汇通达
HUITONGDA

2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

匯通達網絡股份有限公司
HUITONGDA NETWORK CO., LTD.

(於中華人民共和國註冊成立的股份有限公司)
(A joint stock company incorporated in the People's Republic of China with limited liability)

股份代號 Stock Code : 9878



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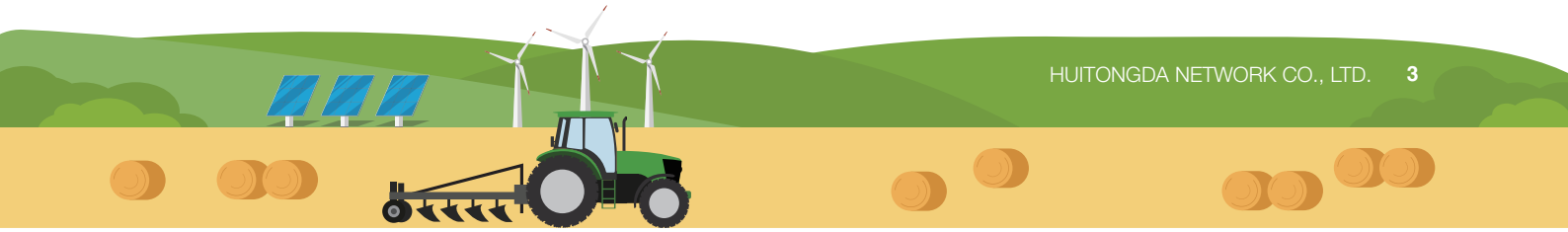
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1. ABOUT THE REPORT

Huitongda Network Co., Ltd. (the "Company" or "Huitongda") and subsidiaries (collectively the "Group") are pleased to present the 2025 environmental, social, and governance ("ESG") report (the "Report"). The Report is designed to comprehensively demonstrate the Group's progress in ESG governance and practices during the Reporting Period to regulatory authorities, shareholders of the Company (the "Shareholder(s)"), investors, employees, customers and other stakeholders, and to enhance information transparency to support sustainable development management and communication.

1.1 SCOPE OF THE REPORT

The Report covers the period from January 1 to December 31, 2025 (the "Reporting Period"), and the disclosure focuses on the Group's management policies, operating mechanisms and relevant practices in terms of ESG. For continuity and completeness of disclosure, certain topics may, where appropriate, include information from prior years or extend to relevant developments up to the date of publication of this report.

Unless otherwise specified, the scope of the narrative and social key performance indicators ("KPIs") disclosed in this Report is the same as that of the 2025 Annual Report. The environmental KPIs currently cover only the Company's headquarters in Nanjing, China.

1.2 REPORTING PRINCIPLES

This Report has been prepared in accordance with Appendix C2 "Environmental, Social and Governance Reporting Code" (the "Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the "GRI Sustainability Reporting Standards (GRI Standards)" (the "GRI") issued by the Global Sustainability Standards Board (GSSB). This Report strictly complies with the mandatory disclosure requirements and "comply or explain" provisions of the Code, and the contents of the Report follow the reporting principles of "materiality", "quantitative", "balance" and "consistency" in the Code. For readers to quickly check the correspondence between the Report and the provisions of the Code and GRI, please refer to "Appendix I: Index to the ESG Reporting Code of the Stock Exchange" and "Appendix II: GRI Standards Content Index" of this Report.

Materiality: The Group has identified and disclosed in this Report the ESG issues that have a material impact on the Group and its stakeholders, as well as the process and criteria for the materiality assessment. The management has confirmed the assessment results.

Quantitative: The Group has disclosed the statistical standards, calculation methods, calculation tools and sources of conversion factors for the relevant data in this Report.

Balance: This Report strives to objectively and fairly reflect the Group's performance during the Reporting Period, avoiding misleading readers' decisions or judgments due to selective disclosure, omission or improper presentation format.

Consistency: Unless otherwise specified, the statistical methods and scope of the data disclosed in this Report are consistent with those of previous years. If there are any changes that may affect meaningful comparisons with previous reports, the Group will make a clear explanation.



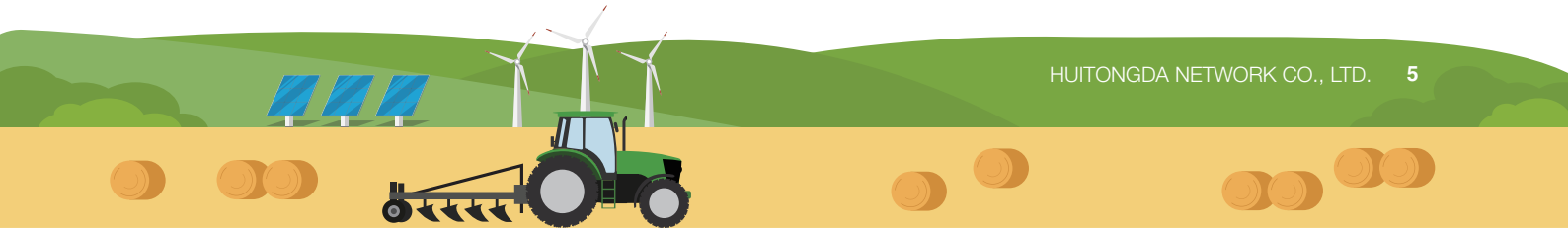
1. ABOUT THE REPORT

1.3 REPORT RELEASE

This Report is released in an independent document form, and stakeholders can view Chinese and English versions on the official website of the Company (www.htd.cn) and the website of The Stock Exchange of Hong Kong Limited. In case of any discrepancy between the two versions, the Chinese version shall prevail.

1.4 CONTACT THE GROUP

The Group welcomes comments or suggestions from stakeholders on this Report and sustainability-related issues, and can be contacted via email at ir@htd.cn. Relevant feedback will serve as an important reference for improving ESG governance and information disclosure.



2. CHAIRMAN'S STATEMENT

Dear Shareholders,

I would like to extend my warmest regards to all of you on behalf of the board of directors (the "Board" or "Board of Directors") of the Company. In 2025, Huitongda remained steadfast in its corporate mission of "Creating a better life for rural people". Guided by the strategic direction of "Enhancing Quality and Efficiency, and Promoting Innovative Development" set at the beginning of the year, we upheld a value-driven, customer-first approach and innovation-led development. Against the backdrop of a complex and evolving external environment and technological innovation, we integrated ESG concepts into corporate practices and actively promoted comprehensive rural revitalization. Our efforts were recognized by honors such as "Outstanding ESG Demonstration Enterprise of the Year" and "Best ESG Pioneer Practice Listed Company". We achieved synergistic development of commercial, social and environmental value, delivering high-quality and sustainable growth.

In terms of governance (G), the Group further strengthened and optimized its ESG governance framework, achieving a comprehensive enhancement in governance capabilities. In March 2025, the Company established the Sustainable Development (ESG) Committee, with myself serving as the chairman, and Mr. XU Xiuxian, director and CEO, and Mr. SUN Chao, director and CTO, serving as members. Since its establishment, the Committee has been responsible for the overall coordination and supervision of the Group's strategic direction, policy formulation, and implementation effectiveness in relation to sustainability and ESG matters. It assumes ultimate oversight responsibility for managing sustainability-related risks and opportunities, and oversees the identification and assessment of material issues, stakeholders, potential risks and development opportunities, with a view to continuously enhancing the overall standard of ESG management. This marks the integration of sustainability into the Group's governance structure, strengthening strategic coordination, and enhancing transparency and risk resilience. Throughout the year, the ESG Committee held 2 meetings, updated the sustainable development ESG section on the official website, and proactively disclosed ESG-related policies and management measures to enhance disclosure transparency.

In terms of social responsibility (S), the Group focused on lower-tier markets and fulfilled its rural revitalization mission through concrete actions, achieving measurable results across various initiatives. The empowerment of the supply chain continued to deepen, supporting rural family-run stores and enabling rural consumers to enjoy the same goods and services as those in urban areas. In addition, through enhancing its service platform, the Group helped rural small stores advance digitalization, intelligence, and AI integration, building a more efficient and intelligent two-way urban-rural circulation network and further promoting economic development in lower-tier markets. In 2025, the Group elevated AI to a core strategic priority and established a full-chain system comprising "One Cloud (Qiancheng Cloud AI) + Three Major Projects (一朵雲(千橙雲 AI)+三大工程)". The self-developed vertical large model, "Qiancheng Cloud AI", was filed with the Cyberspace Administration of China in May. The Group also launched the "Qiancheng AI Super Store Manager" app, integrating scenario-based AI agents across eight core operational processes, capable of automatically completing 60% of daily store management tasks. Meanwhile, the Group promoted the distribution of agricultural products from rural areas to urban markets, accelerating the branding and scaling of regional specialty agricultural products, facilitating smoother domestic economic circulation and supporting comprehensive rural revitalization. In 2025, the Group continued to advance its strategy for bringing agricultural products to market, promoting over 60 categories of specialty agricultural products in underdeveloped regions such as Heshui County, Gansu Province. The Group invested over RMB10 million in Heshui, supporting Qingyang Longxiang Group (慶陽隴象集團) to achieve output value exceeding RMB30 million and Gansu Qinzhi Dairy (甘肅秦直乳業) to reach annual output value of RMB50 million. Through these efforts, the Group contributed to employment and income growth for rural residents and established a replicable model for the digital upgrading of the agricultural industry.



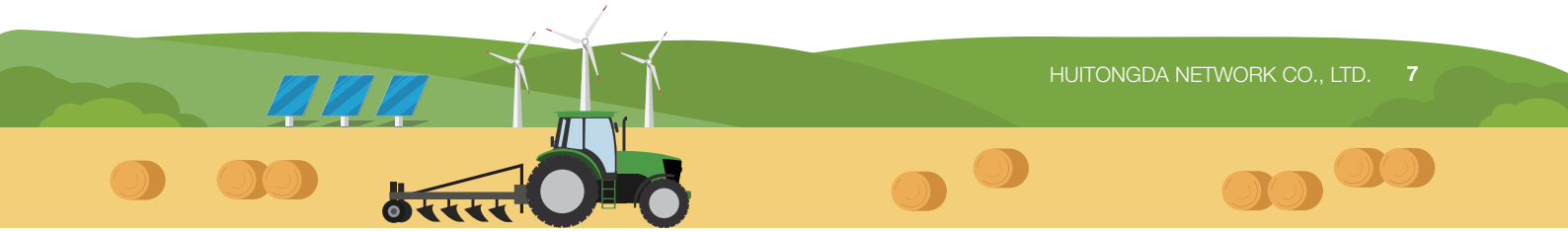
2. CHAIRMAN'S STATEMENT

In terms of the environment (E), the Group is committed to continuously reducing carbon emission intensity and comprehensively promoting green and low-carbon transformation. Guided by green development, we implemented various environmental protection measures and steadily reduced environmental impacts. Through improving the sustainable supply chain management system and optimizing the efficiency of supply-demand matching with the B2F supply chain model of "demand-driven procurement and demand-driven production", we not only reduced overcapacity and logistics losses at the source, but also actively guided upstream and downstream partners to fulfil their environmental responsibilities, jointly building a green, low-carbon and more resilient industrial ecosystem. The Company actively promotes its carbon neutrality targets in response to the national "dual carbon" goals of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060. In alignment with IPCC standards, we have formulated emission reduction plans and are committed to achieving net-zero emissions before 2060 to minimize environmental impact.

Amid a dynamic and evolving global landscape, we press ahead with confidence, embracing challenges and opening a new chapter. Anchored in our original aspirations, Huitongda will continue to advance with determination, deepen its ESG strategic deployment, further enhance its ESG governance framework, strengthen AI and supply chain empowerment, pursue green development pathways, remain rooted in lower-tier markets, reinforce its industrial internet platform capabilities, accelerate the two-way flow of urban and rural resources, and create greater social value.

The Group will continue to work hand in hand with all stakeholders to advance sustainable development practices, achieve new milestones, and jointly build a more prosperous, green and inclusive future. With passion in our hearts, clarity in our vision, and steadfast determination in our actions, we will go the distance.

Chairman
Mr. WANG Jianguo



3. ABOUT HUITONGDA

3.1 CORPORATE PROFILE

The Company is a leading industrial Internet company in China that utilizes digital technologies and supply chain capabilities to empower and serve the rural family-run stores. The Company was listed on the Main Board of the Hong Kong Stock Exchange on February 18, 2022.

For one thing, the Group provides customers with a stable and high-performing one-stop supply chain. For another thing, the Group provides subscription services (digital products, AI products and services) and merchant solutions for member retail stores, channel cooperative customers, brands and all other partners along the value chain through digital capabilities.

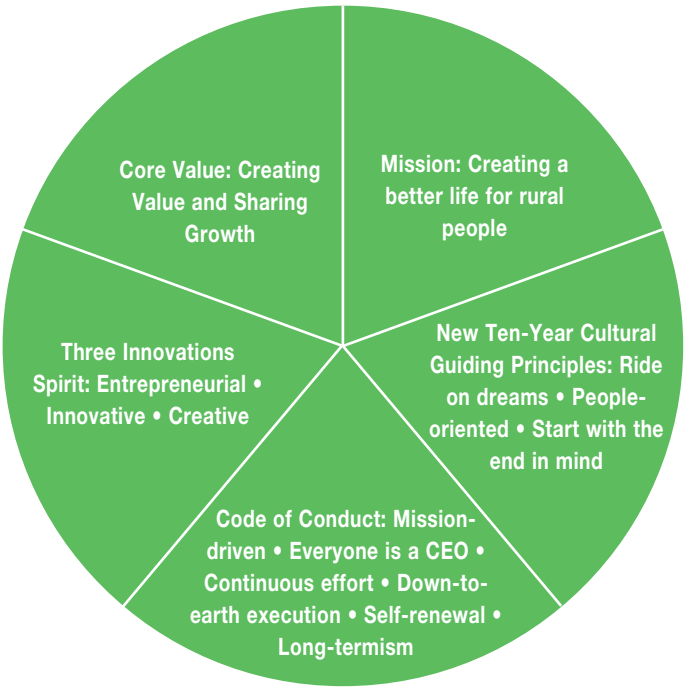
As of December 31, 2025, the Group has had in place a retail ecosystem covering 25,000 towns dotted across 21 provinces, municipalities and autonomous regions in China. The Group's business reached over 250,000 member retail stores. The Group's products cover seven categories of consumer electronics, home appliances, agricultural materials, transportation, wine and beverages, home building materials, personal care and others.

The Company has been conferred the titles of Top 500 Enterprises of China, Top 500 Service Enterprises of China, Top 100 Internet Enterprises in terms of Comprehensive Strength of China, Top 10 of the Top 100 Industrial Internet Enterprises of China, National Digital Business Enterprise, National E-commerce Demonstration Enterprise, National High-tech Enterprise, Key Software Enterprise Encouraged by the State, National Demonstration Enterprise for Supply Chain Innovation and Application, Strategic Emerging Industry Enterprise of China, one of the first units listed in the Digital Rural Service Resource Pool in Jiangsu Province, Fortune 500, and more.

In 2025, the Group actively explored new retail formats and launched a hard discount chain project, thereby creating a new growth driver. In response to evolving trends in the retail industry and the need to reshape the relationship between people, products and retail environments, and to strengthen its control over terminal retail channels in the new retail era, the Group initiated the hard-discount supermarket chain project. Within a short period of two months, the Group completed a series of preparatory work, including market research, team establishment, site selection and investment promotion, and system development. The Group successfully achieved the opening of ten stores simultaneously in the Nanjing region, marking a strong initial launch. The Group aims to develop into a leading hard-discount supermarket chain brand in lower-tier markets over the next three years.

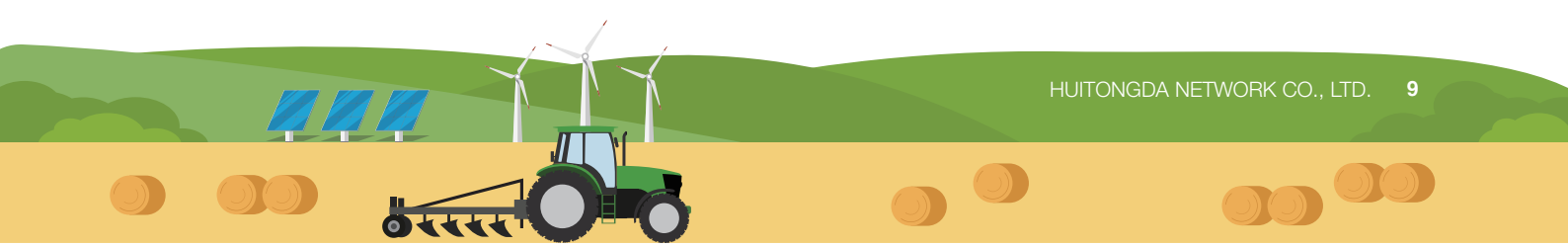
3. ABOUT HUITONGDA

3.2 CULTURE AND VALUES



Huitongda, through its "5+ Empowerment" framework (+ Supply Chain, + Technology, + Marketing, + Training, + Data), provides support to micro and small private economic entities to enhance operational efficiency and service quality. Through supply chain integration and the application of digital tools, the Group offers one-stop procurement, operational management and marketing services for retail stores in villages and towns. This aims, under the premise of compliance, to reduce procurement costs, improve operational efficiency and expand sales channels, thereby facilitating the transformation and upgrading of the rural real economy, and playing a role in narrowing the urban-rural development gap, enabling more rural consumers to access higher-quality goods and services.

Against the backdrop of national policies promoting the revitalization of the real economy and the transformation and upgrading of traditional industries, the Group will continue to deepen its ESG strategy, strengthen its social responsibility practices, and embed sustainable development requirements throughout its business operations and management processes.



3.3 MILESTONES AND HONORS

Milestones

Since its establishment in 2010, Huitongda has steadily advanced its business development, rooted in the lower-tier markets, continuously exploring and innovating. From supply chain optimization to digital upgrading, and further to the deep integration of industrial internet, the Group has consistently kept pace with the times, driving the rural retail industry towards digitalization and intelligence. After years of development, the Group has built a nationwide retail ecosystem, serving more than 250,000 member retail stores, and has become an important connector for two-way circulation between urban and rural areas.

2010

The predecessor of the Group, Jiangsu Huitongda Supply Chain Management Limited, was established in Nanjing, Jiangsu Province, China. It started home appliance sales in Jiangsu Province and expanded its business beyond Jiangsu Province.

2012

The Group began to work on supply chain capabilities based on the rural market, focusing on providing supply chain goods and services to major customers from rural family-run stores.

2015

The Group originated the business model of "platform + member store". While developing rural family-run stores into Huitongda "member stores", the Group conducted independent research and development ("R&D") of technical tools such as the "Super Boss", and built a membership operation service system that integrates the three networks of "sky, ground and human".

2018

On the basis of home appliances, consumer electronics and other industries, the Group expanded its supply chain business to agricultural production materials, transportation and other industries around the "three major categories"; at the same time, it launched the "SaaS +" business, and developed into a new two-wheel drive development model of "Industrial Internet + Digital Smart Retail". In the same year, the Company received an investment of RMB4.5 billion from Alibaba and was rated as a "National High-tech Enterprise".

2022

The Company was listed on the Main Board of the Stock Exchange.

2024

The Group fully implemented the strategic upgrade, and built three innovative supply chain projects of "Own Brand Cluster", "Brand Express" and "Open-Platform Supply Chain"; comprehensively promoted the "AI +" strategy at the intelligent level, and deepened the deployment of "AI + SaaS".

2025

The Group deepened the integration of "AI + Industry". Leveraging the "Qiancheng Cloud AI Large Model" and AI marketing agents, the Group has developed a digital and intelligent analysis system for small stores in the lower-tier market. Furthermore, the Group has advanced the commercial promotion of AI Agents and the establishment of a full-scenario intelligent Agent matrix, thereby empowering member stores with more efficient operations. In collaboration with Alibaba Cloud, the Group has entered into full-stack AI comprehensive cooperation to jointly build an "AI + Industry" ecosystem in the lower-tier market and enhance the competitiveness of digital and intelligent retail.



3. ABOUT HUITONGDA

Honors:

In March 2025, the Group was awarded "Outstanding ESG Demonstration Enterprise of the Year" by the Guangdong-Hong Kong-Macao Greater Bay Area Financiers Association.

In May 2025, the Group received the "Sustainable Impact Pioneer Award" from CLS (財聯社) and Shanghai Leading (上海領燦), and was recognized as a "Key National Software Enterprise Encouraged by the State" by the National Development and Reform Commission.

In July 2025, the Group was awarded "ESG Innovative Practice Outstanding Enterprise" by GuruClub and was included in the "Top 100 Online Retailers in China" by the China Chain Store & Franchise Association.

In August 2025, the Group was ranked among the "Top 500 Private Enterprises in China" and the "Top 100 Private Enterprises in China's Service Industry" by the All-China Federation of Industry and Commerce.

In September 2025, the Group joined the "Sustainability Innovation Practice Pioneer Partners 50 Forum" of the International Sustainability Standards Board (ISSB), was recognized in Wind's "Top 100 Best ESG Practices of China Listed Companies 2025", was included in the "Top 500 Enterprises in China" and the "Top 500 Service Enterprises in China" by the China Enterprise Confederation, and was awarded "Best ESG Pioneer Practice Listed Company" by Hong Kong Commercial Daily and the Global Commercial Newspaper Union.

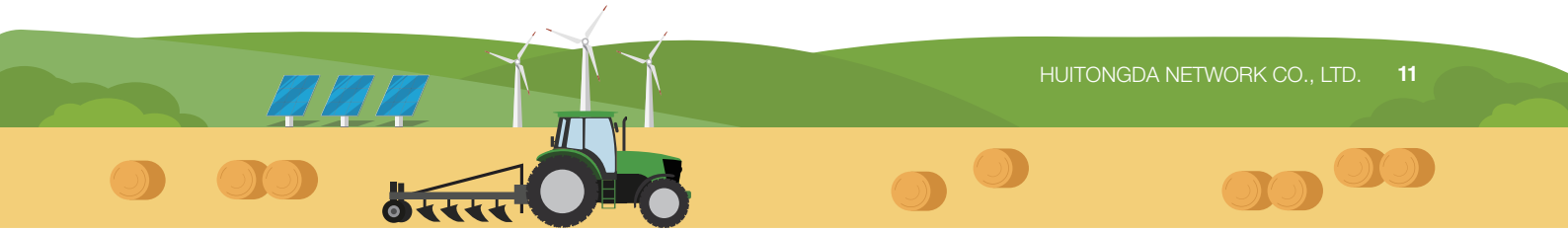
In October 2025, the Group was included in the "Top 100 Private Enterprises in Jiangsu" and the "Top 100 Private Service Enterprises in Jiangsu" by the Jiangsu Enterprise Confederation.

In November 2025, the Group was recognized as a "2025 Yangtze River Delta Influential Enterprise" by the Enterprise Associations of Three Provinces and One Municipality in the Yangtze River Delta region.

In December 2025, the Group's Qiancheng Cloud AI large model was recognized as an "Innovative Application Achievement in Urban Artificial Intelligence and Intelligent Agents in Jiangsu Province"; the Group was awarded "Hong Kong-listed Company with the Most Investment Potential" by National Business Daily, "Most Valuable Artificial Intelligence Company" by Zhitongcaijing.com, GuruClub's "Transformation Pioneer of the Year Award", "Outstanding ESG Sustainable Development Enterprise of the Year" by Hong Kong Commercial Daily, and was recognized by Ebrun as one of the "Top 30 Industrial AI Enterprises" and "Top 60 Deep Value Chain Enterprises".

Association Membership:

- Jiangsu Internet Association
- Jiangsu Province Electronic Commerce Association
- Jiangsu Software Industry Association
- The Zhejiang Chamber of Commerce of Jiangsu Province
- Jiangsu Household Electrical Appliances Association
- Jiangsu Association of Supply Chain
- Jiangsu Society of International Economics and Trade



4. ESG GOVERNANCE

4.1 STATEMENT OF THE BOARD

The Board bears the ultimate responsibility for the Group's ESG matters, defines the overall direction and strategic positioning of ESG, and regularly supervises the effective operation of the risk management and internal control systems. The Board reviews the progress of ESG work and goals as well as the quality of the report to ensure that the disclosure complies with relevant laws and regulatory requirements. At the same time, it actively listens and responds to stakeholders' expectations through multiple channels, continuously improving ESG management and information transparency. During the year, the Board has considered certain material ESG issues, reviewed the progress of ESG-related goals, and promoted the deep integration of the ESG concept into operations.

To ensure that sustainable development is embedded in daily operations, the Group has established a clear ESG governance structure with well-defined roles and responsibilities at all levels. The Board also pays attention to changes in the external environment and stakeholder expectations, and continuously calibrates the relevance and appropriateness of material ESG issues. Adhering to the mission of "Creating a better life for rural people", the Group leverages its digital and supply chain capabilities to serve rural member retail stores and industry chain partners, promoting the integration of the digital economy and the real economy, and facilitating a "New Business Road" for two-way circulation between urban and rural areas.



4. ESG GOVERNANCE

4.2 ESG GOVERNANCE STRUCTURE

To strengthen top-level governance, the Group established the Sustainable Development (ESG) Committee in 2025 (members include Mr. WANG Jianguo, the Chairman, Mr. XU Xiuxian, the president, and Mr. SUN Chao, the vice president), and published the *Terms of Reference of the Sustainable Development (ESG) Committee of the Board*, clarifying that the Committee is responsible for studying and making recommendations to the Board on the Group's sustainable vision, goals, strategies, and institutional arrangements. The ESG governance system runs through the entire chain of strategy formulation, execution supervision, data management, and external collaboration. The specific responsibilities are as follows:

Board of Directors

- Responsible for the overall management of the Group's ESG issues and overseeing the improvement of the relevant departments in ESG policies and measures, and receiving work reports from the Sustainable Development (ESG) Committee.

Sustainable Development (ESG) Committee

- Study and develop the Company's visions, objectives, strategies and management systems in relation to sustainable development and ESG to ensure that they are in line with the Company's strategic planning needs and comply with laws, regulations and regulatory requirements;
- Identify key corporate stakeholders and ESG issues, study and make recommendations on related sustainable development business with corporate stakeholders;
- Review and assess the implementation of sustainable development, ESG and other long-term corporate strategies to ensure that the Company's performance, operations and management are consistent with these strategies;
- Follow up and inspect the implementation of the Company's sustainable development and ESG work, oversee its sustainability performance, and make recommendations to the Board on actions needed to improve ESG performance;
- Review major trends in sustainable development and ESG, identify and assess risks and opportunities related to sustainable development and ESG issues, and ensure that the Company's position and performance related to sustainable development and ESG issues comply with relevant regulations and standards;
- Review the Company's annual environmental, social and governance reports and other information that should be disclosed related to sustainable development and ESG and make recommendations to the Board;
- Study and make recommendations to the Board on other major issues affecting the sustainable development of the Company; and
- Other matters authorized by the Board of the Company.

ESG Working Group

- Take responsibility for formulating ESG work strategies and clarifying ESG goals and priorities;
- Identify ESG risks and opportunities, analyze the Company's ESG performance, and provide measures to manage and respond to risks and opportunities;
- Establish and maintain an ESG data management system, promote and follow up the implementation of the Company's ESG objectives in each business unit and functional system, and ensure that ESG principles and practices are consistent with the organization's daily operations and decision-making processes.

4. ESG GOVERNANCE

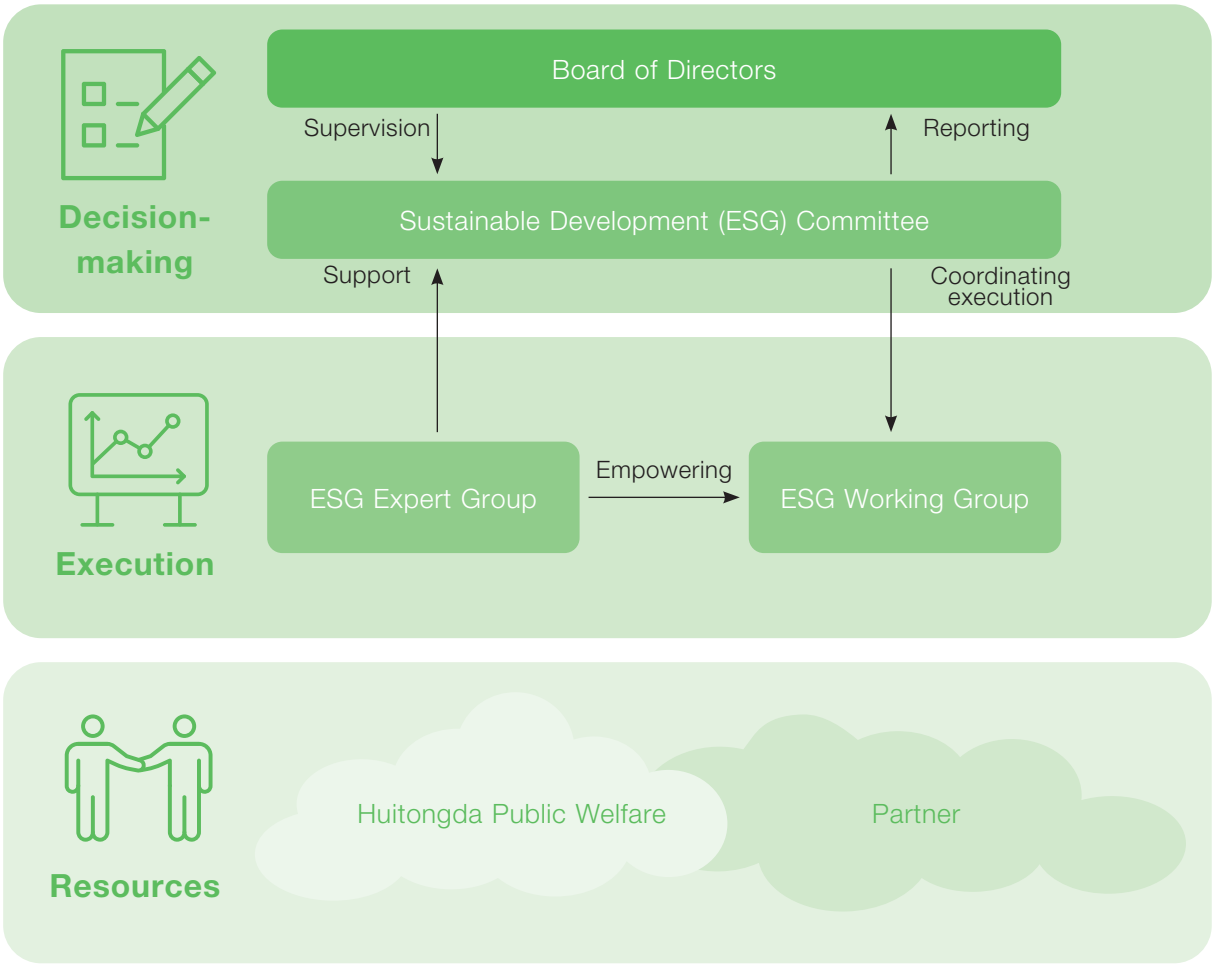
- Establish and maintain an ESG data management system, promote and follow up the implementation of the Company's ESG objectives in each business unit and functional system, and ensure that ESG principles and practices are consistent with the organization's day-to-day operations and decision-making processes.

ESG Expert Group

- Based on the professional knowledge and experience in the ESG field, members of the ESG Expert Group provide professional advice to the ESG Working Group;
- Share the latest ESG trends and practices, and offer training courses and resources to help the members of the ESG Working Group to enhance their knowledge and skills in ESG management and implementation.

Resources

- Work closely with the public welfare partners on ESG efforts. Through working with eco-partners, integrate more resources and expertise to facilitate the implementation of Huitongda's ESG efforts.





4. ESG GOVERNANCE

The Sustainable Development (ESG) Committee of the Company has been incorporated into the sustainable development governance structure and, as one of the core functional bodies, assumes the responsibility of overall coordination and supervision. It promotes relevant departments to systematically optimize the ESG policy system and management processes, leads the formulation of the Company's medium- and long-term sustainability blueprint, and helps the Company achieve long-term steady and high-quality growth in the environmental, social, and governance dimensions. At the current stage, the Group has preliminarily established a standardized framework in key areas such as environmental management, energy utilization efficiency and supply chain traceability, forming a foundational management mechanism. To further strengthen strategic orientation and execution effectiveness, the Committee plans to advance systematic SWOT analysis to deeply analyze potential risks and strategic opportunities, formulate special ESG strategies and goals, and promote the upgrading of the sustainable development path.

To ensure the continuous enhancement of the Committee's performance capabilities and professional standards, members of the Sustainable Development (ESG) Committee will regularly receive specialized training covering the latest standards, regulations, and international best practices to ensure professional depth in strategy formulation and oversight.

4.3 RISK MANAGEMENT SYSTEM

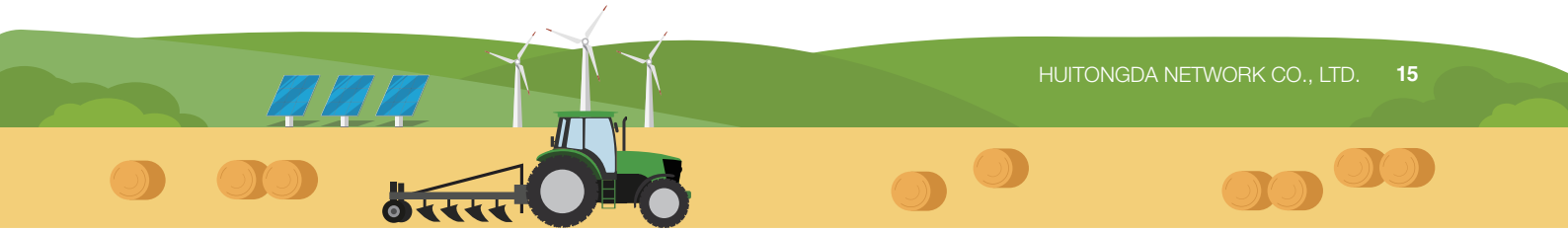
Goals

The Group has formed a risk management framework that places equal emphasis on forward-looking identification, quantitative assessment, and effective control, ensuring that major risks are within an acceptable range, enhancing operational resilience and efficiency, and safeguarding long-term steady development. The Group has established mechanisms to identify, assess, and manage risks and opportunities related to sustainable development (such as human rights violations, climate, product safety and quality, health and safety, digital transformation, crisis scenarios, etc.), and has incorporated sustainable development-related risks and opportunities into the Company's overall risk management process.

PERFORMANCE HIGHLIGHTS FOR THE YEAR

A total of 29 audit reports were issued. Eight categories of major issues were identified, for which rectification recommendations were proposed. 100% of the direct rectifications have been completed, while ongoing rectification items have made progress and continue to be tracked and implemented.

Online risk management training was provided to all non-executive Directors and employees, mainly covering common risk events and response measures. More than 1,000 participants attended the training.



4. ESG GOVERNANCE

Strategies

The Group has established a risk management and internal audit system, formulated the *Measures for Risk Management of Operating Activities*, and the Audit Committee under the Board of Directors is responsible for overall coordination and supervision. Through professional teams, budget allocation, training, and process optimization, it continuously improves early warning and control effectiveness. The Group further clarifies the definitions of non-compliance and accountability through internal policies such as the *Internal Audit Policy*, the *Code of Business Conduct and Ethics*, and the *Anti-fraud Management Policy*.

The Internal Audit Department has carried out internal audits of various risk management processes in the Company, including business management audits, fund use audits, asset management audits, etc., conducting multi-dimensional audits of the audit objects.

The ESG risks faced by the Group are mainly divided into two categories: climate-related risks and emerging technology risks. These include acute risks, chronic risks, policy and regulatory risks, strategic adaptation risks to technological changes and new security paradigms, as well as risks related to AI content security and information authenticity. The Group has integrated sustainability-related risks into its overall risk control process:

Identification and Sources of Sustainability-Related Risks	
Internally:	**Externally:**
Potential risk signals, such as safety breaches and carbon emission overruns, are collected through supply chain audits, employee whistleblowing platform, and production data monitoring systems.	Track ESG ratings, industry reports, and regulatory developments, and identify emerging risks (e.g., carbon border measures) and opportunities (e.g., renewable energy demand) through customer and NGO research.

The Group has established a mechanism of three lines of defense to strengthen its risk identification, monitoring, and response capabilities.

First line of defense: Business Departments take the initiative to control risks and ensure compliant operations

Second line of defense: Risk Management & Compliance Department oversees implementation and provides strategic support

Third line of defense: Internal Audit Department conducts independent reviews of the overall risk management system to ensure governance effectiveness



4. ESG GOVERNANCE

The Board of Directors of the Group continuously reviews the governance order and compliance system. The Audit Committee under the Board of Directors is responsible for risk management and risk supervision, which mainly includes the following aspects:

Director and Senior Management Development

- To oversee the training and continuous professional development of directors and senior management to ensure that the leadership team has up-to-date industry knowledge and management capabilities.

Compliance Management

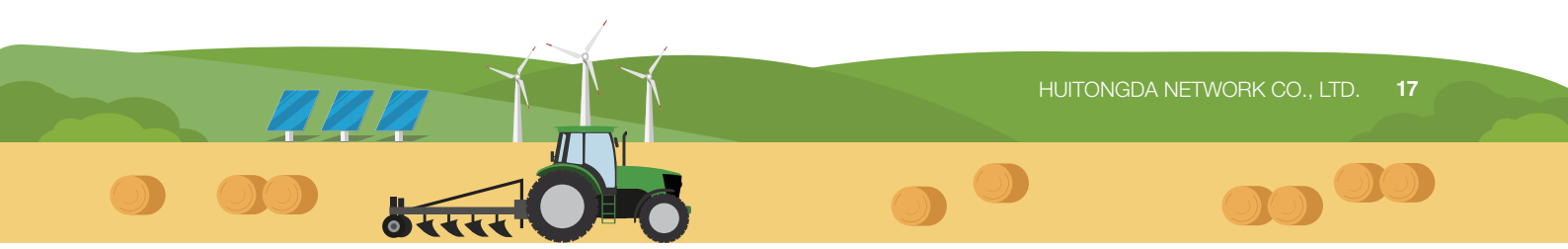
- To ensure the strict compliance of the Group with laws, regulations and regulatory requirements, to minimize legal risks and to safeguard the sound operation of the business.

Industry Standards and Code of Conduct

- To supervise the implementation of industry standards by enterprises and ensure the effective implementation of the code of conduct for employees, so as to safeguard the corporate culture and professional ethics.

Implementation and Disclosure of the Corporate Governance Code

- To review the Group's implementation of the Corporate Governance Code, to ensure the transparency of governance practices and the accurate disclosure of relevant information in the Corporate Governance Report.



4. ESG GOVERNANCE

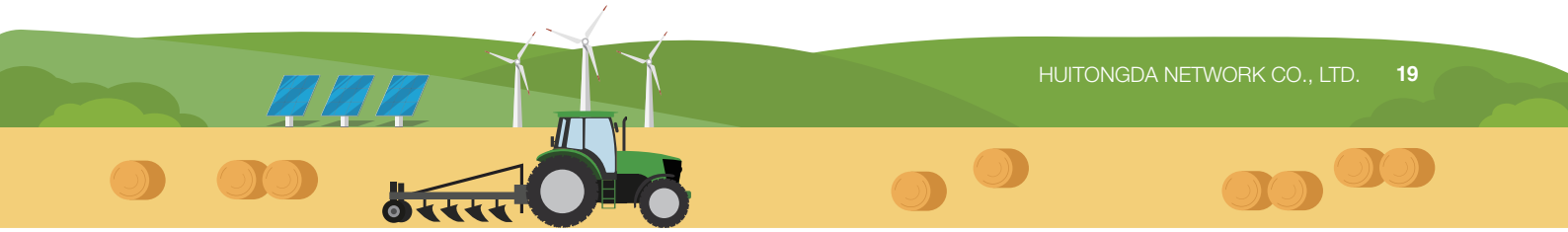
In response to corporate governance risks such as the diversity of the Board structure, anti-corruption, and data security, the Group continuously optimizes its governance structure, deepens anti-corruption compliance training, and strengthens data security protection capabilities. The Group will maintain dynamic monitoring of relevant risks and deploy response measures in a timely manner to safeguard long-term steady development. The identification mechanism and establishment procedures for the Group's risk appetite are set out below:

Risk identification and assessment	**Department in charge:** The Sustainable Development (ESG) Committee takes the lead in identifying ESG-related risks in conjunction with ESG Working Groups and Business Departments through internal and external data analysis, stakeholder research, and industry benchmarks. **Tools and methods:** A combination of qualitative and quantitative (e.g., risk matrix, scenario analysis) is used to assess the probability of occurrence and potential impact of risks.
Risk appetite setting	**Goal-oriented:** Acceptable risk thresholds (e.g. carbon emission intensity cap, supply chain compliance standards, etc.) are determined based on the strategic objectives of the Group, industry characteristics, and regulatory requirements. **Decision-making process:** The Sustainable Development (ESG) Committee prepares a draft risk appetite (including tolerance levels, avoidance priorities, etc.) and forms relevant documents.
Risk appetite communication and execution	**Internal integration:** Risk appetite is integrated into business decisions (e.g., investment approvals, supplier screening), and product and service development processes, with risk indicators incorporated into performance appraisals and budget allocations, where performance appraisals are linked to the incentives of relevant personnel, to ensure consistency of execution across departments. **External disclosure:** Core risk appetite metrics are disclosed to investors and regulators through ESG reports, annual reports, and other channels.
Dynamic monitoring and adjustment	**Periodic review:** The suitability of the risk appetite to the business environment is reassessed annually (or after a significant event). **Early warning mechanism:** Key risk indicators (e.g., energy consumption data, and public opinion fluctuations) are monitored in real-time through the digital system, and contingency plans are activated when thresholds are triggered.



4. ESG GOVERNANCE

Mitigation measures against social responsibility risks (e.g., supply chain management)	**Supplier compliance audit:** ESG risk assessments are conducted for all suppliers, and third-party audits are used to ensure there are no compliance issues, and deadlines for rectification or elimination are required for non-compliant suppliers. **Protection of employee rights:** A 100% coverage of employment contracts is promoted for all employees and anonymous complaint channels are established. Funds for skills training are allocated every year to cover all levels of employees. **Department in charge and implementation mechanism:** Supply chain management is the joint responsibility of the Department of Commerce of the Internal Control Management Center and the Financial Management Center, and the Audit Committee supervises the implementation.
Mitigation measures against anti-corruption risks	**Institutional and cultural development:** The Code of Business Conduct and Ethics and the Anti-fraud Management Policy are formulated, which explicitly prohibit bribery and transfer of benefits, and require all employees to sign a compliance commitment. Anti-corruption training (100% coverage) is conducted annually, especially for senior management and high-risk positions (e.g., procurement, sales). **Monitoring and whistleblowing mechanisms:** An anonymous reporting platform (e.g., independent mailboxes, and third-party hotlines) is established to protect the rights and interests of whistleblowers and ensure that complaints are responded to and investigations initiated within 24 hours. Frequency of periodic review of risk exposures: twice a year. Over the past two years, the Internal Audit Department has conducted internal audits of various risk management processes, such as contract and seal management audits, product development audits, etc. The anti-corruption requirements of the Group are communicated to suppliers and partners, who are required to commit to the compliance standards of the Group, and third-party compliance audits are conducted regularly. **Implementation and monitoring:** Department in charge: Audit Committee. Technical tools: AI systems are utilized to monitor unusual transactions (e.g., large cash payments, related party transactions) and automatically freeze the process and report when an early warning is triggered.



4. ESG GOVERNANCE

Relying on institutionalized norms and continuous monitoring mechanisms, the Group systematically identifies and curbs collusive behaviors (involving corruption, fraud, monopolies, etc.) that may occur during its own operations and third-party collaborations, ensuring that all commercial activities strictly comply with laws, regulations, and ethical standards. The relevant control system is constructed as follows:

1. Risk Identification and Assessment

- The Group conducts graded background checks on all suppliers, agents, and business partners, with a focus on reviewing historical litigation records, equity correlations, and compliance qualifications. For high-risk third parties (such as public-private related intermediaries), a third-party independent audit is required, and they are required to sign the Anti-Corruption Commitment Letter.

2. Preventive Systems and Tools

- The Company formulates the Anti-fraud System and the Code of Business Ethics and Conduct, explicitly prohibiting acts such as bribery and collusive bidding. For high-risk positions such as senior executives, procurement, and sales, compliance training is carried out, and the management is required to sign an annual compliance commitment letter.

