings aligned with their career development plans and the Company's job requirements. The Company provides cross-departmental and cross-functional growth opportunities to motivate employees' working enthusiasm and unlock their potentials.

During the reporting period, the Company's performance in talent and career development was as follows:

258 person-times

Total employee training sessions

17.83 hours

Average duration of employee training

6,010

Total number of trained employees

CNY **2.1932** million

Total investment in employee training





Occupational Health and Safety

The Company incorporates labor protection and occupational health and safety of the employee into its core management, with the Human Resources and Administration Department coordinates the implementation of the labor protection provisions set forth in the Employee Handbook. The heads of each department, as the primary responsible persons for work safety within their respective areas, shall strictly implement the Work Safety Management System of the Company and establish an occupational health and safety management mechanism featuring “full participation and accountability at every level”. The Company establishes perfect operational procedures for safe production, fire safety management systems, and work-related injury handling system, clearly defining employees’ rights and obligations in workplace safety to ensure that occupational health and safety management is conducted in accordance with established rules.

During the reporting period, the Company’s occupational health and safety performance was as follows:

1 time

Emergency drills

546 person-time

Participants of emergency drill

4 times

Number of security risk inspections

5 items

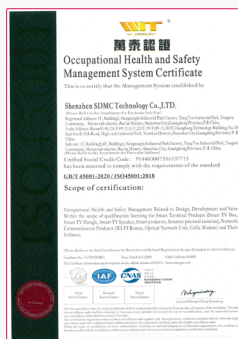
Identified hazards

0

Work-related injury incidents

Occupational Health and Environmental Protection

To better provide a comfortable and humanized office environment, the Company has set up a new building, which integrates Internet of Things (IoT), big data, artificial intelligence (AI), and other technologies to perform real-time monitoring of air quality parameters, including temperature, humidity, carbon dioxide, carbon monoxide, PM2.5, and noise levels, in different scenarios. When abnormal alerts are triggered, air purification equipment and air conditioning systems are adjusted to ensure that environmental indicators for all business activities remain safe and healthy.



AED Practical Training



The Company provides necessary personal protective equipment (PPE) and first-aid supplies to employees and requires its use as specified when tasks are performed. To safeguard employees’ personal safety, only qualified operators are allowed to operate specialized equipment, thereby preventing safety incidents caused by improper operation.

Psychological Counseling Training

The Company provides employees with physical examinations twice per year and unscheduled psychological counseling. The Company continuously improves the work environment for employees and reasonably arranges working hours, safeguarding their normal rest and leave, to avoid damage to their physical health caused by excessive work intensity. For employees who sustain work-related injuries, the Company handles the case in accordance with the Safety Production Management System and work-related injury insurance regulations of China, and promptly provides them with medical treatment and corresponding benefits.

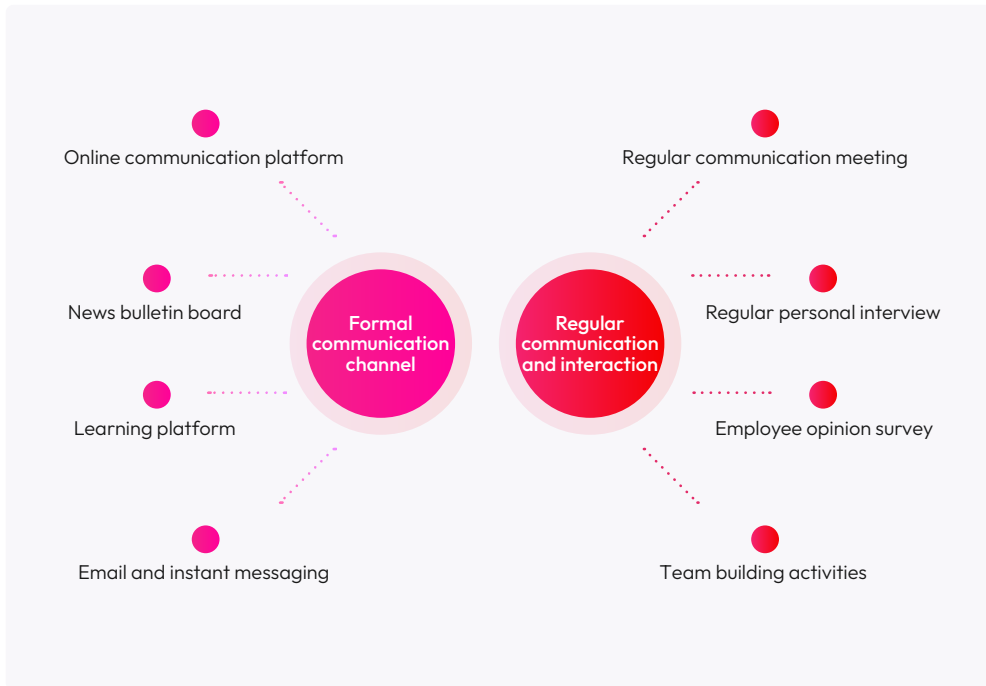




Employee Communication and Corporate Culture

The Company's vision and mission is to "become a world-leading provider of total AI Home solutions, bringing the benefits of AI to every home". Its values, "Empowering Customer Success · Pragmatism & Accountability · Value Innovation · Win-Win & Sharing", are woven into the fabric of daily work. Through system promotion and dissemination, team events, and employee recognition programs, the Company brings its culture to life.

Multi-Channel Communication Mechanism



2 pieces

Employee complaints accepted

100%

Employee complaint handling rate

97.20%

Employee satisfaction rate

Employee Engagement and Corporate Culture

Annual Company Event



Club Activities



Birthday Party



Team-Building Activities

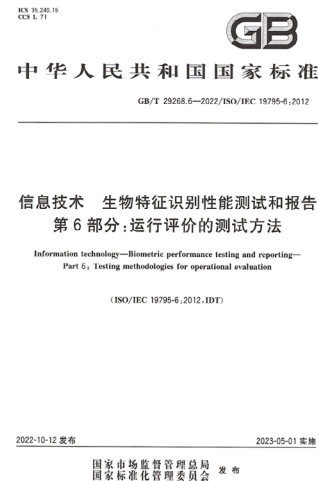


Shared Community Benefits

The Company actively promotes sustainable community development and continuously enhances the quality and efficiency in fulfilling its social responsibility. Through standardizing industry practices, participating in exhibitions, engaging in industry-academia-research cooperation, and supporting rural revitalization, it realizes the synergistic coexistence of corporate value and social value.

1 Deepening Association Cooperation To Build A Sustainable Ecosystem

As one of the primary drafters of the Chinese standard Information Technology - Biometric Performance Testing and Reporting - Part 6: Testing Methodologies for Operational Evaluation (GB/T 29268.6-2022), the Company drives the industry's transformation from "unregulated development" toward "high-quality and sustainable growth", and furnishes an authoritative foundation for technology deployment, secure application, and performance assessment in the sector, in alignment with the national strategy of "standards lead industrial upgrading".



2 Engaging In Industry Exhibitions and Sharing Best Practices

USA: CES; Spain: MWC; Singapore: BroadcastAsia; Netherlands: IBC; France: Network X; Brazil: Futurecom

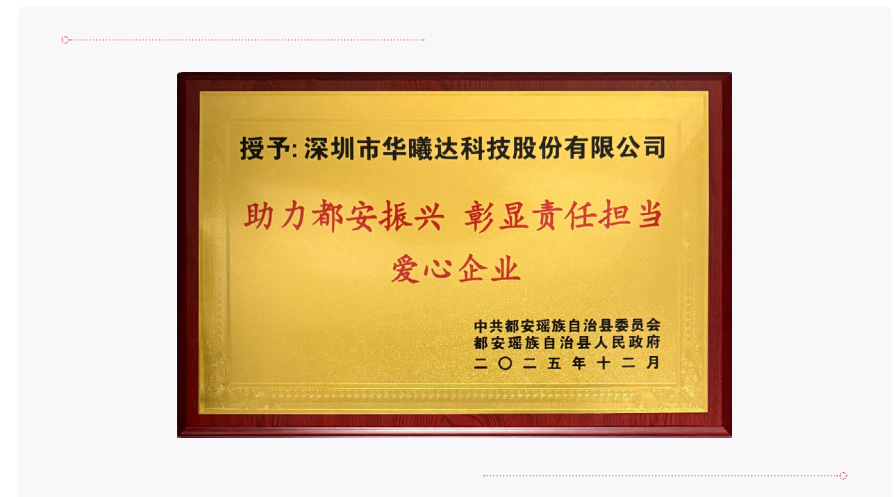


3 Promoting Industry-Academia-Research Cooperation and Jointly Building A Tech Talent Community

The Company is engaged in industry-academia-research cooperation with universities such as Beijing University of Posts and Telecommunications, Hunan University, Huazhong University of Science and Technology, and Tsinghua University.

4 Responding To The Rural Revitalization Strategy and Fulfilling Corporate Social Responsibility

The Company has been providing support to Xia'ao Town, Du'an Yao Autonomous County for two consecutive years. During the reporting period, it invested CNY 50,000 in rural revitalization efforts, benefiting 21 households with a total of 147 individuals, including 10 households (58 individuals) that have been lifted out of poverty.