3. Risk Handling and Accountability Mechanism

- The Company has an anonymous reporting platform, promising to provide feedback on the preliminary investigation results within 30 days, and retaliation against whistleblowers is strictly prohibited. For major cases, an independent compliance investigation team will intervene, and the investigation results will be directly reported to the Audit Committee of the Board. A “zero-tolerance” policy is implemented for non-compliant employees, and measures such as terminating cooperation will be taken against the third parties involved.

4. Third-party Relationship Management

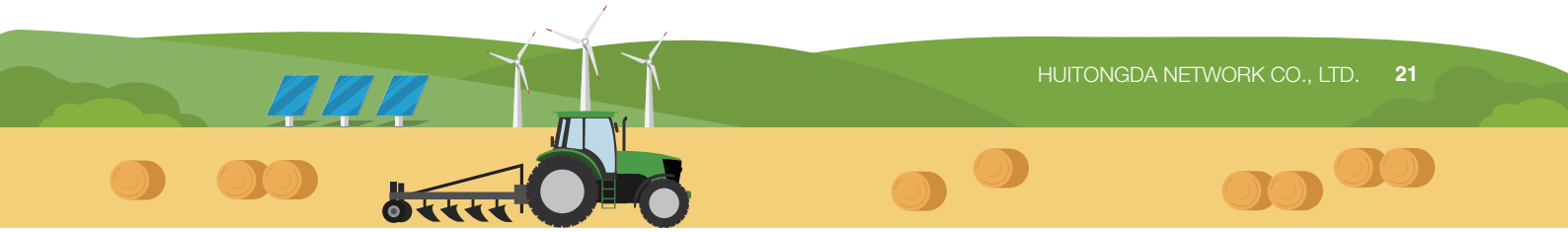
- The Company mandatorily requires third parties to establish compliance deposits in contracts and incorporates “compliance audit rights” clauses to conduct random checks on third-party books and communication records at any time. The Group prioritizes audits of the top 100 suppliers annually and leverages big data to analyze and identify potential monopolistic behaviors to ensure that all cooperation behaviors meet compliance requirements.



4. ESG GOVERNANCE

Facing the trend of accelerating financial digitalization, the Group's business operations have been deeply embedded in technology systems such as the Internet, big data, and artificial intelligence. With the rapid rise of new business forms such as digital payments, distributed ledger technology in finance, and intelligent investment advisory services, cybersecurity risks have risen to become a key challenge affecting the steady operation of the Group. The Group is actively deploying response measures to strengthen its relevant risk control capabilities.

ESG and Emerging Risks	Risk Description	Risk Exposure	Risk Impact	Risk Mitigation Actions
Strategic Adaptation Risks to Technological Changes and New Security Paradigms	New technologies such as the Internet of Things, industrial digitalization, and intelligent supply chains are iterating rapidly. The enterprise's existing security architecture, governance system, and strategic planning fail to adapt to the new security paradigm in a timely manner, resulting in lagging technological deployment and security protection failing to keep up with the pace of technological application.	Probability: Medium Severity: Medium	Technological upgrading lags behind the industry, losing differentiated competitive advantages; new security vulnerabilities are not identified in a timely manner, and the stability and competitiveness of digital businesses are under pressure.	Establish a technology trend tracking and strategic assessment mechanism to prospectively deploy new technology applications; Build a new generation of security architecture adapted to the digital ecosystem to achieve synchronous planning of technological development and security governance; Regularly conduct security stress tests and contingency plan drills in new technology scenarios.
Risks of Artificial Intelligence-Content Security/ Information Authenticity	Systematic Impact of AI-Generated Content (AIGC) on the Authenticity of Platform Content: With the maturation of AIGC technology, the barriers to behaviors such as generating false transaction data, forging user reviews, creating synthetic content, and fabricating identity information will become increasingly low. Attackers may utilize generative AI to bypass the platform's risk control verifications (such as biometric identification and behavioral analysis), leading to issues like the entry of fake merchants, transaction fraud, and supply chain forgery, thus disrupting the trust chain among upstream and downstream enterprises on the platform.	Probability: High Severity: Medium	The "data pollution" of Huitongda's industrial Internet platform affects the quality of data assets; False customer information and product information undermine the credibility of the platform's data in the eyes of suppliers and retailers; Regulatory authorities face increased pressure in conducting compliance reviews of false transactions (referring to the requirements of the *Interim Measures for the Management of Generative Artificial Intelligence Services*).	Build an "AI review" service based on large models, and detect the characteristics of platform content, platform customer information, etc. through multimodal content understanding (text + image + transaction flow); For key business data (merchant qualifications, transaction vouchers), apply the data service capabilities of the industry, and combine zero-knowledge technology to verify the authenticity of the transaction subjects and the risks of the transaction subjects.



4. ESG GOVERNANCE

The Group has promulgated the *Measures for Legal Risk Management of Huitongda's Business Operations*, which explicitly stipulates that the Legal Affairs Department shall be responsible for coordinating the identification, assessment, and response to legal risks and crisis events in business operations, and regularly carry out systematic sorting of legal hidden dangers and potential crisis situations. For business areas where signs of crisis have been identified, the Legal Affairs Department issues rectification opinions to the relevant responsible units and continuously follows up on the rectification process to prevent risks from spreading. Relying on the above mechanisms, the Group can effectively monitor and handle various legal risks and emergencies, ensuring compliant operations and stable business performance.

The Group implements an assessment of the degree of risk exposure twice a year. The Internal Audit Department carries out risk-oriented independent audits across multiple business processes, covering areas such as corporate governance architecture, investment decision-making, daily operations, warehousing management, related party transactions, procurement and payment, sales and collection, member retail terminals, human resources, corporate culture construction, asset management, comprehensive budget execution, contract management, and information systems, focusing on key risk dimensions such as investment cooperation, inventory turnover, capital flow, and human resource allocation. In the new product development or approval process, the Group has incorporated ESG risk assessment standards, using an ESG risk matrix to evaluate potential products. For projects involving conflict minerals, high-pollution processes, or data compliance controversies, control measures such as terminating development or mandatory restructuring are taken.

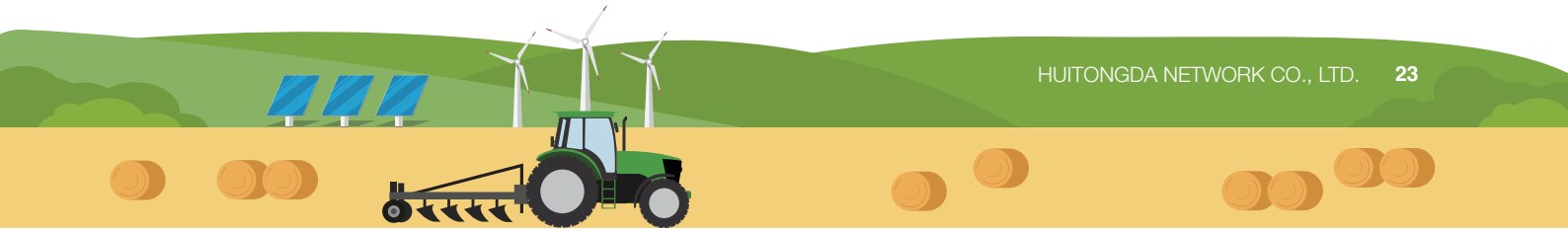
In addition, the Group organizes online thematic training for non-executive directors and related employees every year, covering fundamental concepts and practical guidelines of risk management.

Through the following measures, the Company enables the governance body to grasp the latest applicable laws and regulations in real time and respond quickly to violations, achieving dynamic management of legal and regulatory compliance.



4. ESG GOVERNANCE

Regulation Identification	• **Authoritative Channels:** Prioritize national legal and regulatory databases, official websites of ministries and commissions, and announcements from industry competent authorities; supplemented by professional sources such as industry associations, legal databases, certification bodies, and legal advisors. • **Dynamic Monitoring:** Set keyword alerts (e.g., data security, environmental protection) to automatically capture updates from official/professional platforms and track high-risk areas at high frequency.
Review and Update	• **Compliance Review:** Verify the validity of laws and regulations (exclude repealed/expired ones), judge relevance (match business scenarios), and assess mandatory/applicability (whether operable, whether supporting resources are needed). • **Multi-department Joint Review:** The Legal Affairs Department takes the lead, uniting business, internal control, and financial departments, etc.; controversial clauses are subject to special explanations issued by legal affairs or external experts.
Governance Body Grasps Latest Regulations	• **External Expert Support:** The Company engages legal counsel and compliance agencies to provide regular updates and participates in policy briefings and industry seminars to obtain early signals for proactive planning.
Management of Legal Prosecutions	• **Prosecution Response:** The Legal Affairs Department takes the lead in quickly assessing the case, preserving evidence, and formulating defence strategies; the governance body is informed synchronously, and material cases are submitted to the Board of Directors for decision-making. • **Rectification Follow-on:** Responsible persons, timelines, and acceptance criteria are clearly defined, and the governance body supervises the progress and effectiveness of rectification.



4.4 ESG STRATEGIES AND GOALS

Upholding its core concept of "Creating Value Together and Sharing Growth", the Group comprehensively deepened the deployment of ESG strategies, and promoted the deep integration of the ESG concept with business expansion, operating systems, and organizational culture, committing to achieving the balanced alignment between economic performance and environmental and social benefits. The Group has systematically incorporated sustainable development goals into its medium – and long-term strategic planning. While seeking sustained growth in commercial value, it proactively undertakes environmental protection and social responsibilities, striving to build a mutually beneficial development pattern between the enterprise and society.

Strategy	Description	The Group's Objectives	SDGs
Assist the development of family-run stores in rural towns	Empower rural family-run stores in rural towns through innovative supply chain and digital technology-enabled services.	The Group is committed to driving development with digital intelligence, promoting green synergy, and empowering through innovation. It aims to build a sustainable and highly efficient empowerment system, providing more development opportunities for grassroots business forms such as rural family-run stores in rural towns, and achieving high-quality development and long-term value growth.	
Contribute to rural revitalization	Increase rural incomes and improve the production and living standards in rural areas by facilitating upward marketing of agricultural products and downward agricultural means of production.	The Group joins hands with the government and the supply and marketing cooperatives to promote digital transformation and supply chain upgrading, empower the modernization of agriculture and the cultivation of new rural residents, and contribute to rural revitalization and the high-quality development of urban-rural integration.	
Protect the lucid waters and lush mountains	Promote green operations and protect the lucid waters and lush mountains through resource utilization management.	The Group is committed to promoting green operations and the efficient utilization of resources, continuously improving environmental performance, and building a green, low-carbon, and sustainable business operation and business model system. The Group has formulated the following digital environmental goals for 2026: Motor vehicle fuel consumption (gasoline): Remain flat with 2025, striving for a 2% decrease; Air conditioning refrigerants: Decrease by 10% year-on-year; Electricity consumption: Remain flat with 2025, striving for a 5% decrease; Water consumption: Remain flat with 2025, striving for a 1% decrease; Waste generation: Decrease by 2% year-on-year; A4 paper usage: Remain flat with 2025, striving for a 5% decrease.	

4. ESG GOVERNANCE

Strategy	Description	The Group's Objectives	SDGs
Build trust through compliance	Establish a complete, efficient, and transparent compliance governance mechanism. At the same time, ensure user privacy and data security to build trust.	The Group is committed to building a standardized, transparent, and sustainable compliant business operation system, strengthening the management of intellectual property rights and data security, strictly adhering to laws, regulations, and business ethics, implementing responsible marketing practices, and ensuring the stable development of the enterprise and the rights and interests of customers.	
Provide comprehensive support for employees	Put people first, offer reasonable compensation and benefits, provide learning and promotion opportunities, and safeguard employees' family life.	The Group is committed to building a standardized and efficient, soundly incentivized, and sustainable talent management system. By strengthening the protection of employees' rights and interests, optimizing the incentive mechanism and career development paths, it provides solid support for the long-term competitiveness of the enterprise and its high-quality development.	

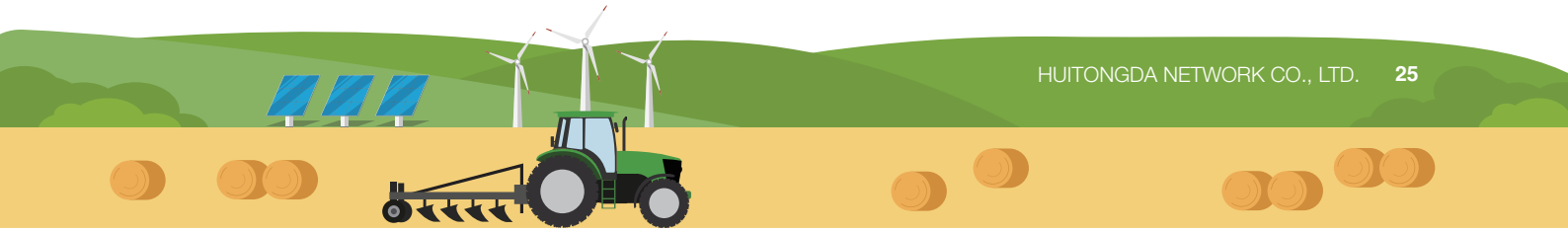
Internal Promotion Plan

The Group will further establish an internal incentive mechanism to commend departments with outstanding performance in sustainable development work, thereby strengthening the enthusiasm for promoting the implementation of ESG goals. At the same time, for departments that fail to follow sustainable development requirements or cause negative impacts on the environment, the Group will take corresponding restrictive or corrective measures according to the system to ensure that the overall sustainable development strategy is effectively and standardly executed.

Assessment and Improvement

Relevant management measures have been established to assess sustainability performance based on the set goals and KPIs, and to identify foreseeable challenges and areas for improvement in the future. The Group will continuously collect relevant data and practice situations in the ESG field from each business unit and conduct comprehensive analysis to sort out their strengths and weaknesses in ESG, further assessing the progress of overall ESG goals and potential risks.

Meanwhile, the Group will review the governance system related to sustainable development according to a periodic mechanism to ensure that the governance structure and policies maintain effectiveness and adaptability. In each review process, the Group will conduct a systematic review of the current system, identify processes to be optimized, and adjust relevant strategies and management measures accordingly to promote continuous improvement in environmental management, social responsibility, and governance performance across departments, ensuring that the Group maintains long-term and steady progress on the path of sustainable development.



4. ESG GOVERNANCE

4.5 ESG POLICIES

Upholding the mission of "creating a better life for rural people" and with the vision of "becoming a leading commerce and service platform in China's lower-tier market", the Group commits to:

- **Protecting our lucid waters and lush mountains, empowering farmer development, promoting the low-carbon transformation and safeguarded biodiversity;**
- **Providing agricultural and commercial training and fair-trade support for business customers and rural residents in lower-tier market, and entrepreneurial empowerment for disadvantaged groups, aiming to facilitate income growth and rural vitality;**
- **Building a system for downward agricultural means of production and upward marketing of agricultural products; Creating a sustainable ecosystem in the lower-tier market that achieves tripartite synergies in "Ecology-Economy-Livelihood" through transparent governance and multi-stakeholder collaboration.**

4.6 STAKEHOLDER ENGAGEMENT

The Group has established a normalized and multi-channel communication mechanism, incorporating the core concerns of all parties into strategies and practices, and systematically collecting and responding to expectations and feedback through carriers such as online questionnaires, service hotlines, general meetings, and supplier "Sunshine Agreement", covering groups including senior management, employees, shareholders, suppliers and partners, government regulators, communities and the public, users, peers and other groups. The Group records and manages the engagement process to ensure the transparency and traceability of interactions.

The Group fully responds to the concerns of all parties through diversified communication mechanisms, and uses the ESG report to disclose sustainability-related risks, opportunities, and action deployments, continuously improving ESG performance, ensuring the implementation of plans, and assisting in the realization of sustainable development goals.

Stakeholder	Expectation and Concern	Communication and Response
Users	• Offering quality products and services to users • Healthy Internet environment • Continuously improving product and service quality • Paying attention to user feedback	• Offering quality products and services to meet users' needs • Protecting user privacy • Establishing a sound customer service system and a mechanism of customer feedback and complaints



4. ESG GOVERNANCE

Stakeholder	Expectation and Concern	Communication and Response
Employees	• Protecting employee compensation and benefits • Caring for employee safety and health • Fostering a good working environment • Providing fair promotion and development opportunities • Employee communication	• Strictly abiding by the terms of the employment contract and improving the system of compensation and welfare benefits • Providing a safe and healthy working environment • Providing staff development channels and organizing staff training • Improving the working environment • Providing equal communication channels
Shareholders and investors	• Increasing the Group's market capitalization and earnings • Continuously improving performance of the Group's environmental and social responsibilities • Timely, accurate and transparent corporate information disclosure	• Publishing reports regularly, disclosing information truthfully and fully, and striving to improve performance and create profits • Improving the Group's governance and risk management, holding shareholders' meetings, strengthening investor relations management, and striving to improve environmental and social responsibility management
Suppliers/partners	• Adhering to business ethics and observing the contract • Prompt communication and willingness to listen • Helping each other to grow together	• Fulfilling the contract in accordance with law • Adhering to open and transparent business principles, implementing an open and transparent procurement model, and creating a responsible supply chain • Implementing a normalized communication mechanism during the process of customers/suppliers enrolling to ensure that problems can be effectively reported and resolved
Government	• Complying with law, operating in a compliant manner, and implementing national policies • Helping the government improve social issues (disadvantaged groups, the poor, etc.)	• Strictly abiding by relevant laws and regulations, continuously strengthening corporate compliance management, and responding to relevant national policies • Stimulating the local economy, advancing rural economic development and helping revitalize the countryside
Peers	• Fair competition, honest cooperation, transparent and open information • Complying with industry norms and promoting industry innovation	• Strengthening communication and cooperation with peers to jointly create a healthy and orderly competitive environment • Participating in the industry innovation research, mutual benefit and progress and industry evaluation, and providing suggestions for industry regulations
Environment	• Coping with climate change risk • Improving resource use efficiency • Emission and waste management	• Improving the energy utilization efficiency • Improving resource recycling • Establishing a green data center • Green office
Society	• Rural revitalization and poverty alleviation	• Carrying out activities to help the poor and rural residents • Implementing programs to assist in grassroots governance

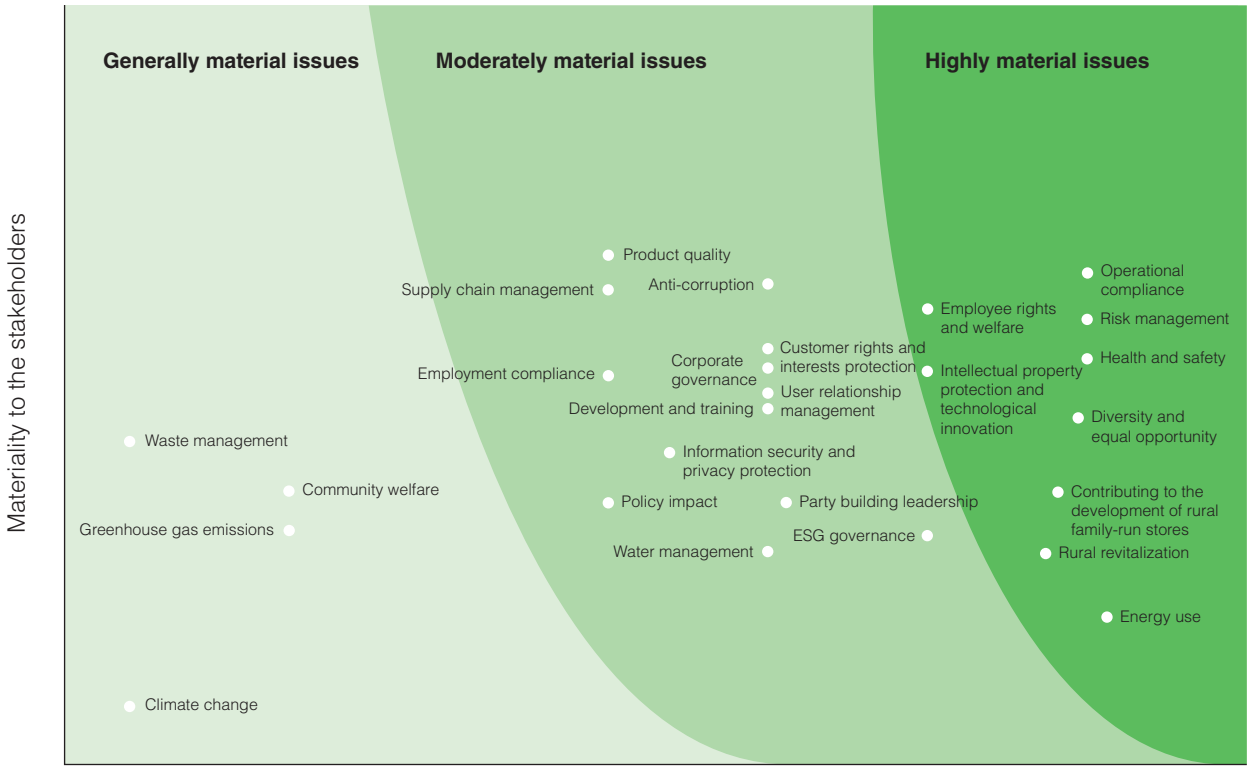
4. ESG GOVERNANCE

4.7 ESG MATERIALITY ASSESSMENT

The Group focused on the reference to the Code of the Stock Exchange, and the database of materiality issues of the US Sustainability Accounting Standards Board ("SASB") and Morgan Stanley Capital International ("MSCI") for the relevant industries, and the ESG issues of peer companies, and ranked 9 highly material issues, 13 moderately material issues, and 4 generally material issues by collecting the ratings from both internal and external stakeholders including senior management, employees, shareholders, suppliers/partners, government regulators, communities and the public, users, peers and other groups through online questionnaires on various issues. This year, based on its own business situation, the Group confirmed with the Sustainable Development (ESG) Committee and the management that the materiality assessment results for 2024 are still applicable this year, because (i) there have been no significant changes in the Group's business and operating environment during the Reporting Period; and (ii) the results of the materiality assessment can still respond to stakeholders' expectations of the Group.

The Group has responded to material ESG issues from major stakeholders in the Report and has focused on highly material issues to reflect the Group's key performance in sustainable development. The materiality matrix is as follows:

Materiality matrix





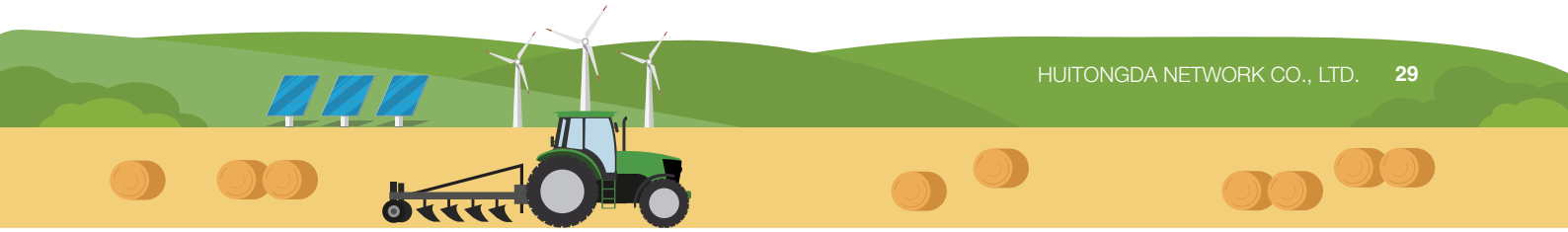
4. ESG GOVERNANCE

This Report has responded to the key ESG issues concerned by stakeholders in the corresponding sections, and focused on elaborating on highly material issues to reflect the Group's practical effectiveness in the field of sustainable development. The specific section index is as follows:

Issue Classification	Issues	Corresponding Sections
Highly material issues	Operational compliance	6. Compliant Operation, Creating Value Together
	Risk management	6. Compliant Operation, Creating Value Together
	Health and safety	8. Working Together to Create the Future
	Diversity and equal opportunity	8. Working Together to Create the Future
	Employee rights and welfare	8. Working Together to Create the Future
	Intellectual property protection and technological innovation	6. Compliant Operation, Creating Value Together
	Contributing to the development of rural family-run stores	7. Working Together, Drawing a Blueprint for Shared Success
	Rural revitalization	7. Working Together, Drawing a Blueprint for Shared Success
	Energy use	9. Lucid Waters and Lush Mountains, Pursuing Ecological Harmony
Moderately material issues	Anti-corruption	6. Compliant Operation, Creating Value Together
	Customer rights and interests protection	6. Compliant Operation, Creating Value Together
	Corporate governance	4. ESG Governance
	Product quality	7. Working Together, Drawing a Blueprint for Shared Success
	User relationship management	7. Working Together, Drawing a Blueprint for Shared Success
	Supply chain management	7. Working Together, Drawing a Blueprint for Shared Success
	Development and training	8. Working Together to Create the Future
	Information security and privacy protection	6. Compliant Operation, Creating Value Together
	Party building leadership	4. ESG Governance
	ESG governance	4. ESG Governance
	Employment compliance	8. Working Together to Create the Future
	Water management	9. Lucid Waters and Lush Mountains, Pursuing Ecological Harmony
	Policy impact	4. ESG Governance
Generally material issues	Community welfare	7. Working Together, Drawing a Blueprint for Shared Success
	Greenhouse gas emissions	9. Lucid Waters and Lush Mountains, Pursuing Ecological Harmony
	Waste management	9. Lucid Waters and Lush Mountains, Pursuing Ecological Harmony
	Climate change	9. Lucid Waters and Lush Mountains, Pursuing Ecological Harmony

4.8 STRENGTHENING PARTY BUILDING EMPOWERMENT AND GATHERING STRENGTH TO PROMOTE HIGH-QUALITY DEVELOPMENT

In 2025, the Fourth Plenary Session of the 20th CPC Central Committee was a meeting of great and far-reaching significance convened at a critical historical juncture in advancing national strength and the great rejuvenation of the Chinese nation through Chinese-style modernization. The *Proposals of the Central Committee of the Communist Party of China on Formulating the 15th Five-Year Plan for National Economic and Social Development*, adopted at the Session, set out a grand blueprint for the country's development over the next five years. This represents another inspiring mobilization and overarching deployment for advancing Chinese-style modernization, providing clear direction and strong impetus for all sectors of the economy. Huitongda's business carries both historical missions and social value. At this pivotal stage, as China approaches a "critical leap" towards socialist modernization, all units of the Company take national policies as their "guiding compass", uphold the spirit of entrepreneurship, innovation and creativity, actively embrace new technologies, new industries and new business models, and work in unity to drive development and forge ahead into the future.



4. ESG GOVERNANCE

In 2025, the Party Committee of Huitongda diligently implemented the "Three Integrations" approach to Party-building – namely the integration of ideology, organization and business operations, promoting the alignment and mutual reinforcement of Party development and corporate growth. By transforming the Party's theoretical, political, organizational and institutional strengths, as well as its close ties with the public, into advantages for economic and social development, the Company continues to inject momentum into empowering the real economy through the digital economy and supporting rural revitalization.

CASE: BUILDING COHESION AND CONTINUING THE STRIVE – HUITONGDA PARTY COMMITTEE HELD A SPECIAL STUDY SESSION ON THE SPIRIT OF THE FOURTH PLENARY SESSION OF THE 20TH CPC CENTRAL COMMITTEE

On November 1, the Party Committee of Huitongda convened a special study session to thoroughly study and implement the spirit of the Fourth Plenary Session of the 20th CPC Central Committee. The meeting was chaired by Mr XU Xiuxian, Party Secretary and President of the Company, who delivered remarks requiring all units to effectively translate the guiding principles of the Fourth Plenary Session into concrete actions in the Company's operations and development, closely align with national strategies, and advance with the times while seizing emerging opportunities.

China's economic development is focused on the integration of "technology + industry + consumption", leveraging technological leadership to drive industrial advancement and accelerate the establishment of a unified national market. In the new era, while fully leveraging the advantages of its industrial internet platform and continuously optimizing its "first growth curve", Huitongda will closely align with national strategies to develop its "second growth curve" and lay out its "third growth curve". By utilizing the digital economy to upgrade and enhance traditional industries, the Company is also committed to cultivating emerging pillar industries and fostering future industries.	All cadres and employees of the Company are required not only to thoroughly understand the spirit of the Fourth Plenary Session, but also to learn from the valuable experience and practices in the formulation of the 15th Five-Year Plan proposals. In developing the Company's and each unit's three-year development plans and the 2026 annual work plans, broad consultation should be undertaken to pool collective wisdom, build consensus, and seize opportunities for growth by aligning with prevailing trends and leveraging favorable conditions.
On September 3, 2025, the Party Committee of Huitongda organized a group of Party members and cadres to watch the live broadcast of a military parade. During the viewing, all participants remained fully attentive and were deeply impressed by the disciplined formation of the troops and the formidable display of advanced equipment. The Party members and cadres present expressed their commitment to transforming the sense of national pride inspired by the parade into concrete actions in their respective roles, dedicating themselves to their duties with determination. It was not only a profound Party spirit education but also a powerful spiritual mobilization.	In December 2025, the Deputy Secretary of the Party Committee of Huitongda and four branch secretaries participated in a specialized training for primary-level Party organization secretaries organized by the Municipal Working Committee for non-party and new social organizations. The training focused on the study of *Xi Jinping: The Governance of China (Volume V)*, further strengthening theoretical grounding and enhancing the participants' capability to perform their duties. It also laid a solid ideological foundation for the Company's Party organizations to better fulfil their role as strongholds in the new phase of development.



5. Feature: Targeted Assistance to Farmers, Fostering Urban-Rural Shared Prosperity

GOALS

The Group is committed to facilitating agricultural product circulation, increasing farmers' income, and driving rural revitalization and sustainable agricultural development. Through digital empowerment, supply chain optimization, brand cultivation, and financial support, we enhance agricultural productivity, strengthen the market competitiveness of farm products, and contribute to building an efficient, green, and sustainable agricultural system.

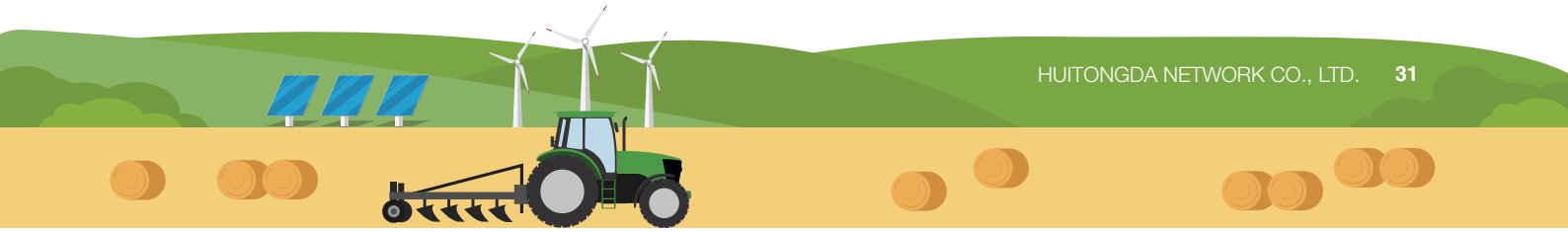
PERFORMANCE HIGHLIGHTS FOR THE YEAR

- We assisted Bijie in the sale of RMB2 million worth of eggs.
- We implemented the contract farming for 2,000 mu of rice cultivation in Tangyuan, Heilongjiang.
- With cumulative investment in Heshui, Gansu exceeding RMB10 million, we assisted Qingyang Longxiang Group in achieving an output value of over RMB30 million and Qinzhi Dairy in achieving an annual output value of RMB50 million, while creating employment for more than 50 local people.

STRATEGIES

Huitongda's original mission is to "creating a better life for rural people". Over the past 15 years, it has built a full-link, digital industrial platform that supports rural consumers to "buy well and spend less; sell well and earn more", promoting the distribution of agricultural produce, boosting the county-level economy, and assisting rural revitalization. This will benefit more local specialty industries and farming families, realizing the long-term social value of the enterprise.

Huitongda facilitates marketing of agricultural produce in urban areas			
Advantages of Huitongda	Platform-based advantages and resource consolidation capabilities	Supply chain operation	Brand-based and large-scale operation and sales
Initiatives	Launch of Huitongda online platforms	Establishing a direct channel to distribute feature agricultural produce from their place of origin to urban consumers	Consolidating resources of high-quality local agricultural products, exploring their unique value, and marketing them with unified brand planning and marketing efforts
Effects	Marketing agricultural produce to broader markets, and bringing more development opportunities and benefits to local farmers and enterprises	Drop shipping from origin significantly shortening distribution for agricultural produce, ensuring their freshness and quality	Introducing customized gifting services for major festivals such as the Spring Festival, enhancing brand recognition and market competitiveness of Heshui's agricultural products



5. Feature: Targeted Assistance to Farmers, Fostering Urban-Rural Shared Prosperity

Under the new development pattern of "domestic circulation as the mainstay and domestic and international dual circulations promoting each other", the lower-tier market business ecosystem built by Huitongda has created a moat against "cyclical" impacts on producers, distributors, and retail stores. "The Group will stand firmly with partners along the entire industry chain. Through firm strategic determination and continuous model innovation, we will continue to share greater platform value and achieve win-win cooperation". During the year, Huitongda Network assisted foreign trade factories in going to the countryside and launched the "Online Marketing of High-quality Foreign Trade Products" project. On one hand, we launched the "1, 2, 3, 3" special policy for foreign trade factories, brands, and industry-specific enterprises, enabling them to tap into lower-tier channels, broaden channel outlets, and achieve increased income and profit. On the other hand, through the full implementation of "1, 2, 3, 3" policy, rural consumers can enjoy the same goods and services as those in cities, promoting the continuous release of domestic demand.

"1" — One Special Zone	Huitongda has set up a special zone for high-quality foreign trade products in its AI open smart supply chain platform "Chengyi Sourcing", allowing foreign trade enterprises to join the platform. Through a combination of "online platform + offline ground promotion", high-quality foreign trade products can reach township markets quickly, stably, and continuously.
"2" — Two Channels	Huitongda will make available two special channels, "Group Buying from Factories" and "Factory Livestreaming". Through five major marketing scenarios: product order group buying, factory livestreaming sales, C2B2F reverse customization, brand clearance promotion, and brand joint operation, we will advance more targeted alignment of supply and demand among foreign trade enterprises, township family-run stores, and rural consumers.
"3" — Three Supports	Huitongda will provide three supports for foreign trade enterprises joining the platform: "dedicated liaison support", "special training support", and "dedicated promotional campaign". At the same time, Huitongda will continuously carry out F2B2C marketing and promotional campaigns for high-quality foreign trade products in "Chengyi Sourcing".
"3" — Three Exemptions	For foreign trade enterprises, Huitongda provides three special exemption policy supports: "exemption of platform entry fee", "exemption of technical annual fee", and "exemption of security deposit".

The Group plays an active part in local community skill development programs and actively responds to the national rural revitalization strategy, helping feature agricultural products from Gansu Heshui County reach broader markets. By integrating supply chain resources and providing e-commerce channel support, we have facilitated the distribution of over 60 categories of agricultural products, with cumulative procurement amounting to RMB648,000. To further boost agricultural sales, the Group has distributed these high-quality products as complimentary employee benefits, which not only enhances staff well-being but also effectively supports the local agricultural economy, increasing farmers' income and promoting rural industrial upgrading.

5. Feature: Targeted Assistance to Farmers, Fostering Urban-Rural Shared Prosperity

Responsibility Fulfillment for the Year

HUITONGDA NETWORK ENTERED INTO A STRATEGIC COOPERATION WITH BENLAI.COM TO ASSIST IN THE DISTRIBUTION OF AGRICULTURAL PRODUCE, EMPOWER RURAL REVITALIZATION, AND PROVIDE TARGETED ASSISTANCE TO UNDERDEVELOPED AREAS

As a leading platform enterprise for industrial internet in lower-tier markets and comprehensive digital empowerment of modern agriculture, the strong alliance between Huitongda and Benlai.com will jointly build an influential supply chain service platform for high-quality agricultural products by adopting diversified methods such as smart agriculture, smart supply chain, digital marketing, and special operations. The cooperation will accelerate the branding and large-scale process of local specialty agricultural products, empower farmers and breeders to increase efficiency and income, further facilitate the smooth domestic economic circulation, and assist in the comprehensive revitalization of the rural areas.

Focusing on the four major systems of “digital operation”, “quality control”, “supply chain management”, and “branding”, we jointly build an “expressway” for marketing agricultural produce.	We further explore the innovative application of new technologies such as “AI agriculture” in businesses like the distribution of agricultural produce, and play a leading role as a top enterprise in the industry in traditional industrial upgrading and village digitization.

By focusing on carrying out a series of tasks specifically tailored to the distribution of agricultural produce and consumption assistance in over 832 “targeted counties”, we helped “targeted counties” achieve industrial upgrading and economic development, thereby benefiting more local specialty industries and farming families in “targeted counties”, and realizing the long-term social value of the enterprise.



5. Feature: Targeted Assistance to Farmers, Fostering Urban-Rural Shared Prosperity

Assisting Bijie, Guizhou in the contract farming for egg production

In the fourth quarter of 2025, we joined hands with benlai.com to help the egg and chicken farm in Hezhang County, Bijie, Guizhou carry out the contract farming assistance initiative. In 2 months, we assisted in the sale of nearly RMB2 million worth of eggs, and it is expected to assist in sales of over RMB10 million in 2026. At the same time, we helped the chicken farm with product grading planning, quality control, product packaging design, and channel expansion. Among them, we assisted in distributing high-quality selenium-enriched eggs to large and medium-sized cities such as Shanghai and Guangzhou, driving the development of the local chicken farming industry.

Assisting Tangyuan, Heilongjiang in the contract farming for rice production

Tangyuan County, Heilongjiang is a national 832 poverty-alleviation county. Based on Tangyuan's high-quality rice resources, Huitongda joined hands with Benlai Group to implement the contract farming for 2,000 mu of rice cultivation in the local area, providing full industry chain assistance, including planting monitoring, paddy procurement, rice processing, packaging design and channel sales.



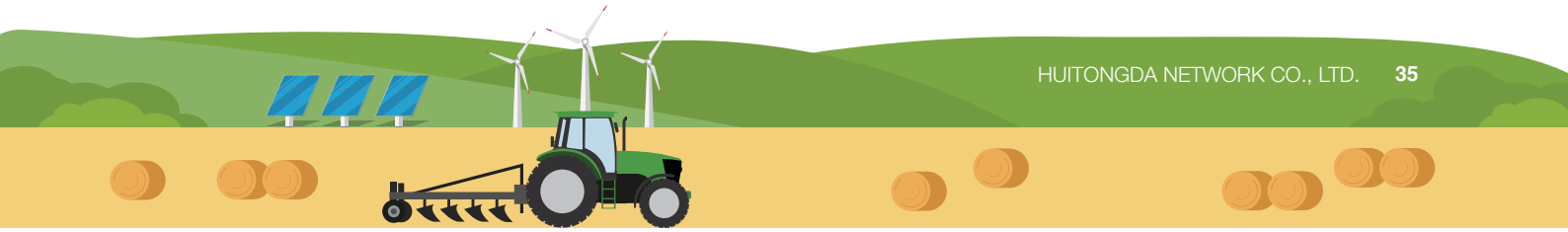


5. Feature: Targeted Assistance to Farmers, Fostering Urban-Rural Shared Prosperity

CASE: ASSISTING LONGXIANG GROUP AND QINZHI DAIRY IN HESHUI, GANSU

Heshui, Gansu is the first targeted county assisted by Huitongda's rural revitalization project. Currently, Huitongda has extensively engaged in the local industrial development. In 2025, the cumulative investment in the local area exceeded RMB10 million. At the same time, it helped Heshui Longxiang Group and Qinzhi Dairy expand more sales channels to drive the distribution of local agricultural produce. In 2025, it helped Longxiang Group achieve an output value of over RMB30 million and Qinzhi Dairy achieve an annual output value of RMB50 million, driving employment for over 50 local people.





6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

- The United Nations SDGs related to this chapter



THE ESG MATERIALITY ISSUES DISCLOSED IN THIS CHAPTER

Highly Material Issues	Moderately Material Issues	Generally Material Issues
Operational compliance Risk management Intellectual property protection and technological innovation	Anti-corruption Customer rights and interests protection Information security and privacy protection	/

The Group consistently upholds the principles of integrity-based operations and compliance-driven development, committed to building a robust compliance management and internal control system to ensure the lawful and compliant operation of the Group. In the field of intellectual property, the Group has established and improved relevant management systems, fully respecting third-party intellectual property rights while safeguarding its own legitimate rights and interests. In terms of data privacy and security, the Group implements necessary technical and managerial measures to protect user privacy and prevent data breaches, tampering, and loss. The Group resolutely opposes all forms of commercial bribery and corrupt practices, continuously carrying out employee integrity training. Adhering to the concept of integrity-based operations, the Group strictly complies with ethical business conduct, rejects false advertising and consumer deception, and is committed to safeguarding consumer rights to maintain a positive corporate reputation. Looking ahead, the Group will further enhance its compliance management system to support sustainable and healthy development.



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

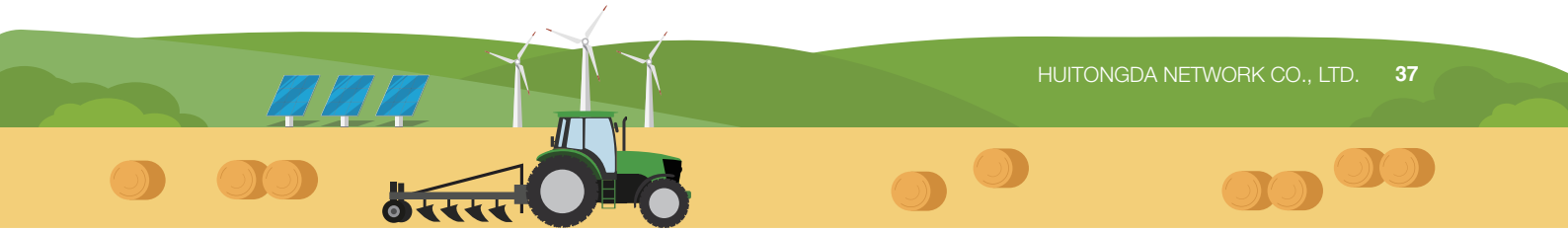
6.1 CORPORATE GOVERNANCE, BUILDING A SOLID FOUNDATION FOR THE FUTURE

Goals

The Company is committed to building an open, transparent, compliant, and robust governance system, continuously optimizing the Board structure, enhancing its independence and diversity, and strengthening the management's ability to perform duties and control risks. The Company will improve the mechanism for obtaining legal and regulatory information to enhance the professionalism and compliance of governance decision-making.

Meanwhile, the Company will strengthen the supervisory effectiveness of the Board, including increasing the proportion of independent directors, enhancing gender and professional background diversity, standardizing meeting attendance and performance evaluation, and disclosing tenure and industry experience, so as to ensure sufficient strategic supervision and risk management capabilities. The Company will also enhance the transparency of senior management compensation, establish an incentive mechanism oriented towards long-term performance and sustainable value, and disclose the compensation structure, assessment basis, and clawback policy in accordance with applicable requirements.

In terms of investor relations, the Company will adhere to timely and transparent information disclosure, safeguard shareholders' right to be informed, strengthen communication mechanisms and supervisory systems. This will ensure resilient operations in a complex regulatory environment, continuously enhance governance standards, and lay a solid foundation for long-term value creation. Specific quantitative goals are as follows:



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

Independence of the Board	Maintain the proportion of independent directors on the Board at no less than 1/3.
Responsibilities of the Board	Board meeting attendance rate: • Average attendance rate of annual Board and committee meetings is no less than 90%. • In principle, the annual attendance rate of a single director is no less than 75%. Shareholder approval matters and information disclosure: • 100% of major amendments to the Articles of Association require shareholder approval. • 100% of notices and voting results of general meetings are disclosed within the statutory time limit. Board performance evaluation: • Conduct at least 1 overall performance evaluation of the Board and its committees every year. • Introduce external consultants or independent methods for evaluation at least once every 3 years.