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Appendix 1 Risk Identification List and Response Measures

Risk type		Risk description	Potential impact	Impact level	Impact cycle	Countermeasures
Physical risk	Acute risk	The frequency and severity of extreme weather events such as typhoons and rainstorms increase.	Delays in service or project delivery may adversely affect the Company's reputation and financial standing.	Medium / low	Short-term	- Enhance contingency plans for extreme weather events (e.g., flood prevention at office premises and disaster recovery plans for data centers) and conduct drills at regular intervals; - Reinforce critical facilities (such as server rooms and warehouses) to enhance structural resilience; - Establish a warning mechanism for disruption of supply chain to identify high-risk suppliers and develop alternative plans; - Purchase relevant property insurance and business interruption insurance to transfer the risk of financial loss; - Disclose physical risk assessment and response plans in the ESG report.
	Chronic risk	Abnormal global temperatures, extreme heat and droughts or severe cold and frost are caused by excessive emissions of greenhouse gases.	Increase energy consumption (e.g., usage of air conditioners) and raising operational costs. Extreme temperatures may also affect health and work efficiency of the employee.	Medium / low	Medium- to long-term	- Promote energy-saving renovations in office premises to reduce energy consumption during extreme weather; - Implement employee health and wellness programs to ensure their productivity; - Conduct assessment on water resource management and develop drought response and water conservation plans; - Disclose progress of energy consumption and water conservation measures in the ESG report.
		Global warming accelerates ice melting and sea level rise.	Compromise the security of office premise, lead to increased insurance premiums, and potentially result in asset depreciation.	Medium / low	Long term	- Conduct assessment on sea-level rise and flood risk for existing and new R&D buildings to avoid siting in high-risk areas; - Upgrade flood control and drainage standards for buildings, and elevate and waterproof facilities in low-lying areas; - Regularly update property insurance policies to cover risks associated with floods and sea level rise; - Develop an asset impairment stress test plan to assess the impact of long-term climate risks on asset values; - Disclose the results of site climate resilience assessment in the ESG report.
		Changes of precipitation patterns, water scarcity, and other issues are caused by climate changes.	Water shortage may be caused and daily operations may be affected.	Medium/low	Medium- to long-term	- Conduct water resource audits, identify high water consumption processes, and set water conservation targets; - Carry out water-saving reconstruction, such as reuse of reclaimed water and collecting rainwater, to reduce reliance on municipal water; - Add a water risk dimension to supplier assessments and prioritize partners with low water consumption; - Develop emergency contingency plans for water shortages and establish a security mechanism for emergency water supply; - Disclose water resource usage and water conservation effectiveness in the ESG report.



Risk type		Risk description	Potential impact	Impact level	Impact cycle	Countermeasures
Transition risk	Policies and laws	As the EU and the HKSE issue climate-related disclosure criteria, requirements for climate change information disclosure have become increasingly extensive and in-depth.	Climate information disclosure criteria in regions such as the EU and Hong Kong are continuously deepened. Failure to disclose information such as carbon emission data in Scope 1/2/3, climate risk assessment, scenario analysis, and progress on emission reduction goals as required by the stock exchange may lead to exchange inquiries, regulatory penalties, and suspension risks. Differences in standards across regions may increase compliance costs and disclosure complexity.	Medium/high	Short-term	- Establish a dedicated disclosure group to compile a disclosure checklist in alignment with the Climate Disclosure Guidance of HKEX and CS RD requirements of EU; - Establish a data disclosure ledger to ensure that data on carbon emissions, risk assessments, and other metrics are traceable and verifiable; - Annually disclose climate information in a separate chapter of the ESG report, and simultaneously submit the same to the stock exchange; - Engage a third-party institution to provide assurance on disclosed data, thereby enhancing disclosure credibility.
		Levy carbon taxes and fees on high-emission products, for example, CBAM. Set the carbon emission quota on enterprises, etc.	As carbon-related policies mature, the Company may be included in carbon accounting and carbon trading systems in the future, requiring it to bear implicit costs of carbon emissions. Failure to disclose carbon cost and carbon trading information as required by the stock exchange will result in compliance inquiries.	Medium / low	Medium term	- Conduct carbon cost assessments, incorporate the impact of carbon pricing into financial forecasts, and disclose such information in filings of the stock exchange; - Participate in pilot projects of carbon trading, establish carbon asset management processes, and disclose carbon trading data as required; - Drive emission reductions of Scope 1, 2, and 3 to lower carbon costs, and disclose the results in the ESG report.
		The EU has published the proposal for the Ecological Design for Sustainable Products Regulation (ESPR), to ensure that products launched on the EU market comply with requirements for sustainable development and reduce the environmental impact (including the carbon footprint of product) across the entire life cycle of the product.	If the environmental impact the product throughout its life cycle fails to meet the required criteria, it will be rejected by the EU market. Failure to disclose the carbon footprint data of the product, as mandated by the stock exchange, will expose the Company to investor scrutiny and compliance risks.	Medium / low	Medium-to long-term	- Initiate carbon footprint accounting of product throughout the life cycle of the product, and disclose the accounting methodology and results in accordance with the requirements of the stock exchange; - Optimize product design, reduce carbon footprint, and disclose low-carbon improvement measures for product in the ESG reports; - Obtain carbon footprint certification of product as supporting evidence for disclosure, thereby enhancing investors' confidence.