Strategies

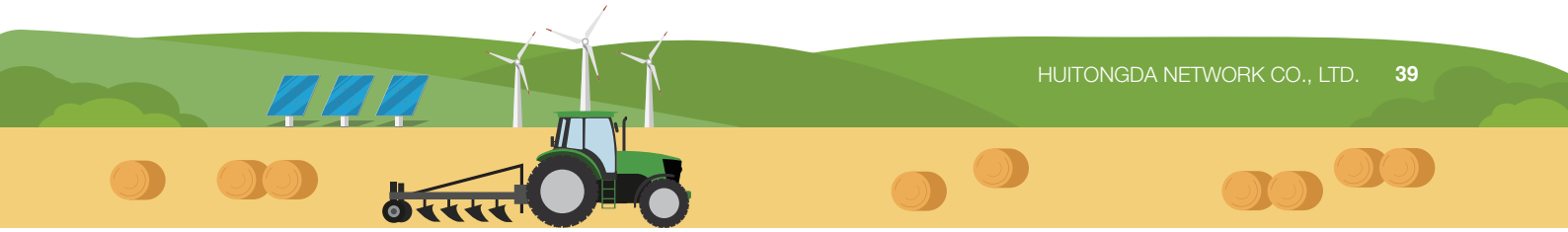
The Group complies with the corporate governance requirements of the Stock Exchange and continuously discloses major compliance information to the market through the announcement system, so that the governance body can grasp the latest applicable laws and regulations, legal prosecutions, violations, and fines. For more information, please refer to the "2025 Annual Report – Corporate Governance Report".

Independence of the Board	The Board consists of 8 members, including 3 independent non-executive directors. The independence ratio is approximately 37.5%, which complies with the requirements of the Hong Kong Listing Rules (more than one-third). The Company has an independence declaration for independent non-executive directors.
Board Diversity Policy	The Company has formulated a Board Diversity Policy in accordance with the Listing Rules of the Hong Kong Stock Exchange, which will take into account gender, age, race, language, cultural background, educational background, industry experience and profession, to enhance Board diversity. The Company has a Nomination Committee (chaired by Ms. YU Lixin, and comprising Mr. LIU Xiangdong and Mr. XU Xiuxian), which is responsible for reviewing the qualifications and diversity of director candidates.



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

Gender Diversity of the Board	Among the current Board members, there is 1 female director, Ms. YU Lixin (independent non-executive director), accounting for 12.5% of the Board members.
Responsibilities of the Board	• Meeting attendance rate: 100%. • Changes to the Articles of Association require shareholder approval: The Company regularly publishes notices and resolutions of general meetings on the Stock Exchange and its official website. • Board performance evaluation: The Company follows the Hong Kong Corporate Governance Code and conducts annual performance evaluations of the Board and its committees.
Average Tenure of the Board	As of December 31, 2025, the average tenure of the Board members was 5.96 years.
Industry Experience of the Board	All Board members have relevant work experience in the industry, including but not limited to retail, finance, etc.
CEO Compensation	The variable compensation of the Chief Executive Officer (CEO) is linked to three financial indicators: net profit attributable to the parent company, operating cash flow, and asset balance, so as to optimize the Company's compensation structure and drive the Company's performance growth.
CEO Compensation – Linked to Long-term Performance	The Chief Executive Officer (CEO) has short-term incentive compensation deferred in the form of shares. On April 6, 2023, the Company granted 180,000 restricted share units to the CEO, vesting over 5 years, with clear vesting targets for each period. On December 27, 2023, 160,000 restricted shares were granted, which will vest in one lump sum in April 2027 after the corresponding vesting conditions are met. In the compensation plan for senior management, the performance assessment period is 1-3 years, and the maximum vesting period used to evaluate variable compensation is 5 years. Meanwhile, the Company has formulated a clawback policy, which allows for the recovery of performance-based compensation within a period of time after the compensation award is granted if there are major violations.



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

6.2 INTELLECTUAL PROPERTY RIGHTS, INNOVATION-DRIVEN DEVELOPMENT

6.2.1 Protecting Intellectual Property

Goals

The Group regards strengthening intellectual property management as a core driver and continuously enhances its independent innovation capabilities. It is committed to effectively protecting its proprietary R&D achievements, consolidating and strengthening its market competitiveness, while actively promoting technological progress across the industry. The Group strictly complies with applicable laws and regulations, including the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*. Based on these legal frameworks, the Group has formulated the *Huitongda Intellectual Property Management System* and the *Rules for Intellectual Property Protection and Infringement Complaint Handling*. These systems cover multiple management areas, including software copyrights, patents, trademarks, fonts, images, software and trade secrets, with the aim of establishing a comprehensive intellectual property management system, effectively enhancing risk prevention capabilities, and providing a solid safeguard for the Group's innovation and sustainable development.

PERFORMANCE HIGHLIGHTS FOR THE YEAR

The table below shows the additional granted and cumulative number of software copyrights, patents, and registered trademarks of the Group as of December 31, 2025.

Category	Additional number in 2025 (piece)	Cumulative number (piece)
Software copyrights	100	415
Patents	0	35
Registered trademarks	102	1,012



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

Strategies

In accordance with the relevant provisions of the *Huitongda Intellectual Property Rights Management System*, the Group has established an innovation mechanism aimed at incentivizing technology R&D and product upgrading, and applies for patent protection for innovation achievements in a timely manner. The Board of Directors of the Group bears the ultimate supervisory responsibility for the effectiveness, strategic direction, and standardization of intellectual property management. Its management is one of the strategic issues focused on by senior management, and the Legal Affairs Department is specifically responsible for the specific execution of intellectual property management work. The Group implements a clear responsibility system for the management of intellectual property rights, strengthens measures for the protection of trade secrets, and through regular evaluations and continuous improvement, ensures that various systems and measures are implemented in place, effectively protecting independent intellectual property rights while strictly preventing infringement of the legitimate rights and interests of others. If any holder of intellectual property right believes that the information on the Huitongda platform infringes on his/her legitimate rights and interests, he/she can lodge a complaint through formal channels. The Group will handle the complaint in a timely and fair manner in strict accordance with applicable laws and regulations and the rules of the platform. In order to ensure legal compliance in the use of software, the Group implements an annual software licensing audit mechanism and maintains in-depth cooperation with software vendors to ensure that all software in use is legally authorized.

The Group resolutely opposes and actively combats any acts infringing on intellectual property rights. The Group has deployed an internal network packet inspection system. By analyzing the characteristics of network data, the system can automatically scan and identify violations such as the use of unauthorized commercial software by employees, ensuring that the Group can discover and rectify potential internal illegal and non-compliant operations in a timely manner. At the platform operation level, upon receipt of a notice of intellectual property infringement, the Group will accept and respond to the complaint strictly in accordance with the *Rules for Intellectual Property Protection and Infringement Complaint Handling*. The handling process includes: publicizing the infringement notice submitted by the complainant, and carefully reviewing the grounds for the complaint and the supporting materials provided. Once the infringement is verified, depending on the likelihood of infringement and the severity of the case, the platform will take necessary measures in accordance with laws and regulations, including but not limited to deleting the infringing information, blocking the infringing goods or services, disconnecting the relevant infringing links, and terminating the transactions and services.

6.2.2 Innovation Development

Goals

The Group is committed to cultivating and promoting a culture of innovation. It actively encourages all employees and supply chain partners to practice innovation in their daily work, jointly contributing to the sustainable development of the enterprise. In the future, the Group will continue to carry out special process audits on various innovation solutions and ideas to ensure that each innovation practice can be effectively implemented in line with the strategic direction for long-term sustainable development of the Group. By optimizing the innovation management mechanism, the Group will continuously enhance its competitiveness in the industry, laying a solid foundation for its future sustainable development.

6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

Strategies

The Group has always been committed to stimulating the innovation vitality of employees and enhancing overall operational efficiency by continuously optimizing management mechanisms. In order to motivate employees to proactively optimize existing mechanisms, processes and operating methods towards the goal of increasing efficiency, reducing costs and improving employee and user experience, the Group has specially launched the "Huibao Action". This program aims to mobilize employees to actively leverage their subjective initiative and creativity, deeply participate in the Group's development and daily operation, and actively propose constructive suggestions. During the course of promoting technology innovation, the Group values data-driven decision-making, systematically collecting and analyzing relevant data and conducting regular risk assessments to scientifically evaluate the effectiveness of implemented innovation initiatives and plans. Relying on a sound information collection and feedback mechanism, the Group can objectively assess the effect of innovation measures, and make timely dynamic adjustments to and optimize innovation strategies. In addition, the Group organizes special reviews regularly to systematically examine the construction process of the innovation culture and the execution of related programs, identify areas for optimization, and document the implementation effect of enhancement measures. Through this series of continuous evaluation and review mechanisms, the Group ensures that the innovation culture is solidly advanced and continuously deepened, providing systematic support for sustainable innovation development.

CASE

Since 2024, when Huitongda partnered with Ningxia Lanfeng to establish Ningxia Asifite in Ningxia and fully launched the production base for acephate technical material (Note: a highly efficient, environmentally friendly, low-toxicity insecticide), the agrochemical team has faced numerous challenges. Nevertheless, by engaging top-tier professional teams and adopting advanced environmentally friendly technologies and equipment, the factory has been constructed to high standards. In 2025, the project officially entered the production stage, with the first batch of products achieving a purity level of up to 98%. This milestone sets a new benchmark for Huitongda in terms of quality and innovation, representing a major breakthrough in its technological innovation and industrial upgrading.







6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

6.3 INFORMATION SECURITY, ALWAYS PREPARING FOR PREVENTION

6.3.1 Information Protection

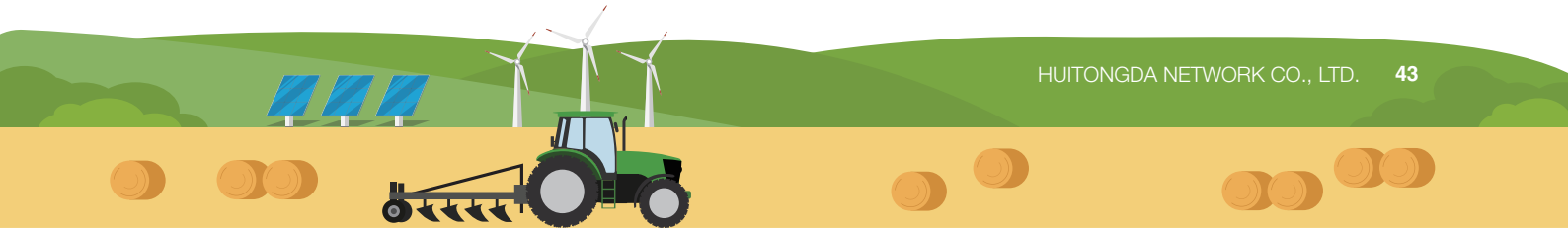
Goals

Huitongda consistently places the protection of customer data and the safeguarding of consumer rights and interests at the core of its operations, and fulfils this commitment through a series of stringent measures. At the technical level, the Group adopts multiple layers of protection, including data encryption, access controls, and firewalls, to effectively prevent data leakage, tampering, or loss, thereby ensuring the security and reliability of its information assets. To ensure the effective protection of personal user privacy, the Group strictly complies with the *Personal Information Protection Law of the People's Republic of China*, and has fully integrated privacy protection requirements into its overall risk and compliance management framework. The Group has also formulated and implemented a series of internal policy documents, including the *Huitongda User Information Protection Policy*, the *Personal Information Collection List*, and the *Personal Information Sharing List*.

Strategies

The Group has established a data desensitization system and mechanism. Through the enterprise data governance platform, it achieves full-process online compliance control over user privacy data, ensuring data security in all aspects. The Group has realized full-domain scanning, identification, and online unified management of system-wide user privacy data, ensuring the standardization and online management of sensitive data definition standards, encryption specifications, usage guidelines, and related service scenarios. The Group has established a data security organizational structure with the Data Department as the responsible department for data security. It is responsible for identifying sensitive data and implementing hierarchical management, and strictly executing data desensitization, encryption, and decryption strategies. The Board of Directors supervises the implementation of industry standards for information security, and senior management members in technology R&D directly participate in the handling of information security incidents. In addition to using encryption technology to protect sensitive data transmitted externally, the Group also comprehensively applies data desensitization measures in the internal handling process involving customer sensitive data. All sensitive data, especially user-related information, are stored in the database in encrypted form, and the decryption keys are managed by designated personnel. If sensitive data needs to be exported, relevant personnel must submit a complete approval process through the OA system. Decryption operations are only executed when necessary, and the entire process must be completely recorded, with relevant decrypted data included in the scope of online statistics.

All applications of the Group provide clear prompts in the user interface before collecting user data. In accordance with the *Privacy Agreement (User Information Protection Policy)* displayed on the login page of the business system, the Group requires users to fully understand the usage methods and authorization scope of relevant data. The Group strictly complies with laws, regulations, and privacy protection requirements for the use and sharing of data. If it is indeed necessary to transfer data to third-party partners (such as logistics service providers), it will also strictly require them to have corresponding user data security protection mechanisms to comprehensively protect user privacy security. The usage process of all sensitive data is recorded with complete logs to achieve operation traceability. For necessary sensitive data usage scenarios by third parties, confidentiality agreements have been signed to further ensure the security and compliance of data during the cooperation process.



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

The Group safeguards employees' privacy in the workplace. In handling employees' personal information and implementing management measures, it adheres to the principles of "lawfulness, legitimacy, and necessity" as well as "data minimization". All measures must be premised on achieving specific and reasonable management purposes, and the means with minimal impact on employees' rights and interests are adopted. The specific practices are as follows:

Information Confidentiality and Restricted Disclosure	Reasonable and Transparent Monitoring Settings	Proper Handling of Information of Departed Employees
Strictly keep the collected employees' personal information confidential, and desensitize it (hide ID numbers, addresses, etc.) before disclosure (such as in announcements).	The installation of cameras is limited to public office areas and employees are clearly informed. Installation in private places such as locker rooms and restrooms is prohibited.	After an employee departs, timely stop using, delete, or anonymize their personal information.

CASE

In 2025, the Company deployed Software Composition Analysis (SCA) tools to strengthen software supply chain security control and prevent data theft risks caused by component vulnerabilities. It deployed an Endpoint Detection and Response (EDR) platform to enhance endpoint security protection capabilities and achieve real-time monitoring and proactive interception of attack behaviors. At the same time, it upgraded and expanded cloud security capabilities, covering scenarios such as WAF upgrades, API security, host protection, SOAR, and RASP, to enhance the overall cloud defense level, effectively identify and block malicious unauthorized access and attack behaviors in real time, and safeguard user privacy data security.

6.3.2 Data Security

Goals

The Group has always placed Internet asset management and data security at its core. In strict compliance with the requirements of relevant laws and regulations such as the *Personal Information Protection Law of the People's Republic of China*, and based on this, it has formulated and implemented a series of internal systems including the *Policy on the Security Management of Information Systems*, the *Policy on the Management of Database Backup and Recovery*, the *Policy on the Management of Emergency Handling of Information Systems*, the *Huitongda Policy on Classified and Grading Management of Data Security*, the *Confidentiality Management Policy*, the *Measures for the Management of Information Security Graded Protection*, and the *Information Security Emergency Response Plan*. By building a strict data security management system, combined with technical protection and compliance management, Huitongda is committed to safeguarding the confidentiality, integrity, and availability of internal information, data, and documents, thereby continuously enhancing the overall internal control and security governance level of the enterprise.

6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

PERFORMANCE HIGHLIGHTS FOR THE YEAR

Classified Protection of Cybersecurity: Huitongda Mall has completed Level III filing for the Multi-Level Protection Scheme (MLPS) with the Nanjing Municipal Public Security Bureau and has passed on-site assessment by a certification body.


网络安全等级保护
备案证明

依据《中华人民共和国网络安全法》和《信息安全等级保护管理办法》的有关规定，汇通达网络股份有限公司 单位的：

第 三 级 汇通达 B2B 商城 系统

予以备案。

证书编号：32010013056-25001

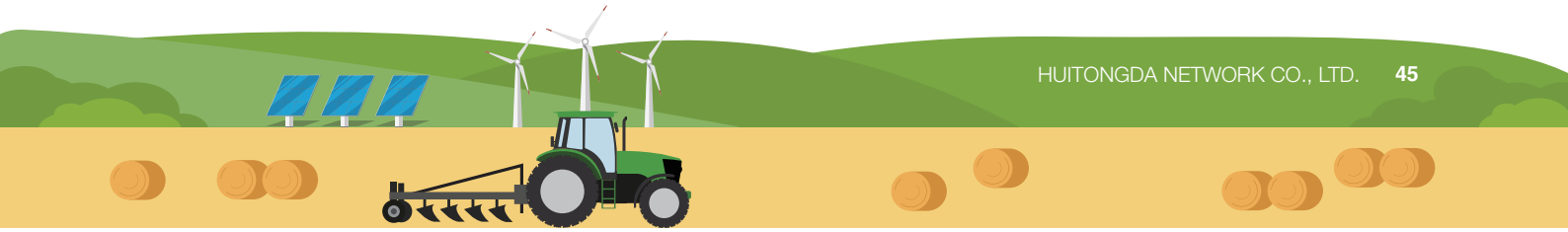
中华人民共和国公安部监制

备案公安机关公章

2025年11月27日

Strategies

The Group has built a security risk governance system covering data classification management, access control, and the entire R&D lifecycle. During the source code development and launch process, the Group attaches great importance to potential security hazards and regularly executes system vulnerability testing. It formulates security strategies in accordance with the *Huitongda Policy on Classified and Grading Management of Data Security* to ensure that all products undergo systematic evaluation and comply with applicable data privacy regulatory requirements, so as to safeguard the security of data in all processes of transmission and storage, and provide users with solid and reliable data protection. While continuously improving internal data security management, the Group also actively addresses external security threats. Each year, it engages professional third-party security institutions to conduct security testing, and continuously monitors risks of consumer data leakage to identify areas requiring strengthened controls. Systematic risk analysis is carried out, covering the entire development process to a substantial extent, thereby achieving comprehensive end-to-end risk prevention and forming a multi-layered data security protection framework. In addition, through multiple measures such as deploying security tools including D-Track and Wazuh to build a solid protective shield, conducting multi-scenario ransomware emergency drills to enhance handling capabilities, comprehensively investigating various security vulnerabilities to ensure 100% repair of high-risk vulnerabilities, and reducing internet assets to minimize network exposure, the Group has consolidated the vulnerability prevention and offensive and defensive emergency capabilities of its financial systems. During the year, we obtained the Level 3 assessment of the Multi-Level Protection Scheme (MLPS) for cybersecurity, thereby effectively safeguarding the business and data security of our finance-related systems.



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

To further standardize the emergency response process, the Group strictly executes the *Information Security Emergency Response Plan* to enhance emergency handling capabilities, improve the emergency management mechanism, and safeguard the safe and stable operation of information systems and business continuity. The Group adheres to the principle of "prevention first, hierarchical responsibility", and backs up key information systems and hardware equipment. It regularly backs up the production system database in the early hours of every day, adopts cross-node physical + logical dual backup for important systems, and adopts backup strategies such as full, differential incremental, and cumulative incremental according to the system scale. Backup files are encrypted and stored long-term on multiple media locally + off-site (Alibaba Cloud Shanghai node, Hangzhou node). RPA robots are used to inspect data backups daily, and backup inspection results are automatically sent via email. In addition, the Company organizes internal and external network penetration tests, disaster recovery and recovery drills quarterly to verify the availability of backup files. It establishes a multi-pronged working mechanism from preventive monitoring, emergency handling to safeguard recovery, improves the departmental security responsibility system and linked handling process, and strengthens cross-departmental collaboration, thereby ensuring that the emergency response plan is effective, and achieving scientific, procedural, and standardized response to emergencies. Once a security incident occurs, the person involved must immediately report to the Information System Department, which reports to the Technology R&D Director, and reports level by level according to the severity of the incident. The Information System Department needs to use security equipment for analysis and judgment, take blocking measures immediately, and notify the responsible party to block the vulnerability. After the repair is completed, it can only be put back online after passing the recovery test.

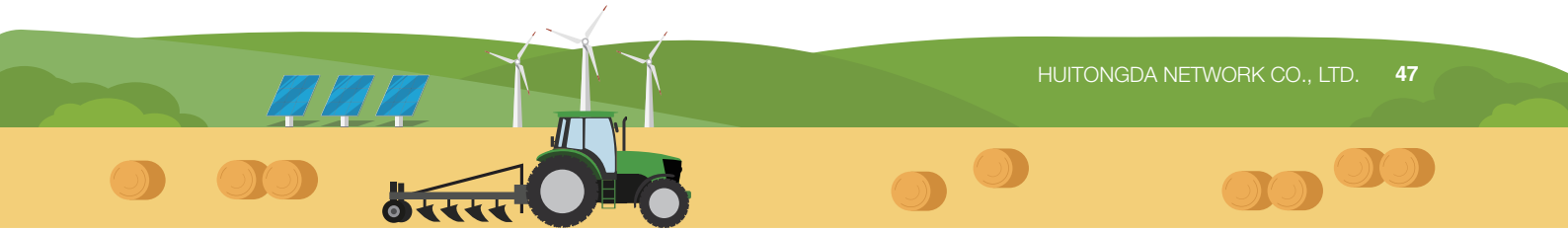
The Group punishes or rewards the person responsible for information security incidents in accordance with the *Policy on the Management of Emergency Handling of Information Systems*. The deputy team leader and team leader can propose recognition and awards for collectives and individuals with outstanding performance in emergency handling. For those who cause adverse effects or serious consequences due to dereliction of duty, they will be held accountable in accordance with laws and regulations. After the incident is handled, a written report must be formed and a special report must be made to the Information Management Committee. The Group links system security to employee performance assessment.



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

CASE

Information Security and Cybersecurity Training	During the year, the Company conducted 1 online cybersecurity training session for all employees, which covered special training and publicity on issues such as AI deepfake prevention, ransomware emergency responses, data compliance, external network asset security, and anti-fraud practices, so as to enhance the capabilities of all employees in AI false information identification, network fraud prevention, and system vulnerability handling. Throughout the year, 33 people participated in the training on the SCA supply chain tool D-Track. Centered on SBOM, the training covered the dependency mapping of full-stack components, including applications, containers, and firmware. By integrating multi-source vulnerability intelligence databases, it enables precise detection of component vulnerabilities and software license compliance risks. It also supports customizable security policies and is seamlessly embedded into CI/CD pipelines, thereby enabling automated management and rapid response to software supply chain risks.
	During the year, 305 people participated in the National Cybersecurity Awareness Week training. With the core theme of "Cybersecurity for the People, Cybersecurity Relies on the People", the training focused on cybersecurity legal education, risk warnings, skills popularization, achievement showcases, and AI security governance, etc. A variety of formats were adopted, effectively enhancing employees' cybersecurity awareness.
Emergency Incident Response Testing	In the first half of 2025, a NCC ransomware emergency drill was conducted. The exercise simulated a scenario in which hackers exploited website vulnerabilities to encrypt the NCC database and issued a ransom note. The system was ultimately restored through offsite backup recovery of the NCC database.
	In the second half of 2025, a ransomware emergency drill for the YunChang Mall system was carried out. The exercise simulated a scenario in which hackers exploited weak password vulnerabilities to encrypt the user center database of YunChang Mall, involving two cases: encryption of the primary database only, and encryption of both primary and standby databases. Business systems were ultimately restored through standby database switchover and offsite backup recovery.
Third-party Vulnerability Analysis and Simulated Hacker Attacks on Information Technology Infrastructure and Information Security Management Systems	During the year, Jiangsu Network Engine Information Technology Co., Ltd. (江蘇網擎信息技術有限公司) conducted simulated hacker attacks on various system assets of Huitongda: • Used commercial scanning tools to scan operating systems, middleware, etc. for the Company's intranet systems. The vulnerabilities found were mostly operating system vulnerabilities and weak password vulnerabilities, which have now been repaired; • Conducted penetration testing on the Company's extranet systems. A total of 2 extranet vulnerabilities were found, and they did not break through to the intranet. The vulnerabilities have now been repaired.



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

Specific quantitative data regarding customer privacy information is shown in the table below.

Category	Description	Unit	Quantitative value in 2025
Customer privacy information	Percentage of users whose customer data is used for secondary purpose[1]	%	15
	Percentage of users whose customer data is used for primary purpose	%	30
Online strategies and customers online	Percentage of total number of customers using online service solutions/sales platforms	%	45.57
	Percentage of revenue from online/Internet business	%	1.06
Information security/Network security and system availability	Total number of information security vulnerabilities	Time	50
	Percentage of information security vulnerabilities repaired and resolved	%	100
	Total number of clients, customers and employees affected by the breaches	Person	0

Management – Internal Control

The Company has established a sustainable development internal control system covering areas such as environment, society, governance, and compliant operations. It clearly defines the scope of internal control, division of responsibilities, core functions, and organizational structure, with oversight by the Board, review by the Audit Committee, and implementation by management. The Company implements standardized internal control procedures to verify the compliance and consistency of sustainable development performance, ensuring compliance with policies, processes, and external regulatory requirements. Based on internal control results, a closed-loop remediation mechanism has been established to facilitate timely, graded rectification and follow-up on outcomes. At the same time, mechanisms are in place to ensure that governance bodies are regularly and promptly informed of the operation and results of internal controls. Through data collection and risk analysis, the Company evaluates the effectiveness of internal control implementation and regularly reviews the adequacy of the internal control system, continuously optimizing the integrity and credibility of sustainable development management. The Company conducts internal control self-assessments annually, identifies areas for improvement, and implements optimization measures, thereby forming a continuous improvement loop for internal control management.

1 Secondary purpose means that the Company intends to use the data beyond the primary purpose for which it was collected. The Company will build user profiles based on basic user information, life cycle, and user transaction behaviour, and customize customer labels and target customer segmentation based on the profiles for use in marketing campaigns (e.g., sending SMS, smart outbound calls, etc.).



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

6.4 INTEGRITY AND HONESTY, ADHERING TO PROFESSIONAL BOTTOM LINES

Goals

The Group is committed to building and maintaining an honest and transparent business environment, and resolutely opposes all forms of illegal and non-compliant behaviors such as corruption, bribery, fraud, collusive bidding, and market manipulation. The Group strictly complies with relevant laws and regulations such as the *Contract Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Interim Provisions on Banning Commercial Bribery*, and earnestly implements internal norms such as the *Anti-Fraud Management Policy*, the *Standards of Business Conduct and Ethics*, the "Sunshine Agreement", and the "Integrity Initiative". At the same time, it requires the management to sign an annual compliance commitment. By continuously improving the anti-corruption management system and implementing systematic institutional design and dynamic monitoring mechanisms, the Group abides by the principles of integrity-based operations, ensures fair competition, regulates employee behaviors, and effectively identifies and prevents collusion risks to safeguard the legitimate rights and interests of the Group and its stakeholders.

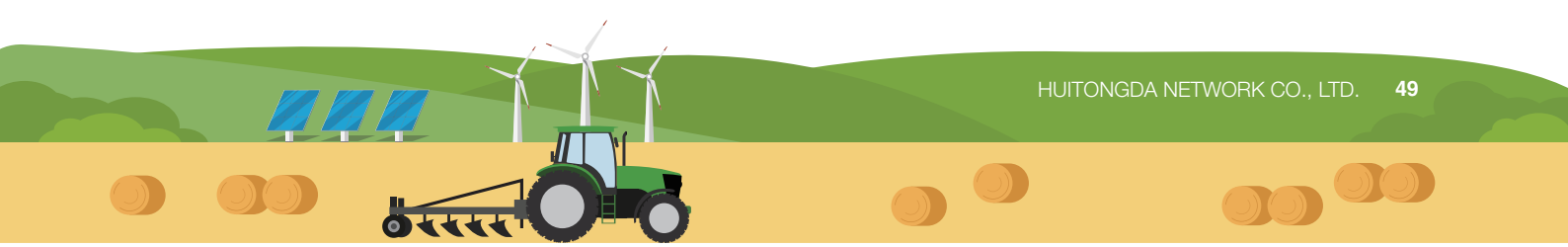
The Company has established a collusion risk identification and prevention mechanism, incorporating anti-collusion and anti-unfair competition measures into its compliance management system. It conducts regular inspections and risk assessments focusing on high-risk areas such as procurement and tendering processes. Through institutional constraints, integrity training, whistleblowing and supervision, internal audits, and counterparty management, it strengthens full-process prevention and control. It strictly holds accountable any violations, thereby safeguarding fair competition and ensuring operational compliance.

Strategies

Anti-Fraud Policy

In order to effectively prevent illegal, disorderly and corrupt, and malpractice behaviors and ensure the compliant and orderly conduct of business activities, the Group has established and implemented an anti-fraud mechanism. The *Anti-Fraud Management Policy* has stipulated the division of responsibilities of each department in anti-fraud work and clarified the handling process for whistleblowing information: after receiving a report, the Internal Audit Department will initially categorize the content and contact the whistleblower to provide necessary protection, and then report it to the CEO; the CEO, based on the content of the letter and the severity of the issue, instructs the Internal Audit Department to conduct an investigation and formulate follow-up handling measures, ensuring efficient and collaborative operations within the compliance framework.

In addition, in accordance with the Code of Business Conduct and Ethics, the Internal Audit Department conducts annual audits and reviews on commercial business, product R&D, financial management, resource management, etc.. The results are reported to management, and formal audit reports are issued where necessary. The audited entities are urged to implement rectification measures, and follow-up actions are tracked. The Group will take disciplinary action against any employee who violates the regulations depending on the severity of the circumstances, including termination of the employment contract. The Group strictly prohibits retaliation against employees who report violations. Any retaliatory behavior will be dealt with seriously, and in severe cases, the employment contract will be terminated. Through the above measures, the Group continuously maintains a transparent and fair operating environment, and ensures that employees safeguard the interests of the Group and themselves within the compliance framework, thereby jointly building a healthy and sustainable compliance culture.



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

Board of Directors	• Responsible for overseeing management, and shaping an anti-fraud cultural environment within the Group; • Establishing a sound internal control system, including fraud prevention, receiving reports and investigation and handling, and authorizing the Audit Committee of the Board of Directors to provide guidance for anti-fraud.
Audit Department	• Responsible for developing an anti-fraud system, ensuring its effective implementation; • Maintaining a fraud complaint and reporting channel for receiving and handling investigations of possible fraud; and protecting the interests of whistleblowers and reward reporting; • Reporting to the Group's management on the investigation results and making corresponding recommendations.
Human Resources Center	• Responsible for punishing the employees who have committed fraud according to the results of the investigation of the Audit Department; • Conducting assessments based on the severity of the fraud, and handing over the violations to the judicial organ for handling.
Each Business Division and Subordinate Branches and Subsidiaries	• Responsible for actively cooperating with the investigation of the Audit Department, and closing the gap according to the feedback of the investigation by the Audit Department to solve problems found and disable the reoccurrence of similar problems.

In the management of suppliers, agents, and partners, the Group implements a graded background investigation system, focusing on reviewing their historical litigation records, equity structure correlations, and compliance qualifications, and signs a "Sunshine Agreement" with partners, explicitly stipulating the anti-fraud clauses and breach of contract responsibilities that both parties must follow during cooperation, and strictly prohibiting any behavior that hinders, restricts, or distorts market competition through collusive pricing, market segmentation, bid rigging, output restriction, etc. For high-risk third parties (such as intermediaries involving government-enterprise connections), the Group requires them to pass independent third-party audits and sign the *Anti-Corruption Commitment*.



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

In terms of dynamic monitoring mechanisms, the Group conducts special audits on the top 100 suppliers annually, focusing on verifying the authenticity of invoices, the flow of commissions, and the compliance of market competition behaviors, and uses big data technology to analyze third-party transaction patterns to identify signs of potential monopolistic behaviors (such as abnormal convergence of regional pricing). Through the above systematic measures, the Group actively promotes all partners to fully understand the importance of preventing anti-competitive behaviors, jointly avoid compliance risks, and work together to maintain a clean and transparent business ecosystem.

Whistleblowing System and Whistleblower Protection

The Group encourages its employees and partners to exercise their rights of whistleblowing when spotting bribery or corruption issues. The Group has published whistleblowing channels through documents, web pages, App client terminals, procurement contracts, posters and other means, and opened the Huitongda anti-corruption hotline. Employees can submit their whistleblowing report or feedback through the following channels:

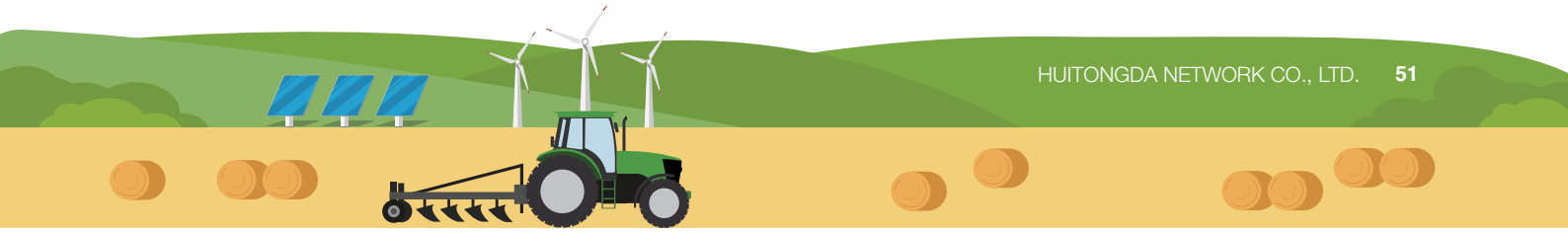
Whistleblowing tel: 025-89677688

Whistleblowing email: jubao@htd.cn

Anti-corruption whistleblowing tel: 400 639 9988

The Group is committed to building an open and transparent internal communication environment. All employees and partners can grasp the whistleblowing channels and receive guidance and training on how to make effective reports through these channels. If there are any questions or suggestions, they can provide direct feedback to the human resources colleagues of their department or the Audit Department. Through these channels, the Group can timely and effectively respond to employee concerns, promote problem resolution, and continuously drive the deepening and implementation of the compliance culture.

As the core functional department of the Group for investigating fraud and corruption, the Audit Department is directly led by the Audit Committee, headed by an independent director, and reports independently to the Board of Directors. It implements higher background screening standards than other departments during the personnel recruitment process to control potential risks from the source. If there is a conflict of interest between the auditor and the investigation target, the Group will strictly implement the avoidance system to eliminate possible biases or conflicts of interest. For major or complex cases, the Group will establish an independent compliance investigation team composed of external lawyers, forensic accountants, and other professionals to conduct the investigation, and the results will be reported directly to the Audit Committee of the Board of Directors. Once the violation is verified, the Group will handle it strictly in accordance with relevant policies and regulations. This governance structure ensures the confidentiality, independence, and objectivity of the whistleblowing acceptance and investigation process, providing a solid institutional foundation for anti-corruption work, and ensuring that all reports are handled fairly and rigorously.



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

The steps for the Group to handle whistleblowing reports can be specifically divided into the following three phases:

Whistleblowing acceptance phase

- The identity of the whistleblower is kept strictly confidential, and only necessary internal staff is allowed to access the relevant information.

Investigation phase

- The Audit Department will take necessary confidentiality measures a n d adhere to the principle of minimal knowledge to secure relevant information throughout the investigation;
- The investigator will sign a confidentiality agreement and share the progress of the investigation with only necessary internal personnel.

Reward phase

- The reward procedure will be kept strictly confidential to ensure that the identity of the whistleblower is not disclosed. Any information related to the reward will be strictly protected.

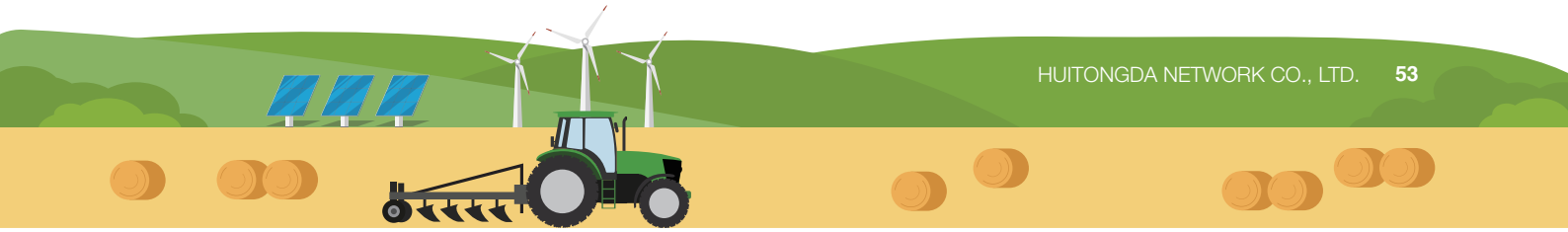


6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

The Group is committed to establishing and maintaining a safe and reliable whistleblowing channel by effectively protecting the rights and interests of whistleblowers and the security of personal information, and promptly, independently, and objectively investigating incidents of commercial conduct (including corruption or bribery). The Company has established a special investigation and serious handling mechanism for corruption incidents. For reported or discovered issues such as corruption, transfer of benefits, and fraud, the CEO will immediately confirm and hand them over to the Audit Department to initiate an independent investigation, strictly following compliance procedures to obtain evidence and verify. For verified violations, accountability will be strictly pursued in accordance with regulations and disciplines. Those involving illegal acts will be handed over to judicial organs, and rectification and warning education will be carried out in a timely manner, forming a closed loop of identification – investigation – disposal – rectification, and building a solid defense line against integrity risks. It resolutely combats fraud and corruption, thereby maintaining the compliant operation and sustainable and healthy development of the enterprise. In order to effectively protect the legitimate rights and interests and information security of whistleblowers, the Group explicitly stipulates in the *Anti-Fraud Management Policy*: auditors responsible for accepting complaints and reports must strictly abide by confidentiality disciplines. The Audit Department implements strict confidentiality management for all whistleblowing information, strictly prohibits the disclosure of the whistleblower's identity information such as name, employer, address, and telephone number, and must not show the original or copy of the whistleblowing materials to the outside. During the investigation process, the Audit Department will take necessary technical and organizational measures to ensure the confidentiality and integrity of the whistleblowing information. Relevant information is only accessed and used by authorized personnel for the purpose of internal investigations and handling. Any act of leaking whistleblowing information is regarded as a serious violation, and the Group reserves the right to pursue relevant responsibilities.

At the same time, the *Anti-Fraud Management Policy* emphasizes that no department or individual shall hinder or suppress whistleblowing behavior for any reason, shall not retaliate against whistleblowers, and shall not hinder the investigation work of auditors. Any such conduct, once identified, will be dealt with seriously by the Group; where it involves violations of national laws, the case will be referred to judicial authorities for legal accountability. For non-compliant employees, the Group adheres to the "zero tolerance" principle, and handling measures include but are not limited to terminating employment contracts and recovering illegal gains. For third parties involved, the Group will take measures such as terminating cooperation and blacklisting them for cooperation, and report to relevant regulatory authorities depending on the severity.

In 2025, the Group and its employees were not aware of or involved in any breaches of laws and regulations such as bribery, corruption, conflict of interest, money laundering or insider trading. The Company has not experienced any legal prosecutions, non-compliance with laws and regulations, or been required to pay fines.



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

CASE

During the year, the Group held online training covering directors and employees across multiple areas, including anti-corruption, conflict of interest, anti-money laundering, and insider trading. The main training materials included the *Huitongda Anti-Fraud Management Policy* and the *Integrity Culture Publicity*. The main training materials of offline training included the *Integrity Culture Publicity* and *Negative Typical Cases*. Specific quantitative data regarding anti-corruption training is shown in the table below.

Category	Indicator	Unit	Quantitative value in 2025
Directors participating in anti-corruption training	Total number	Person	9
	Total hours	Hour	27
Employees participating in anti-corruption training	Total number	Person	331
	Total hours	Hour	662

6.5 RESPONSIBLE MARKETING, WINNING CUSTOMER TRUST

6.5.1 Responsible Marketing

Goals

The Group always adheres to the operating principles of truthfulness and transparency, and insists on implementing responsible marketing and advertising strategies, placing the protection of consumer rights and interests at the core. The Group strives to ensure that all commercial promotion behaviors comply with relevant laws and regulations, industry standards, business ethics, and social expectations, guaranteeing the authenticity and accuracy of marketing activities and advertising content, and eliminating any form of misleading publicity. The Group is committed to continuously enhancing its practices, earning trust through integrity-based operations, and contributing to the healthy development of the industry.

Strategies

The Group disseminates product and service information to customers through various channels such as online platforms, offline services, and customer service hotlines, including marketing information, product specifications, service plans, etc., and updates content and related rules from time to time to ensure that the product and service information provided is clear, accurate, and complete. Customers can log in to the information publicity platform on the official website at any time to inquire about the latest product details, service descriptions, and related rules. At the same time, by continuously improving the *Measures for the Management of News Publicity and Public Opinion Work*, the Company communicates corporate developments, conveys corporate values, and shapes corporate image to various stakeholders more accurately and efficiently.



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

To ensure the compliance and responsibility of marketing activities, the Group has established an advertising review mechanism to guide all the employees and partners to carry out marketing and promotion in a responsible manner. Before the release of product promotional materials, the Group will fully communicate with product manufacturers, and only publicize them after the legal review confirms that the content is legal and compliant and meets the manufacturer's requirements.

The Group proactively promotes honest operation, eliminates false advertising and endeavors to provide consumers with truthful and reliable products and service information. Meanwhile, the Group strictly complies with relevant regulations on privacy protection in the data collection and use to ensure the security and confidentiality of consumer information. When competing in the market, the Group always adheres to the principle of fair competition, does not denigrate its rivals in the industry or take improper means for comparison, and is committed to jointly building a healthy and orderly market environment. The Group's core commitment related to responsible marketing mainly covers the following three major aspects: information transparency, data responsibility and special protection:

Information Transparency

All advertisements must be clearly labeled with an "advertisement" tag. Promotions in regulated sectors such as healthcare and finance must obtain the legally required qualifications in advance;

Promotional claims made during livestream marketing must be truthful and valid; deceptive language such as fabricated "limited-time offers" is strictly prohibited.

Data Responsibility

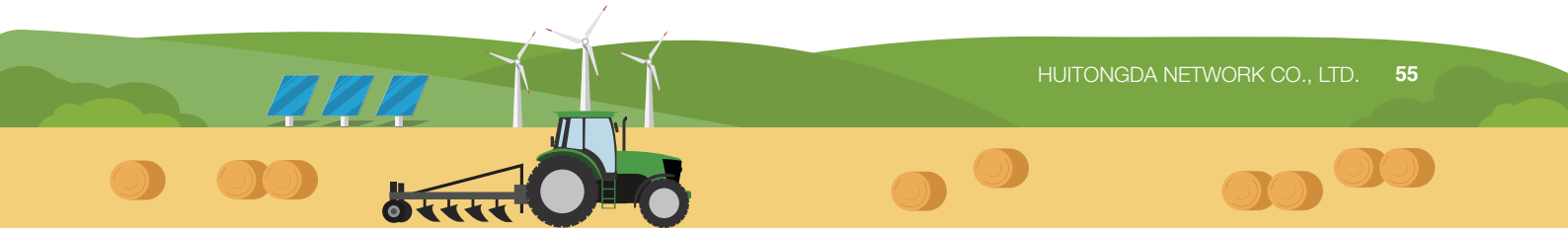
Only essential information may be collected within the scope permitted by law and with user consent. Customer data must not be used for undisclosed purposes;

When incorporating third-party data, its legitimate source must be verified, and a confidentiality agreement must be signed.

Special Protection

Protective measures must be in place for vulnerable groups such as minors, the elderly, and persons with disabilities. These include: refraining from sending non – essential product advertisements to users under the age of 16, providing elder-friendly promotional materials with a minimum font size of 14pt, and ensuring that digital content is accessible via screen readers.

To enable ongoing oversight and optimization of responsible marketing, the Group stipulates that all marketing initiatives must undergo compliance review by legal personnel, with key advertising materials archived in a unified manner. The Group conducts random inspections on existing promotional activities on a periodic basis, with a focus on verifying content authenticity and monitoring consumer feedback. For dispute resolution, the Group has established an official customer service hotline and complaint channels to ensure timely response and handling of consumer concerns and opinions. Any non-compliant marketing activity must be immediately suspended, and corrective measures are publicly disclosed to society. Additionally, the Group conducts annual marketing policy compliance evaluations and updates internal policies promptly in response to major legal updates. New employees are required to receive training on marketing compliance upon onboarding, and all suppliers must sign a marketing responsibility commitment before entering into cooperation.