Risk type		Risk description	Potential impact	Impact level	Impact cycle	Countermeasures
Transition risk		Requirement to comprehensive shift to the use of renewable energy	The requirement to fully transition to renewable energy may entail high transformation costs, including energy procurement and equipment modification. Failure to disclose the use ratio of renewable energy and emission reduction results as required by the stock exchange will result in compliance inquiries.	Medium/low	Medium- to long-term	- Set renewable energy consumption targets, and disclose green electricity procurement and the progress of the photovoltaic project for the new building as required by the stock exchange; - Advance the PV project for the new building, increase the proportion of renewable energy usage, and disclose emission reduction data in the ESG report; - Explain to investors the role of energy transition in optimizing long-term costs, thereby stabilizing market expectations.
	Technique	Technological upgrades or innovations for transitioning to a low-carbon and energy-efficient economic system	- Technology upgrade cost risk: The technological upgrades required for transitioning to a low-carbon and energy-efficient economic system demand substantial capital investment and equipment renewal, which may affect the Company's short-term cash flow. Failure to disclose R&D expenditures and technological progress as required by the stock exchange may lead to investor inquiries. - Technological iteration risk: Low-carbon technologies are developing rapidly, and if the Company lags behind in technology R&D, it may be overtaken by competitors and lose market competitiveness.	Medium/high	Short-term	- Establish a dedicated R&D program for low-carbon technology, and disclose R&D inputs, technological achievements, and commercialization progress in accordance with requirements of the stock exchange; - Collaborate with universities and research institutions to accelerate the deployment of low-carbon technologies, and disclose technology innovation cases in the ESG report; - Incorporate R&D of low-carbon technology into the long-term strategy, and explain to investors how technological innovation underpins the Company's sustainable development.
	Market	Climate change drives up raw material costs.	Extreme weather events and resource shortages triggered by climate changes may lead to fluctuations and increases in raw material prices, raising the Company's production costs. Failure to disclose fluctuation risks of raw material cost and corresponding mitigation measures as required by the stock exchange could trigger investor concerns.	Low	Long term	- Conduct researches on customers' green demands, and disclose the low-carbon planning and progress with regard to the product as required by the stock exchange; - Launch a low-carbon product series, and disclose the low-carbon attributes and market feedback of these products in the ESG report; - Explain to investors how green products contribute to the Company's revenue growth to stabilize market expectations.



Risk type		Risk description	Potential impact	Impact level	Impact cycle	Countermeasures
Transition risk		Shift of the consumer market toward green consumption	If the Company fails to respond promptly to green consumption trends, its traditional high-carbon products may gradually lose market share and face a sales decline crisis. If the Company fails to disclose the low-carbon transition progress of its products as required by the stock exchange, it will affect investor expectations for the Company's future growth.	Medium/high	Short-term	• Conduct researches on customers' green demands, and disclose the low-carbon planning and progress with regard to the product as required by the stock exchange; • Launch a low-carbon product series, and disclose the low-carbon attributes and market feedback of these products in the ESG report; • Explain to investors how green products contribute to the Company's revenue growth to stabilize market expectations.
	Reputation	Stakeholders are disappointed with the Company's progress and actions in addressing climate change.	If the Company's progress in addressing climate change is slow and its actions are inadequate, it will provoke dissatisfaction among stakeholders such as investors and consumers, damaging its reputation. If it fails to disclose the status of its climate action initiatives as required by the stock exchange, it will face the risks of share price volatility and investor selloffs.	High	Medium-to long-term	• Establish a communication mechanism for stakeholders, regularly disclose progress on climate action, and address investor concerns; • Disclose climate objectives, emission reduction measures, and outcomes in details in the ESG reports, as required by the stock exchange; • Participate in green public welfare activities to enhance the brand image and demonstrate corporate social responsibility of the Company to investors.
	Market	Negative incidents are caused by the supplier's failure to effectively manage and control greenhouse gas emissions.	If a supplier fails to effectively manage greenhouse gas emissions, resulting in negative incidents, the Company may be implicate and its overall brand image may be harmed. If the supplier fails to disclose its climate risk management of supply chain as required by the stock exchange, the Company is subject to compliance inquiries.	High	Medium-to long-term	• Establish a climate risk assessment system for supplier and disclose the low-carbon management condition of the supplier as required by the stock exchange; • Encourage the supplier to conduct the carbon footprint assessment, sign low-carbon cooperation agreements, and disclose the emission reduction progress of supply chain in the ESG report; • Develop emergency procedures and contingency plans for adverse supply chain incidents, and explain risk response capabilities to investors.