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

To foster an open, transparent, trustworthy, and accountable platform business environment, enhance its reputation in the e-commerce sector and protect the rights and interests of buyers, the Group has formulated and implemented a series of internal regulations, including the General Provisions on Merchant Management, the Huitongda Product Listing Standards for Merchants, and the Huitongda Prohibited Product Management Guidelines. Among them, the General Provisions on Merchant Management adhere to the principles of transparency, fairness, and impartiality, outlining the fundamental responsibilities of platform merchants in areas such as transaction management, market governance, and handling of breaches. Through a cumulative points-based penalty mechanism, breaches are addressed in a timely manner to safeguard a healthy commercial ecosystem. The *Huitongda Product Listing Standards for Merchants* stipulates that merchants are prohibited from publishing products or advertisements that violate national laws or the platform's policies. Should a merchant's published content result in legal disputes or cause losses (including but not limited to consumer complaints, regulatory penalties, breach of contract, or intellectual property disputes, etc.), the relevant responsibility shall be borne by the merchant, and the Group reserves the right to take disciplinary action until termination of cooperation.

In 2025, the Company has not discovered any non-compliant incidents involving product and service information and labeling as well as marketing communications.

6.5.2 Customer Service

"Customers must always be our top priority. Without customers, we are like water without a source or a tree without roots."

Goals

Customers are the cornerstone of an enterprise's development, and their satisfaction is a key indicator of service value. As an industrial internet platform focusing on lower-tier markets, Huitongda consistently prioritizes customer needs. Through digital empowerment, refined operations, and continuous service upgrades, the Group strives to create sustainable value for rural retailers and industry chain partners. The Group's measures in customer service system development, experience optimization, and feedback mechanism improvement are aimed at continuously enhancing customer satisfaction and building a trustworthy corporate image. Looking ahead, Huitongda will continue to remain customer-centric and work in coordination with partners to build a more efficient and empathetic service ecosystem, promoting the benefits of the digital economy to reach a broader rural market.



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

PERFORMANCE HIGHLIGHTS FOR THE YEAR

Customer satisfaction with the Group's tools and activities was 95.30%, and customers actively called to inquire about product renewals.

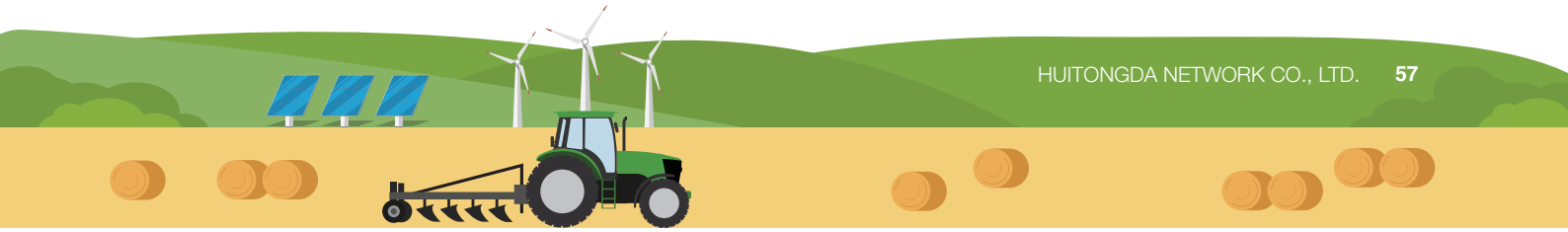
The Group received a total of 42 customer complaints. The customer complaint rate recorded in our ticketing system was 100%, the resolution rate of complaint cases was 100%, and the average complaint closure time was less than 48 hours. In 2025, 0 escalated complaint was recorded and customer satisfaction with complaint handling reached 90%.

The Group conducts product and service satisfaction surveys at least once a quarter. In 2025, a total of 5 customer satisfaction surveys were conducted, covering a total of 1,200 customers. The overall satisfaction rate reached 97.6%, representing an increase of 2.3% compared to 2024. Customers actively called to request renewal packages, indicating a high level of recognition of the Group's products.

Strategies

The Group has obtained ISO 27001 Information Security Management System certification and has established, implemented, and continuously monitored a series of consumer rights and interests protection policies, including the Huitongda Prohibited Product Management Guidelines, the Huitongda Open Platform Deposit Management Rules, the Huitongda Merchant Price Management Guidelines, the Huitongda Product Quality Standards for Platform Merchants, the General Provisions on Merchant Management, the Merchant Breaches and Penalty Rules, and the Intellectual Property Protection and Infringement Complaint Handling Rules.

To improve the quality of customer service, the Group has established internal policies such as the Huitongda Customer Classification Standards and the Customer Admission Criteria Management Guidelines, clearly categorizing customers into four groups: member retail stores, terminal service providers, channel customers and other customers. Corresponding onboarding and management standards are set for each customer type. Centering on customer feedback and complaint handling, the Group has formulated the Customer Complaint Handling Guidelines, clarifying the response timeframe, handling procedures, and responsible departments for various complaint matters, and implementing a graded response mechanism based on the severity of the issue, with the aim of enhancing the customer complaint handling experience and overall service satisfaction. The Huitongda platform has established multiple feedback channels, including a 400 customer service hotline, online QQ support, and instant communication via the official website. In addition, a fully digital, end-to-end complaint management system based on an intelligent ticketing system has been constructed, enabling closed-loop management from the complaint receipt and ticket processing to the issue resolution and feedback delivery.



6. COMPLIANT OPERATION, CREATING VALUE TOGETHER

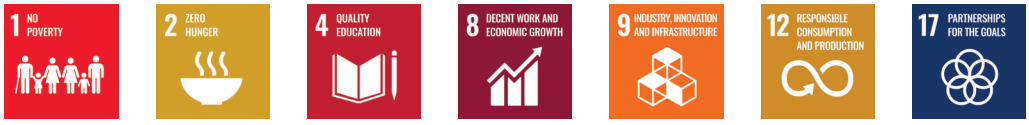
Complaint Levels	Definitions	Response Time	Resolution Time
Special-level Complaint	Incidents where customer dissatisfaction with business processes leads to legal action or attracts coverage from county-level or higher media outlets, thereby impacting the Group's public image and reputation; or customer reports involving significant personal injury or property loss through hotline feedback.	5 minutes	30 minutes
Level 1 Complaint	Complaints originating from external parties such as market regulators, government agencies, or media organizations; or situations where a customer, during the complaint process, exhibits extreme emotional distress and indicates intent to complain or expose the matter via external channels.	5 minutes	1 hour
Level 2 Complaint	Cases in which a customer has contacted the service hotline three or more times regarding the same issue, where the claim or request is reasonable, but the problem remains unresolved in a timely manner; or where a member retail store's complaint has not been addressed within 48 hours.	5 minutes	2 hours
Level 3 Complaint	Issues that disrupt normal business transactions for the customer, resulting in an inability to proceed with operational tasks.	5 minutes	3 hours
Level 4 Complaint	Issues that do not prevent business transactions from proceeding but result in a poor customer experience.	10 minutes	24 hours
Level 5 Complaint	Suggestions made by customers regarding flaws or shortcomings in business processes, digital tools, or promotional campaigns, which do not impact transactions, operations, or the overall customer experience.	10 minutes	24 hours

Relying on the intelligent customer service system, customers can submit standardized complaint tickets through online channels. The system automatically identifies the issue type and evaluates its urgency, enabling 100% online processing of the entire complaint handling process. Each ticket is assigned to a dedicated staff member for follow-up, and the system comprehensively records key node data, including the time of complaint, customer information, issue description, handling process, resolution, and satisfaction evaluation.

Based on the end-to-end data accumulation, the Group conducts regular thematic analysis of complaint data to identify service weak links and implement targeted improvements, thereby continuously optimizing service experience. Meanwhile, the Group conducts follow-up surveys on complaint resolutions, and through experience summary, promotes the continuous enhancement of service processes and quality, ensuring that every customer complaint is managed on a closed-loop basis and properly addressed.

7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

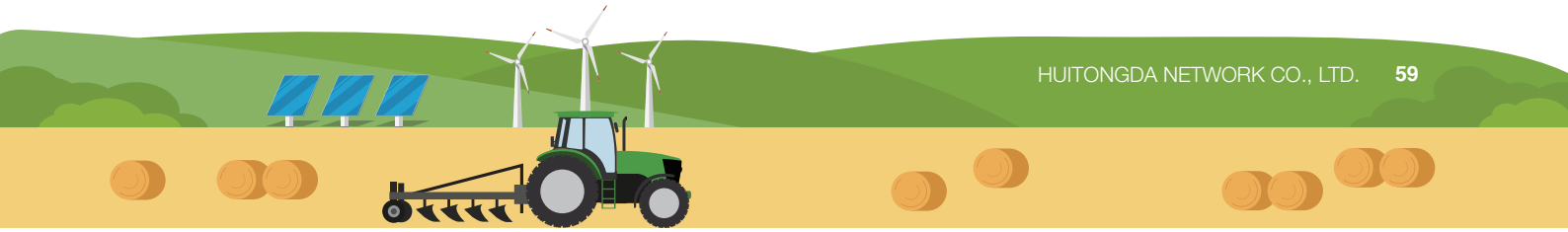
- The United Nations SDGs related to this chapter



KEY ESG ISSUES DISCLOSED IN THIS CHAPTER

Highly Material Issues	Moderately Material Issues	Generally Material Issues
Intellectual property protection and technological innovation Supporting the development of rural family-run stores Rural revitalization	User relationship management Supply chain management Policy impact	Community public welfare

The Group's business layout is highly consistent with national development directions, particularly in areas such as rural revitalization and the digital economy, where it has played a proactive role. As a digital empowerment platform deeply engaged in rural markets, the Group leverages technological innovation and supply chain synergy to drive the transformation and upgrading of rural retail terminals, significantly improving the circulation efficiency of county-level and rural consumer markets. This model effectively echoes national policy directions such as rural e-commerce and urban-rural integration, providing strong support for stimulating the vitality of county-level economies and promoting the optimization of rural industrial structures. Furthermore, the Group's operational practices contribute to bridging the urban-rural digital divide and foster high-quality rural economic development, resonating with the national goal of accelerating the construction of a new development paradigm.



7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

7.1 AI EMPOWERMENT, UPGRADING RESOURCE ALLOCATION

2025 Government Work Report	Practices of Huitongda
Vigorously boosting consumption, stimulating domestic demand across the board	Building “two ends and one channel” for industrial interconnection to establish next-generation supply chain infrastructure
Developing new quality productive forces according to local conditions, stimulating the innovation vitality of the digital economy	AI and digital empowerment for member stores, supply chains, and brand factories
Accelerating the construction and development of a modern industrial system, promoting the transformation and upgrading of traditional industries	Three major supply chain innovation projects, “reverse + short-chain + digitalization” to drive efficiency upgrades across the entire industry chain

7.1.1 Exerting Efforts on the Chain, Forging a Green and Resilient Supply Chain

Goals

The Group is committed to building an efficient, intelligent and sustainable supply chain system to enhance supply chain resilience, optimize cost management, improve operational efficiency and ensure the transparency and compliance of the supply chain. Leveraging digital transformation, construction of green supply chain and synergic development with suppliers, we will promote long-term sustainable corporate growth, while contributing to the quality development of the industry and society.

PERFORMANCE HIGHLIGHTS FOR THE YEAR

The Group conducted risk assessments on a total of 9,418 suppliers, and focused on reviewing their ESG performance, including whether there are human rights risks and environmental damage risks. In addition, relevant data during the screening process was collected, and further inquiries were made about potential risk details to ensure a comprehensive grasp of the supply chain risk exposure.



7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

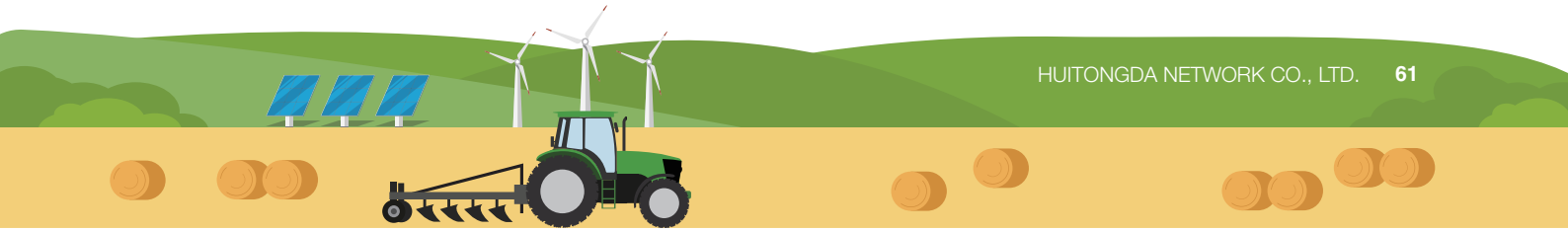
Strategies

(A first-in-class business model of **"platform + member store"**, empowering **250,000+ rural family-run stores** and **20,000+ supply chain partners**)

Huitongda has built "two ends and one channel" for industrial interconnection, and established a first-in-class business model of "platform + member retail stores", covering seven major industries including consumer electronics, household appliances, agricultural means of production, transport and mobility, alcoholic drinks and beverages, household building materials, detergents and chemicals and others. Due to the characteristics of the lower-tier markets in China, Huitongda has actively innovated its industrial model and developed diversified and effective paths for "platform economy". During the year, the Group continued to deepen its intelligent supply chain:

Deepening of Intelligent Supply Chain	
Product Side	**Channel Side**
In addition to continuing to deepen our presence in existing industries, we expanded high-potential new consumption trend categories such as hard discount, instant retail, smart home appliances, and services for elderly health, while strengthening our own brand development and our integrated production and sales capabilities.	While consolidating the core foundation of rural family-run stores, the Group accelerated the development of online channels, cross-border export channels, and government and enterprise procurement channels, thereby building an omni-channel sales network.

Huitongda continued to improve the intelligent supply chain system of "reverse supply chain + short-chain circulation + digital empowerment", and has released three major intelligent supply chain projects: "Initiatives for brand promotion", "Initiatives for our own brands' ecosystem", and "Initiatives for open, intelligent supply chain platform". By building a batch of flat, efficient, and digital innovative supply chain cases, such as "instant retail", "B2F demand-based procurement and demand-based production", and "integrated production and sales", we established an efficient and fast channel for famous city brands to "penetrate into the rural markets", and providing more commodities with high "value-for-money" for traditional retail formats and consumers in lower-tier markets. The Group's three supply chain strategies are as follows:



7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

Initiatives for brand promotion

Through strategic cooperation with branded manufacturers to create a digital supply chain of "TOP cooperation + short chain + S2B2C digital tools". This allows rural consumers simultaneously to enjoy the same commodities, prices and services as those in city, so that rural family-run stores can have an official channel to increase the "flow" of commodities, thereby expanding their businesses.

Initiatives for our own brands' ecosystem

Deepen the R&D and production of products to build a flexible supply chain of "own brand + demand-based production + short chain", focusing on meeting the needs of price-sensitive consumers and member retail stores with value-for-money preferences, realizing the "affordable big brands alternatives", and seamlessly connecting production with demand to enhance the efficiency of the industry chain and activate idle production capacity.

Initiatives for open, intelligent supply chain platform

By building a "POP supply chain hub + AI transaction engine", more brands have the opportunity to enter rural markets and more commodity choices for rural family-run stores. This addresses the long-term demand of the rural market, activating domestic demand and boosting consumption.

To further enhance the level of supply chain management, the Group has built up a set of supplier management systems covering the entire process. To ensure the sustainability and compliance stability of the supply chain, it has implemented a full-life cycle management of suppliers from screening, onboarding, activation, evaluation to elimination with measures including qualification review, risk rating, and public opinion monitoring.

The Group updates its supplier admission system on an annual basis, and conducts dedicated training for internal teams to ensure that all business departments accurately keep abreast of the latest screening criteria. After determining the cooperation intention, the Group formally establishes the cooperation relationship by signing a procurement contract. In such contracts, the responsibilities of all parties are explicitly stipulated, including key requirements such as confidentiality and integrity, to strengthen suppliers' sense of responsibility and performance capabilities.

Functional/Business Dual-Line Approval System

Departments such as Procurement and Audit, together with business departments, jointly approve supplier qualifications and other matters to improve the quality of the supplier network. At the same time, the Group also continuously refines its approval standards and accountability judgment criteria to enhance its quality management capabilities.

Service Provider Management Platform

The Group has developed a service provider management platform that offers professional platform management services. By establishing a three-tier service provider management system, it promotes the development of the service provider model and facilitates customer onboarding.



7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

Supplier onboarding

To enhance the standardization and scientific basis of supplier admission, the Group has issued the Policy on Classified Supplier Onboarding, which clearly stipulates the admission criteria and processes. The system conducts a comprehensive assessment from ESG dimensions such as financial stability, capacity matching, quality assurance, and environmental and social responsibility. Suppliers with better comprehensive assessment performance have priority cooperation rights. For some new partners, the Group organizes on-site due diligence and background verification before admitting such partners, and third-party systems are leveraged to screen external risks. For potential issues identified, it communicates in a timely manner and proposes rectification or clarification requirements to ensure that candidate suppliers meet legal and compliance requirements and have stable and reliable delivery capabilities, preventing and mitigating the negative ESG impacts on the supply chain.

Supplier identification

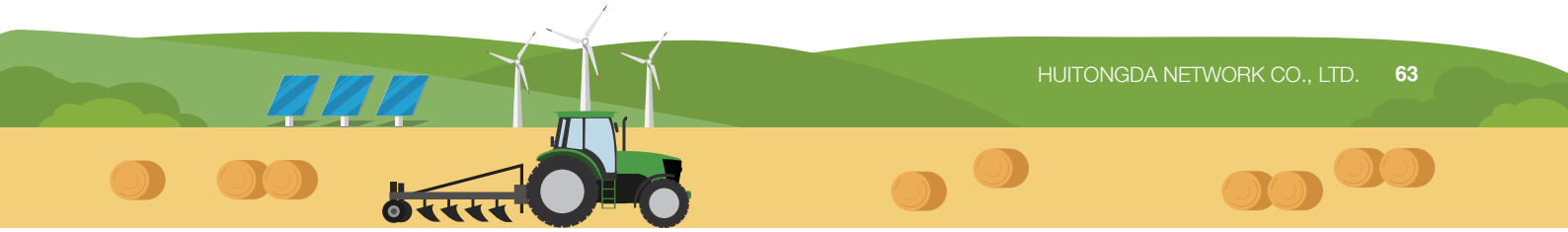
The Group has established a supplier risk identification mechanism, focusing on conducting preliminary reviews of various potential risk factors. Regarding business registration information, the Group will strictly verify the credit records of suppliers to ensure that there are no instances of dishonesty. For brand-type suppliers, they must submit key compliance qualifications such as trademark registration certificates and production licenses. This process can effectively screen partners who meet the standards, reduce risks, and safeguard the supply chain stability.

Categorizing and grading of suppliers

At the stage of introducing new suppliers, the Group first collects their basic information and conducts graded management based on the comprehensive assessment results. The Group prioritizes the inclusion of brand-type and localized suppliers, and uses factors such as their brand influence and social awareness as important reference standards for classification and grading, thereby achieving more targeted supplier management.

Requirements for product procurement

The Group strictly conducts procurement in accordance with relevant national standards to ensure that the introduced commodities are safe and reliable brand products that are in compliance with national requirements in terms of environmental protection and low carbon. In addition to providing basic qualifications such as production licenses, if the products involve environmental matters such as emissions management, the Group also requires suppliers to submit corresponding compliance permit documents to ensure the legality and sustainability of the commodities at the environmental level. At the same time, the Group advances the development of a green supply chain at the institutional level by clearly stipulating return and exchange clauses in procurement contracts to handle products and services that do not meet quality or compliance requirements.



7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

Continuous assessment of suppliers

During the supply chain cooperation process, the Group has established a continuous assessment mechanism, enabling it to conduct a comprehensive assessment of cooperation quality through a supplier risk rating model. The assessment covers multiple indicators such as product quality, performance, and cooperation, and is generally conducted on a quarterly basis. At the same time, the Group conducts internal and external audits on external distributors: accounting firms conduct external audits by conducting sample inspections of distributors based on relationship verification and business rationality analysis (the number of sample inspections is determined as needed); internal audits verify the qualifications of distributors in accordance with the merchant management system. Wherever necessary, ad hoc visits are made and sample inspections are conducted.

This system helps ensure that suppliers continuously provide stable and high-quality products and services during the cooperation cycle, maintain the efficient operation of the supply chain, and deliver a better customer experience. In addition, the Group will also conduct mid-term reviews based on factors such as cooperation performance and external public opinion. For suppliers who fail to meet cooperation standards or gradually no longer meet business needs, cooperation arrangements will be adjusted as appropriate, and they will be phased out when necessary to maintain the overall competitiveness and resilience of the supply chain.

In recognizing the importance of the environmental and social risks that may arise in every link of the supply chain, the Group has established corresponding risk identification and monitoring mechanisms. When signing contracts with suppliers, the Group explicitly incorporates compliance requirements and ensures that suppliers strictly comply with anti-corruption regulations and business ethics standards through background checks, compliance training, and annual reviews. During the procurement process and before signing the contract, suppliers are required to submit health and safety compliance certificates and relevant legal compliance documents. In addition, the Group also evaluates their employee management policies during the qualification review stage, including the reasonableness of compensation and the safety of the working environment, and adheres to the “zero tolerance” principle for illegal employment practices. If serious violations such as child labor are identified, cooperation will be permanently terminated.

Based on the identified sustainability risks, the Group classifies and ranks supplier control priorities, and establishes internal control arrangements that cover human rights and labor protection, environmental management, and due diligence. At the same time, the Group actively relays ESG-related requirements to internal procurement personnel and supply chain partners, thereby clarifying the responsibilities of internal and external stakeholders in fulfilling ESG items, and enabling them to gradually improve their sustainable management capabilities.

7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

The Group's procurement policy explicitly prioritizes cooperation with suppliers that possess sustainable development capabilities. In the procurement decision-making process, the Group tends to choose environmentally friendly office supplies with minimalist packaging, clean energy products, water-saving products, and other suppliers that demonstrate better environmental and social responsibility performance. It prioritizes local suppliers to support local supplier development and effectively reduce environmental hazards generated during transportation. Meanwhile, the Group requires that the procured products minimize the emission of radioactive or other harmful substances during installation, use, and disposal, so as to promote the supply chain's transition towards green and low-carbon practices.

External Product/Service Platform Management

For the onboarding and transaction of external products or services on the Huitongda platform, the Group has established a sound management system and formulated the Huitongda E-commerce Platform Rules and Management Measures as the basis for operational specifications. For proprietary branded products, the OEM manufacturers with which the Group cooperates have all obtained quality management system certification, and products must undergo complete inspection and testing processes after the completion of commissioned processing. If quality issues arise during use, the Group will provide protection measures such as maintenance or exchange for free in accordance with after-sales service standards to ensure product quality and consumer rights and interests.


CVC

质量管理体系认证证书

注册号：15923Q20109R0M

兹证明

共青城中汇达智能科技有限公司

（统一社会信用代码：91360403MA9R3EAX7）

注册地址：江西省九江市共青城市高新区火炬七路以南、创业路以东

质量管理体系符合

GB/T19001-2016/ISO9001:2015

该质量管理体系适用于

认证地址：江西省九江市共青城市高新区火炬七路以南、创业路以东（邮编 332020）

认证范围：家用分体式空调的设计、生产和销售相关的质量管理活动。

IAF CNAS

中国认可
国际互认
管理体系
MANAGEMENT SYSTEM
CNAS C146-M

签发人：

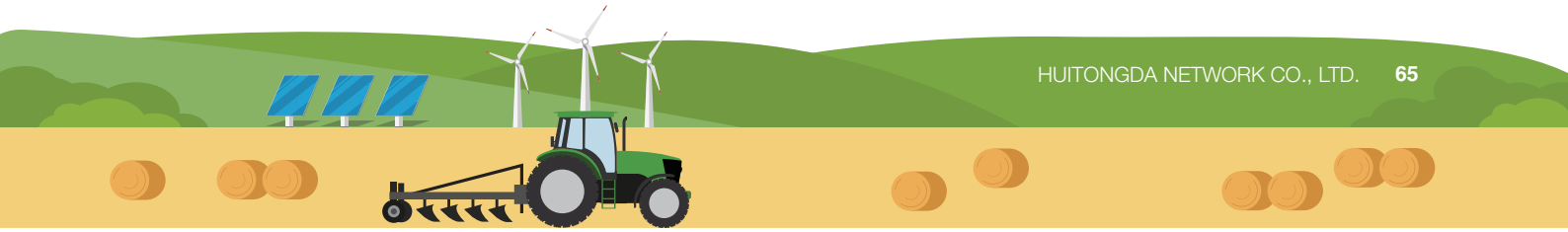
颁证日期：2023 年 11 月 1 日　有效期至：2026 年 10 月 30 日　首次获证日：2023 年 10 月 31 日

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威凯认证检测有限公司

广州高新技术产业开发区天泰一路 3 号（510663）

A certificate for quality management system certification



7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

The Group has always adhered to the customer-centric service concept and established a relatively comprehensive customer service system to protect the rights and interests of consumers. The Group has formulated clear and transparent after-sales policies covering mechanisms such as warranty, return, refund and compensation to ensure that customers can still obtain convenient and efficient service support after completing a purchase. Meanwhile, the Group provides professional consultation and problem handling for users through multiple channels such as online service platforms, hotline customer service, and offline service teams, continuously enhancing the overall consumption experience; in the future, it will continue to optimize service processes to safeguard consumer rights and interests with higher standards and strengthen the trust foundation of the brand.

For products and services provided by third-party merchants, the relevant after-sales support is fulfilled directly to customers by the onboarded merchants. In order to better match market demands, improve the overall service level and keep up with industry development trends, the Group adheres to the principle of continuous improvement, regularly updates customer service quality standards, and clearly specifies the performance requirements for merchants providing goods and services to customers, so as to ensure the stable and consistent service quality across the platform.

Supplier Training

The Group regularly organizes customer service quality management seminars and conducts dedicated training for distributors. Through the above communication and learning mechanisms, it not only effectively strengthens the service awareness and professional capabilities of distributors but also lays a solid foundation for improving the service level of the entire distribution system, helping the Group to continuously maintain its advantages in a fiercely competitive market environment.

Level	Frequency and contents
The Group	A large-scale customer service quality management seminar is held every six months. The meeting brought together senior management of the Group, regional sales managers and industry experts to discuss strategies to improve service quality and interpret the latest industry trends and policies and regulations.
Various regions	Each region holds a regional seminar every quarter based on its own market characteristics and distributors needs, and organizes distributors to participate in formal training programs every month. The training content covers strengthening service concepts, practical service skills, and explanations of new product knowledge.

In 2025, the Group had no recall incidents due to quality or safety and health issues in its delivered products.



7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

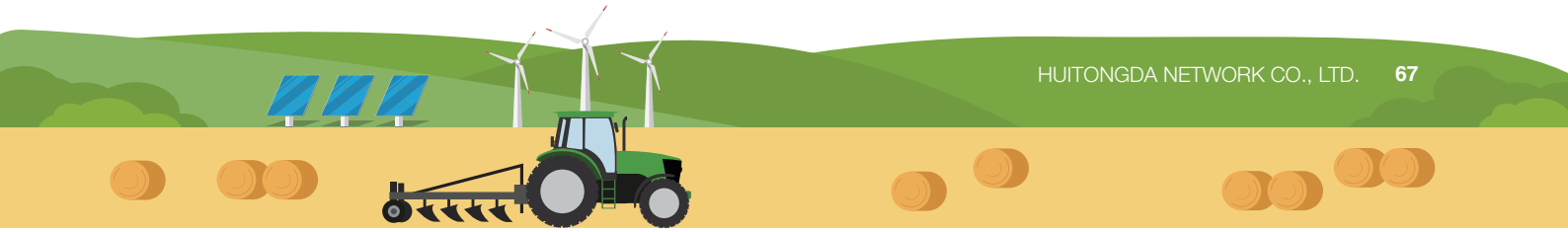
Quantitative Data

As of December 31, 2025, the Group had a total of 9,418 commodity suppliers, with 562 new suppliers added in 2025. All suppliers were reviewed based on the above-mentioned access verification principles, and all suppliers implemented the Group's supplier management regulations and are located within the PRC.

Supplier Screening

The proportion of total spending on first-tier suppliers was 9%, and the total number of important suppliers among non-first-tier suppliers was 0; the proportion of spending on procurement from domestic suppliers was 100%.

Indicator	Unit	2025
Total number of first-tier suppliers	supplier	9,418
Total number of important suppliers among first-tier suppliers	supplier	832
Total number of important suppliers (first-tier and non-first-tier suppliers)	supplier	832



7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

Supplier Assessment

of the important suppliers have been evaluated **100%**

of suppliers with significant actual/potential negative impacts have agreed upon corrective actions/improvement plans **100%**

Indicator	Unit	2025
Total number of suppliers that passed desk assessment/ on-site assessment	supplier	9,519
Annual target for the percentage of important suppliers that passed desk assessment/on-site assessment	%	100
Number of suppliers assessed to have significant actual/ potential negative impacts	supplier	277
Number of suppliers terminated with significant actual/ potential negative impacts	supplier	101

Corrective Action Planning Support

of suppliers assessed to have significant actual/potential negative impacts received support in implementing their corrective action plans **100%**

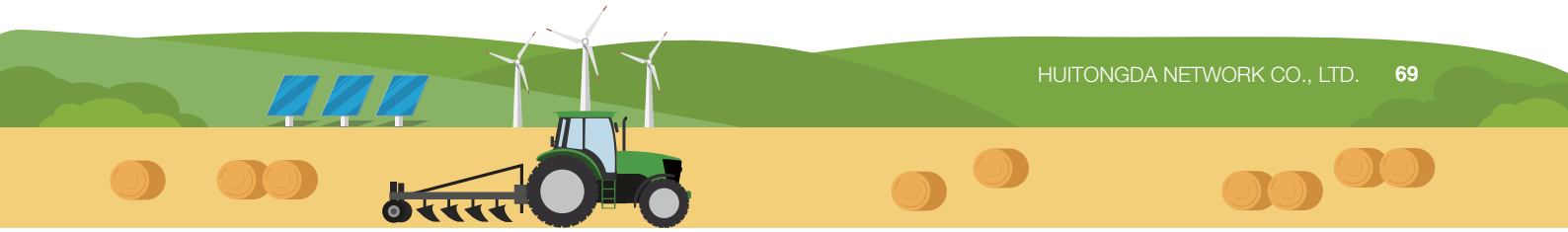
Indicator	Unit	2025
Total number of suppliers receiving support in implementing corrective action plans	supplier	277
Annual target for the percentage of important suppliers receiving support in implementing corrective action plans	%	100

7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

CASE

Full-chain and full-scenario agricultural means of production industry ecosystem. The Group maintains a strong presence in the rural market, and is committed to upgrading the "ecosystem" of the traditional agricultural means of production industry using the digital technology. By building an industrial internet platform for the agricultural means of production industry, the Group strives to serve the transformation and upgrading of the agriculture, rural areas, and rural residents. The five major industrial pillars of the Group's agricultural material of production are shown in the figure below:

Industrial pillars	Supply Chain Strategy	Supply Chain Practice
Fertilizer	Huitongda's Agricultural Means of Production Business Division closely keeps abreast of the dynamics of the current fertilizer market and solves the pain points on both the supply and demand sides of the fertilizer industry. In response to the national environmental protection policy and the development trend of reducing fertilizer and increasing efficiency, it provides procurement services and channel services for high-priced fertilizers around fertilizer plants, and carries out joint procurement and joint sales of finished fertilizers with county-level distributors.	At present, the Business Division has reached strategic cooperation with Ruixing Group, Chongqing Agricultural Means of Production, etc. By intelligently connecting with various organic entities of the rural revitalization strategy, it continues to provide high-quality fertilizer services for the vast number of rural residents.
Feed	By integrating raw material supply, with a focus on main feed raw materials such as soybean meal and corn, it provides targeted supply chain services for feed enterprises and grain processing enterprises.	It has provided stable raw material supply, supply chain channel optimization, internet systems, and other services for feed enterprises such as Muyuan, New Hope, and Bright Food, helping them achieve transformation and upgrading.
Pesticide	Huitongda's Agricultural Means of Production Business Division is committed to building an industry chain platform that covers intermediates, technical materials, and formulations, with multi-party cooperation and win-win results.	It utilizes integrated resources to create benefits, shares them with partners, and ultimately benefits terminal rural residents. At the same time, it connects to Huitongda's intelligent agricultural services to provide rural residents with more refined and convenient services.



7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

Industrial pillars	Supply Chain Strategy	Supply Chain Practice
Agricultural Machinery	Huitongda's Agricultural Means of Production Business Division integrates channel resources of traditional agricultural machinery and specialty agricultural machinery, together with products from agricultural means of production industry stores, thereby providing an integrated agricultural industry chain service platform from planting to harvesting. This has created an industrial closed loop ecosystem.	It provides services covering direct supply of agricultural means of production, technical services, agricultural machinery matching, and finished product recycling.
Agricultural Services	It strives to provide comprehensive agricultural services such as personalized integrated planting solutions, commodity packages for crop quality improvement, agricultural technology training and guidance, and real-time matching of production and sales for new agricultural entities in the new era.	Huitongda's Agricultural Means of Production Business Division attracts well-known enterprises to the Huitongda Agricultural Means of Production Industry Alliance, empowers important local agricultural partners, bases itself on thousands of rural households, and builds an agricultural means of production member retail store system across the country.

7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

AI assists intelligent procurement and sales. The intelligent supply chain platform is released to help domestic and foreign trade commodities jointly expand the lower-tier market, smooth distribution channels at the grassroots level, and boost rural consumption.

CASE: "CHENGYI SOURCING" INTELLIGENT SUPPLY CHAIN PLATFORM OFFICIALLY COMMENCES OPERATION, WITH AI ENABLING INTELLIGENT PROCUREMENT AND SALES

On April 18, Huitongda Network officially launched the "Chengyi Sourcing" mall for operation at the "Intelligent Supply Chain Platform" launch event, providing a one-stop procurement platform for nearly 250,000 member stores of Huitongda and even small and micro retail entities in the broader market, and simultaneously providing an intelligent distribution platform directly connecting to the retail end for upstream factories across the country. While stepping up efforts to facilitate direct distribution of domestic and foreign trade commodities to the lower-tier market, smoothen the domestic circulation, and boost the rural consumption, the launched "Intelligent Supply Chain Platform" officially marks the comprehensive rollout of Huitongda's new-stage strategy of "3 Major Supply Chain Projects + 3 Major AI Projects".

The "Chengyi Sourcing" mall not only helps brand commodities directly reach stores through normalized operations but will also gain full access to Huitongda's "Qiancheng Cloud AI", using AI capabilities to drive intelligent procurement and sales and facilitate exponential improvement in the supply chain turnover efficiency.



7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

We assist upstream and downstream partners in the industry chain and supply chain in their long-term development. We enable more small and micro entities to share the benefits of AI and the digital economy, and assist supply chain merchants and industrial factories in reaching retail terminals in "one step". While improving the efficiency of all aspects across the entire industry chain, we support the locally adapted development of the national "new-quality productive forces" and the rollout of innovative "digital economy" applications.

CASE: FOR THE "THREE-END INTEGRATION" OF SUPPLY CHAIN, TECHNOLOGY, AND MARKETING, HUITONGDA NETWORK ENTERS STRATEGIC AGREEMENT WITH RUIXIANG TECHNOLOGY GROUP



On March 10, 2025, Huitongda Network and Ruixiang Technology Group entered into a strategic cooperation agreement, announcing that the two parties will advance extensive integration focused on directions such as supply chain, digital economy and artificial intelligence, and B-end customer marketing empowerment. On the basis of "being each other's supply chain" and sharing platform commodity resources, they will further derive co-creation and sharing in aspects such as "digital technology" and "AI scenario application". This will enable a greater number of consumers, stores, and merchants to share upstream commodity resources, and simultaneously realize the rollout of "Huitongda + Ruixiang" AIaaS application scenarios in processes such as commodity procurement, intelligent marketing, customer acquisition and conversion, and after-sales service, thereby supporting the long-term development of upstream and downstream partners in the industry chain and supply chain.

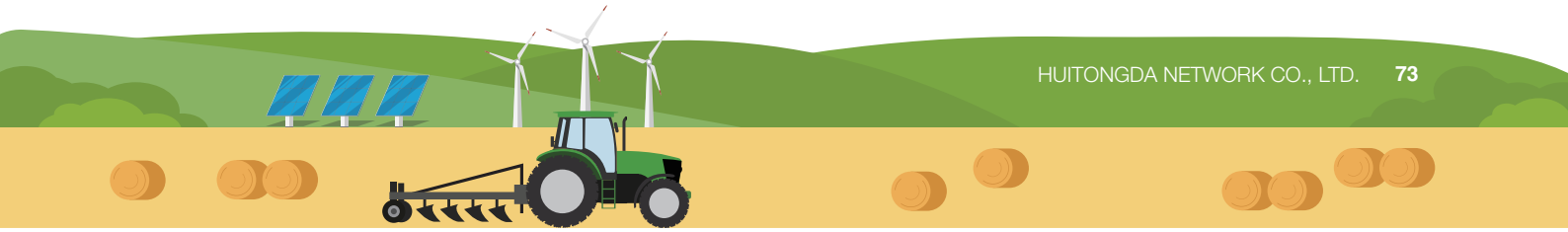
7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

The integrated production and sales model promotes cost reduction and efficiency enhancement across the entire industry chain. Building an own-brand cluster creates more benefits for brand factories, supply chain partners, and member stores. At the same time, by strategically expanding our presence in the production and manufacturing end and concurrently building a variety of efficient supply chain models, we provide customers with higher quality and cost-effective products.

CASE: WITH 9 MAJOR BRAND CLUSTERS RELEASED, HUITONGDA TAKES ANOTHER STEP IN "INDUSTRIAL UPGRADING"



On February 28, 2025, Huitongda Network held the "Own Brand Cluster Strategy Release Conference", covering four categories: home appliances, alcoholic drinks, detergents and chemicals, and home furnishings. The first batch of 9 brands released included THOMSON, IDISSA, AKAI, Lamborghini (Thermal Energy), KEON, Forbidden City, Peach Blossom, Xiwushuang, and Forest Sparrow. With up to hundreds of new products launched at the release conference, Huitongda's own brand team will exert full efforts in product development, brand operation, channel development, service guarantee and many others.



7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

7.1.2 AI+ Strategy Ignited the "Strong Engine" of Industrial Upgrading

Goals

The Group is committed to promoting technological innovation and management innovation to enhance its market competitiveness and corporate core value. By optimizing the innovation mechanism, promoting cross-boundary cooperation and fostering a culture of innovation, the Group has developed a sustainable innovation capability, promoted high-quality development and achieved sustainable growth.

PERFORMANCE HIGHLIGHTS FOR THE YEAR

The Group officially launched the self-developed "Qiancheng AI Super Store Manager" app, integrating more than 24 scenario-based AI Agents to cover core operational functions such as intelligent product selection, marketing planning, and customer service. This can assist stores in automatically completing 60% of day-to-day management. In May, it entered the commercialization stage. Sampling shows that the operational efficiency of member stores using AI tools increased by an average of 30%, and inventory turnover was shortened by 15-20%.

Strategies

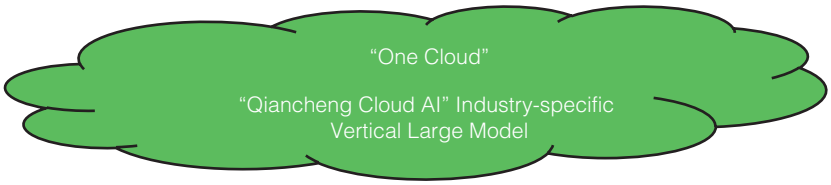
The 15th Five-Year Plan clearly points out that we should "deeply advance the construction of a digital China" and develop new-quality productive forces. It is also stated in the 2025 government work report that we should "develop new-quality productivity according to local conditions, stimulate the innovative vitality of the digital economy", "accelerate the development of a modernized industrial system, and promote the transformation and upgrading of traditional industries".

By developing the "AI + Industry Platform" to connect hundreds of manufacturing factories, Huitongda provides exclusive AI computing power and algorithm support for the upstream of the industry chain, and builds a platform ecosystem through the innovative supply chain + AI intelligent engine, which is concurrently characterized by openness, short chain, and intelligence.

Openness	Short Chain	Intelligence
It is not only open to suppliers, allowing more big-brand long-tail commodity suppliers, second- and third-tier brand suppliers, highly cost-effective white-label product suppliers, and export-to-domestic sales foreign trade manufacturers to quickly enter the lower-tier market. Meanwhile, it is also concurrently open to more rural family-run stores, helping stores provide rural consumers with good services through richer commodities.	Based on Huitongda's supply chain and digital intelligence capabilities, it reduces commodity circulation, lowers costs, and improves efficiency.	Huitongda will continue to deploy the scenario application of new technologies such as AI in urban-rural circulation in the long term to achieve more precise and efficient matching of supply and demand.

7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

The Group promotes the upgrade from traditional "SaaS" to "AI+", taking AI Agents and intelligent terminals as the core to create the "Qiancheng Cloud AI Agent", providing over 50+ AI solutions for rural family-run stores and upstream factories, driving a multiplier effect in the efficiency of urban-rural circulation, with AI-related services becoming a new engine for growth. In actively seizing the opportunities of the AI technological revolution, Huitongda systematically advances the deep integration of artificial intelligence into various industries, and takes "One Cloud + Three Major Projects" as the core framework to build a full-scenario AI empowerment system covering supply chain, store operations, and terminal services:



"AI + Industry Platform Project" concurrently serving the industry and retail ends

Connecting to more upstream brand factories, this establishes high-quality and well-priced intelligent supply chain commodities for member stores, thereby meeting the transaction needs of both supply and demand sides for long-tail and personalized commodities.

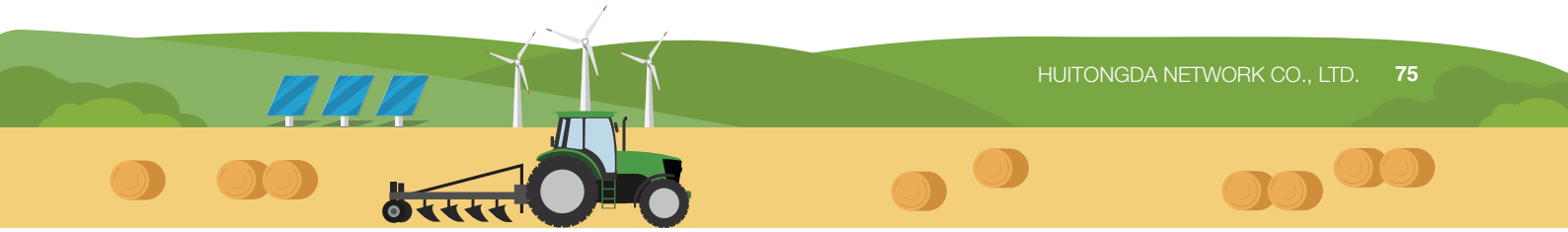
"AI + SaaS Service Project" focusing on serving member stores

AI product matrix, including "AI + Supply Chain" and "AI Store", helps member stores concurrently improve procurement efficiency and transaction volume.

"AI + Intelligent Terminal Project" enabling end-to-end connectivity across the entire chain

Huitongda advances extensive cooperation with AI hardware manufacturers to meet customers' multi-scenario AI application needs such as personalized customization, localized deployment, and full-service managed hosting.

Taking the "AI + Intelligent Terminal Project" as an example, Huitongda Network released multiple all-in-one edge computing devices under the "Xuanwu" and "Zhongshan" series, providing convenient one-stop AI solutions for upstream and downstream customers.