Appendix 2 Climate Change Opportunities and Capturing Measures

Opportunity Type	Description	Impact Level Impact	Duration	Response Measure
Policies and laws	Climate-related disclosure obligations	Medium/high	Short-term	Proactively establish climate information disclosure, carbon management, and carbon footprint accounting of product to meet disclosure requirements of the stock exchange and avoid compliance risks, and gain regulatory recognition and investor trust.
	Carbon policy	Medium	Medium term	By optimizing carbon emission management, the Company obtains a surplus of carbon quota and generates additional revenue by participating in trades of the carbon trading market. Furthermore, the Company demonstrates its carbon management capabilities to investors, thereby improving its ESG rating.
	Carbon footprint of product	Medium/high	Medium- to long-term	Products that are the first to comply with ESPR criteria can be successfully launched to green markets such as the EU, securing a first-mover advantage. These products also demonstrate the low-carbon competitiveness of the Company to stock exchanges and investors, thereby enhancing the Company's brand value.
	Renewable energy	Medium	Medium- to long-term	Build a favorable green brand image to attract more environmentally-conscious consumers and enhance the Company's market competitiveness. Besides, the Company can demonstrate the progress of energy transition to the stock exchange and comply with sustainable development requirements.
Technique	Increase in raw material costs	Medium/high	Medium- to long-term	Technological innovation and breakthrough: Increasing investment in low-carbon technology research and development can lead to the development of more competitive green products and technologies, opening up new revenue growth points and demonstrating the Company's technological innovation capabilities.
		Medium	Medium term	Energy conservation and cost Reduction: Through innovation of energy-saving technology, energy consumption is reduced during production, thereby effectively lowering operational costs over the long term, and enhancing the Company's profitability.
Market	Increase in raw material costs	Medium/high	Short-term	Responding to the green consumption trend, developing low-carbon and eco-friendly products are good for attracting environmentally conscious consumers and expanding into emerging markets. In addition, the green transformation of the supply chain is promoted and the risk of raw material price volatility is mitigated.
	Shifts in customer and consumer demands	Medium/high	Medium-to long-term	Promoting the joint green transformation of upstream and downstream partners of the supply chains can build a more resilient green supply chain, reduce risks of raw material price fluctuation; Additionally, these are beneficial for developing low-carbon products to meet customer demands and increase market share.
Reputation	Negative feedback from stakeholder	Medium	Medium-to long-term	Actively engaging in climate action and proactively disclosing emission reduction achievements can help shape a green and responsible corporate image, enhance brand reputation and user loyalty in the medium to long term. What's more, this can attract investors' attention and increase the Company's valuation.
	Adverse events of supply chain	Medium/high	Short-term	Promoting the green transformation of suppliers enables the establishment of long-term, stable green supply chain partnerships, thereby strengthening the overall competitiveness of the supply chain. The Company also showcases low-carbon management capabilities of its supply chain to the stock exchange, leading to a higher ESG rating.

Appendix 3 Metrics and Targets

Governance dimensions	Unit	Short-term (2026)	Medium to long term (2027 - 2030)
Proportion of female directors of the Board of the Directors	%	不低于 25%	不低于 25%
Proportion of independent director	%	不低于 40%	不低于 40%
Anti-corruption and anti-bribery reporting incidents	Case	0	0
Coverage rate of anti-bribery and anti-corruption training for employees	%	100	100
Coverage rate of anti-bribery and anti-corruption training for management	%	100	100
Coverage rate of training on anti-bribery and anti-corruption of director	%	100	100
Integrity Commitment Letter signing rate of employees	%	100	100
Execution rate of Integrity Commitment by supplier	%	100	100
Business dimension	Unit	Short-term (2026)	Medium to long term (2027 - 2030)
Number of significant complaints regarding products and services	/	0	0
Product recall incidents	Case	0	0
Execution percentage of Supplier's Code of Conduct	%	100	100
Percentage of suppliers executing contracts containing terms about environmental and labor requirement	%	100	100
Suppliers identified as actually and potentially having significant negative social impact	Supplier	0	0
Suppliers identified as actually and potentially having significant negative environmental impacts	Supplier	0	0
Percentage of new suppliers screened using environmental criteria	%	100	100
Percentage of new suppliers screened using social criteria	%	100	100
Percentage of procurement staff completed sustainable procurement training within the Company	%	100	100
ESG audit coverage of supply chain	%	100	100
Core suppliers complying with the audit criteria for green supplier	%	10	15
Confidential information breach incident	Case	0	0



Environmental dimension	Unit	Short-term (2026)	Medium to long term (2027 - 2030)
Scope 1 Carbon emission intensity	CO ₂ equivalent/CNY 1 million in revenue	0.08	0.06
Scope 2 Carbon emission intensity	CO ₂ equivalent/CNY 1 million in revenue	0.35	0.25
Scope 3 Carbon emission intensity	CO ₂ equivalent/CNY 1 million in revenue	413.87	257.14
Purchase quantity of green power	MWh	1,648.40	2,155.60
Energy consumption per unit output value	kWh / CNY 10,000 in revenue	9.64	8.71
Water resources emission intensity	m ³ / CNY 10,000 in revenue	0.04	0.03
Design rate of lightweight packaging	%	80	85
Compliant disposal rate of hazardous waste	%	100	100
Recycling and reutilization rate of general waste	%	100	100
Percentage of green product among major product	%	90	100
Coverage rate of ESG audit on supplier	%	100	100
External complaints related to hazardous substances	Times	0	0
Social dimension	Unit	Short-term (2026)	Medium to long term (2027 - 2030)
Employee satisfaction rate	%	95	96
Coverage rate of employee training	%	100	100
Coverage rate of employee receiving ESG training	%	100	100
Social insurance coverage rate	%	100	100
Number of work-related injuries	Individual	0	0
Injury incidents on workplace	Times	0	0
Work-related casualties	Individual	0	0