7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

Taking the "AI + Service Project" as an example, the Group's "Qiancheng Cloud AI", the first industry-specific vertical large model specifically trained for rural commercial scenarios in the respective industry, was filed with the Cyberspace Administration of China in May 2025, becoming one of the few exclusive large models in China with the capability to adapt to the lower-tier market, providing AI computing power and algorithm support for the upstream and downstream of the industry chain. In addition, the Group also has the following AI-related practices:

Digital and Intelligent Livestreaming – AI Digital Human, assists stores in the intelligent transformation of private domain live streaming marketing: In store livestreaming sales and brand promotion scenarios, AI digital humans are introduced to achieve 24/7 uninterrupted livestreaming, automatically generating product introduction, promotional scripts, and interactive scripts, and supporting multi-platform synchronous streaming and unified management. This lowers the threshold for store livestreaming operations, reduces reliance on human anchors, and improves livestreaming frequency and content output efficiency.	**SmartCall Connect – AI Outbound Call, assists stores in the intelligent transformation of customer reach and operations:** In scenarios such as marketing promotion, after-sales follow-ups, and customer care, AI outbound call robots are used to carry out batch and automated customer reach, supporting human-simulated voice interaction and multi-turn dialogues. Through data collection and visual analysis of the entire outbound call process, it helps stores evaluate outreach effectiveness, optimize operational strategies, and improve the efficiency and coverage of customer communication.



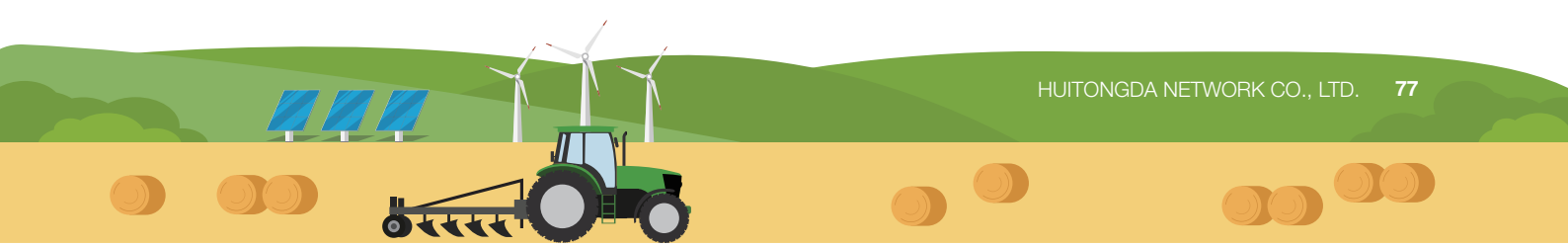
7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

The Group deepens ecosystem cooperation to accelerate technological iteration. In August 2025, it entered into a full-stack AI comprehensive cooperation with Alibaba Cloud, tapping into the capabilities of the Tongyi Qianwen large model to jointly develop innovative applications such as the "Small Store Large Model Agent" and "AI Sales Agent", which is aimed at accumulating core data assets, and establishing multi-dimensional cooperation with Alibaba Cloud in data analysis and data assets. This has continuously strengthened our capabilities to unlock the value of data assets and implement application scenarios.

By systematically advancing our AI strategy, Huitongda is translating the industrial data resources accumulated over more than ten years into intelligent productivity, gradually building an AI-powered moat for digital retail in the lower-tier market. This has therefore laid a solid foundation for continuously improving platform efficiency and profitability in the future.

By Acquiring an AI "Leader" Boundary Consulting, Huitongda Network (9878.HK) Deepens its practical implementation of Industrial Empowerment

During the year, the Group entered into an equity acquisition agreement with Boundary Consulting, an intelligent technology company focusing on the e-commerce and retail industries. Boundary Consulting's "Boundary BI system" and "Boundary AI Agent" will further supplement the capabilities of Huitongda's "Qiancheng Cloud AI Large Model" and "Qiancheng AI Super Store Manager", with a view to continuously creating leading AI products and digital intelligence solutions for retail customers and industrial customers, assisting member stores and industrial partners to accelerate the improvement of digital operation efficiency, and advancing the transformation and upgrading of the retail industry and related industry chains by exploring new-quality productive forces represented by AI and innovative industrial models.



7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

Huitongda Network and Alibaba Cloud Entered into Full-Stack AI Comprehensive Cooperation

On August 8, 2025, the Group and Alibaba Cloud announced a full-stack AI comprehensive cooperation. The two parties will focus on areas such as intelligent retail and intelligent supply chains in the lower-tier market. Based on Huitongda's network system of nearly 250,000 member stores nationwide and its online and offline integrated operational service capabilities, they will deepen synergistic cooperation in cloud computing, artificial intelligence, and digitalization in the lower-tier market, build a new "AI + Industry" ecosystem, and provide more technological and product innovations for the lower-tier market, thereby jointly promoting the AI and digital upgrading of China's two-way urban-rural circulation.

Qiancheng Cloud and Tongyi Large Model "Join Forces" to Serve Small Stores

In terms of full-stack AI cooperation, Huitongda's self-developed industry-specific vertical large model Qiancheng Cloud AI will gain full access to Alibaba Cloud's Tongyi Qianwen large model to create exclusive "Small Store Large Model Agents" and "AI Sales Agents" for member stores.

Huitongda and Alibaba Cloud's Lingyang Data Platform focus on unlocking the value of commodity circulation and user data in the lower-tier market. Through deep data cooperation in diversified forms such as traffic investment, they continue to stimulate the market and release incremental value.

Cloud Resources and Computing Power Boost the Accelerated Development of "Small Store Large Model"

In terms of cloud infrastructure, Alibaba Cloud will provide exclusive high-performance computing resources for Huitongda to support the computing power needs of Qiancheng Cloud AI large model training, inference, and other scenarios, ensuring the high availability and elastic expansion of Huitongda's various businesses.

Huitongda and Alibaba Cloud will also form a professional cooperation team. Alibaba Cloud will provide professional talents such as solution architects to assist in the development of various Agents around the "Small Store Large Model".

The Group accelerated the R&D and commercial promotion of AI Agents, as well as the establishment of a full-scenario intelligent Agent matrix. On top of this, the Group proactively promoted the development of the regional industrial internet platform economy, enabling the lower-tier market to further tap into digital empowerment. In addition, it accelerated the digital upgrading of small stores, which helped improve their operational efficiency and competitiveness, and in return further facilitated and consolidated the lower-tier market system.

7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

CASE: HOME APPLIANCE STORES GAIN ACCESS TO "AI EMPLOYEES", EQUIPPING THE INDUSTRY WITH "SMART CORES" - HAOXIONGDI HOME APPLIANCE STORE LEVERAGES ONE TOOL TO DRIVE BUSINESS FOR THE WHOLE VILLAGE

The five major AI products launched by Huitongda, "Easy Source, Speedy Distribution, Instant Response, Fast Events, Flash Sales", have covered multiple scenarios such as store operations and private domain marketing.



During store inspections, our field operation team identified three major operational pain points at Haoxiongdi Home Appliance Store in Yongqiao District, Suzhou City: stagnant growth in new customers, weak engagement with existing customers, and a significant decline in average daily store traffic. Coinciding with Huitongda's 618 Shopping Festival, the field operation team in Anhui quickly approached the store owner. Relying on the Qiancheng AI intelligent tool system, they planned an omnichannel marketing plan with parallel online and offline tracks:

Online Precision Activation: leveraging Qiancheng AI tools to conduct layered community-based operations, launching a combination of "limited-time flash sales for best-selling products" and "lucky draw-based customer referral campaigns", and automatically generating promotional materials through Qiancheng AI marketing tools to achieve precise traffic acquisition across multiple touchpoints, including WeChat Moments and community groups.	Offline Scenario-based Traffic Acquisition: customizing promotional strategies for the 618 campaign based on the "One-Click Intelligent Solution" function of Qiancheng AI, implementing activities such as "in-store gift-with-entry" and "spend-and-save discounts", while focusing on three highly cost-effective flagship products to build a best-selling product matrix and strengthen consumers' impulse purchasing decisions.

During the campaign period, sales reached a new high, representing a month-on-month increase of over 40%; 158 new private-domain users were added, and the payment conversion rate reached 38%; average daily store traffic increased by 2.3 times, while brand exposure rose by 300%. Following the campaign, the store owner commented in excitement, "Qiancheng AI helped me manage the busiest promotion of the year in just three days!"

Next, Huitongda will deepen the "AI+" strategy, by developing its "digital employees" to provide 24-hour intelligent services, and connecting with platforms such as WeChat to achieve automatic order tracking. This will help bring technology closer to the actual needs of rural areas.

7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

7.1.3 Growth Momentum, the Dual Drivers of Industry and Capital

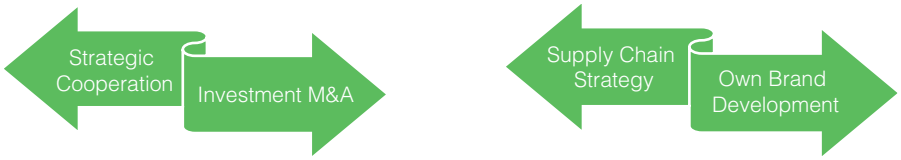
Goals

The Group is committed to building a scientific, efficient and robust investment and financing management system, optimizing capital allocation, enhancing capital operation efficiency, ensuring financial stability and providing strong support for the sustainable growth of the enterprise. By expanding financing channels, optimizing the investment structure and strengthening risk management, the Group will stably increase the corporate value in the long term and facilitate business development and the achievement of strategic objectives.

Strategies

As a leading trading and service platform deeply serving the retail industry in the lower-tier markets, the Group is continuously improving its investment layout to support the long-term and steady development of the enterprise. The Group has further accelerated the development of the supply chain system, and launched its own brand clusters, in order to more accurately satisfy the long-term demand in rural markets, drive the release of domestic demand and promote consumption recovery.

At the same time, the Group actively explores diversified paths such as strategic cooperation, investment, and merger & acquisition in order to enhance its market competitiveness and expand its business segments, thereby accelerating the effective implementation of key strategies such as the integration of production and sales and self-owned brands. With the support of relevant policies, the Group is also expected to participate more deeply in product R&D and production links through acquisition or equity participation, consolidate the synergistic advantages of the industrial chain, and continuously expand its coverage in the lower-tier markets.



Strategic Cooperation and Investment M&A/Supply Chain Strategy and Own Brand Development



7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

In 2025, the Group was only involved in the legitimate drinking alcohol industry and was not involved in the prohibited controversial weapon, gambling, tobacco, and alcohol industries.

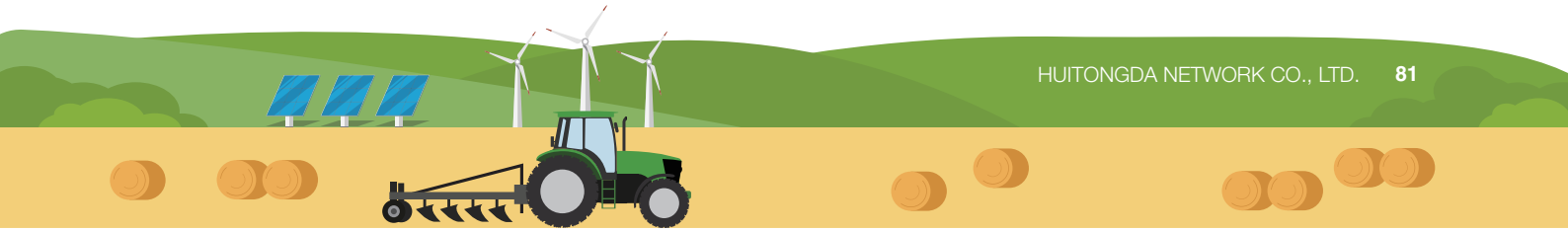
CASE: HUITONGDA NETWORK SIGNS INVESTMENT AGREEMENT WITH HIGH-END MANUFACTURING LISTED COMPANY "JINTONGLING TECHNOLOGY" TO BUILD A DUAL-INDUSTRY PORTFOLIO OF "MASS CONSUMPTION + INTELLIGENT MANUFACTURING"

In September, the Group entered into a restructuring investment agreement with "Jintongling Technology", pursuant to which Huitongda will acquire a 25% equity interest in Jintongling Technology to assist the company in advancing its "international + domestic" dual capital platform planning. This confirms Huitongda's strategic execution capability and determination for shareholder returns driven by the two dual drivers of "industrial development + capital operation", thereby achieving the goals of "high-quality asset allocation", "enhancing shareholder returns", and "promoting corporate development" from the following three aspects:

- Acquisition of high-quality and scarce assets at a lower cost to enhance shareholder returns. Jintongling Technology operates in the high-end manufacturing industry, and its core business operation falls within the domestic first-tier players, with strong industry standing and competitiveness. It is expected to quickly achieve profitability after the restructuring is completed, and enter a fast development track under the dual injection of funds and assets.

- Utilization of high-quality capital resources in both places to promote corporate development. Upon completion of the acquisition, Huitongda will complete the platform built from the H+A share capital operation, which can more conveniently tap into high-quality capital resources at home and abroad, accelerate its corporate development, and simultaneously create multi-level potential capital operation paths.

- Assisting the company's strategic positioning in the intelligent supply chain industry and promoting its business development. Huitongda will empower and develop the business segments retained by Jintongling Technology based on its mature operation and management experience, supply chain and channel advantages, and ample industrial resources. At the same time, leveraging the funds retained after the restructuring, it will advance its strategic positioning in the industries centered on mass consumption and intelligent manufacturing, transforming Jintongling Technology into a comprehensive industrial platform that not only projects its advanced manufacturing new-quality productive force but also serves the lower-tier market. By capitalizing on this acquisition, Huitongda will further accelerate the dual-industry expansion across the "mass consumption + intelligent manufacturing" to create new incremental space and enhance the company's profitability.



7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

7.2 RURAL REVITALIZATION, BUILDING A "BRIDGE OF HEARTS" FOR URBAN-RURAL INTEGRATION

According to the 14th "No. 1 Central Document" released on the work relating to "agriculture, rural areas, and rural residents" since the 18th National Congress of the Communist Party of China, anchored on the goal of agricultural and rural modernization and solidly advancing all-around rural revitalization, it makes comprehensive and clear arrangements for carrying out work relating to "agriculture, rural areas, and rural residents" in the opening year of the "15th Five-Year Plan". The document explicitly proposes key directions such as "introducing multiple measures to expand rural consumption" and "promoting the two-way flow of urban and rural elements", injecting new momentum into the development of the lower-tier market. Huitongda's corporate mission also precisely resonates with the explicit proposal in this document to "introduce a more prosperous and better life to rural residents". By deeply aligning our corporate development with the social cause of cultivating "new agribusiness talents and new farmers" to respond to policy calls, it assists comprehensive rural revitalization by expanding consumption and promoting mobility.

2025 Report on the Work of the Government	Initiatives of Huitongda
Focusing on efforts to deliver in work relating to agriculture, rural areas, and rural residents and deeply advancing rural revitalization	Training rural commercial talents and new farmers to facilitate revitalization through talents
Effectively stimulating the vitality of various types of business entities and advancing the development of a unified national market in depth	Empowering and serving rural family-run stores, and firmly promoting the "value win-win" outcome for rural consumers, distributors and producers driven by "industrial upgrading"

7.2.1 Painting a picture of digital villages through cooperation and interaction

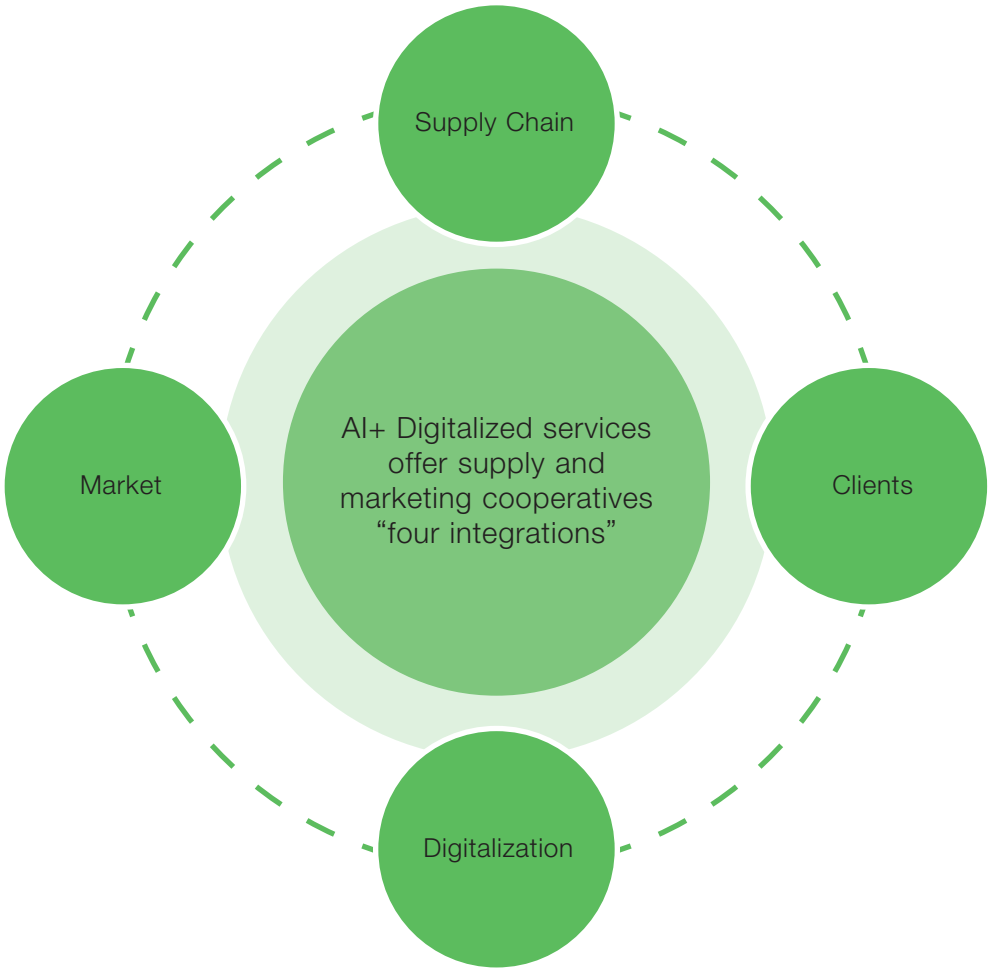
Goals

The Group works closely with government agencies and the supply and marketing cooperative system to jointly drive the digitalization of supply and marketing cooperatives, supporting rural vitalization and the development of a modernized circulation network. By digitally empowering the networks of supply and marketing cooperatives, we enhance supply chain efficiency, optimize the distribution channels for agricultural means of production, farm produce, and daily necessities, promote integrated urban-rural development, drive the intelligent, standardized, and efficient operation of these supply and marketing cooperatives, and boost rural market vitality.

7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

Strategies

The Group and supply and marketing cooperatives are both important circulation entities in the lower-tier market, with high complementarity in business positioning and service targets. The Group has successively established strategic cooperative relationships with supply and marketing systems in Chongqing, Anhui, Shandong, etc., as well as state-owned and central enterprise units such as CNSIG Anhui Hongsifang Fertilizer Co., Ltd., carrying out synergistic layouts around the four major areas of downward agricultural means of production, downward consumer goods, upward agricultural products, and circular economy. As a traditional network system serving agriculture and people's livelihoods, supply and marketing cooperatives can enhance their rural circulation capabilities through AI and digital solutions provided by the Group, which excels in empowering rural circulation with technology. The Group provides them with comprehensive assistance of "four integrations", achieving complementary advantages and jointly promoting the development of the lower-tier market.



Huitongda's AI+ Digitalized Services Reciprocal Model for Supply and Marketing Cooperatives

7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

For many years, the Group has established stable business collaboration relationships with local supply and marketing cooperatives in many regions. Looking ahead, the Group is willing to further deepen synergy with supply and marketing cooperatives, focusing on expanding the depth of cooperation in areas such as the joint construction and sharing of lower-tier market networks, the shared use of supply chain goods, the mutual empowerment of digital technologies, the integration of omnichannel operating capabilities, and the joint construction of training resources for new farmers and new rural commercial talents, so as to achieve mutual benefit and win-win results.

CASE: HUITONGDA NETWORK JOINS HANDS WITH BOIN HEARING TO HELP "HEARING HEALTH" REACH THE LOWER-TIER MARKET

On July 17, Huitongda Network entered into strategic cooperation with Boin Hearing, a national high-tech enterprise focusing on the R&D of intelligent hearing assistance technology and the production of medical hearing aids. The two parties jointly launched the "Millions of Stores in Cities" channel development plan, which will establish a full-factor support system of "product + technology + training" for users in the lower-tier market. Through Huitongda's channel network and Boin Hearing's customized products, the grassroots hearing health problems are expected to be resolved, and rural consumers will buy better products and services at lower costs. As an important part of Huitongda's "elderly-friendly" marketing strategy, this cooperation is a resonance of the "better life" values of both enterprises. Subsequently, the two parties will also leverage the accumulation of user data in the lower-tier market to further feed back the dual iteration of outlet operation models, product R&D, and technology, promoting the inclusive transformation of the entire industry from "niche medical care" to "mass health".



7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

7.2.2 Cultivating and Revitalizing Modern Agricultural Businesses through skills and capability development

Goals

The Group is committed to cultivating new rural residents marked by digital operational capabilities and market awareness, driving the industry towards technological advancement, industrialization, and branding. Leveraging training support, technical support, entrepreneurial support, and financial support, the Group aims to attract more young people, enhance their comprehensive competencies and innovative capacities, and contribute to rural revitalization and agricultural modernization.

PERFORMANCE HIGHLIGHTS FOR THE YEAR

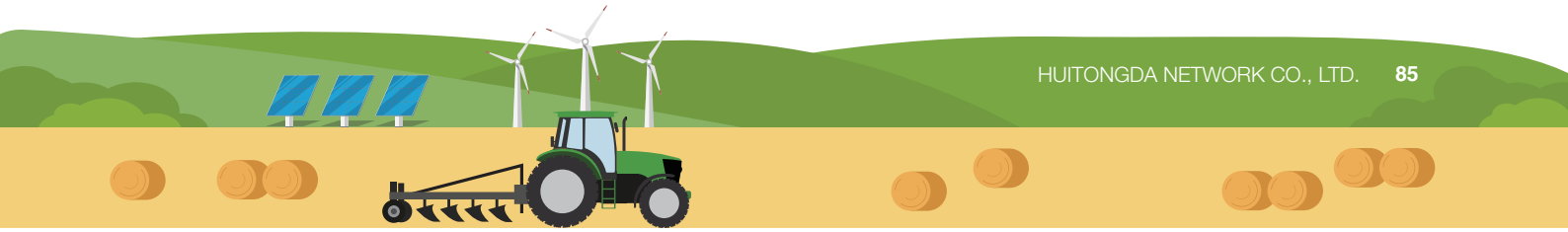
More than 5,000 youth-operated small stores in Jiangsu Province were comprehensively empowered, with a focus on cultivating 500 model "Suqing Small Stores". Through intelligent upgrading and sustainable development, these efforts helped stimulate entrepreneurship and employment for more than 30,000 people.



Strategies

Through collaborative cooperation with local government departments and industry associations, the Group launches targeted skills training in internet applications and other directions for "agribusiness talents", "new farmers" and young people returning to their hometowns who are willing to start their own businesses with entrepreneurial intentions, helping them enhance their digital operational capabilities. At the same time, the Group attaches importance to the career growth of employees and the establishment of social networks, providing them with necessary time, resources, and skills training to encourage the expansion of industry connections and strengthen internal collaboration.

During the process of business expansion, the Group actively integrates into local community ecosystems, helping surrounding small stores promote digital upgrades through platform technical capabilities to enhance operational efficiency and community service capabilities. The Group also promotes the establishment and operation of Social Groups in communities, guiding merchants to utilize social platforms for online marketing, strengthening user engagement, promoting mutual assistance and trust within the community, and further enhancing overall community vitality.



7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

Free Training for "New Farmers", Upgrading "New Farming Tools," "New Farming Activities," and "New Agricultural Means of Production"

In partnership with e-commerce associations and rural revitalization bureaus across Jiangsu Province, Huitongda has offered free training to over 100,000 agribusiness talents and new farmers. Training content includes: the use of internet tools, live-streaming sales, etc., encouraging more than 26,000 residents to return to their hometowns to start their own businesses. Since 2020, "New Farmer of Suzhou Goods" training, in close collaboration with Huitongda, has covered over 61,000 participants, helping local farmers and breeders achieve transformation, making cell phones new farming tools, live streaming new farming activities, and data new agricultural means of production.

Assisting Certification Exams, Talent Support to Drive Industry Growth

Huitongda collaborated with the Internet Association of Jiangsu Province in applying for the appraisal standards for "Internet Marketing Specialists" issued by the Jiangsu Provincial Department of Human Resources and Social Security, with a view to training a group of township – and village-based Internet marketing professionals, empowering them through practical training and certifying them through examinations, thereby helping them obtain local social security subsidies applicable to relevant employment categories. Huitongda also collaborated with the Jiangsu E-Commerce Association and the Jiangsu Modern Supply Chain Association to carry out vocational certification for "E-Commerce Specialists" and "Supply Chain Management Specialists," providing talent support for rural prosperity and injecting a strong momentum for industrial development in rural areas.

7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

CASE: JIANGSU PROVINCIAL COMMITTEE OF THE COMMUNIST YOUTH LEAGUE AND HUITONGDA JOINTLY RELEASE THE "SUQING SMALL STORE" CULTIVATION PROGRAM

The "Suqing Small Store" is a dedicated program focusing on serving the entrepreneurial development of youth-operated small store owners, providing a series of support measures such as digital technology, operational training, traffic empowerment, financial support, and supply chain for youth-operated small stores. As a strategic partner of the Provincial Committee of the Communist Youth League, Huitongda leveraged the digital technology as the core driving force to integrate resources such as supply chain, finance, and traffic through deep cooperation between both parties. This action is not only a deep integration of technology and public welfare, but also provides empowerment and assistance for young people to devote themselves to entrepreneurship and employment in new business formats.

Technology empowerment: digital systems help youth-operated small stores establish a "three-in-one store" model	Public welfare first: targeted assistance for youth and special groups	Supply chain + finance: solving pain points in the development of youth-operated small stores	Deep joint empowerment: building a youth entrepreneurship ecosystem
Huitongda has tailored a digital operating system for the "Suqing Small Store", covering functions such as omnichannel ERP, intelligent point-of-sale systems and CRM. This enables traditional stores to swiftly transform into a "three-in-one" model comprising an offline physical store, an online store and a community-based private-domain store. Through data-driven operations, small stores may monitor inventory, customer profiles and marketing effectiveness in real time, thereby significantly enhancing operational efficiency. Huitongda also collaborated with platforms such as Douyin and Meituan to provide traffic support and precise traffic guidance for small stores, helping them expand their online exposure.	The initiative focuses on groups such as university graduates, veterans and young people returning to their hometowns, lowering the threshold for entrepreneurship through free entrepreneurship training, supply chain support and financial assistance. For example, by collaborating with the School of Management of Fudan University, Nanjing Agricultural University and other higher education institutions to carry out industry training programs, it provides young people with practical skills training; and by collaborating with Bank of Jiangsu to launch inclusive finance products, it simplifies loan procedures and addresses funding difficulties.	We collaborate with Bank of Jiangsu on targeting common issues troubling youth-operated small stores in towns and villages such as unstable sources of goods and high logistics costs, by providing small stores with direct brand supply, return and exchange guarantees, and group buying alliance support to reduce procurement costs. At the same time, we collaborate with enterprises such as Robust to open brand co-branding cooperation, enhancing the commodity competitiveness of small stores. In the financial field, in addition to low-interest loans, the action also assists small stores in accurately connecting with local entrepreneurial and employment support policies. In addition, their active involvement in local consumption promotion activities will ensure that entrepreneurs "enjoy all they should enjoy".	This cooperation represents not only a resource coordination between enterprises and the government, but also an innovative practice of "technology + public welfare". Leveraging its organizational advantages, the Jiangsu Provincial Committee of the Communist Youth League coordinates policy and training resources, while Huitongda takes advantage of technology as a bridge to connect the full-chain service process from store opening to store operation. The parties also collaborated with enterprises such as Douyin and Amap to build a "traffic matrix", providing small stores with full-cycle support ranging from content creation to brand communication.

7. WORKING TOGETHER, DRAWING A BLUEPRINT FOR SHARED SUCCESS

7.3 THROUGH PUBLIC WELFARE AND CHARITY, WARMING VULNERABLE GROUPS IN THE COMMUNITY

Goals

By upholding the concept of social responsibility, the Group actively participates in public welfare and charity undertakings, and builds a long-term and sustainable public welfare and charity system to support the harmonious development of society.

CASE

Advancing economic and social development and joint community development is crucial to the sustainable development of the Group, which coincides with the Group's core value of "making the lives of farmers better". Under the guidance of the Party Committee and the Labor Union, the Group carried out various public welfare and charity activities in a planned manner and formulated social responsibility action plans to support community development. During the year, the Group actively supported the "Warmth in Xuanwu (情暖玄武)" public welfare initiative launched by the Nanjing Charity Federation, and collaborated with the Zhonglingjie Community to carry out charitable donations, providing targeted assistance to vulnerable groups and demonstrating our commitment to corporate social responsibility through concrete actions.


捐赠证书

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南京市慈善总会

2025年10月15日

8. WORKING TOGETHER TO CREATE THE FUTURE

- The United Nations SDGs related to this chapter



ESG MATERIALITY ISSUES DISCLOSED IN THIS CHAPTER

Highly Material Issues	Moderately Material Issues	Generally Material Issues
Health and safety Diversity and equal opportunity Employee rights and welfare	Development and training Employment compliance	/

The Group has always placed talent development at the core of its strategy. The Group is committed to fostering a corporate culture with cohesion and centripetal force, establishing a comprehensive and market-leading compensation and benefits system, and developing sound mechanisms for employee health and safety to provide solid safeguards for employees. At the same time, the Group has established a career development and training platform to support employees in continuously enhancing their capabilities and broadening their professional horizons. Through these initiatives, the Group fully inspires the potential of its talent, driving the mutual growth of both its employees and the Group.

8. WORKING TOGETHER TO CREATE THE FUTURE

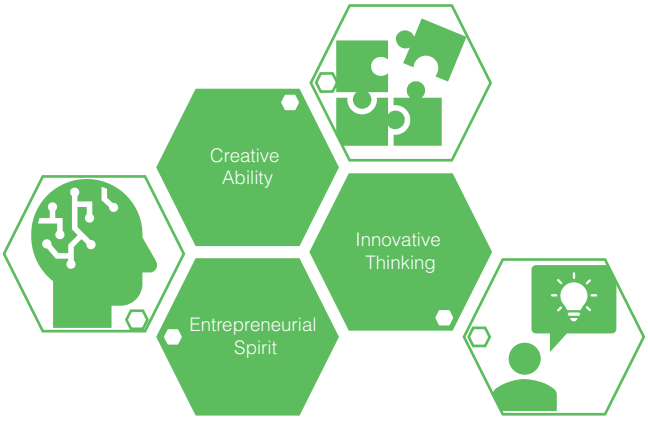
8.1 STRIVING TOGETHER FOR A BETTER LIFE

Goals

The Group is dedicated to fostering a positive and responsible work atmosphere that continuously enhances employee engagement and team cohesion, and promotes the deep integration of personal growth with corporate development. The Group focuses its human resources management on three core themes: optimizing incentive systems, strengthening career development pathways, and deepening cultural value guidance. These efforts are designed to fully unlock the creative vitality and passion of employees, promote an entrepreneurial spirit of perseverance, and inject enduring momentum into the high-quality development of Huitongda.

Strategies

The Group operates on the cultural foundations of "Happy • Talent • Dream" and adheres to the core values of "Creating Value and Sharing Growth". The Group fully recognizes that only through continuous effort and entrepreneurial spirit can it carve out more extensive development space in the vast market. Throughout the corporate development process, the Group thoroughly practices the spirit of "Three Innovations", embraces breakthroughs and ongoing exploration, drives business growth with innovation and empowers industrial transformation with creativity.



"Three Innovations" Spirit



8. WORKING TOGETHER TO CREATE THE FUTURE

The Group's code of conduct emphasizes integrity, teamwork, and commitment (ALL IN). Regardless of the challenges faced, the Group remains true to its original intentions and tackles difficulties head-on. Additionally, the Group actively embraces changes, pursues long-term thinking, and encourages learning-sharing. In the ever-evolving market environment, the Group stays keenly aware of trends and maintains ongoing evolution.

The Group always possesses a strategic vision and a broad perspective with a focus on not only the present but also the long term. We are committed to nurturing industry talents and fostering a sustainable organizational ecosystem. Heading into the new decade, Huitongda will remain "driven by dreams, centered on people, and result-oriented", achieving success through perseverance, fueling growth through talent, and navigating its course through vision, as the Group steadily marches toward an even more promising future.

CASE

Brand Business Department

Gathering Momentum for Innovation and Development

The Brand Business Department has outlined its key priorities for 2025: scaling self-owned brands, maximizing talent potential, stabilizing the existing business while expanding new business, and pioneering institutional innovation. All employees are required to focus on five major aspects: "Strategic Alignment, Innovative Development, Integrity and Pragmatism, Collaborative Synergy, and Cost-Efficiency Optimization". These efforts aim to consolidate our strengths, usher in a new chapter, and secure a successful start to the year.

Supply Chain Business Department

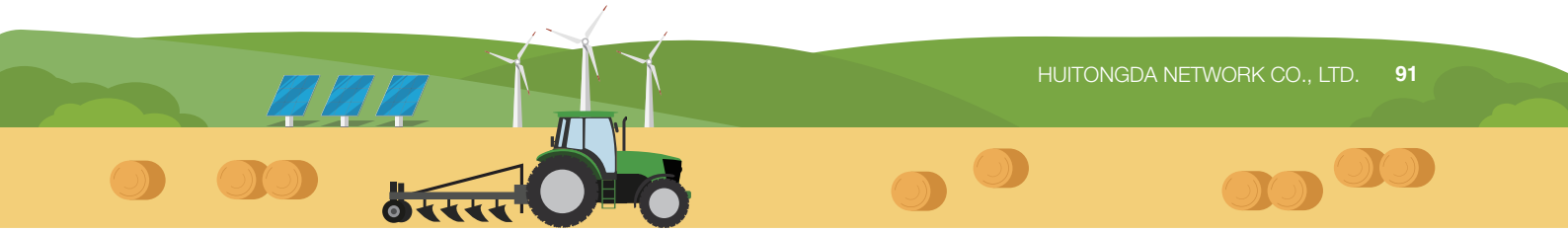
Strategic Foresight: Stabilize the Existing Business while Expanding New Business

The Supply Chain Business Department requires the heads of operating entities to lead their team in establishing a medium- to long-term development strategy based on a five-year blueprint; to plan three-year objectives and work backwards to identify key milestones over the next three years; to move swiftly to establish strategic footprint building on the budget for 2025; and to adhere to the operational core principles: stabilizing the existing business, expanding new business, embracing innovation, and mitigating risks.

Apple Business Department

Operational Excellence: Strategic Refinement and Intensive Management

The Apple Business Department focuses on the iterative upgrade of its existing businesses, the improvement of operational quality and store models, and the optimization of innovation mechanisms. It has established multiple project task forces to drive the implementation of its strategy.



8. WORKING TOGETHER TO CREATE THE FUTURE

CASE

B2B Business Department

Embracing AI for Rapid Breakthroughs

The B2B Business Department is actively integrating innovative AI technologies to reshape its products and services. Through in-house R&D and ecosystem integration, it is building a differentiated competitive edge. Through rapid execution, including innovating AI-driven work models and streamlining its resource portfolio, as well as a disciplined focus on five key projects and six core strategies for the first quarter, the department is committed to ensuring the delivery of results and the institutionalization of its core capabilities.

Technology R&D Center

Creating Premium Products and Achieving AI Breakthroughs

The Technology R&D Center has outlined three strategic priorities for 2025: developing competitive products; ensuring undisputed user satisfaction; and achieving breakthroughs in AI applications. It also emphasizes four methodological principles: maintaining a sense of urgency to improve efficiency; fostering an open and pragmatism-driven culture; identifying strategic directions with a results-oriented focus; and committing to long-term planning to consolidate its portfolio of products and services.

Anhui Branch

Mindset Cultivation: Stabilizing Growth and Improving Quality

Focusing on the strategic requirement of “stabilizing growth and improving quality”, all employees of the Anhui Branch have cultivated “4” mindsets: proactivity, a zero-base perspective, openness, and strategic confidence; and are dedicated to achieving “6” key objectives: ensuring steady growth and quality improvement in subsidiaries, achieving breakthrough growth through integrated production and sales, optimizing and upgrading self-operated projects (including the introduction of partnership models for “Three New” projects), rapidly implementing strategic targets, rapidly generating incremental value to support high-quality development, and conducting organizational and talent reviews.

Hujiang Branch

Three-Pronged Approach and Targeted Measures

The Hujiang Branch has defined its methodology: a three-pronged approach and targeted measures: leveraging data-driven insights to conduct a comprehensive resource audit; adopting a tiered approach to address key priorities; and strengthening synergy to ensure closed-loop management. The branch maintains rigorous control over its operational rhythm through a three-stage phased advancement, while enhancing process management through a results-oriented and refined management approach. The three core operational principles of the Hujiang Branch are: first, prioritizing target customer acquisition; second, promoting methodological innovation; and third, establishing benchmarks for service excellence.

8. WORKING TOGETHER TO CREATE THE FUTURE

CASE

The Power of Benchmarking

Luo Lei:
From Newcomer to Operational Pioneer



Luo Lei joined the Hubei branch of Huitongda, beginning her career in a business development role. Following the establishment of the first subsidiary in 2017, she expanded into new sectors with a relentless drive, visiting an average of four customers a day. By 2021, she had successfully developed a portfolio of high-quality subsidiaries spanning the 3C, agricultural means of production, and tyre sectors. In 2022, she transitioned to the East Hubei operational division, where she capitalized on the launch of Apple's new products to help a subsidiary achieve a record-breaking monthly sale, propelling its annual sales volume to a new level. From 2023 to 2024, her focus shifted toward enhancing quality and efficiency, driving the healthy development of subsidiaries through categorized services and structural optimization. From a trailblazer to an operational pioneer, her dedication – marked by daily visits to four outlets and on-site support for over 20 consecutive days – has transformed emerging business units from initial establishment to operational excellence.

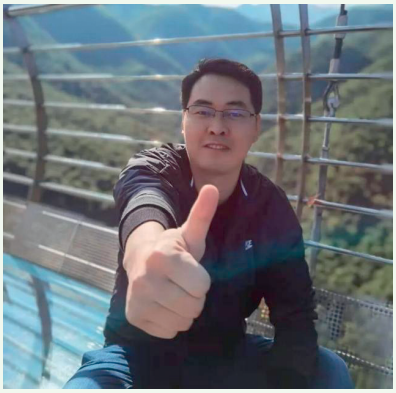
8. WORKING TOGETHER TO CREATE THE FUTURE

CASE

The Power of Benchmarking

In early 2025, Zhang Weiwei led his team in navigating the volatility of upstream policy shifts. Within just 20 days, he conducted field research across more than 300 retail outlets in 20 provinces, and established a “Channel Health Assessment Model”, through which 120 core outlets were identified, resulting in a 40% monthly growth rate across pilot locations. He implemented O2O strategies to capture competitor traffic, successfully increasing the return on investment per store by 60%. Furthermore, he oversaw the rollout of front-end warehouses across 100 stores, boosting inventory turnover by 50%. Under the “Star Service Provider Program”, he applied bespoke “one-policy-per-customer” strategies, driving a 25% increase in single-store sales, while the upgraded “1+N” customization model facilitated engagement with over 100 new customers. Team incentives were restructured to allocate an additional 30% toward frontline staff. Consequently, the Group’s profit, cash flow, and asset targets for the first quarter were all over-fulfilled with a 100% achievement rate. Driven by the conviction of “One Team, One Mission, One Heart, Striving Together for a Guaranteed Win”, he continues to turn challenges into opportunities, leveraging ambitious targets to drive high-velocity growth and using the strategic wisdom of dedicated strivers to illuminate the path forward.

Zhang Weiwei:
A Pioneer in Strategic Breakthroughs during Channel Transformation





8. WORKING TOGETHER TO CREATE THE FUTURE

8.2 COMPLIANCE IN EMPLOYMENT TO BUILD A REGULATED LABOUR ENVIRONMENT

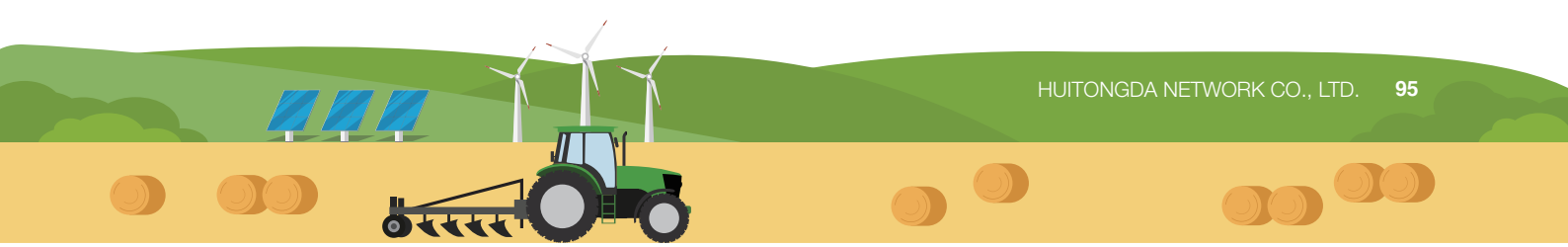
Goals

The Group consistently complies with national and regional labor laws and regulations and is committed to establishing a standardized, fair and transparent human resources system to fully protect the legitimate rights and interests of employees. The Group actively fosters diversity and inclusive organizational atmosphere, leverages the unique strengths of every individual, and continuously build an outstanding brand as an excellent employer. Through the continuous refinement of talent recruitment mechanisms, the strengthening of labor contract systems, and the enhancement of workplace environment safeguards, the Group systematically advances the compliance and sustainable development of its human resources management, providing a stable, reliable, and trustworthy career platform for every employee.

Strategies

The Group fully implements a diverse human resource strategy, strictly adheres to the principle of fair employment, and effectively safeguards the legitimate rights and interests of employees, and actively promotes and practices a culture of inclusivity. The Group is committed to providing an excellent working environment and comprehensive welfare benefits, and has established a systematic and standardized compliant employment system. These initiatives not only bolster the Group's ability to attract and retain outstanding talents but also lay a solid foundation for the continuous enhancement of organizational innovation capabilities and market competitiveness.

The Group has established a group-wide human rights due diligence mechanism (covering its own operations, value chain, mergers and acquisitions, etc.) to continuously identify and assess potential human rights risks and impacts through multiple channels such as employee interviews, supply chain audits, and user feedback. For significant risk issues (including, but not limited to, forced labor and data misuse), the Group strictly enforces a 90-day closed-loop rectification requirement to ensure timely and thorough resolution of issues. The scope of human rights due diligence covers key areas including labor rights, occupational health and safety, and care for special groups (such as facility accessibility for disabled employees and maternity benefit protections). The Group remains committed to optimizing related systems and policies and regularly discloses their progress to the public, thereby fulfilling its corporate social responsibility in a transparent and responsible manner and effectively protecting the legitimate rights and interests of its employees and all stakeholders.



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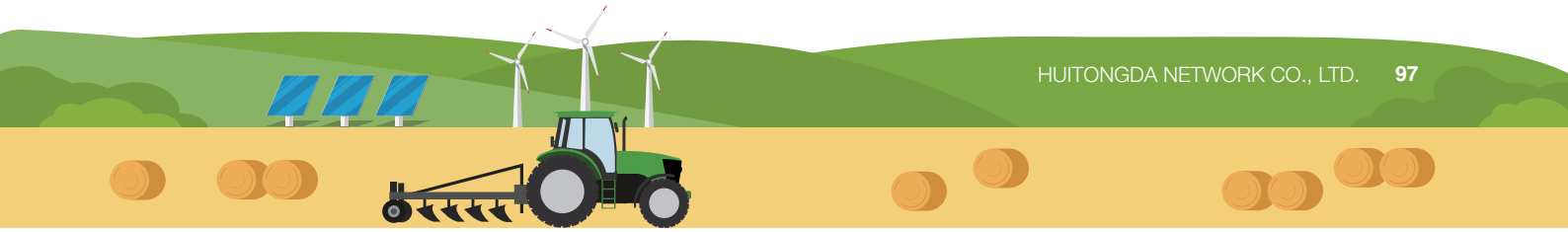
Compliant Employment System

Legal Compliance	• **Adherence to laws:** The Group strictly complies with relevant laws and regulations, including the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, ensuring the legality and compliance of recruitment and employment practices. • **Rules and regulations:** The Group has laid down a series of internal management policies, including the *Recruitment Management Policy*, the *Hiring Management Policy*, and the *Internal Recommendation Management Policy*.
Diversified and Fair Employment	• **Equal employment opportunities:** The Group firmly opposes any form of discrimination on the basis of gender, race, age, religion and region, and is committed to providing equal employment opportunities for all employees. • **Diversity of employees:** The Group highly values and is committed to fostering diversity across its workforce, including gender, age, educational background, socio-economic status, and professional experience. • **Fair recruitment:** The Group recruits new employees through channels such as campus recruitment, internal referrals, social recruitment (various online recruitment channels such as Zhaopin, 51job, Liepin, BOSS Zhipin, etc.), headhunting, and social software. The Group is dedicated to enriching talent pool while ensuring that the recruitment process is open, fair and transparent. • **Employee rehabilitation and return-to-work support:** The Group assesses employees' skill levels and provides targeted training to help them readjust to their work positions.



8. WORKING TOGETHER TO CREATE THE FUTURE

Inclusive Work Environment	• **Workplace equality and respect:** Any form of verbal or behavioral disrespect, humiliation or derogatory communication towards specific groups is strictly prohibited in the workplace. • **Education and training:** Employees are required to receive appropriate training and education to enhance their understanding and recognition of equal employment and increase their diversified awareness of culture, gender, religion and others. • **Establishing communication channels:** The Group regularly organizes informal gatherings and exchange meetings for employees and sets up direct communication channels to the CEO, thus optimizing the work environment for employee feedbacks and safeguarding suitable working conditions for employees.
Prohibition of Child Labour and Forced Labour	The Group strictly complies with the *Provisions on the Prohibition of Using Child Labour*, the *Labour Law of the People's Republic of China*, and other relevant laws and regulations, and strictly prohibits any form of child labour and forced labour. During the year, the Group did not report any employment of child labour or forced labour. • **Established System to Ensure Compliance:** The Group has established and implemented a labour rights protection system covering all employees of the Company and its subsidiaries, which clearly defines the core principles such as prohibition of forced labour, anti-discrimination, fair compensation, and lawful working hours. • **Strict Screening during Recruitment Process:** Under the leadership of the Human Resources Department, the Group carefully verifies the identity information and educational background of the candidates to prevent child labour, fabrication in academic credentials and other non-compliances. • **Regular Checks on Employee Profile:** The Group performs regular random checks on employees' profile to ensure legality and compliance. If any instance of non-compliance, such as child labour is discovered, the Group will immediately terminate the employment and report to the relevant authorities.



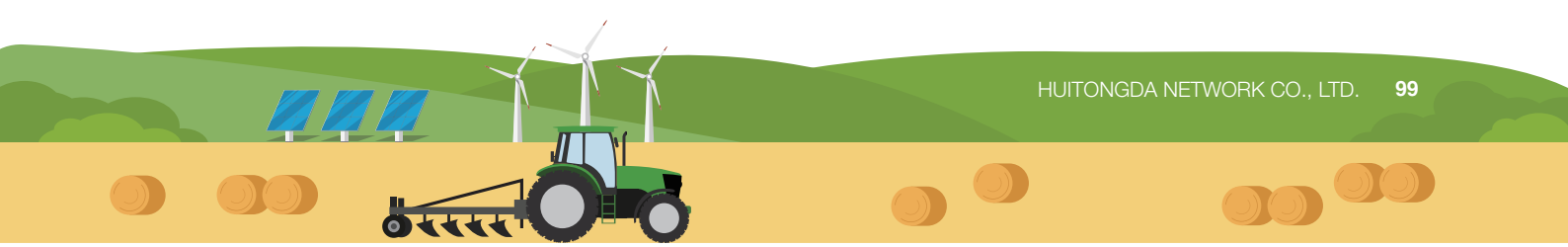
8. WORKING TOGETHER TO CREATE THE FUTURE

Lawful Working Hours	• **Rules and regulations:** The *Employee Attendance and Vacation Management System* has been enacted and implemented by the Group to regulate the management of employees' attendance, overtime work and vacation, and protect the legitimate rights and interests of employees. • **Lawful Working Hours:** Summer Period (From April to October every year) 7.5 hours a day from Monday to Friday; Winter Period (From November to March of the next year) 7 hours a day from Monday to Friday. A shift pattern is adopted for Saturday where each department schedules its own shifts. Working hours of employees are monitored within a reasonable and lawful range through scheduling and the attendance system. • **Flexible Working Hours:** Working hours are arranged in a manner appropriate to the role, which, for example, allows employees to opt for compensatory leave or overtime pay for the generated overtime weekly, to select starting and ending times within the flexible hours, and to work from home for family or health reasons. • **Overtime Management:** The Group encourages employees to complete work tasks within regular working hours. When overtime is necessary due to operational requirements, the Group may arrange employees to work additional hours, which will be recorded through the attendance system, with overtime compensation provided in accordance with relevant requirements, ensuring that employees can effectively avoid excessive overtime and reduce the total number of overtime hours worked. Should such circumstances arise, employees will receive the corresponding remuneration.



8. WORKING TOGETHER TO CREATE THE FUTURE

Prevention of Sexual Harassment in the Workplace	• **Rules and regulations:** The Group has established the *Sexual Harassment Prevention Management Measures* to address, investigate, prevent, and eliminate workplace sexual harassment perpetrated through abuse of positional authority or subordinate relationships, while protecting employees from sexual harassment. • **Defined Responsibilities:** The Group clearly established each department's responsibilities in preventing and addressing sexual harassment incidents to ensure timely and effective responses to such incidents. • **Established Complaint Processing Procedures:** The Group has implemented a clear complaint intake and investigation process to allow employees to report a complaint and ensure a fair and impartial approach to handling the complaints. • **Protection of Employee Privacy:** During the complaint handling process, the Group will strictly maintain the complainant's information in confidentiality to prevent disclosure and safeguard individual privacy. • **Support for Legal Recourse:** The Group is committed to providing necessary support and assistance to ensure that victims of sexual harassment have the right to seek remedies through relevant administrative and judicial authorities. • **Anti-Discrimination and Harassment Training:** The Group provides relevant training regarding prevention of discrimination and sexual harassment at workplace for all employees. • **Effectiveness of Anti-Discrimination and Harassment Management:** In 2025, the Group did not report any incidents of discrimination or harassment.
Departure Management	• **Rules and regulations:** In order to optimise the allocation of human resources, and improve work performance and employee satisfaction, the Group develops the Employee Departure Management System, which specifies detailed termination procedures for employees. • **Retention of Outstanding Employees:** The person in charge of the Employing Department must conduct an exit interview with the departing employee, attempt to retain exceptional talents, complete the Employee Departure Interview Form, and submit it to the department's HRBP for a second interview. • **Analysis of Departure Reasons:** The Employing Department collects and analyses the departure reasons to provide guidance and basis for departmental management.



8. WORKING TOGETHER TO CREATE THE FUTURE

Minimum Notice Period for Operational Changes	• For significant operational changes that may affect employees' roles, working modalities, or responsibilities, employees are typically given at least 30 days' notice in advance, with explanations provided via internal announcements, briefing sessions or through department heads.
Employee Privacy Protection	When processing employees' personal data and implementing management, the Group must follow the principles of "legality, fairness, necessity", and "only disclosing the minimum needed". All measures must be taken with a view to achieving specific and reasonable management objectives and must be implemented in a manner that minimizes the impact on employees' rights and interests. Specific measures are as follows: • **Information Confidentiality and Restricted Disclosure:** Employees' personal data collected shall be kept strictly confidential. Prior to disclosure (such as in announcements), data must be desensitized (e.g., by concealing ID numbers, addresses). Any disclosure of private information without consent constitutes infringement of rights. • **Reasonable and Transparent Surveillance Arrangements:** The installation of cameras should be limited to public office areas with clear notification provided to employees. Installation in private areas such as locker rooms and restrooms is prohibited. • **Improved Handling of Former Employees' Information:** Upon the cessation of employment, the employees' personal information should be promptly stopped from use, deleted, or anonymized.
Employee Support and Care	Specific measures for financial assistance and emergency relief are as follows: • **Visits and Condolences:** Holiday condolences targeted at the families of employees in financial difficulty, model workers, and employees posted abroad. • **Mutual Aid Mechanism:** Trade union mutual aid association, internal employee donation mechanism.



8. WORKING TOGETHER TO CREATE THE FUTURE

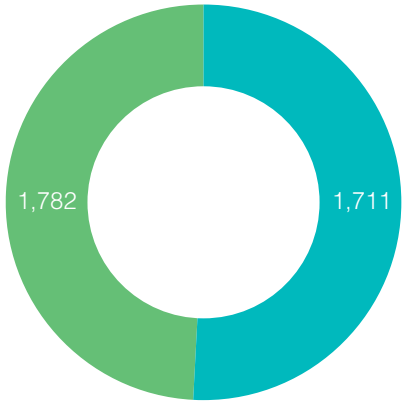
Quantitative Data

In 2025, the Group hired a total of 923 new employees, with internal candidates (internal hires) filling 7.37% of the vacancies, and the average recruitment cost per full-time employee was RMB1,223.

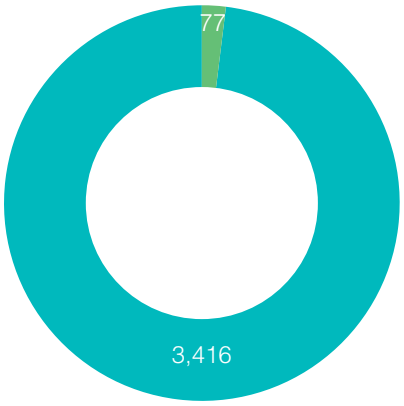
Key Indicator	Unit	2025
Total number of new hires	person	923
Total number of new hires by gender: number of new male hires	person	471
Total number of new hires by gender: number of new female hires	person	452
Total number of new hires by age group: number of new hires 18-30 years old	person	330
Total number of new hires by age group: number of new hires 31-40 years old	person	373
Total number of new hires by age group: number of new hires 41-50 years old	person	164
Total number of new hires by age group: number of new hires 51 years old and above	person	56
Total number of new hires by management tier: number of new grassroots hires	person	895
Total number of new hires by management tier: number of new junior management hires	person	22
Total number of new hires by management tier: number of new middle management hires	person	5
Total number of new hires by management tier: number of new senior management hires	person	1
Total number of new hires by geographical region: number of new hires in East China	person	659
Total number of new hires by geographical region: number of new hires in Southwest China	person	41
Total number of new hires by geographical region: number of new hires in Central China	person	90
Total number of new hires by geographical region: number of new hires in South China	person	61
Total number of new hires by geographical region: number of new hires in Northeast China	person	13
Total number of new hires by geographical region: number of new hires in North China	person	43
Total number of new hires by geographical region: number of new hires in Northwest China	person	16

8. WORKING TOGETHER TO CREATE THE FUTURE

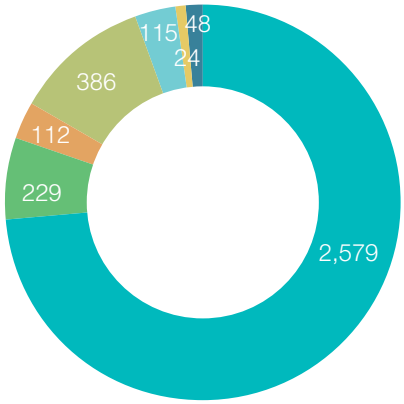
NUMBER OF EMPLOYEES BY GENDER



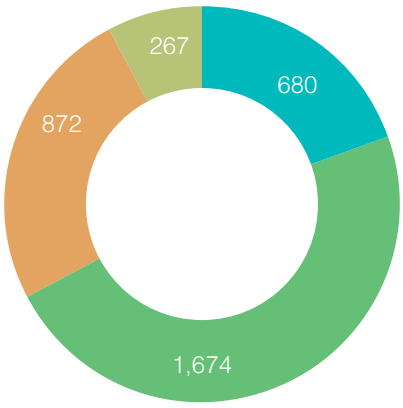
NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE



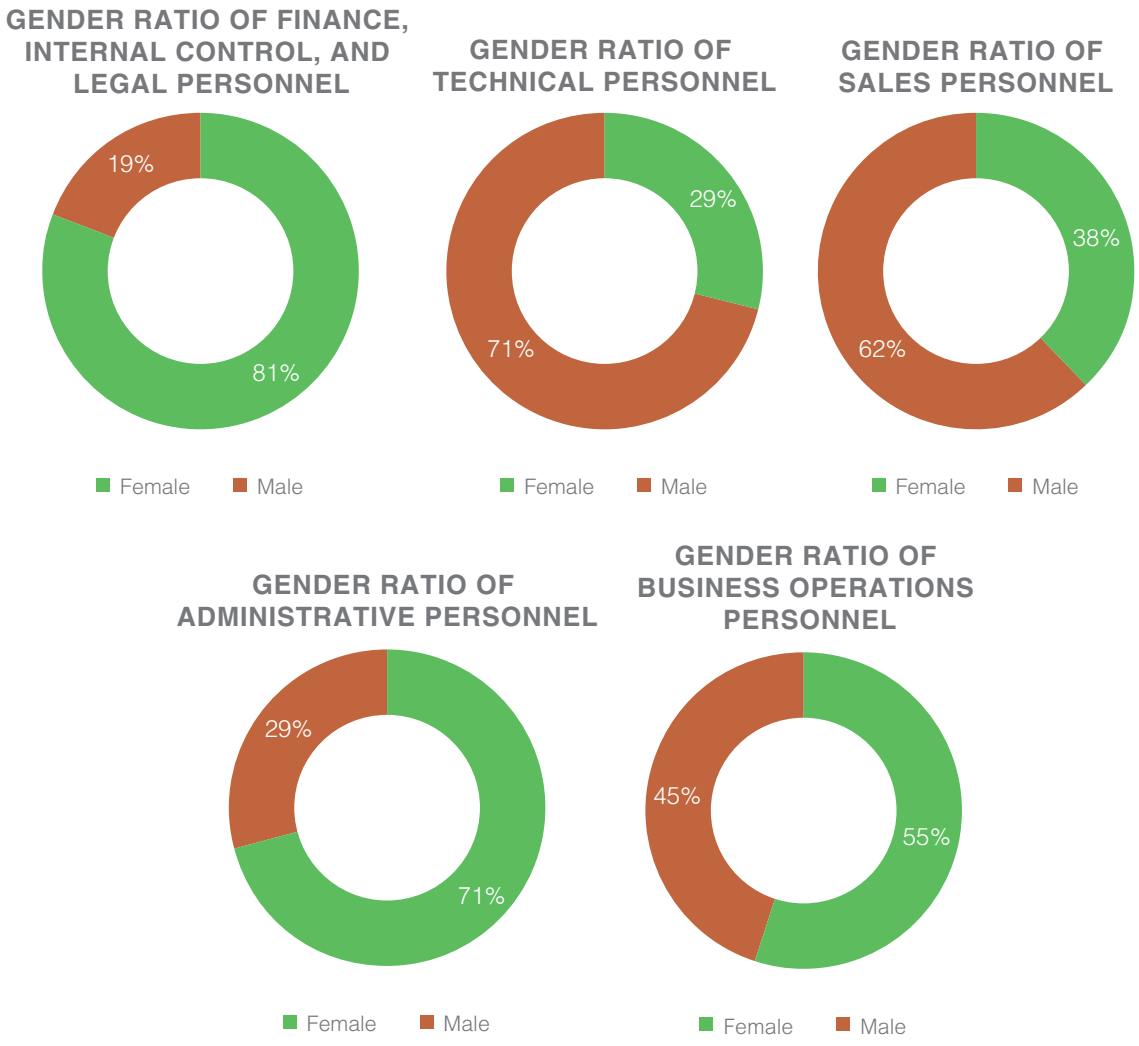
NUMBER OF EMPLOYEES BY GEOGRAPHICAL REGION



NUMBER OF EMPLOYEES BY AGE GROUP

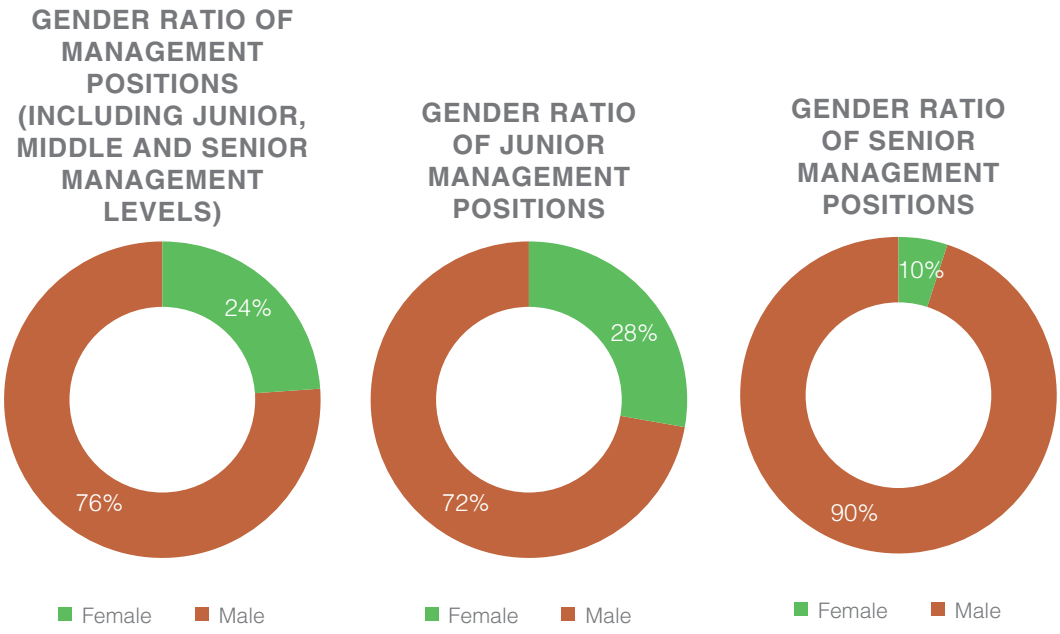


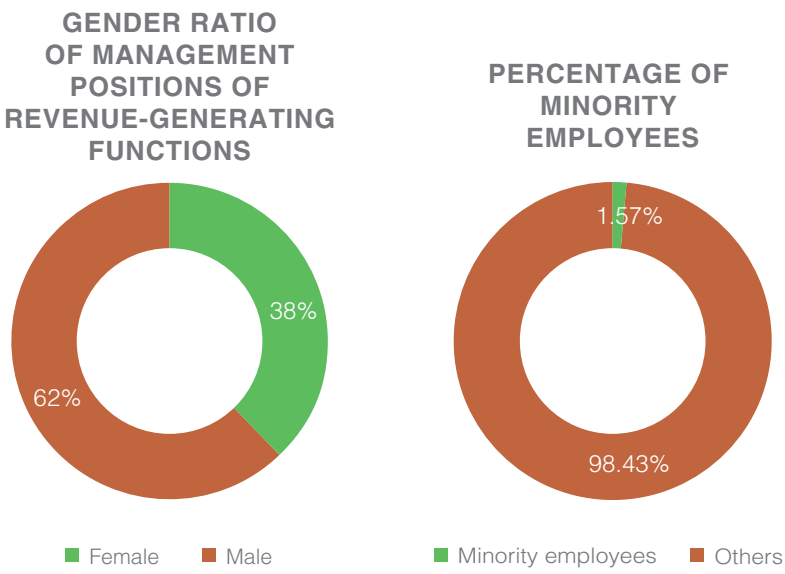
8. WORKING TOGETHER TO CREATE THE FUTURE



GENDER RATIO BY EMPLOYMENT ROLE

8. WORKING TOGETHER TO CREATE THE FUTURE





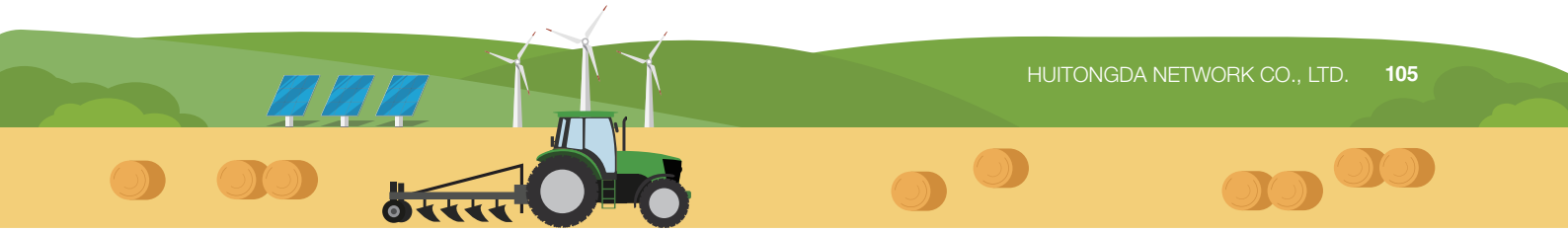
GENDER RATIO BY MANAGEMENT TIER AND PERCENTAGE OF MINORITY EMPLOYEES



8. WORKING TOGETHER TO CREATE THE FUTURE

Employee Turnover Indicators[2]	Unit	2025
Voluntary employee turnover rate	%	23.41
Total employee turnover rate	%	26.57
Female employee turnover rate	%	25.46
Male employee turnover rate	%	27.69
Full-time (i.e. employees with employment contracts) employee turnover rate	%	26.94
Other (e.g., rehired employees, interns) employee turnover rate	%	8.33
18-30 years old employee turnover rate	%	35.47
31-40 years old employee turnover rate	%	24.89
41-50 years old employee turnover rate	%	23.10
51 years old and above employee turnover rate	%	23.68
Employee turnover rate in East China	%	24.39
Employee turnover rate in South China	%	21.86
Employee turnover rate in Southwest China	%	47.84
Employee turnover rate in Central China	%	26.43
Employee turnover rate in North China	%	42.59
Employee turnover rate in Northeast China	%	80.00
Employee turnover rate in Northwest China	%	36.54
Senior management employee turnover rate	%	14.29
Middle management employee turnover rate	%	12.91
Grassroots employee turnover rate	%	27.88

[2] Turnover rate = number of employees leave employment in the specified category for the year/(number of employees in the specified category at the beginning of the year + number of employees in the specified category at the end of the year) *2. Turnover rate statistics exclude the cases where employees leave during the probationary period or fail to pass the probationary period



8. WORKING TOGETHER TO CREATE THE FUTURE

During the year, the Group continued to provide support and offer condolences to employees suffering from difficulties, injuries, or illnesses. The specific quantitative results are as follows:

Indicators for Support and Condolence for Employees Suffering from Difficulties, Injuries, or Illnesses	Unit	2025
Number of employees with difficulties supported	person	1
Number of employees receiving condolences for injuries and illnesses from the trade union	person	21

8.3 TIERED TALENT CULTIVATION: UNLOCKING PATHWAYS FOR CAREER ADVANCEMENT

Goals

The Group accords high strategic priority to talent cultivation and career development. By systematically constructing a learning and development system that encompasses the entire employee growth cycle, the Group is committed to providing continuous empowerment and diversified career progression pathways. Through the design of tiered and categorized training programs, clear and well-defined career development pathways, and a fair promotion system based on competence and contribution, the Group continuously revitalizes the organization, achieving a powerful synergy between employees' professional fulfillment and the high-quality development of the Company.

Strategies

- ***Employee Learning and Training***

  The Group regards talent cultivation and organizational development as its strategic cornerstones, and is committed to building a systematic, full-cycle talent development system. To standardize training management, the Group has established the *Training Management System* and the *Internal Trainer Management System*. The Board is responsible for the oversight of employee development and training management. Furthermore, the Group champions a learning culture centered on the "learning, thinking, practicing, and gaining insights, and the unity of knowledge and action", encouraging employees to engage in continuous learning, deep reflection, and proactive application within their daily roles. By achieving significant improvements in capability through constant reflection and refinement, the Group ensures a sustainable impetus for both personal growth and organizational innovation.

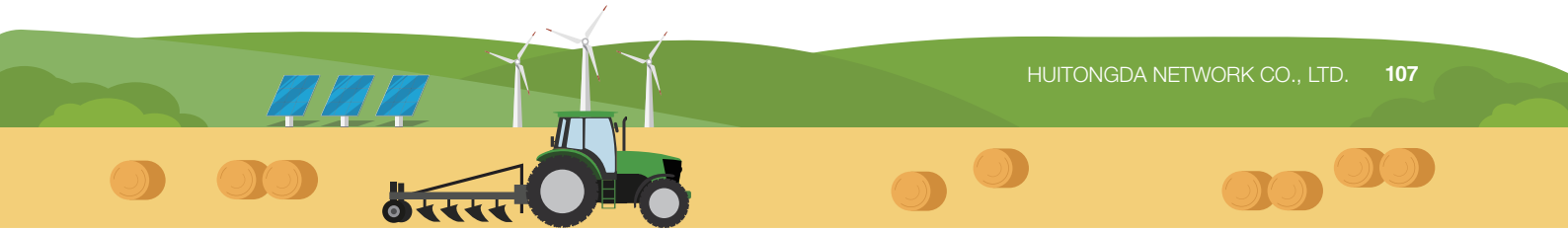
  To support such a system, the Group has launched "Huixuetang", a digital learning platform that aggregates cutting-edge industry case studies and diverse curricular resources, providing employees with flexible and enriched learning opportunities. At the same time, the Group has established a regular mechanism for talent review and planning. A talent inventory for key personnel is conducted every six months, followed by a systematic review of critical positions at year-end. These efforts are complemented by annual organizational interviews to conduct in-depth analyses of business requirements and talent development dynamics. Leveraging the outcomes of these inventories and interviews, the Group regularly produces talent pipeline dashboards that clearly visualise the structure of the talent pipeline, providing a precise basis for talent selection, succession planning, and organizational optimization.



8. WORKING TOGETHER TO CREATE THE FUTURE

In response to rapid changes in the market and the industry, the Group provides leadership and management capability enhancement training available to all employees, supporting employees in improving their leadership, advancing their academic qualifications, or obtaining certifications. The Group continues to iteratively upgrade the leadership competency model ("Five Competencies in a Red Heart"), and ensures that talent capabilities evolve in line with business development through organizational diagnosis, talent inventories, and specialized development programs. In addition, the Group implements a phased and differentiated employee development program, covering key aspects such as new employee onboarding and professional skills enhancement. A new pipeline cultivation mechanism has been introduced, which is integrated with the annual performance management system (KPIs) to ensure goal alignment, regular feedback and targeted coaching, thereby effectively enhancing employee performance and organizational cohesion.

In terms of training operations, the Group systematically manages training records and mentor resources, actively promotes the integration of industry and education, and cooperates with vocational schools to nurture highly-skilled talent tailored to corporate needs through, among others, work-study programs and enterprise-school dual mentorship models. Meanwhile, the Company encourages employees to establish and join "internal learning groups" to integrate multi-party resources to jointly improve professional capabilities and levels. Training implementation emphasizes tiered and categorized approaches, with a focus on strengthening the capacity building of the business talent pipeline and continuously refining the secondary training system. Training content covers four key dimensions, namely professional skills, tool application, management empowerment, and industry cutting-edge knowledge, ensuring that talent development comprehensively supports business growth and organizational evolution. In addition, the Group supports employees in upgrading skills and obtaining certificates, continuously enhancing employees' professional capabilities and career development potential.



8. WORKING TOGETHER TO CREATE THE FUTURE

Through the above systematic measures, the Group aims to build a learning organization, continuously enhance talent density and organizational resilience, and lay a solid foundation for the sustainable growth and long-term competitiveness of the Company.

Training	Goal	Quantitative Business Benefits
Financial Talent Pipeline Programmes ("Huangpu" Executive Programme & "Yinhang" On-boarding Programme)	To develop finance leadership talent	• The programme has successfully produced approximately 22 financial directors since its inception • In 2025, the Group conducted 8 training sessions covering themes such as "Tax Risk Prevention and Control", "Application of ROIC", "Corporate Strategy Formulation and Operational Implementation", and "Financial Risk Control Systems". The total training duration reached approximately 38 hours, with an aggregate attendance of over 95 employee-times
Hands-on Training for Internal Control Centre	To enhance employees' risk control awareness to mitigate asset risks	• 100% participation rate for business personnel at the manager level and above • A total of five training sessions were conducted in 2025, covering topics such as corporate financial and legal risk and contract management, internal control and risk prevention under business-finance integration, identifying the next growth curve, design and implementation of group management and control models, and analysis and mitigation of common legal risks in corporate operations



8. WORKING TOGETHER TO CREATE THE FUTURE

Sponsorship or Assistance Programs for Employee Education and Skill Enhancement	
The Group sets clear objectives, facilitates regular communication and provides targeted guidance through phased employee mentoring programs, significantly improving employee performance and organizational cohesion.	We have established training programs, including orientation sessions, financial training courses, and tiered training programs, tailored for new and existing employees and employees at various levels. These initiatives are designed to facilitate cultural integration, enhance employee skills, and cultivate highly skilled talent suited to the Company's needs.

Employee Rehabilitation and Return-to-Work Program	
We provide arrangements such as flexible working hours, remote work options, or a phased return to full-time work based on the employee's physical condition.	We assess employees' skill levels and provide targeted training to help them readjust to their roles.

During the year, the Group focused on enhancing the competency development of the B-role candidates in the first-tier leadership pipeline across all organizations, cultivating young executives, and continuously establishing the Group's secondary cascading training system. Training content covers cultural strategy, professional skills development, use of tools, management capability enhancement, and knowledge expansion on industry updates, with some initiatives as follows:

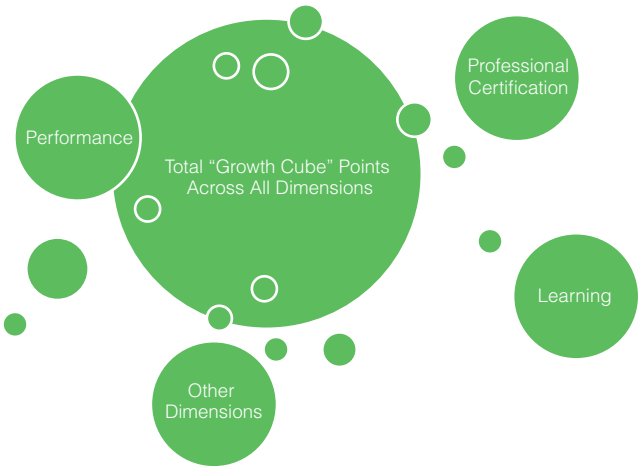
CEO Readiness Bootcamp serves as a core initiative within the Company's top-tier talent strategy. Centered on intensive practical application and real-world simulation, the Bootcamp selected 15 trainees and systematically builds a pipeline of future CEOs through customized mentorship and gap-filling development, supplemental opportunities such as executive study tours.	Centered on the principle of "technology empowerment + practical application", the Apple Business Division has established a diversified training system. Throughout the year, it hosted 11 sessions of live online courses led by senior experts, focusing on high-value areas such as strategic thinking, AI technology, risk prevention and control, and cross-border development. The "live streaming + interactive" model was used to enhance learning effectiveness. Offline, the division organized over 30 internal sessions to share best practices, combining practical methodologies with real-world implementation to dissect successful internal projects, thereby fostering cross-departmental collaboration and knowledge retention. It also partnered with external organizations to host three specialized salons focused on AI applications, e-commerce operations, and business sensitivity, incubating innovative projects and broadening industry perspectives.

8. WORKING TOGETHER TO CREATE THE FUTURE

- ***Clear Promotion Path - "Growth Cube" System***

To inspire employees' intrinsic motivation in their work and personal development while enhancing overall organizational efficiency, the Group implements the *Employee Position Promotion Management System* to strengthen the responsibility of management at all levels in talent cultivation and development, systematically promote career advancement of employees, and accelerate the establishment of internal talent pipelines, providing strong talent support for the Company's sustainable development.

The Group fully implements the "Growth Cube" system, which is a grade promotion system applicable to all employees. The system conducts quantitative evaluation of employees across four dimensions (i.e. "Performance", "Professional Certification", "Learning" and "Other Dimensions"), and calculates the total "Growth Cube" points for each employee according to the scoring rules outlined in the *Employee Position Promotion Management System*. Employees who meet the promotion criteria may independently initiate applications, enabling visible and quantifiable management of grade promotion. This effectively motivates continuous employee development and drives overall organizational capability enhancement.



In addition, employees can check their personal points and promotion progress in the system in a real-time manner. In the "Growth Contest" module, employees can benchmark against outstanding peers to understand their rankings. The "My Focus" module enables employees to follow role models, foster a spirit of self-improvement and engage in targeted learning and development. The "Supervisor's Perspective" module enables management to keep track of team growth dynamics in real time, precisely advance talent development initiatives. At key career milestones, the Group periodically conducts performance reviews and evaluations (such as during probation confirmation, renewals, and promotions). Outstanding employees may be eligible for early promotion or job rotation to continuously optimize talent development channels.

Meanwhile, to stimulate organizational innovation and vitality and to recognize teams and individuals who have made outstanding contributions to the implementation of the Group's strategies, the Group has established an excellence reward mechanism. Guided by performance results and based on open and fair rules, this mechanism grants honors to outstanding teams and individuals through an objective and authentic selection process. In 2025, the Group provided advancement opportunities for outstanding employees, with a total of 132 employees being successfully promoted based on their excellent performance, and a total of 60 teams and 195 employees received awards.



8. WORKING TOGETHER TO CREATE THE FUTURE

Quantitative Data

Key Indicator	Unit	2025
Average training and development hours per full-time employee (FTE)	hour	21
Percentage of employees trained by gender: Percentage of male employees trained	%	100
Percentage of employees trained by gender: Percentage of female employees trained		100
Percentage of employees trained by function: Percentage of senior management trained		100
Percentage of employees trained by function: Percentage of middle management trained		100
Percentage of employees trained by function: Percentage of grassroots employees trained		100
Percentage of employees trained by age: Percentage of employees under 30 years old trained		100
Percentage of employees trained by age: Percentage of employees 30-50 years old trained		100
Percentage of employees trained by age: Percentage of employees over 50 years old trained		100
Average training hours per employee by gender: Average training hours for male employees	hour	21.93
Average training hours per employee by gender: Average training hours for female employees		20.32
Average training hours per employee by function: Average training hours for senior management		13.53
Average training hours per employee by function: Average training hours for middle management		22.41
Average training hours per employee by function: Average training hours for grassroots employees		19.91

8. WORKING TOGETHER TO CREATE THE FUTURE

CASE: HUITONGDA'S BUSINESS TEAM CONDUCTED OMNI-CHANNEL OPERATIONAL STUDY TOUR AT BOIN HEARING

In October 2025, Huitongda's Human Resources and Administration Center, in coordination with the subsidiary business divisions, organized a group of over 40 participants, including trainees from the 2025 core talent development program and heads of self-operated branches, to visit the Shanghai headquarters of its strategic partner, Boin Hearing, for an "Omni-Channel Operational Practical Study Tour". Centered on the theme of "Ecological Growth and Channel Breakthroughs", the study tour leveraged immersive site visits, high-level executive dialogues, and business seminars to draw on the omni-channel operational philosophies and practical expertise of external industry leaders, broadening the strategic horizons and fostering innovative thinking, so as to inject new momentum into the Huitongda's channel deepening strategies and ecological synergies in a new phase.

This study tour represented not only an opportunity for benchmarking at the operational level, but also served as a platform for the deep alignment of organizational cognition and the collective refinement of team competencies. Through a packed schedule of visits, discussions, and review sessions, participants gained a more systematic understanding of "omni-channel operations" and developed a stronger practical grasp of constructing a closed-loop system connecting "Channel-Product-User". Looking ahead, Huitongda will continue to facilitate study tours and training for its core teams. By continuously elevating omni-channel operational capabilities and the quality of organizational decision-making, the Group aims to solidify the foundation of talent and mindset necessary to achieve its corporate mission of "Creating a Better Life for Rural People".





8. WORKING TOGETHER TO CREATE THE FUTURE

8.4 SHARED VALUE, SAFEGUARDING EMPLOYEE COMPENSATION AND WELFARE

Goals

The Group's core strategy is to build a fair, transparent and competitive compensation and welfare system, with the aim of effectively motivating employees, increasing their job satisfaction, and continuously attracting and retaining high-calibre talents. By establishing a scientific compensation structure, reasonable performance incentive mechanism, a comprehensive welfare security system, and long-term incentive plans, the Group ensures that compensation and welfare policy are aligned with market dynamics and the Group's strategic development.

Strategies

To cultivate an organizational environment defined by empathy and cohesion, the Group has implemented the *Welfare Management System* to continuously optimize welfare system for employees and enhance the employee experience and sense of belonging to the organization. By fostering a caring corporate culture, the Group enhances employees' perception of welfare offerings and effectively attracts and retains outstanding talents, laying a solid foundation in respect of talents for the sustainable development of the Company.

To continuously invigorate the organization and promote mutual growth between the Company and its talents, the Group has established an innovative partner mechanism, opening channels for equity subscription and profit-sharing to attract high-potential talent and build a development platform centered on "risk-sharing, value co-creation, and shared success". For core leadership teams, the Group has developed a dual-track promotion system combining "management + professional" pathways and implemented a position-linked compensation mechanism, broadening career development pathways and fully stimulating talent potential, thereby continuously enhancing the organization's internal momentum and long-term competitiveness.

At the same time, the Group launched the *Huibao Action 6.0* program to recognize outstanding contributions of employees and inspire teams' vitality and innovation. This program not only encourages employees to actively unleash their talents and engage in work practices, but also helps foster a positive and rewarding corporate culture, which provides cultural support for long-term stable operations.

The Group regularly adjusts salaries every year with reference to operating conditions, changes in minimum wage, and living standards such as commodity prices, comprehensively considering the basic living needs of employees and their families (including food, housing, healthcare, education, and savings ability), as well as related industry conditions and information, to ensure that official and outsourced employees are paid no less than the local living wage standards.

8. WORKING TOGETHER TO CREATE THE FUTURE

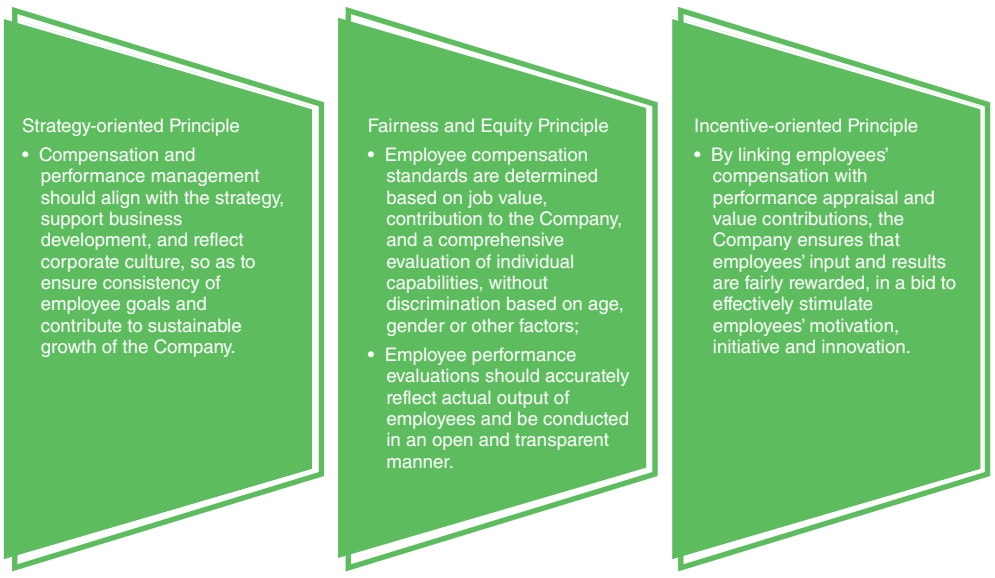
- ***Transparent Reward and Disciplinary Management***

The Group has established and implemented the *Employee Rewards and Disciplinary Management System 3.0*, designed to guide employees in maintaining voluntary compliance with national laws and regulations, upholding social and professional ethics, and strictly adhering to internal management rules. Adhering to the principles of openness, fairness, and impartiality, this system establishes a clear performance-oriented culture that recognizes excellence and addresses underperformance, so as to foster a positive and healthy environment for internal competition and professional engagement that provides robust support for the achievement of the Company's strategic goals.

- ***Fair Compensation Incentives***

The Group is committed to establishing a fair and equitable compensation distribution system along with a rational adjustment mechanism, so as to help the Group accurately reflect employee contributions, fully leverage the incentive-oriented role of compensation, and continuously stimulate employees' motivation and creativity.

In accordance with the internal *Compensation and Performance Management System*, the Group conducts performance-based compensation management based on the following three principles. At the beginning of the assessment period, personnel at all levels formulate current work plans and performance indicators based on the indicators of the higher level combined with the work tasks prescribed by their job responsibilities. Employees' performance scores are determined based on their achievements and results in each quarter and are reflected in their quarterly performance-based payroll. Annual performance rankings are used to guide year-end bonus distribution and decisions regarding promotions or compensation adjustments in the following year. This system fully leverages the incentive function of compensation to attract and retain outstanding employees. By establishing a reasonable value assessment method, performance management over defined periods or cycle periods accurately reflects employee contributions and effectively motivates all staff to take initiative and perform proactively.





8. WORKING TOGETHER TO CREATE THE FUTURE

- ***Equity Incentive Plan***

  To further strengthen the core competitiveness of the Company and stabilize and motivate the key talent team, the Group implements an equity incentive plan to extensively align individual employee development with the Group's long-term goals through a profit-sharing mechanism. Since April 2023, the Company has implemented the equity incentive plan in stages, and 13.7% of the total number of employees has cumulatively been granted restricted share units, with vesting periods ranging from 3 to 5 years. This move further strengthens the alignment of interests among employees, the Group, and shareholders, effectively stimulating the motivation and creativity of key talents and enhancing team synergy efficiency and organizational stability.

- ***Enhanced Employee Welfare***

  The Group attaches great importance to employee welfare. In addition to the full implementation of statutory five social insurances and one housing provident fund, the Group continues to enhance the diversified welfare system by committing itself to building a caring workplace for employees to effectively enhance their sense of belonging, happiness, and job satisfaction, which has also laid a solid foundation for the Group to attract talent, maintain team cohesion, and enhance comprehensive competitiveness.

  The Group ensures that employees are entitled to paid annual leave in accordance with the law. By establishing an effective monitoring mechanism, annual leave wages are accrued on a monthly basis and paid in full during the leave period. Annual leave shall not be replaced, or annual leave wages shall not be deducted without justifiable reasons. In addition, we ensure that employees can complete their paid annual leave. Furthermore, the social security including the five social insurances and one housing provident fund and commercial insurance for employees has extended beyond statutory security contributions.

8. WORKING TOGETHER TO CREATE THE FUTURE

Five social insurances and one housing provident fund

Social insurance (pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, critical illness aid) and housing provident fund

Commercial insurance

Commercial medical insurance and family purchase channel

Other benefits

Birthday celebrations, employee activities, and training benefits

Paid holidays

Statutory holidays, annual leave, family visit leave, marriage leave, maternity leave, breastfeeding leave, nursing leave, bereavement leave, parents' meeting leave, birthday leave, paid sick leave, parental leave and one-child care leave



Physical examination benefit

Entry examination, on-the-job physical examination

Subsidies

Transportation subsidy, communication subsidy, meal subsidy, rent subsidy, and subsidy for stationing abroad

Condolence

Injury and illness condolence, funeral condolence, employee relief fund, management team condolence

Welfare for marriage and giving birth

Welfare for marriage and giving birth

Traditional festival welfare

Spring Festival, Dragon Boat Festival, Mid-Autumn Festival welfare

8. WORKING TOGETHER TO CREATE THE FUTURE

To further support employees in balancing work and family, the Group provides a flexible and diversified paid leave policy to help employees better balance personal and family needs, reflecting the Company's solemn commitment to all-around care for employees.

Parental Support Leave

The Group has established dedicated nursing rooms for mothers. Employees who are breastfeeding are entitled to one hour less of working time per day until their child reaches one year of age. Pregnant employees are granted 12 days of prenatal examination leave. Employees whose spouses give birth in accordance with family planning regulations are entitled to paternity leave.

Parental Leave

Each parent is entitled to 10 days of paid parental leave per year until their child turns three years old.

Marriage Leave

Employees who have reached the legal age of marriage and have legally registered their marriage are entitled to 15 days of paid marriage leave.