Appendix 4 Key Performance Indicators

Governance Performance		Unit	2025
Average duration of ESG training		Hour	4.33
Operating revenue		CNY 10,000	336,765.93
Net profit		CNY 10,000	23,915.32
Total tax		CNY 10,000	2,819.59
Total cash dividend (including tax)		CNY 10,000	0
Cash dividend per 10 shares		CNY	0
Number of shareholders' meetings		Times	3
Director attendance rate at shareholders' meetings		%	100
Number of board meetings		Times	6
Attendance rate of directors at board meetings		%	100
Members of the Board of Directors		Individual	7
By gender	Male director	Individual	5
	Female director	Individual	2
	Male director	%	71
	Female director	%	29
By type	Independent director	Individual	3
	Non-independent director	Individual	4
	Proportion of independent directors	%	43
	Proportion of non-independent directors	%	57
By education background	Doctor	%	14
	Master's degree	%	29
	Bachelor's degree or below	%	57

Governance Performance		Unit	2025
Average compensation of director		CNY 10,000	53.55
Number of audit committee meetings		Times	3
Internal inspections		Times	23
Proportion of senior executives hired from the local community		%	44.44
Compliance training sessions		Session	48
Total compliance training attendees		Person-time	1,075
Cumulative training duration		Hour	108
Compliance training coverage rate		%	100
Total participation volume for anti-corruption training		Person-time	802
Anti-corruption training coverage rate		%	100
Number of employees executing the Integrity Commitment Letter		Individual	692
Percentage of employees executing the Integrity Commitment Letter		%	100
Number of suppliers that have signed the Letter of Anti-bribery Commitment		Supplier	209
Percentage of suppliers that have signed the Letter of Anti-bribery Commitment		%	100
Number of anti-corruption reports		Times	0



Operational Performance	Unit	2025
Number of R&D and other technical staff	Individual	442
Proportion of R&D and other technical staff	%	63.87
R&D investment amount	CNY 10,000	16,390.04
YoY increase in R&D investment	%	1.99
R&D investment proportion in total operating revenue	%	4.87
Cumulative patent applications (as of the year end of 2025)	Item	379
Number of valid patents held	Item	139
Number of authorized invention patents	Item	74
Number of utility models	Item	12
Number of design patents	Item	67
Annual number of new patent applications	Item	16
Number of software copyrights held (as of end of 2025)	Item	127
Newly applied software copyrights in the year	Item	7
Intellectual property training	Event	5
Cumulative training duration	Hour	66
Number of employees executing the Integrity Commitment Letter	Individual	692
Percentage of employees who have signed a confidentiality agreement	%	100

Operational Performance	Unit	2025
System security tests	Times	2
Information security training sessions	Event	3
Complaints regarding product and service	Case	0
Service life of core products	Year	5
Product qualification ratio	%	99.42
Product recall rate	%	0
Material delivery fulfillment rate	%	93.56
Order fulfillment rate	%	100
Thematic training on product, service safety, and quality	Session	155
Total core suppliers	Supplier	209
Percentage of procurement amount from the top 1 supplier	%	11.91
Percentage of procurement from top 5 suppliers	%	37.04
Sampling rate of on-site audit on core suppliers	%	20
Pass rate of audit	%	83
Execution rate of social responsibility management agreement	%	100
Percentage of suppliers executing contracts containing environmental and labor requirement terms	%	100
ESG-related training of the supplier	Session	10
Duration of supplier's ESG training	Hour	66
Attendances in ESG-related training of the supplier's personnel	Person-time	278



Environmental Performance	Unit	2025
Total energy consumption	tons of standard coal equivalent	387.62
Energy consumption intensity	tons of standard coal/CNY 100 million in revenue	11.51
Direct energy consumption	L	5,579.92
Direct energy consumption	tons of standard coal equivalent	6.14
Indirect energy consumption	MWh	3,149.01
Indirect energy consumption	tons of standard coal equivalent	381.48
Indirect energy emission intensity	MWh/CNY 100 million in revenue	93.51
YoY change in indirect energy emission intensity	%	-8.80
Indirect energy emission target fulfillment rate	%	220.01
Electricity consumption offset by facilities with GEC qualification	MWh	1,722.00
Proportion of electricity consumption offset by facilities with GEC qualification to total electricity consumption in 2024	%	66.00
ERP energy efficiency certifications	Number	21
Total water consumption	ton	10,840.22
Water consumption intensity	Tons/CNY 1 million in revenue	3.22
YoY change in water consumption intensity	%	-16.95
Water-saving target fulfillment rate	%	169.51
Total wastewater discharge volume	ton	9,756.20
Total waste	ton	325.87
Domestic waste	ton	321.69
Total general industrial waste	ton	4.18
Total hazardous waste	ton	0.002
Waste emission intensity	tons per CNY 100 million in revenue	9.68