Maternity Leave

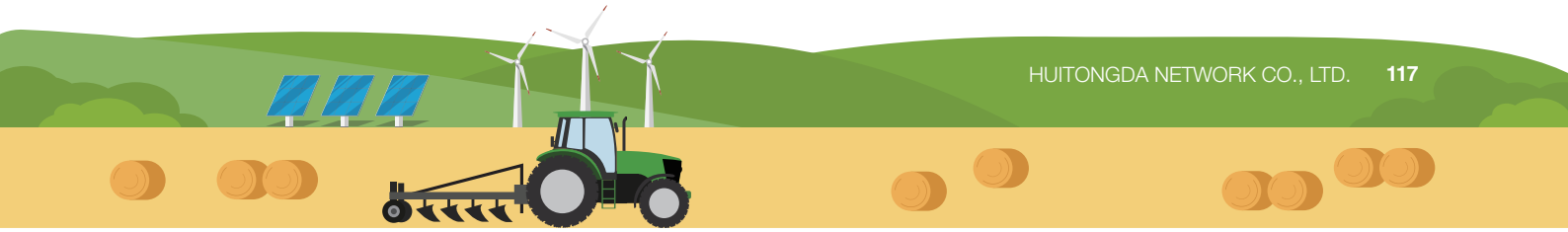
Expectant mothers are entitled to 158 days of paid maternity leave. In the case of a difficult labor, an additional 15 days are granted. For each additional newborn, 15 more days are added.

Parents' Meeting Leave

Employees are entitled to 0.5 days of paid leave per year to attend parents' meeting.

Bereavement Leave

Employees are granted 3 days of paid bereavement leave upon the death of a spouse, parent, child, or parent-in-law. For the death of a sibling, grandparent, or maternal grandparent, employees are entitled to 2 days of paid bereavement leave.



8. WORKING TOGETHER TO CREATE THE FUTURE

The Group regularly monitors performance indicators for gender payment, namely equal pay for equal work for male and female employees, ensuring that compensation standards are determined on a non-discriminatory basis regardless of gender.

Quantitative Data

Category	Key Indicator Classification	Key Indicator	Unit	2025
Gender Pay	Average monthly wages for female employees	Executive level (Base salary)	RMB10,000	156
		Executive level (Base salary + Other cash incentives)		280
		Management level (Base salary)		14.69
		Management level (Base salary + Other cash incentives)		23.15
		Non-management (Base salary)		7.9
	Average monthly wages for male employees	Executive level (Base salary)		52.38
		Executive level (Base salary + Other cash incentives)		101.05
		Management level (Base salary)		16.36
		Management level (Base salary + Other cash incentives)		29.55
		Non-management (Base salary)		9.39



8. WORKING TOGETHER TO CREATE THE FUTURE

Category	Key Indicator Classification	Key Indicator	Unit	2025
Equal pay for equal work	Differences between male and female employees	Average gender pay gap[3]	%	33
		Median gender pay gap[4]		24
Market Performance	Ratio of male and female standard entry-level wage to local minimum wage	Male and female standard entry-level wage at headquarters/local minimum wage	/	≈2
		Male and female standard entry-level wage in other regions/local minimum wage	/	≥1
		Proportion of senior management hired from the local community	%	71.4

3 The difference in average gross hourly earnings between male and female employees

4 The difference between the median hourly earnings of male full-wage related employees and female full-wage related employees

8. WORKING TOGETHER TO CREATE THE FUTURE

CASE: FESTIVAL EVENT BENEFITS IN 2025

The spring breeze brings warmth, and the youth is in full bloom. To celebrate the International Women's Day on March 8, the Company paid respect and care to all female employees through a series of activities such as flower gifts, souvenir distribution, and team-building dinners.





In early November, the Company held the "Youth Gather Show Passion for Sports" Hello HTD themed sports game. This sports game specially integrated corporate culture elements, setting a daily healthy step count check-in challenge for all employees to strengthen team cohesion. The event also included team projects such as tug-of-war, long rope, and curling. Various departments participated enthusiastically by competing for honor through collaboration and practicing culture through sports, thereby demonstrating team vitality.

Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival gift packages were distributed to all employees to enhance employee well being, family harmony, and community integration.



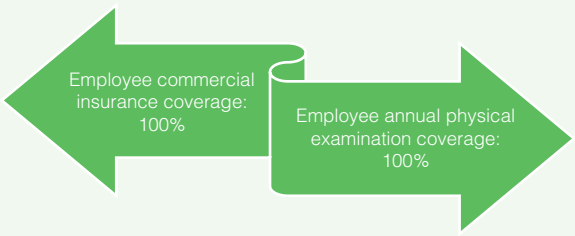
8. WORKING TOGETHER TO CREATE THE FUTURE

8.5 SAFETY FIRST, CONSOLIDATING A DEFENSE LINE FOR HEALTH AT THE WORKPLACE

Goals

The Group continuously improves the occupational health and safety management system and builds a normalized monitoring and evaluation mechanism. With safe production as the core orientation, it systematically prevents the occurrence of occupational diseases and industrial accidents, creates a safe and healthy working environment for employees, and effectively protects the physical and mental health of employees. Through measures such as conducting safety training, implementing health promotion plans, strengthening risk control, and optimizing emergency response processes, the Group aims to continuously reduce safety risks, enhance the safety awareness and health level of all employees, and lay a solid foundation for the sustainable and high-quality development of the Company.

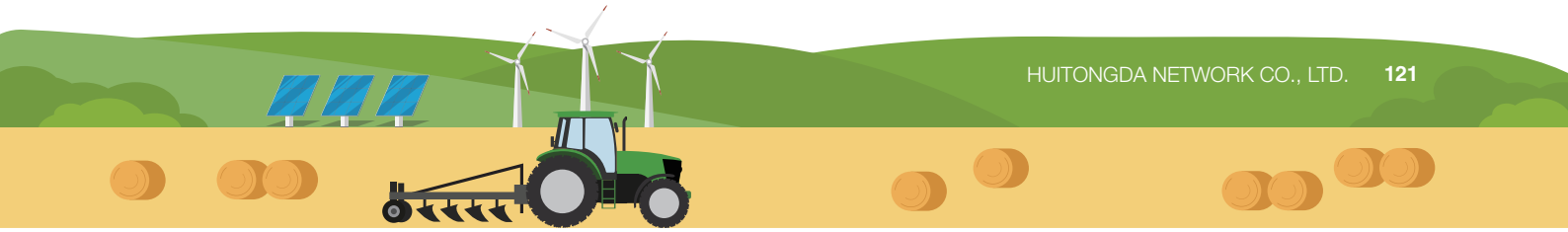
PERFORMANCE HIGHLIGHTS FOR THE YEAR



Strategies

- ***Healthy and Safe Working Environment***

  Strictly abiding by the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other relevant laws and regulations, the Group has formulated the *Employee Health and Safety Policy* and systematically built an occupational health and safety management system covering all employees and all processes, committing to providing a safe, healthy, and reliable working environment for employees.



8. WORKING TOGETHER TO CREATE THE FUTURE

By identifying and assessing occupational health and safety risks at the workplace, the Group formulates and implements targeted management systems and action plans, sets quantitative targets, and clarifies the priorities of action plans to systematically prevent occupational injuries and reduce health risks. Meanwhile, the Group has established procedures for investigating work-related injuries, illnesses, and accidents, and has introduced occupational health and safety standards into procurement and contract management requirements, continuously improving the risk prevention and control mechanism to provide institutional protection for employee safety and health. The procedures for investigating work-related injuries, ill health, illnesses, and accidents are as follows:

Phase I

- Emergency response and preliminary handling, we immediately treat the injured, ensure safety, and suspend work for evacuation if necessary. Meanwhile, we protect the scene and evidence, such as equipment and materials, and take photos and retrieve surveillance footage

Phase II

- Establishment of an investigation taskforce, we designate a person in charge and establish a taskforce comprised of relevant departments (Human Resources, Trade Union, and the department involved)

Phase III

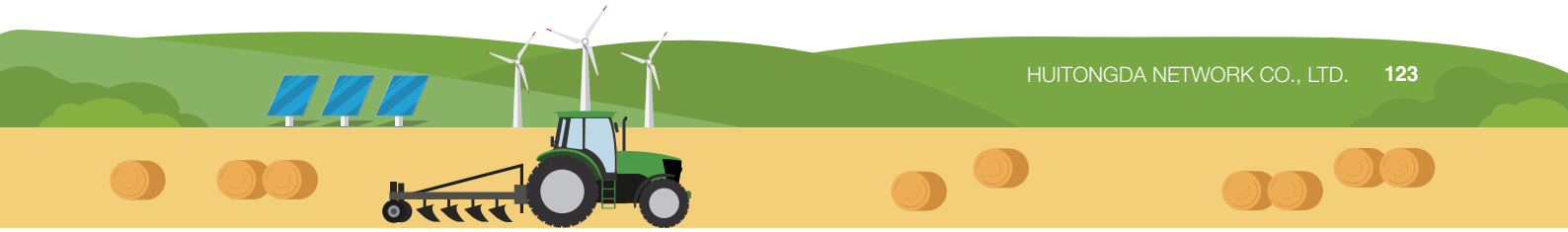
- Based on the report, we communicate investigation results and handling decisions with relevant personnel. If work-related injury identification is involved, we cooperate with the social security department on the investigation and make applications according to prescribed procedures



8. WORKING TOGETHER TO CREATE THE FUTURE

The Group attaches importance to employee feedback on health and safety by conducting risk assessments in a timely manner, quickly identifies potential hazards, and takes effective measures to eliminate them to ensure that the working environment remains safe and reliable. Through the above initiatives, the Group strives to create a worry-free working atmosphere for employees, effectively fulfilling corporate responsibilities and supporting sustainable development.

Infrastructure construction	The Group provides dining rooms, gyms, baby care rooms and other basic hardware (air conditioning, elevator, lighting) to ensure that the workplace is clean and tidy, and to provide good working conditions for employees. After work every night, the safety officer will inspect each office to report the illegal use of high-power electrical appliances and the failure to turn off power, and remove potential safety hazards in a timely manner.
Fire safety training and drills	The Group organizes fire drills to familiarize employees with the use of fire-fighting facilities and enhance their ability to respond to fires and their awareness of self-rescue and mutual rescue.
Canteen hygiene management	The Group regularly carries out hygiene and disinfection work in the canteen to ensure food safety. At the same time, the kitchen area of the canteen is open for staff inspection to prevent food hygiene and safety hazards.



8. WORKING TOGETHER TO CREATE THE FUTURE

The Group's business does not involve hazardous operations, with 0 work-related fatalities (including that for contractors/outsourcers) in the past three years (including the current year). In 2025, there was 1 work-related injury event, and 44 lost days due to work-related injuries. The lost time injury frequency rate[5] (LTIFR) is as follows:

Indicator	Unit	2025
Lost time injury frequency rate of employees	per million working hours	0.14
Lost time injury frequency rate of contractors	per million working hours	0

- ***Employee Health Protection***

The Group always recognizes the importance of the physical and mental health of its employees, providing comprehensive and convenient health support for employees by building a health management system. The Group implements an annual regular physical examination plan, contributes to group commercial insurance, and also provides employee dependents insurance plans and health consultation activities. In addition, by establishing an internal gym, employees are encouraged to strengthen daily physical exercise. For employees facing special difficulties such as major illnesses, the Group will also work with the community and partners to initiate assistance, effectively conveying organizational care.

To continuously upgrade the health service experience, the Group introduced an online infirmary system, relying on an Internet medical platform to integrate digital health management functions. Employees can enjoy remote consultation, electronic prescriptions, medication guidance, and health consultation services provided by doctors from tertiary hospitals through the exclusive entrance of the enterprise at any time, covering multiple scenarios such as diagnosis and treatment of common diseases, chronic disease management, and mental health. The Group's online infirmary platform is equipped with AI pre-diagnosis, electronic health records, and medication reminder tools, strictly protecting the privacy and security of employee diagnosis and treatment data, realizing 7×24-hour rapid response, and effectively making up for the limitations of offline medical resources. This has therefore enhanced the convenience and timeliness of employee health management. In addition, the Group has set up a "Smart Assistant" channel, where employees can provide feedback on health and safety related issues and recommendations online anytime and anywhere. Through these digital and humanized health management initiatives, the Group is committed to comprehensively improving the employees' health level and sense of wellbeing at work, enhancing the sense of belonging of employees, and promoting the sustainable growth shared by the Company and employees.

5 The lost time injury frequency rate is the number of lost time injuries per million working hours. Lost time injury frequency rate = (number of lost time injuries)/(total number of working hours in the year) x 1,000,000

8. WORKING TOGETHER TO CREATE THE FUTURE





The Company is mainly engaged in digitalization, supply chain management, and office-based operations, with low occupational disease risks, and does not involve high-risk operating environments such as dust, chemicals, or noise. During the reporting period, the Company did not identify any work-related occupational disease cases, and continued to provide employees with annual physical examinations, health monitoring, occupational health management measures in compliance with national regulations, and organized health and safety training.

8. WORKING TOGETHER TO CREATE THE FUTURE

CASE

Fire Drill: in order to improve employees' awareness of fire safety, enhance their ability to respond to emergencies such as fires, master escape and self-rescue skills, strengthen the coordination and cooperation capabilities of various departments in the event of a fire, and reduce potential casualties and property damage, the Group organizes fire drills every year. The drills include publicity of theoretical knowledge, fire alarm simulation, emergency evacuation, demonstrations of the use of fire extinguishers, and fire-fighting facility inspection.





Heatstroke Prevention and Cooling Medical Kit for Employees: to reflect the Group's daily care for employees and strengthen workplace health protection, our "Heatstroke Prevention and Cooling Medical Kit for Employees" is displayed at each office location. The medical kit contains common over-the-counter drugs, emergency medical consumables, and first-aid supplies.



8. WORKING TOGETHER TO CREATE THE FUTURE

8.6 IMPROVING COMMUNICATION, FOCUSING ON EMPLOYEE SATISFACTION

Goals

The Group takes developing an efficient and transparent employee communication system as the core, committing itself to eliminating information barriers, enhancing employees' sense of participation, and promoting the construction of corporate culture and team cohesion. By establishing a normalized communication mechanism and unblocking diversified feedback channels, the Group ensures that we can effectively listen and respond to employees' opinions and demands in a timely manner. These initiatives not only enhance employees' sense of belonging and satisfaction but also lay a solid foundation for the long-term stability and collaborative development of the enterprise.

PERFORMANCE HIGHLIGHTS FOR THE YEAR

The Group conducted an annual satisfaction and engagement survey covering all employees, evaluating dimensions such as job satisfaction, work purpose, sense of well being at work, and work pressure. The overall comprehensive score was 90.4%.

Strategies

The Group attaches great importance to employee experience and personalized care, always focusing on the actual needs of employees at work and in life, and is committed to continuously optimizing management practices to enhance employees' sense of belonging and satisfaction. To this end, the Group has established institutionalized communication meetings and efficient feedback channels and improvement mechanisms to widely collect employee suggestions and respond in a timely manner.

Institutionalized Regular Meetings	Immediate Response and Emergency Channels
For matters involving the vital interests of employees, such as compensation, performance, attendance, and major decisions on production and operation, a staff representative assembly is held regularly to receive employees' feedback, collect employees' opinions, and complete the full closed loop of "collection, consultation, implementation, feedback, and public notice".	For individual and sudden problems such as logistical support, immediate demands, and safety hazards, online demand platforms and online suggestion boxes are recommended for flexible and rapid handling. For example, "the President Open Channel" provides an open channel for employees to reflect their issues at work and in life, express views and emotions, and promote suggestions. Our "Administrative Help" specifically responds to needs and requests related to administrative services.

8. WORKING TOGETHER TO CREATE THE FUTURE

To accurately understand employee needs, the Group regularly conducts administrative affairs satisfaction surveys every quarter and collects opinions online through the “Huixuetang” platform. The Company has set up a “Smart Assistant” channel on DingTalk, where employees can provide feedback on issues and suggestions online anytime and anywhere, ensuring that each employee’s view is fully expressed. The results of surveys are made public by email to maintain the transparency of all processes. Based on the feedback, the Group continues to improve relevant systems and processes to better align them with employee expectations, thereby enhancing the overall happiness and organizational identity of employees.

Meanwhile, the Group has established a trade union in accordance with the law. Through independent union representation or collective negotiation mechanisms, an employee coverage rate of 100% has been achieved, ensuring that employees have a full voice and rights protection in important matters such as compensation, benefits, and working conditions, further consolidating our harmonious and stable labor relations. The trade union not only participates in daily welfare distribution but also strengthens rights protection, deeply intervening in employee dispute mediation and occupational safety supervision. During the reporting period, the Group further expanded the supervisory function of the trade union and established an “Occupational Health and Safety Inspection Team” led by staff representatives, which conducts independent inspections of the office environment every quarter, and identified and rectified 1 hazard.



CASE: STAFF REPRESENTATIVE ASSEMBLY

On July 7, 2025, the Company held a staff representative assembly to explain and solicit opinions on relevant amendment matters, which were then voted on by the assembly. This meeting helps to ensure that the amended content fully reflects the opinions of the staff and further enhances the transparency of corporate governance.



9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

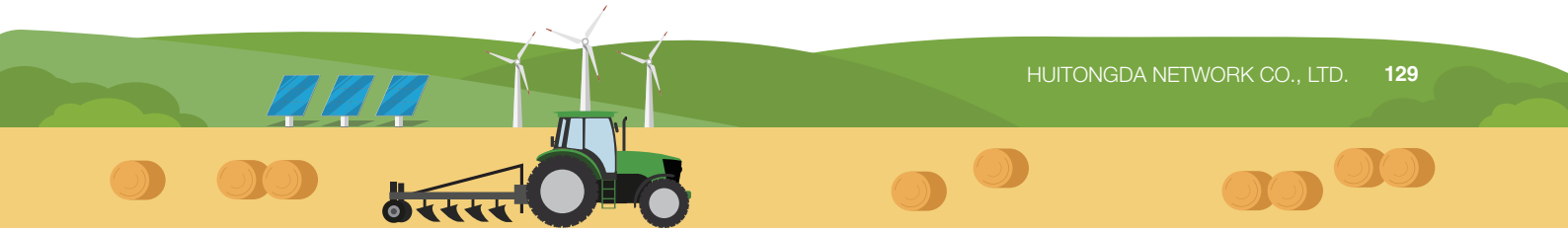
- Relevant United Nations SDGs in this section



ESG MATERIAL ISSUES DISCLOSED IN THIS SECTION

Highly Material Issues	Moderately Material Issues	Generally Material Issues
Energy use	Water management	Greenhouse gas emissions Waste management Climate change

Upholding the concept of social responsibility, the Group actively responds to the national "Dual Carbon" goals, committing to reducing carbon emissions, enhancing energy efficiency, and preventing environmental pollution risks to face the challenges of climate crisis and resource scarcity. Although the Group's business has limited impact on the environment and natural resources, the Group continually reviews the value chain, optimizes operational models, and integrates environmental protection concepts into daily management. The Group implements management measures in areas such as electricity consumption, greenhouse gas emissions, water usage, and waste treatment, striving to minimize unnecessary resource consumption and pollutant emissions, reduce the operational carbon footprint, and continuously improve environmental performance. In the future, the Group will continue to advance green and low-carbon development, contributing to the development of a sustainable society where humans and nature coexist in harmony.



9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

9.1 ENERGY SAVING AND EMISSION REDUCTION, PURSUING GREEN OPERATION PRACTICES

9.1.1 Environmental Management

Goals

The Group is committed to deeply integrating sustainability concepts into corporate strategy and daily operations, actively advocating and promoting a green office model. By encouraging the conservation of resources such as electricity, water, and office paper, reducing the generation of waste and pollutants, environmental protection initiatives are fully implemented. Meanwhile, the Group promotes the use of renewable materials and recyclable products, practicing the concept of green and low-carbon development while ensuring a healthy and comfortable experience for employees.

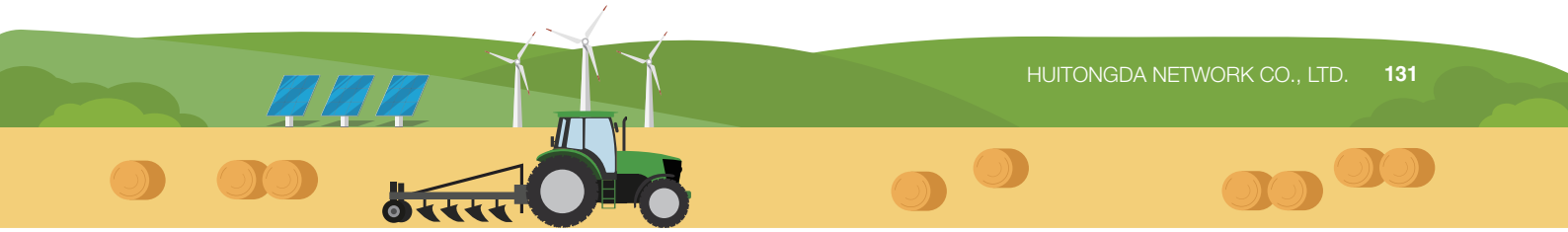
Strategies

The Board recognizes the importance of environmental management for the sustainable development of the enterprise and has made environmental protection one of the core issues of the Group's strategy, strictly supervising the formulation and implementation of environmental management policies to ensure that environmental goals and business development advance in synergy. At the execution level, the Group clarifies the specific responsibilities of all levels and positions in environmental management, relying on the synergy and cross-departmental cooperation of all positions to drive steady improvement in environmental performance. The Group strictly complies with relevant environmental protection laws and regulations, such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Appraising of Environment Impacts*, the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, and the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, and has formulated internal systems such as the *Environmental Hygiene Management System* and the *Huitongda Park Operation and Management Regulation*, integrating relevant policies into all links such as production and operation, commercial facilities, products, and services, and implementing the responsibilities of each business unit.



9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

Green Supply Chain	• The Group actively promotes the construction of a green logistics system and strictly implements waste classification and recycling management to systematically reduce the negative impact on the ecological environment from the source of operations. • The Group is committed to advancing sustainable procurement and has added relevant clauses to procurement policy documents, explicitly encouraging suppliers to adopt green packaging and eco-friendly materials, ensuring that all partners comply with the Group's environmental and social responsibility requirements. • During the merger and acquisition and due diligence process, the Group has incorporated ESG risk assessments into the decision-making system. By continuously optimizing management systems and operational standards, the Group focuses on promoting the steady improvement of various ESG indicators to lay a solid foundation for achieving long-term sustainable development. • The Group prohibits the use of rare or scarce materials and species in the supply chain (including rare earths, rare metals, endangered wild species, protected plants and derivatives).
Sustainable Business Model	• Aligned with the national "Dual Carbon" goals, the Group has prioritized its sustainable development as its core strategy by systematically laying out new energy businesses, covering new energy electric vehicles, battery R&D and recycling, charging infrastructure construction, and related supporting industries. We advocate low-carbon transportation and gradually reduce the use of traditional fuel vehicles to help improve air quality and greenhouse gas control. • At the governance level, the Board, executive management, and relevant departments continuously monitor national environmental policy dynamics and climate projection information. Based on their own business development, they promptly update and organize all employees to study relevant regulations and guidelines, practicing the concept of "energy-saving, emission-reduction, and decarbonization". • The Group implements a green and low-carbon model throughout the entire operation process, striving to become an exemplary environmentally friendly enterprise.



9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

Eco-friendly Working Environment	• The Group focuses on the comfort and health of the working environment for employees. The Group arranges an average of 2 to 3 potted plants in each office, which not only beautifies the space but also helps reduce the carbon footprint of the office environment, creating a fresh and natural office experience. • The Group actively expands the use of materials with environmental certification (including CFCC and PEFC forest certification), mainly covering copy paper. • Moving forward, the Group will continue to explore more green environmental protection measures, and formulate relevant management documents under office environment optimization goals to further improve the construction of eco-friendly workspaces.
Internal and External Stakeholder Training and Guidance	• The Group focuses on enhancing the awareness of internal and external stakeholders regarding environmental management policies and environmental impacts. Management continuously communicates the strategic significance of environmental protection to department leaders and core teams through specialized meetings and high-level seminars. • The Group actively promotes green collaboration with suppliers, customers, and other partners. By regularly publishing environmental reports and related information, it maintains management transparency and continuously guides external stakeholders to focus on and support the Group's environmental management practices. • The Group encourages staff to adopt green and low-carbon measures in daily operations, promoting sustainable development throughout the entire process of business operations and daily management, helping the enterprise and society jointly create a green future.

In terms of environmental management system development, the Group will progressively establish data collection, monitoring, and reporting mechanisms based on actual business development to continuously enhance the accuracy and transparency of environmental performance metrics. Meanwhile, the Group actively explores the introduction of third-party certification or audit mechanisms, using external professional strength to enhance data credibility and provide solid support for driving continuous improvement in environmental management. During the year, the Group did not have any breaches of any applicable environmental laws and regulations concerning air emissions, greenhouse gases, discharges, water management, and hazardous and non-hazardous waste disposal that have a significant impact on its operations.



9.1.2 Greenhouse Gas and Emissions Management

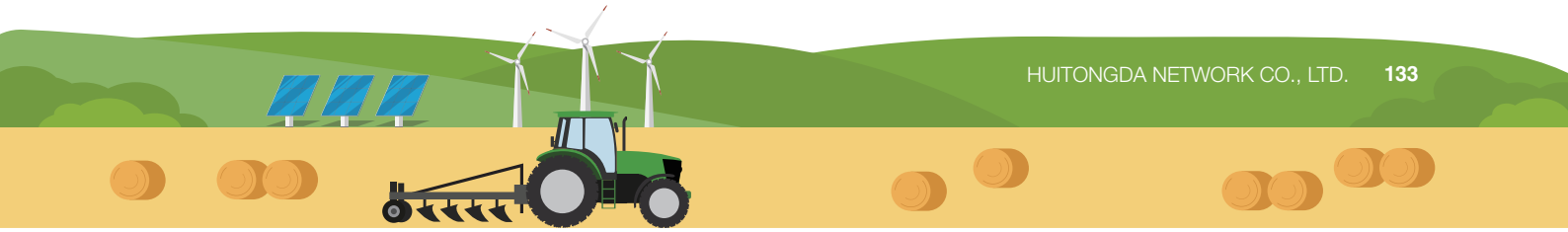
Goals

The main sources of greenhouse gas emissions generated during the Group's operation are gasoline consumed for transportation and energy indirect emissions due to purchased electricity (Scope 2). Although the Group's direct impact on the environment and natural resources is relatively limited due to the nature of its business and does not result in pollution, the Group still upholds a prudent and responsible attitude, continuously monitoring carbon emission performance and striving to achieve a steady year-on-year decrease in emission indicators.

Strategies

To effectively reduce the carbon footprint generated from transportation, the Group strictly controls the frequency of using official vehicles to minimize fuel consumption; meanwhile, it strengthens the vehicle approval process. For destinations accessible by high-speed rail or bullet trains, it is explicitly stipulated that employees are prohibited from using official vehicles and discouraged from driving privately. The Group encourages employees to prioritize public transportation or adopt carpooling to reduce the emission burden caused by single-person driving. To further promote traditional energy replacement, the Group has installed new energy vehicle charging facilities within its premises to actively guide employees to purchase and use new energy vehicles, reducing exhaust emissions from conventional vehicles at source.

In terms of office environmental management, the Group continues to promote energy-saving renovation and green operation. For specific greenhouse gas emission data, please refer to "9.4 Ecological Protection, Jointly Creating a Green Home".



9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

To strengthen the normalized control of air emissions, the Group has deployed air monitoring stations in the headquarters, continuously collecting and statistically analyzing pollutant emission data, and submitting dynamic declaration forms of emitted pollutants to the environmental protection department in accordance with regulations to ensure that environmental indicators are measurable, controllable, and traceable. In terms of mobile source management, the Group strictly implements the annual inspection system for official vehicles to ensure that all vehicles in use are in compliance with national emission regulations. Meanwhile, it strengthens the environmental awareness and operational standards of drivers, requiring them to monitor vehicle exhaust emissions on a daily basis and promptly address any abnormalities to eliminate unnecessary exhaust emissions caused by equipment failure at source. The Group initiated the green transition of the official vehicle fleet in 2021, and the fleet has completed a reduction and efficiency enhancement from 9 vehicles to 6 vehicles.

Indicator	Unit	2025	2024
Nitrogen oxides (NO_x) emissions	Kg	97.0	93.2
Sulphur oxides (SO_x) emissions	Kg	0.2	0.2
Particulate matter (PM) emissions	Kg	9.3	8.9

The Company's operational activities do not involve industrial production, processing, or chemical treatment processes. The main discharges are domestic wastewater and daily cleaning water. All drainage is collected uniformly through the municipal sewage network in the area and concentrated for treatment and discharge by government-approved third-party sewage treatment facilities in accordance with local regulatory standards.

The Group strictly enforces national emission standards, fully implements the rainwater and sewage segregation system, and arranges internal and external professional maintenance personnel to regularly inspect the sewage network system to ensure timely detection and disposal of leakage, blockage, and other abnormalities, safeguarding the safe and stable operation of the drainage system. At the same time, the Group actively explores wastewater recycling paths by coordinating the park's greening irrigation system with the fountain landscape system, using regular water changes in the fountain for green plant irrigation, which not only achieves the cascade utilization of water resources but also effectively reduces the water consumption for greening maintenance. For further measures on water resource management, please refer to the section headed "9.2 Low-carbon and Environmental Protection, Reducing Resource Depletion" of this report.



9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

9.1.3 Energy Management

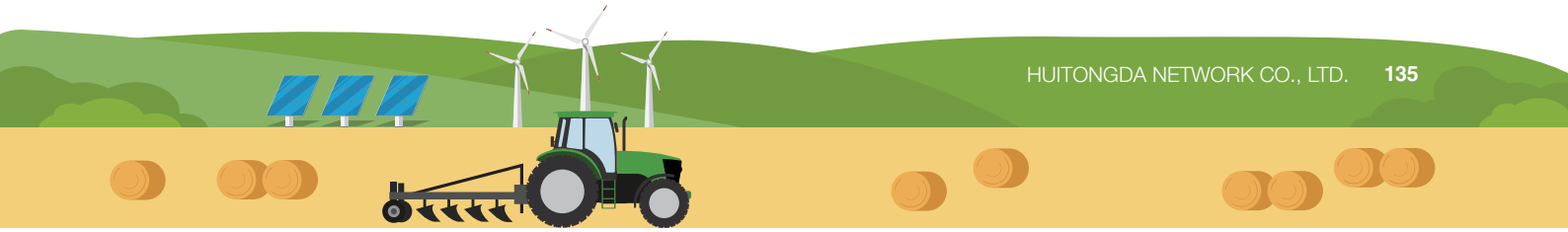
Goals

The energy consumed by the Group's daily operations is mainly office electricity and gasoline for official vehicles. The Group has formulated the *Huitongda Park Operation and Management Regulation*, clarifying the division of responsibilities and unified management mechanism, and specifying the main responsibility of each unit in energy consumption management in the form of a system, promoting unified scheduling and standardized control of electricity consumption in each office area of the park.

Strategies

In order to build a low-carbon green park with intelligence, informatization and standardization, the Group implements the Huitongda Park Operation and Management Regulation, formulating and implementing multiple energy-saving measures around equipment and facility management:

- **at least 2 elevators must be shut down at night and on weekends;**
- **the lighting in some office areas is calculated as 3 minus 1 for each group;**
- **the utilization time of air conditioning is strictly controlled during summer and winter, i.e. from June 1 to September 30 and from December 1 to February 28 of the following year, and the temperature setting should not be lower than 26°C in summer and higher than 20°C in winter;**
- **adopting low-radiation glass to block ultraviolet rays that generate heat, and installing seals for the doors and windows to avoid leakage of air that has already been conditioned;**
- **utilizing natural light in public areas during daytime, turning off some lighting devices, and installing motion sensors in areas used rarely;**
- **optimizing the lighting layout by reducing the number of lights in areas with higher brightness than required, and using energy-efficient lights;**
- **turning off the power of equipment such as computers and printers after work to avoid standby power consumption;**
- **conducting daily electricity usage inspections in office areas and encouraging employees to propose energy-saving suggestions and put them into practice;**
- **encouraging employees to use new energy vehicles and planning to replace official fuel-powered motor vehicles with new energy vehicles.**



9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

The Group focuses on integrating energy-saving concepts into daily management. By regularly organizing specialized energy-saving training for employees, it systematically enhances the energy conservation and emission reduction awareness of all employees. To guide the implementation of energy-saving behaviors, the Group has established an energy-saving incentive mechanism to motivate employees to actively participate in energy-saving practices and develop the habit of turning off the power of office equipment such as computers and printers after work to reduce standby energy consumption, thereby lowering energy waste from small details. In order to conduct continuous monitoring and management of the Group's energy consumption, the Group conducts quarterly analysis and evaluation of electricity consumption, comparing and analyzing data with the previous quarter and the same period of the previous year to take targeted measures in a timely manner. The Group continuously analyzes trends in daily consumption bills for water, electricity, toilet paper, etc., by regularly collecting resource consumption data for water, electricity, and office supplies, and conducts risk assessments based on operational reality to systematically verify the implementation effects of various resource conservation measures. In 2025, electricity consumption decreased by 243 MWh compared to 2024.

Indicator[6]	Unit	2025	2024	2023	2022
Direct energy consumption	MWh	101	145	175	16
Electricity consumption	MWh	842	1,085	1,280	970
Gasoline consumption	Liter	10,958	15,800	19,000	17,245
Integrated energy consumption	MWh	943	1,230	1,455	986
Intensity of integrated energy consumption	MWh/person	1.3	1.7	1.4	0.8

6 The environmental data in this Report only covers the headquarters of the Group. As the Group's warehouses are leased from the third parties, energy and resource data such as electricity and water consumption are born by the third parties.



9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

9.2 LOW-CARBON AND ENVIRONMENTAL PROTECTION, REDUCING RESOURCE DEPLETION

9.2.1 Water Resources Management

Goals

In terms of water resource management, the Group follows the working principle of "leadership from the President's Office, responsibility from the President's Office, collaboration from all departments and participation from all employees", breaking down and implementing water control responsibilities level by level to individuals. The Group is committed to controlling daily water consumption within a scientific and reasonable range. Through continuous advocacy and supervision inspections, it ensures that every employee understands and complies with water-saving management requirements and consciously participates in the supervision of water consumption, forming a favorable water-saving atmosphere of unity and joint management.

All water required for the Group's daily operations is supplied uniformly by municipal water supply, mainly for domestic purposes such as drinking and cleaning for employees in office areas. In 2025, the Group did not identify any issue in securing suitable water sources that affected its normal operations. In 2025, water consumption decreased by 76 tonnes compared to 2024. Based on the actual situation of water consumption indicators in 2025, the Group has set a clear water-saving target for 2026, planning to achieve a quantitative target of a 1% decrease in overall annual water consumption compared to 2025 by implementing targeted water-saving measures, optimizing water management processes, and continuously evaluating and dynamically adjusting water-saving actions.

Strategies

The Group takes the efficient utilization of water resources as an important part of environmental management, systematically implementing water-saving initiatives around three levels: daily control, facility optimization, and employee participation.

In terms of facility maintenance and inspection, the Group appoints dedicated personnel to be responsible for the daily inspection and management of water supply facilities, regularly maintaining key parts such as water inlets, valves, and water tanks, and conducting leakage tests on concealed water pipelines to strictly prevent leaks and water wastage. Meanwhile, by regularly reading water meter data, it continuously tracks changes in water consumption to promptly detect and address potential leakage problems. In optimizing water consumption, the headquarter campus operates the greening irrigation system in conjunction with the fountain landscape system, utilizing water from periodic fountain replacements for plant irrigation, effectively reducing freshwater intake. Meanwhile, it enhances evening inspections of buildings and office areas to ensure timely shutdown of non-essential water facilities, and cultivates employees' good habits of turning off water and saving water in daily work through the establishment of notification and incentive mechanisms. In terms of employee participation, the Group conducts regular specialized training on water efficiency management, covering water-saving techniques, rational water usage practices, and operational standards for positions, helping employees deeply understand the importance of water conservation and promoting the implementation and effectiveness of water-saving actions in daily work.

9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

All office areas and public restrooms of the Group have been equipped with faucets and dual-flush toilets that comply with national water-saving certification standards. By moderately reducing the faucet flow threshold of washbasins, the water output per use is further reduced. Restrooms are posted with clear and noticeable water conservation reminders, advocating for employees to reasonably use cleaning products in restrooms and cafeterias, and continuously guiding employees to develop good habits of turning off water and taking water as needed. The Group implements the rainwater and sewage segregation system in accordance with relevant national standards. Domestic wastewater is collected through independent sewage pipelines for compliant discharge, while rainwater is discharged separately through dedicated pipelines. Meanwhile, it actively promotes the construction of a water recycling system to enhance the cascade utilization level of water resources. The Group conducts regular water usage assessments to systematically analyze changes in water consumption across business links and office areas, proactively identifying areas for optimization and formulating more targeted water-saving improvement plans accordingly.

Indicator	Unit	2025	2024	2023	2022
Water consumption	Tonnes	10,524	10,600	17,039	16,589
Intensity of water consumption	Tonnes/person	14.03	14.2	16.4	13.8



The Group's water conservation signs



9.2.2 Waste Management

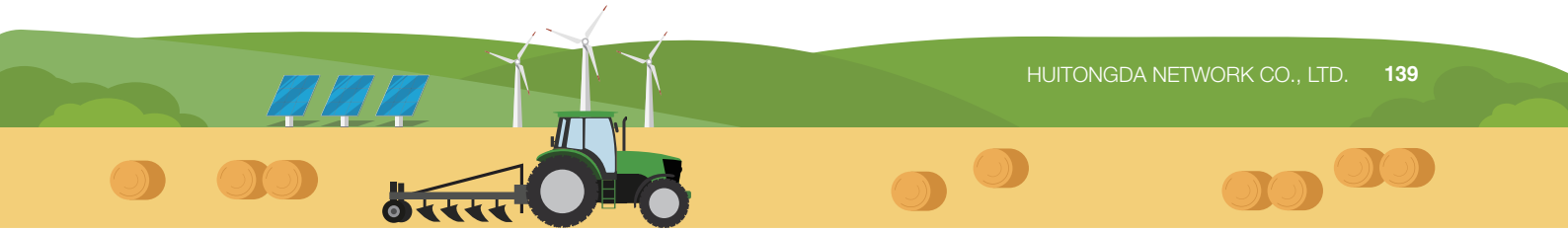
Goals

The Group is committed to achieving zero pollution by 2026 and has established clear quantitative goals to minimize waste generation and to monitor progress toward these goals.

Strategies

The Group places a high priority on ecological and environmental protection within its campuses. To ensure full-cycle management and control from waste generation to final treatment, the Group has established and implemented the *Waste Management Plan*. The plan clarifies the classification standards, disposal paths, and division of responsibilities for various types of waste, providing institutional protection for regulated waste management. The Group actively implements source-based reduction measures, encouraging all office areas and business units to reduce the use of disposable items and control the total amount of waste generated. Simultaneously, a waste classification system has been fully implemented, with categorized collection and temporary storage for recyclables, hazardous waste, food waste, and other waste. Relying on sustainable waste management solutions, the Group promotes maximum resource recovery and reuse. To continuously improve waste management levels, the Group has established a data ledger system to record detailed information on the entire process of waste generation, collection, storage, transportation, and disposal, and regularly summarizes and analyzes the sources, volumes, and disposal methods of various waste types.

The non-hazardous waste generated in the Group's daily operations primarily includes office waste such as waste paper, plastic packaging, and expired promotional posters from office activities, as well as household waste like aluminum cans, beverage bottles, newspapers, and magazines. The Group uses paper certified by the China Forest Certification Council (CFCC) and the Programme for the Endorsement of Forest Certification (PEFC) to effectively avoid illegal logging and over-harvesting, protecting forest ecosystems. To reduce waste generation at source, the Group continues to implement reduction management measures. Since 2017, it has completely phased out disposable paper cups, replacing them with glassware, and has installed water purification equipment to meet employees' daily drinking water needs, effectively minimizing plastic bottle waste. Regarding the use of office resources, the Group implements a comprehensive paperless office policy, relying on the OA system for online process approvals. Except for official external documents that must use paper versions, internal documents are encouraged to be printed double-sided or reused. Simultaneously, the Group regularly monitors printing volumes by department, sets print quotas as appropriate, and encourages employees to use scrap paper for daily notes. The promotion of paperless initiatives has concurrently reduced printer electricity consumption and toner cartridge consumables.



9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

In terms of recyclable management, the Group has set up dedicated recycling points to collect waste paper, expired posters, and mail, with regular unified cleanups. Strict approval processes are implemented for the production of promotional posters and banners, and reusable promotional materials are carefully stored for future use. Custom-made tote bags for business needs are made from non-woven fabric, supporting repeated washing and multiple uses; trash bags used in office areas are purchased as biodegradable materials in strict accordance with relevant national standards, further reducing the environmental impact of plastic waste.

The hazardous waste generated during the Group's operations primarily consists of discarded batteries, used fluorescent tubes, and discarded face masks. The Group practices green procurement by purchasing mercury-free and cadmium-free batteries with the China Environmental Labeling, making batteries easier to recycle at a lower cost and reducing potential environmental pollution at source. The Group uses printer consumables with ISO 9001 and ISO 14001 international system certifications, which have more environmentally friendly production processes, contributing to the sustainable supply chain development. To prevent secondary pollution of the ecological environment by hazardous substances, the Group has established a comprehensive hazardous waste management system covering key processes such as segregated collection, regulated storage, and compliant disposal. Clear hazardous waste signs are displayed at each generation point. After segregated collection, waste is temporarily stored in dedicated containers and periodically handed over to government-designated certified disposal providers for harmless treatment. Printer cartridges and toner boxes are unified and recycled by leasing service providers to ensure the entire process complies with environmental protection requirements. The Group adopts a combination of "replacement of old with new" and fixed-point recycling, encouraging employees to place discarded batteries into dedicated recycling bins. These are unified and collected by the Group and periodically delivered to the government-designated Jiusheng Environmental Protection Company for standardized disposal, with an annual recycling volume of approximately 380 units. Regarding printer consumables, the Group prioritizes recyclable and refillable toner cartridges and ink cartridges, gradually reducing the proportion of single-use and non-recyclable products to minimize hazardous waste generation and continuously lower the negative environmental impact brought by its operations.

The Group incorporates the waste management awareness practices into its normalized training system, providing regular systematic training for employees covering proper waste classification methods, daily reduction practice skills, and resource optimization strategies. Furthermore, building on its own waste management practices, the Group actively extends to the upstream and downstream of the industrial chain and is currently promoting the launch of the "iRecycle" platform. This platform aims to enhance the recovery efficiency and reuse level of waste resources, promote the circular flow of waste items, reduce resource waste, and contribute to ecological conservation. Simultaneously, the Group continues to promote green supply chain management practices, encouraging suppliers to prioritize recyclable packaging materials in the shipping process to reduce packaging waste generation at source and lower the environmental footprint of the product life cycle.

The Group emphasizes normalized communication with various stakeholders on environmental issues, proactively negotiating and promoting the implementation of effective mitigation measures around pollutant emissions, waste management, and potential health risks to ensure the transparency and sustainability of environmental management work. In addition, the Group maintains a close collaborative relationship with the Jiangsu Academy of Agricultural Sciences, the property owner of the park, regularly organizing joint park environment cleaning activities and coordinating the compliant disposal of hazardous waste to jointly improve the overall environmental quality and ecological management level of the park.



9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

Quantitative Data

Indicator	Unit	2025	2024	2023	2022
Non-hazardous waste generated	tonnes	427	468	10	/
Intensity of non-hazardous waste generation	tonnes/person	0.57	0.6	0.01	/
Hazardous waste generated – waste lamps	Pcs	220	260	190	750
Hazardous waste generated – waste batteries	Pcs	320	400	100	180

During the year, the Group benefited from the Group's continuous commitment to optimizing refined control in the operation process and promoting circular utilization and resource recovery systems, as well as the effective implementation of environmental awareness enhancement and waste source reduction measures among all employees.