Environmental Performance	Unit	2025
YoY change in waste emission intensity	%	-18.49
Total emissions of greenhouse gas	tons of carbon dioxide equivalent	1,455,366.12
Scope 1 greenhouse gas emissions	tons of carbon dioxide equivalent	50.19
Scope 2 greenhouse gas emissions	tons of carbon dioxide equivalent	1,647.20
Scope 3 greenhouse gas emissions	tons of carbon dioxide equivalent	1,453,668.73
Purchased goods and services	tons of carbon dioxide equivalent	114,232.90
Capital goods	tons of carbon dioxide equivalent	174.57
Fuel and energy-related activities	tons of carbon dioxide equivalent	217.08
Upstream transportation and distribution	tons of carbon dioxide equivalent	7,504.34
Waste disposal	tons of carbon dioxide equivalent	7.37
Business travel	tons of carbon dioxide equivalent	828.28
Employee commuting	tons of carbon dioxide equivalent	262.84
Downstream transportation and distribution	tons of carbon dioxide equivalent	36.10
Usage phase of product	tons of carbon dioxide equivalent	1,330,347.35
End-of-life disposal of product	tons of carbon dioxide equivalent	57.90
Scope 1 emission intensity of greenhouse gas	tons of CO ₂ equivalent/CNY 1 million in revenue	0.02
Scope 2 emission intensity of greenhouse gas	tons of CO ₂ equivalent/CNY 1 million in revenue	0.49
Scope 3 emission intensity of greenhouse gas	tons of CO ₂ equivalent/CNY 1 million in revenue	431.66
YoY change in Scope 1 emission intensity	%	-50.00
YoY change in Scope 2 emission intensity	%	-10.91
YoY change in Scope 3 emission intensity	%	-0.08
Significant administrative penalties or criminal liability incidents involving pollutant discharge	Case	0



Social Performance		Unit	2025
Total employees		Individual	692
By gender	Males	Individual	440
	Females	Individual	252
By age	51 years of age and above	Individual	6
	41 to 50 years old	Individual	112
	31 to 40 years of age	Individual	271
	Aged 30 and below	Individual	303
By education background	Master's degree or above	Individual	63
	Bachelor's degree or below	Individual	629
By job level	Ratio of grass-roots staff	%	85
	Management ratio	%	15
Minority employees hired		Individual	41
Employed veterans		Individual	6
Employee turnover rate		%	15.94
Expense of employees' compensation		CNY 10,000	24,439.73
Labor contract signing rate		%	100
Coverage rate of social insurance and housing fund contributed for employees		%	100
Employee satisfaction rate		%	97.20
Employees' rationalization suggestions collected		Number	6
Employees' suggestions adopted		Number	6
Employee complaints accepted		Number	2

Social Performance		Unit	2025
Employee complaint handling rate		%	100
Employment discrimination and harassment		Times	0
Child laborers employed		Individual	0
Forced labor		Times	0
Major layoffs and collective labor dispute		Times	0
Total employee training sessions		Event	258
Total number of trained employees		Person-time	6,010
Average duration of employee training		Hour	17.83
Total investment in employee training		CNY 10,000	219.32
Employee health	Emergency drills	Times	1
	Participants of emergency drill	Person-time	546
	Number of security risk inspections	Times	4
Security incidents and personnel	Identified hazards	Item	5
	Number of work-related injuries	Individual	0
	Work-related injury incidents	Times	0
Health and safety investment	Investment in employees' occupational health	CNY 10,000	75.10
	YoY growth of occupational health investment	times	2.60
Shared community benefits	Participation in national standard formulation	Item	1
	Industry-academia-research cooperation projects	Item	4
	Investment in rural revitalization funds	CNY 10,000	5



Appendix 5 Patents and Software Copyright

Patent category	Application No.	Patent title	Authorization date
Patent for invention	202411668795.3	Heat-dissipating Projector Mount	2025.9.30
Utility model patent	202420967962.3	Functional Test Circuit for Smart TV Box	2025.1.14
Utility model patent	202421321724.1	Device for Visualization and Detection of Electromagnetic Field	2025.7.25
Utility model patent	202422594013.8	Projector with Multi-angle Adjustable Support	2025.7.25
Design patent	202430224612.3	GPON Router (NPE1225G)	2025.1.14
Design patent	202430290465.X	Smart TV Box (4K PLUS DV6166N)	2025.1.10
Design patent	202430341569.9	Router (NPE1225GC)	2025.1.10
Design patent	202430341572.0	Smart TV Box (DV9108)	2025.1.14
Design patent	202430341571.6	Smart TV Box (DV8917-T2)	2025.1.10
Design patent	202430375697.5	Cable Modem (NEE032)	2025.1.10
Design patent	202430446267.8	Smart Far-Field Voice Streaming Speaker (DS8941)	2025.2.18
Design patent	202430484388.1	Projector (DP6G)	2025.3.11
Design patent	202430499238.8	Smart TV Box (DV6125F)	2025.3.14
Design patent	202430606553.6	Smart TV Box (DV9651)	2025.4.18
Design patent	202430714474.7	Remote Control (B080)	2025.7.11
Design patent	202430714773.0	Remote Control	2025.7.11
Design patent	202430714529.4	Projector (LH1G-A)	2025.7.11
Design patent	202430714657.9	Projector (LH3G-B)	2025.7.11
Design patent	202430714590.9	Projector (LH1G-C)	2025.7.11
Design patent	202430714700.1	Projector (LH3G-D)	2025.7.11
Design patent	202430797882.3	Router (NEE030)	2025.8.12
Design patent	202430797966.7	Router (NPE3036G)	2025.8.8
Design patent	202430798086.1	Router (NPE3039G)	2025.9.12
Design patent	202530178653.8	Desktop Stand for Projector	2025.11.14
Design patent	202530248898.3	Smart TV Box (DV6130N)	2025.11.28



Appendix 6 Verification Statement

**Assurance Statement**

Assurance Scope, Methodology and Procedures

The scope of assurance covers the material topics disclosed in the Report, excluding non-sustainability-related information and future-period performance.

The assurance methodologies include, but are not limited to, on-site inspections of operational and production facilities, interviews with relevant personnel, collection of supporting documents, verification of original records, sampling of data, assessment of disclosure compliance, and evaluation of the effectiveness of internal controls.

Limitations

The assurance is strictly limited to the information disclosed in the Report and does not cover financial statements, annual reports, or other information unrelated to sustainability topics.

Data extracted from audited financial statements were not verified as part of the assurance process.

The performance data disclosed in Sunsea's report were subjected to sampling checks only during this assurance engagement.

Assurance Conclusion

Following the verification procedures, Intertek formulate a limited assurance engagement:

The 2025 *Environmental, Social and Governance (ESG) Report of SDMC* complies with ISSA 5000 assurance requirements as well as disclosure provisions stipulated in HKEX Listing Rules Appendix C2, IFRS S1, IFRS S2 and GRI Standards. No material misstatements or non-compliant disclosures have been identified, and all sustainability-related information disclosed in the Report is backed up by supporting written evidence.

Number: HBPSOV20260001
Date: 13 May, 2026



Auditor: Roger Huang
Title: General Manager



Assurance Body:
Intertek GM Testing
Service Zhuhai Co., Ltd.

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The approval is subject to the organization maintaining the system in accordance with Intertek's relevant rules and regulations. For current status and details of the assessment result, please contact us: hbpcadm@intertek.com.



**Assurance Statement**

Intertek GM Testing Service Zhuhai Co. Ltd. ("Intertek") is commissioned by Shenzhen SDMC Technology Co., Ltd. ("SDMC") to conduct an independent third-party assurance on the 2025 *Environmental, Social and Governance (ESG) Report of SDMC* (the "Report").

Assurance Criteria

Intertek carried out verification activities in accordance with the following standards to verify SDMC's compliance with relevant criteria and frameworks:

- International Standard on Sustainability Assurance 5000: General Requirements for Sustainability Assurance Engagements (ISSA 5000)
- HKEX Listing Rules Appendix C2 (ESG Reporting Code)
- International Financial Reporting Standard S1: General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)
- International Financial Reporting Standard S2: Climate-related Disclosures (IFRS S2)
- GRI Standards

Statement of Responsibilities

SDMC is responsible for compiling the Report, ensuring the truthfulness of its content and the accuracy of its data, as well as establishing and maintaining effective internal control processes to support the compilation, disclosure, and assurance of the Report.

Intertek performs independent assurance engagement in accordance with relevant standards and requirements and is not involved in the preparation of the Report. By performing necessary procedures to obtain sufficient and appropriate evidence, Intertek provides an independent assurance opinion on the compliance, accuracy, and completeness of the information disclosed in the Report, and assumes corresponding assurance responsibilities.

This statement is intended solely for SDMC's stakeholders. Intertek shall not be liable for any direct or indirect losses arising from the use of information contained in the Report.

Number: HBPSOV20260001
Date: 13 May, 2026



Auditor: Roger Huang
Title: General Manager



Assurance Body:
Intertek GM Testing
Service Zhuhai Co., Ltd.

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The approval is subject to the organization maintaining the system in accordance with Intertek's relevant rules and regulations. For current status and details of the assessment result, please contact us: hbpcadm@intertek.com.



Appendix 7 Standard Index

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