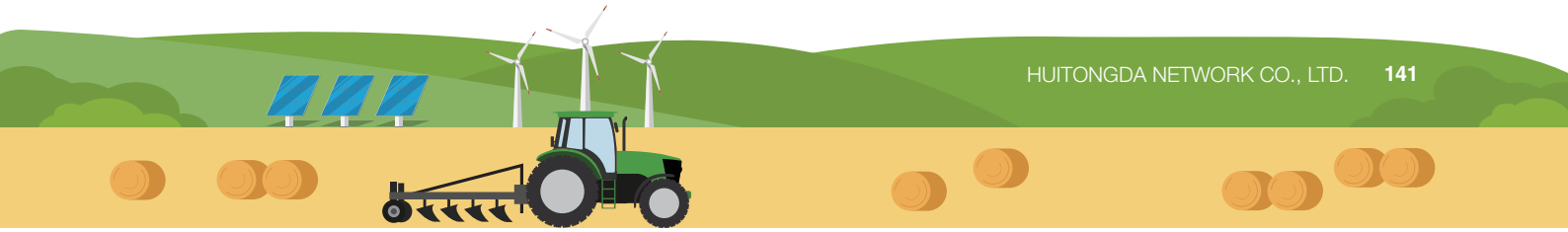
9.3 CONSTANT VIGILANCE TO MANAGE CLIMATE RISKS[7]

Goals

The Group solemnly commits itself to achieving net-zero emissions by 2060. To this end, the Group will progressively reduce its carbon footprint and increase the proportion of renewable energy use by optimizing energy structures, enhancing efficiency management, scaling up green technology applications, and advancing the decarbonization of the supply chain. The Group will conduct regular assessments of the emission reduction progress to ensure the effectiveness of each initiative, actively supporting global climate objectives and advancing sustainable development through pragmatic practices.

The Group deeply recognizes the profound impact of climate change on our long-term and stable operation. With reference to the recommended framework of the Task Force on Climate-related Financial Disclosures (TCFD), the Group has established and continuously improved the identification and management mechanism for climate-related risks and opportunities.

7 The Group makes disclosures on climate-related disclosure requirements in Part D of Appendix C2 on a "comply or explain" basis. For information that is still not easily available or cannot be measured by reliable methods during the reporting period, the Group adopts the "Reasonable Information Relief" to ensure that disclosures can be improved year by year.



9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

Governance

The Group has established the Sustainable Development (ESG) Committee as a dedicated oversight body for climate issues, regularly evaluating the potential impact of climate change on the Group's strategy and operations, and guiding the research and implementation of relevant risk response measures. Simultaneously, climate-related matters have been incorporated into the Board of Directors' agenda to ensure that the Board level maintains high attention and effective governance over climate issues. The Director of Administrative Relations is specifically responsible for the assessment and management of climate risks and opportunities, promoting the integration of relevant issues into the Group's strategic decision-making, and coordinating various business units to advance their execution and practical implementation.

The Company is committed to ensuring that the Board of Directors and senior management keep abreast of the latest developments and information regarding sustainable development. During the reporting period, the Group has provided directors with ESG and climate-related training to support the decision makers in taking into full consideration climate factors in strategic planning and risk management. In the future, the Group will continue to strengthen the system development for its climate change response capabilities, and carry out dedicated sustainable development training covering climate issues in due course to comprehensively enhance the strategic awareness and decision-making capabilities of the governance team. To strengthen the incentive role of climate governance, the Group has incorporated relevant performance indicators into the executive compensation system.

Strategies

The Group has systematically identified and assessed climate change risks and opportunities related to its own operations, covering physical risks such as typhoons and extreme heat, as well as transition risks such as policy changes, market demand, technology, and reputation, and has formulated targeted response measures to coordinate the integration of climate factors into business planning and financial decision-making. By proactively capitalizing on development opportunities brought by climate action, the Group expects to continuously enhance long-term competitiveness in energy management optimization, operational efficiency improvement, and brand value shaping. Looking forward, the Group will continue to advance carbon reduction actions, and is proactively exploring the feasibility of formulating and implementing climate transition plans to move towards a low-carbon development path more strategically. During the reporting period, the Group kept close track of industry frontier dynamics and advanced practices of industry peers. According to the Company's overall business development strategy and taking into consideration the professional opinions of external industry experts, the Group analyzed and clarified the potential impacts that various major climate risks may have on the Company's business model and value chain across different time dimensions. In the future, the Group will further study and quantify these impacts on its financial position, performance, and cash flows.

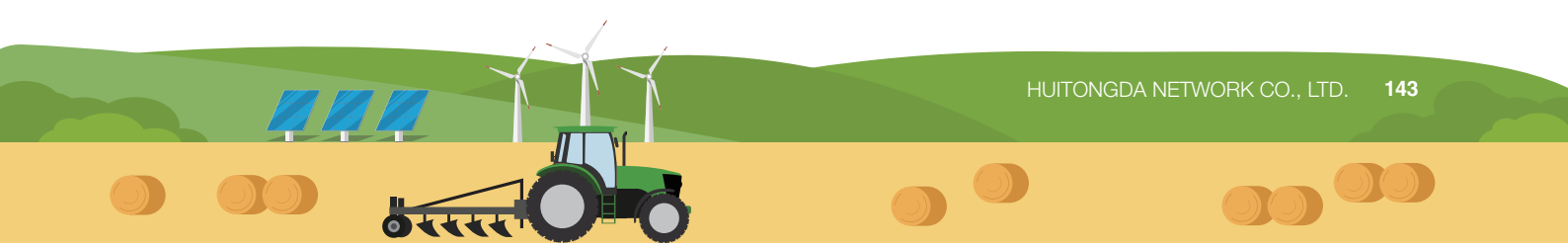


9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

Types of Climate Risks	Risk description	Time Range[8]	Potential Impacts	Financial Impacts[9]	Risk Response Measures
Physical Risks	Acute physical risks (e.g., typhoon)	Short-term	• Temporary closure of operational locations in the event of severe and extreme weather; • Power outage in office locations due to weather.	• Losses from changes in operating models • Facility repair or replacement costs	• Identify possible asset damage and purchase necessary insurance; • Keep electronic copies of relevant documents for backup purposes and alternate data storage centers should be at off-site.
	Chronic physical risks (e.g., extreme heat)	Long-term	• Increased hot weather jeopardizes health and safety, thus reducing employee productivity; • Increased high temperatures in summer result in higher failure rates of refrigeration equipment.	• Reduced operating efficiency leads to decreased revenue • Risk of rising future energy costs	• Carry out the flexible working measures in case of extreme weather conditions.

8 Based on a comprehensive reference to extensive external industry information and with reference to the Company's actual business operations, the Group has clarified the impact time range of climate risks and opportunities: short-term (less than 5 years), medium-term (5-15 years), and long-term (more than 15 years).

9 Primarily expected financial impacts; furthermore, none of the above risks have caused a material impact on the Group's asset value.



9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

Types of Climate Risks	Risk description	Time Range[8]	Potential Impacts	Financial Impacts[9]	Risk Response Measures
Transition Risks	Policy and regulatory risks	Medium to long-term	• Failure to promptly adapt to policy changes may result in escalating compliance costs or operational constraints.	• Increased compliance costs.	• Establish a climate change risk assessment mechanism to regularly monitor policy change and market dynamics, and ensure business operations comply with the latest regulatory requirements.
	Market and demand risk	Medium to long-term	• Failure to promptly meet consumer demand for green and low-carbon products and services may result in loss of customer; • Market share captured by more sustainability-focused competitors.	• Environmental equipment upgrade costs; • Cost fluctuations from adjustments to the supply chain; • Failure to transition promptly may lead to decreased brand competitiveness and reduced customer flow.	• Deepen collaboration in distributed photovoltaic (PV) systems and expand into the integrated solar-storage-charging market, strengthening industry chain partnerships to deliver reliable PV and derivative product and service to the society.
	Technology risk	Medium to long-term	• Obsolescence of traditional technologies or business models may compel the Group to undertake costly technological upgrades or transitions.	• Increased technological upgrade costs.	• Increase investments in green technologies and low-carbon innovation, driving R&D and adoption of more efficient renewable energy technologies; • Implement efficient and flexible energy management systems (EMS).
	Reputation and brand risk	Medium to long-term	• Lagging climate action may trigger public criticism, negative media coverage, and damage brand reputation; • Decline in investor confidence, affecting investor relations and financing capabilities.	• Brand and trust crises damage revenue performance; • Rising financing costs and narrowing channels cause impacts on capital structure and capability.	• Publish ESG reports to disclose climate action progress to the public and investors, enhancing brand trust.



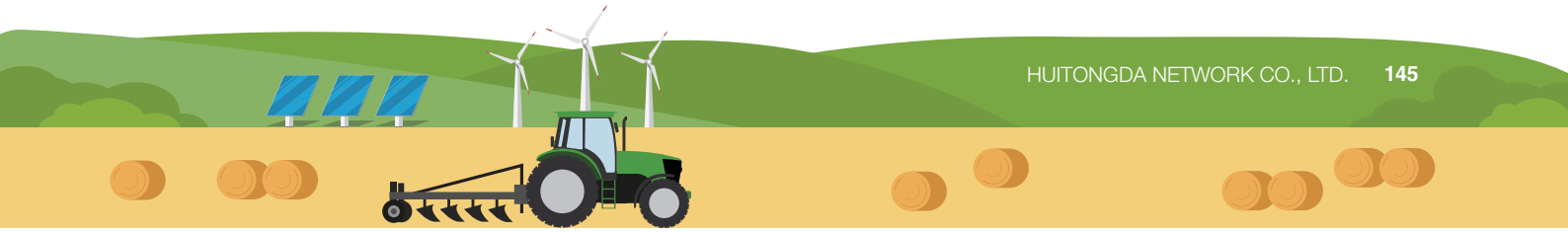
9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

The Group has identified climate risks and their potential impacts on the Company's operations. In the future, it will continue to deepen and improve scenario analysis work based on accumulated professional skills, comprehensive capabilities, and resource allocation.

The Group proactively seizes climate-related opportunities emerging in the process of low-carbon economic transition. By reaching a strategic cooperation with Zhejiang Ming'an to jointly build a national operation center for the green energy industry, the Group is accelerating its positioning in the distributed photovoltaic market and seizing new growth opportunities in the clean energy. This move not only helps advance the achievement of the national "dual carbon" goals but is also expected to optimize the energy structure and improve the Group's own profitability and sustainable development level. Going forward, the Group will continue to incorporate climate action into its long-term development strategy. By establishing a sound monitoring and evaluation mechanism and making dynamic adjustments to response strategies, the Group will promote the transformation of climate-related risks into sustainable opportunities. Simultaneously, the Group plans to carry out climate-related training and promotion and education activities to elevate the environmental awareness of employees and the public, encouraging all parties to actively participate in climate initiatives and make joint contribution to the achievement of the national carbon neutrality goals.

Risk Management

The Group has incorporated climate-related risks into its overall risk management framework, and relied on the existing governance structure to strengthen its capabilities in identifying, assessing and responding to risks. Simultaneously, taking into account strategic planning and risk management processes, the Group adopts key performance indicators to conduct dynamic evaluation of climate risks. Relevant indicators cover greenhouse gas emissions, energy consumption levels, the potential impact of climate risks, and the implementation effectiveness of response measures to ensure that the comprehensive and transparent assessment results are delivered.



9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

Indicators and Targets

The Group has fully disclosed Scope 1 and Scope 2 greenhouse gas emissions data and set clear quantitative environmental targets, while simultaneously taking a series of management measures to ensure the practical implementation of measures to achieve such targets and promote the deep integration of climate action and sustainable development strategies.

Indicator[10] [11]	Unit	2025	2024	2023	2022
Greenhouse gas (Scope 1)[12] emissions	tCO_2e	77.5	93.6	395.7	37.8
Greenhouse gas (Scope 2)[13] emissions	tCO_2e	446.6	582.1	723.0	563.6
Total greenhouse gas emissions (Scope 1 and Scope 2)	tCO_2e	524.2	675.7	1,125.7	601.4
Greenhouse gas emission intensity[14]	tCO_2e/person	0.7	0.9	1.1	0.5

In 2025, the Group's total greenhouse gas emissions (Scope 1 and Scope 2) decreased by 151.5 tCO_2e compared to 2024. Scope 3 emissions from fresh water, sewage treatment, and waste paper treatment were 8.0 tCO_2e. The refrigerants used by the Company include R-410A, which are not ozone-depleting substances (ODS). Therefore, there were no ODS emissions during the year.

Climate-related Targets

In active response to the challenges of climate change and to promote the Group's sustainable development, the Group has established energy-saving and emission-reduction targets applicable to the entire Group, systematically planning and implementing carbon reduction actions, as part of its commitment to reducing the environmental impact of its operational activities and moving forward towards the low-carbon transition.

10 The calculation method for greenhouse gas emissions refers to the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), and the *Sixth Assessment Report* published by the Intergovernmental Panel on Climate Change (IPCC).

11 The Group uses the operational control approach to set the accounting boundary for greenhouse gas emissions and adopts the location-based method for calculation.

12 Direct greenhouse gas emissions were calculated based on the *China Energy Statistical Yearbook 2013*, the Provincial Greenhouse Gas Inventory Guidelines (Trial), the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* and the *China Greenhouse Gas Inventory Study (2007)*.

13 Indirect greenhouse gas emissions were calculated based on purchased electricity and emission factors, and the emission factors for 2025 referred to the *Notice on the Management of Greenhouse Gas Emissions Reporting for Power Generation Enterprises from 2023 to 2025* by the General Office of the Ministry of Ecology and Environment of the People's Republic of China.

14 The denominator of the intensity indicator in the environmental data was the number of people at the headquarters in Nanjing, China.



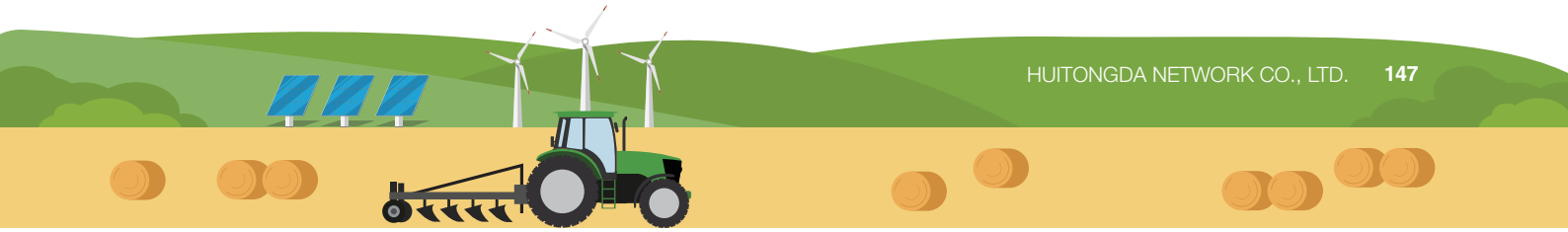
9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

Review of Environmental Target Progress: The Group has reviewed the progress of the established targets. In 2025, the Group's per capita electricity consumption, per capita greenhouse gas emissions, and per capita water consumption all decreased compared to 2024, and the per capita non-hazardous waste generation decreased compared to 2024.

Digital Environmental Targets: The Company builds a low-carbon operation model through energy saving, emission reduction, and resource circulation, deeply integrating employee well-being with environmental health, and actively shaping a harmonious and comfortable green office culture. The Group has implemented comprehensive enhancement measures for systems, training, facilities, and culture, and various environmental targets have been successfully completed. The relevant quantitative environmental targets for 2026 are as follows:

Target Category: 2026 Quantitative Targets
Fuel consumption of motor vehicles (gasoline): maintain at 2025 levels, and strive for a 2% decrease
Air conditioning refrigerant consumption: 10% decrease year-on-year
Electricity consumption: maintain at 2025 levels, and strive for a 5% decrease
Water consumption: maintain at 2025 levels, and strive for a 1% decrease
Waste generation: 2% decrease year-on-year
A4 paper consumption: maintain at 2025 levels, and strive for a 5% decrease

For more information on the initiatives taken by the Group to achieve environmental targets, please refer to the section headed "ENERGY SAVING AND EMISSION REDUCTION, PURSUING GREEN OPERATION PRACTICES" of this chapter. The Group makes disclosures in accordance with the climate-related disclosure requirements in Part D of Appendix C2 and adopts the "Reasonable Information Relief" on a "comply or explain" basis where applicable. For some disclosure items that remain at the methodology and data system development stage (such as quantification of expected financial impacts and the incorporation of climate factors into decision-making and incentive mechanisms), the Group has provided explanations and formulated improvement plans, including improving data governance, gradually clarifying Scope 3 emission boundaries, introducing scenario analysis methods, and establishing a financial impact quantification framework to continuously improve the completeness and comparability of disclosures.



9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

9.4 ECOLOGICAL PROTECTION, JOINTLY CREATING A GREEN HOME

Goals

As a responsible business practitioner, the Group places high importance on ecological protection and biodiversity maintenance. The Group proactively responds to national policy calls on protecting land resources and biodiversity, aiming to minimize the environmental impact of its operations through scientific planning and effective management. The Group's commitment to biodiversity conservation not only runs through its own operational management but also explicitly extends to supply chain partners, requiring all partners to strictly comply with relevant national laws and regulations, ensuring that all office and business premises are not located within nature reserves, prioritizing their business operations in developed areas, and avoiding negative impacts on threatened and protected species. The Group will progressively develop and improve special policies and management measures related to biodiversity conservation in accordance with actual business development. The Sustainable Development (ESG) Committee will undertake the oversight responsibility for policy implementation, regularly disclose ecological conservation progress to the society through official channels, accept public scrutiny, and continuously optimize relevant systems and implementation guidelines based on practical feedback.

Strategies

The Group has integrated biodiversity conservation into its long-term strategic planning and policy formulation, ensuring ecological considerations are fully embedded in all stages of business operations. The Group consistently implements the principle of prevention of ecological harm, prioritizing assessments of the potential impacts of business activities on natural ecosystems during decision-making processes and strictly avoiding any development activities that may endanger endangered species or their habitats. In planning its business development, the Group proactively steers clear of various biodiversity protection zones, ensures business activities do not cause negative impacts on natural ecosystems, and prioritizes the sale of animal harmless products to minimize potential interference with biodiversity.

In daily operational practices, the Group focuses on maintaining green ecological spaces in office areas, partners with environmentally certified suppliers, and deepens all employees' understanding of the value of biodiversity through continuous employee awareness programs, encouraging employees to actively participate in ecological protection actions. By building a collaborative protection network covering the supply chain, the Group strives to fulfill corporate social responsibility while achieving commercial value, promoting green development, and contributing to biodiversity conservation and sustainable land use.

The Company is mainly engaged in industrial internet services, supply chain services, and store digital empowerment, and does not involve heavy industry, mining, or large-scale land operations. All of the Company's office premises, warehouse distribution centers, and service networks are located within urban or township built-up areas. During the reporting period, none of the Group's operational premises were located within or near national or local nature reserves. Operational activities did not have a significant, direct, or irreversible impact on biodiversity. There were no natural habitats that needed to be restored, protected, or compensated due to the Company's operations, and no endangered species protected by the IUCN Red List were found to be affected around the Company's operations.



9. LUCID WATERS AND LUSH MOUNTAINS, PURSUING ECOLOGICAL HARMONY

Additionally, the Group maintains a long-term and stable partnership with the Jiangsu Academy of Agricultural Sciences, continuously carrying out ecological protection work that covers environmental remediation, greening enhancements, and biodiversity conservation. By continuously deepening environmental management practices, the Group actively fulfills its ecological protection responsibilities and supports the long-term, sustainable development of ecosystems.

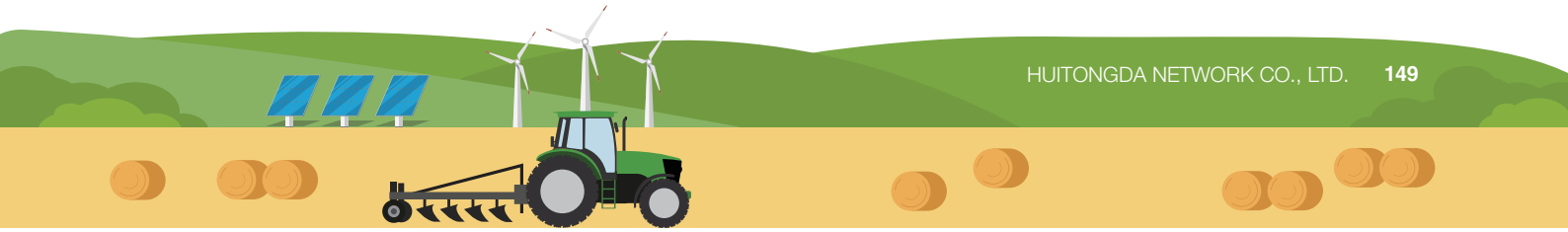
CASE

The Group continuously focuses on the management and optimization of agricultural means of production operations in biodiversity conservation, sustainable land use, and ecological protection, and actively implements national green development policies. The Group continues to advance core businesses such as pesticides, fertilizers, and compound fertilizers toward more green, efficient, and environmental-friendly practices by optimizing product structures, strengthening technological collaboration, and promoting supply chain coordination. The following are specific practices and phased progress of the Group in major agricultural means of production areas.

Pesticides: in close alignment with national industrial policy orientation, the Group actively supports the research and production of new pesticide varieties and formulations, dedicated pesticide intermediates, and pesticide adjuvants that meet the requirements of being “high-efficiency, safe, and environmentally friendly.” Among them, the “Acephate” product is a high-efficiency, low-toxicity, low-residue, broad-spectrum organophosphorus insecticide, which can effectively replace the more toxic Methamidophos product, reducing potential impacts on the environment and ecosystems while ensuring control effects.

Fertilizers: the Group cooperates with Ruixing Group, which mainly produces and sells fertilizers, to exert efforts simultaneously on technological upgrades and operational optimization: the Dutch ultra-low energy consumption processes were introduced, reducing steam consumption per ton of urea by 58% and comprehensive energy consumption by 40%; the boiler desulfurization transformation was completed, reducing sulfur dioxide emissions by 61.2 tonnes annually; and the “road-to-water” logistics transformation relying on the Beijing-Hangzhou Grand Canal was simultaneously advanced, reducing freight costs to 1/5 of road transport. Under close collaboration between the two parties, Ruixing Group’s daily output exceeded 10,000 tonnes. Such explorative efforts established a new production model that transforms waste into reusable resources, thereby reducing ecological impacts sustainably.

Compound Fertilizers: the Group prioritizes Anhui Hongsifang’s “Xinju Tian” series products in relevant businesses. This series of products utilizes patented “high-molecular-weight organic amine and maleic anhydride-modified polyaspartate salts” technology, and possesses good soil pH buffering effect, effectively inhibiting the fixation of phosphorus elements in the soil, and promoting the absorption and utilization of nitrogen, phosphorus, potassium, and trace elements. This achieves soil conditioning and revitalization, enhances crop resilience, promotes rapid seedling emergence and healthy growth, and extends fertilizer efficacy while improving utilization rates.



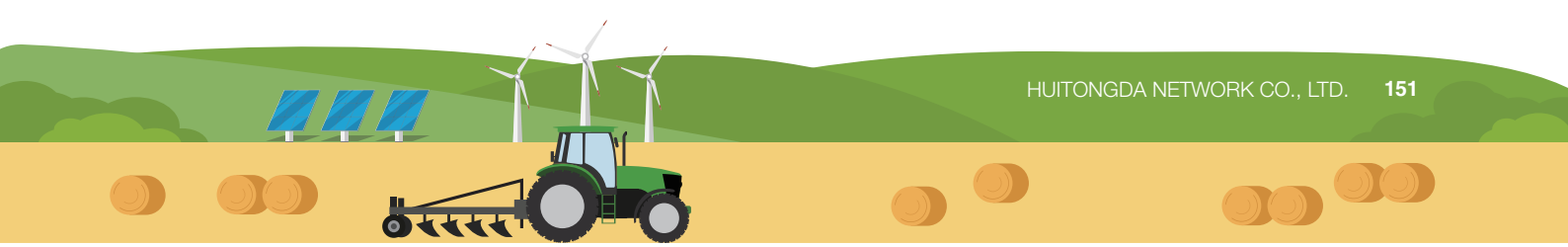
APPENDIX I: INDEX TO THE ESG REPORTING CODE OF THE STOCK EXCHANGE

Indicator			Section
A. Environmental			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	9. Lucid Waters and Lush Mountains, Pursuing Ecological Harmony
	A1.1	The types of emissions and respective emissions data.	9.1 Energy Saving and Emission Reduction, Pursuing Green Operation Practices Appendix I: Summary of Data on Sustainable Development
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9.2 Low-carbon and Environmental Protection, Reducing Resource Depletion Appendix I: Summary of Data on Sustainable Development
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9.2 Low-carbon and Environmental Protection, Reducing Resource Depletion Appendix I: Summary of Data on Sustainable Development
	A1.5	Description of emissions targets and the steps taken to achieve such targets.	9. Lucid Waters and Lush Mountains, Pursuing Ecological Harmony
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) and steps taken to achieve them.	9. Lucid Waters and Lush Mountains, Pursuing Ecological Harmony



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Indicator			Section
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	9.1 Energy Saving and Emission Reduction, Pursuing Green Operation Practices 9.2 Low-carbon and Environmental Protection, Reducing Resource Depletion
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	9.2 Low-carbon and Environmental Protection, Reducing Resource Depletion Appendix I: Summary of Data on Sustainable Development
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	9.2 Low-carbon and Environmental Protection, Reducing Resource Depletion Appendix I: Summary of Data on Sustainable Development
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	9. Lucid Waters and Lush Mountains, Pursuing Ecological Harmony
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	9. Lucid Waters and Lush Mountains, Pursuing Ecological Harmony
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's packaging materials are supplied by third parties, i.e. the Group does not produce packaging materials
A3: Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	9. Lucid Waters and Lush Mountains, Pursuing Ecological Harmony
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	9. Lucid Waters and Lush Mountains, Pursuing Ecological Harmony



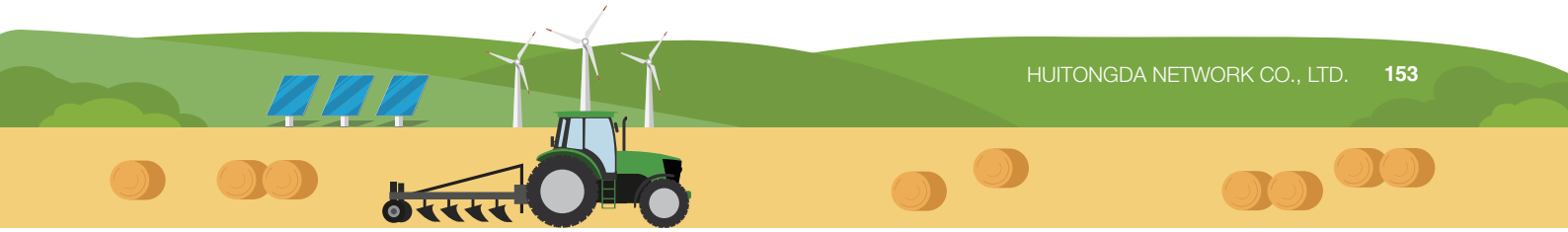
APPENDIX I: INDEX TO THE ESG REPORTING CODE OF THE STOCK EXCHANGE

Indicator			Section
B. Social			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	8. Working Together to Create the Future
	B1.1	Total workforce by gender, employment type (e.g. full time or part time), age group and geographical region.	8.2 Compliance in Employment to Build A Regulated Labour Environment Appendix I: Summary of Data on Sustainable Development
	B1.2	Employee turnover rate by gender, age group and geographical region.	8.2 Compliance in Employment to Build A Regulated Labour Environment Appendix I: Summary of Data on Sustainable Development
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	8.5 Safety First, Consolidating a Defense Line for Health at the Workplace
	B2.1	Number and rate of work-related fatalities in each of the past three years (including the reporting year).	8.5 Safety First, Consolidating a Defense Line for Health at the Workplace Appendix I: Summary of Data on Sustainable Development
	B2.2	Lost days due to work injury.	8.5 Safety First, Consolidating a Defense Line for Health at the Workplace Appendix I: Summary of Data on Sustainable Development
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	8.5 Safety First, Consolidating a Defense Line for Health at the Workplace



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Indicator			Section
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	8.3 Tiered Talent Cultivation: Unlocking Pathways for Career Advancement
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	8.3 Tiered Talent Cultivation: Unlocking Pathways for Career Advancement Appendix I: Summary of Data on Sustainable Development
	B3.2	The average training hours completed per employee by gender and employee category.	8.3 Tiered Talent Cultivation: Unlocking Pathways for Career Advancement Appendix I: Summary of Data on Sustainable Development
B4: Labor Standards	B4	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	8.2 Compliance in Employment to Build A Regulated Labour Environment
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	8.2 Compliance in Employment to Build A Regulated Labour Environment
	B4.2	Description of steps taken to eliminate such practices when discovered.	8.2 Compliance in Employment to Build A Regulated Labour Environment



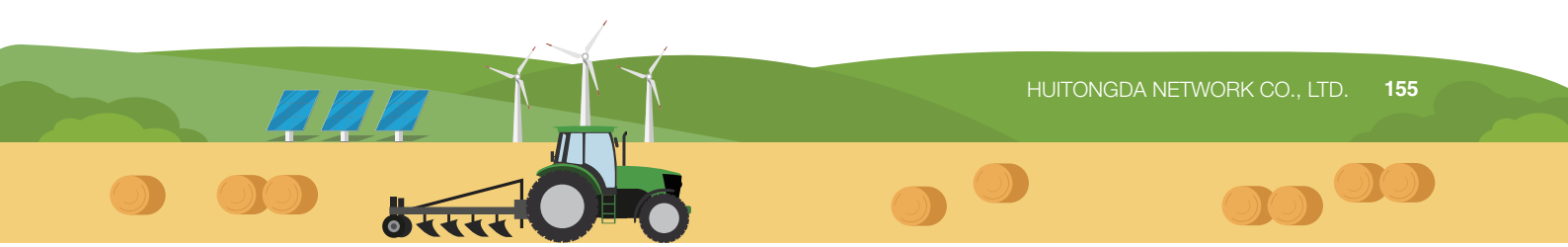
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Indicator			Section
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	7.1 AI Empowerment, Upgrading Resource Allocation
	B5.1	Number of suppliers by geographical region.	7.1 AI Empowerment, Upgrading Resource Allocation
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	7.1 AI Empowerment, Upgrading Resource Allocation
	B5.3	Description of practices used to identify environmental and social risks at along of the supply chain, and how they are implemented and monitored.	7.1 AI Empowerment, Upgrading Resource Allocation
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	7.1 AI Empowerment, Upgrading Resource Allocation



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Indicator			Section
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	7.2 Rural Revitalization, Building a "Bridge of Hearts" for Urban-Rural Integration 6.3 Information Security, Always Preparing for Prevention
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's product delivery services are provided by third parties and there are no products subject to recall for safety and health reasons
	B6.2	Number of products and service related complaints received and how they are dealt with.	6. Compliant Operation, Creating Value Together
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	6.1 Intellectual Property Rights, Innovation-Driven Development
	B6.4	Description of quality assurance process and recall procedures.	The Group's businesses do not involve quality assurance processes and product recall procedures
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	6.3 Information Security, Always Preparing for Prevention

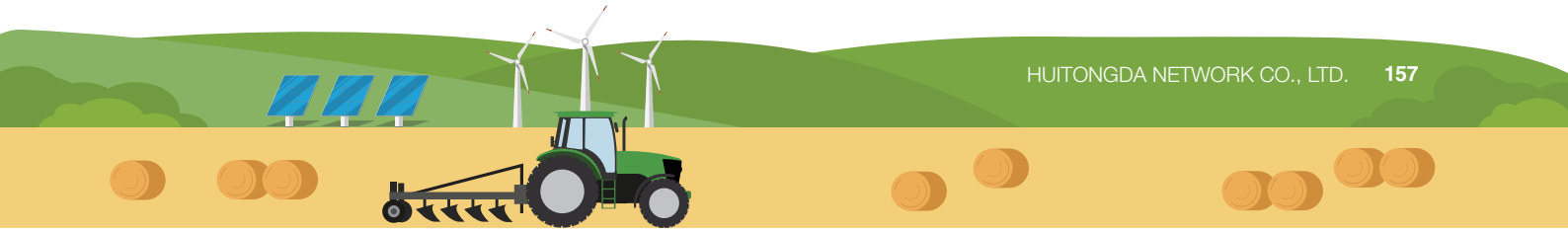


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Indicator			Section
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	6.4 Integrity and Honesty, Adhering to Professional Bottom Lines
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	6.4 Integrity and Honesty, Adhering to Professional Bottom Lines
	B7.2	Description of preventive measures and whistle – blowing procedures, and how they are implemented and monitored.	6.4 Integrity and Honesty, Adhering to Professional Bottom Lines
	B7.3	Description of anti-corruption trainings provided to directors and employees.	6.4 Integrity and Honesty, Adhering to Professional Bottom Lines
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	7. Working Together, Drawing a Blueprint for Shared Success
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	7. Working Together, Drawing a Blueprint for Shared Success
	B8.2	Resources contributed to the focus area.	7. Working Together, Drawing a Blueprint for Shared Success

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Indicator			Section
Part D: Climate-related Disclosures			
(I) Governance	19.	An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities; (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	9.3 Constant Vigilance to Manage Climate Risks
(II) Strategy	20.	**Climate-related risks and opportunities** An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	9.3 Constant Vigilance to Manage Climate Risks
	21.	**Business model and value chain** An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.	9.3 Constant Vigilance to Manage Climate Risks Determining the scope of the value chain: The Group adopts the Reasonable Information Relief as it is unable to obtain all reasonable and supportable information that is available at the reporting date without undue cost or effort to determine the scope of its value chain.

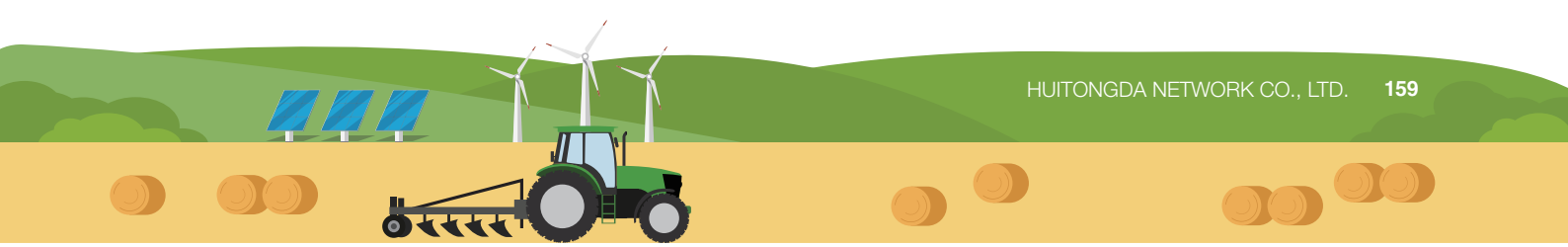


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Indicator			Section
	22.	**Strategy and decision-making** An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision – making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.	9.3 Constant Vigilance to Manage Climate Risks
	23.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	9.3 Constant Vigilance to Manage Climate Risks
	24.	**Financial position, financial performance and cash flows** **Current financial effect** An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	9.3 Constant Vigilance to Manage Climate Risks Financial Effects Relief – The Group will further assess the financial effects of climate-related risks and opportunities in the future.

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Indicator			Section
	25.	**Anticipated financial effect** The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial performance to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities; (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Reasonable Information Relief – The Group will further assess the financial effects of climate-related risks and opportunities in the future.
	26.	**Climate resilience** An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate – related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range.	9.3 Constant Vigilance to Manage Climate Risks Reasonable Information Relief – The Group currently does not disclose any climate scenario analysis, but will explore its feasibility in the future.
(III) Risk Management	27.	An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate – related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	9.3 Constant Vigilance to Manage Climate Risks



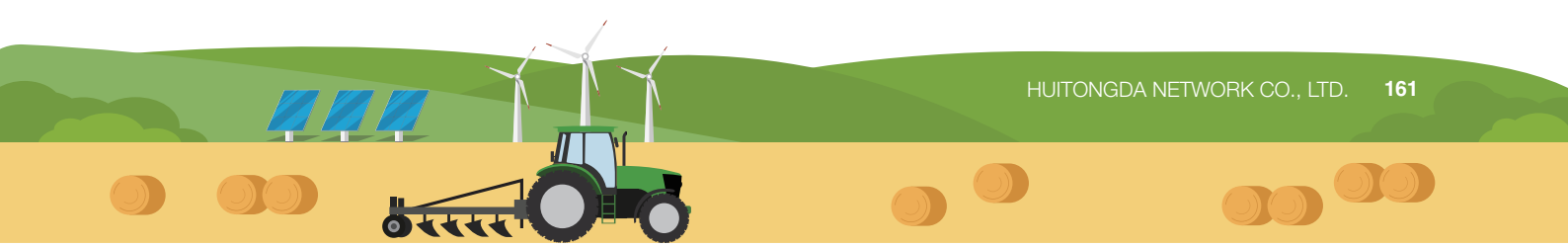
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Indicator			Section
(IV) Metrics and Targets	28.	**Greenhouse gas emissions** An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tCO_2e, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	9.3 Constant Vigilance to Manage Climate Risks Reasonable Information Relief – In the future, the Group will continue to collect more comprehensive data to gradually expand and improve the disclosure coverage of various Scope 3 sub-categories that have a significant impact on the Group's business.
	29.	An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	



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Indicator			Section
	30.	**Climate-related transition risks** An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Reasonable Information Relief – The Group will strengthen the methods and processes for assessing the financial effects of climate-related risks and opportunities in future reports.
	31.	**Climate-related physical risks** An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
	32.	**Climate-related opportunities** An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	
	33.	**Capital deployment** An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The Group has identified climate – related risks and will further identify relevant data to optimize disclosure.
	34.	**Internal carbon prices** An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision – making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Negative statement – The Group currently does not apply internal carbon pricing in decision-making, but will explore the feasibility of implementation in the future.

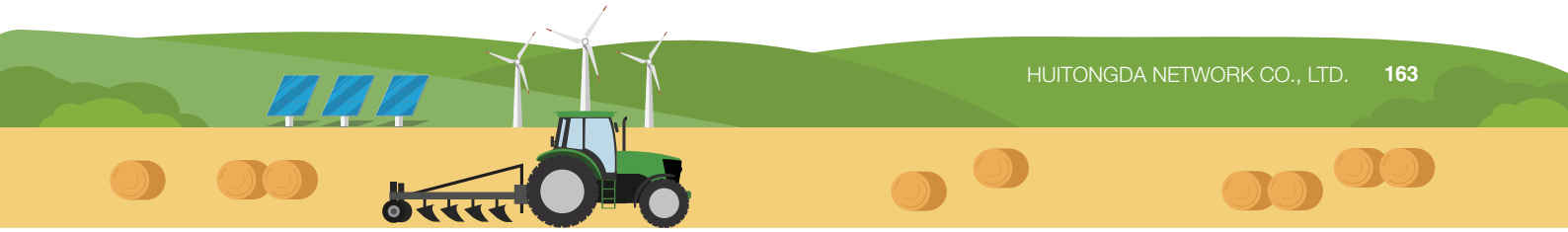


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Indicator			Section
	35.	**Remuneration** An issuer shall disclose whether and how climate – related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	9.3 Constant Vigilance to Manage Climate Risks
	36.	**Industry-based metrics** An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry.	Reasonable Information Relief – The Group currently does not disclose any industry-based metrics, but will explore its feasibility in the future.
	37.	**Climate-related targets** An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	9.3 Constant Vigilance to Manage Climate Risks
	38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.	9.3 Constant Vigilance to Manage Climate Risks
	39.	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	9.3 Constant Vigilance to Manage Climate Risks
	40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39.	9.3 Constant Vigilance to Manage Climate Risks
	41.	**Applicability of cross-industry metrics and industry-based metrics** In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross – industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Reasonable Information Relief – The Group currently does not disclose any cross-industry metrics and industry-based metrics, but will explore its feasibility in the future.

APPENDIX II: GRI STANDARDS CONTENT INDEX

Statement of use	Huitongda Network Co., Ltd. has reported the information cited in this GRI content index for the period January 1, 2025 through December 31, 2025 with reference to the GRI Standards.		
GRI used	**GRI 1: Foundation 2021**		
GRI Standards	**Serial Number**	**Disclosure Requirement**	**Location**
GRI 2: General Disclosures 2021	2-1	Organizational details	3.1 Corporate Profile
	2-2	Entities included in the organization's sustainability reporting	1.1 Scope of the Report
	2-3	Reporting period, frequency and contact point	1. About The Report
	2-4	Restatements of information	1.2 Reporting Principles
	2-5	External assurance	/
	2-6	Activities, value chain and other business relationships	3. About Huitongda 7. Working Together, Drawing a Blueprint for Shared Success
	2-7	Employees	8. Working Together to Create the Future
	2-8	Workers who are not employees	7.1.1 Exerting Efforts on the Chain, Forging a Green and Resilient Supply Chain
	2-9	Governance structure and composition	4.2 ESG Governance Structure 6.1 Corporate Governance, Building a Solid Foundation for the Future See "Annual Report 2025" for details
	2-10	Nomination and selection of the highest governance body	6.1 Corporate Governance, Building a Solid Foundation for the Future See "Annual Report 2025" for details
	2-11	Chair of the highest governance body	6.1 Corporate Governance, Building a Solid Foundation for the Future See "Annual Report 2025" for details
	2-12	Role of the highest governance body in overseeing the management of impacts	4.1 Statement of the Board 4.2 ESG Governance Structure
	2-13	Delegation of responsibility for managing impacts	4.2 ESG Governance Structure



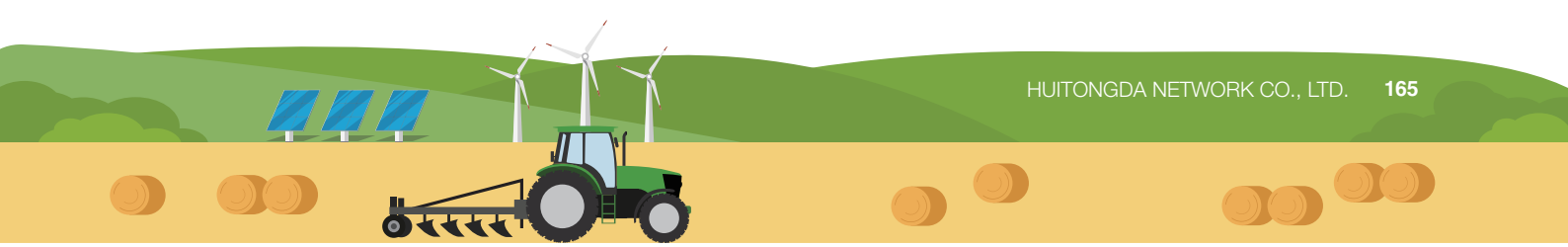
APPENDIX II: GRI STANDARDS CONTENT INDEX

GRI Standards	Serial Number	Disclosure Requirement	Location
	2-14	Role of the highest governance body in sustainability reporting	4.1 Statement of the Board
	2-15	Conflicts of interest	/
	2-16	Communication of critical concerns	4.3 Risk Management System 6.4 Integrity and Honesty, Adhering to Professional Bottom Lines
	2-17	Collective knowledge of the highest governance body	4.2 ESG Governance Structure 9.3 Constant Vigilance to Manage Climate Risks
	2-18	Evaluation of the performance of the highest governance body	See “Annual Report 2025”
	2-19	Remuneration policies	8.4 Shared Value, Safeguarding Employee Compensation and Welfare
	2-20	Process to determine remuneration	8.4 Shared Value, Safeguarding Employee Compensation and Welfare
	2-21	Annual total compensation ratio	/
	2-22	Statement on sustainable development strategy	4.4 ESG Strategies and Goals
	2-23	Policy commitments	4.5 ESG Policies
	2-24	Embedding policy commitments	4.4 ESG Strategies and Goals
	2-25	Processes to remediate negative impacts	6.4 Integrity and Honesty, Adhering to Professional Bottom Lines
	2-26	Mechanisms for seeking advice and raising concerns	6. Compliant Operation, Creating Value Together
	2-27	Compliance with laws and regulations	6. Compliant Operation, Creating Value Together
	2-28	Membership associations	3.3 Milestones and Honors
	2-29	Approach to stakeholder engagement	4.6 Stakeholder Engagement
	2-30	Collective bargaining agreements	8.6 Improving Communication, Focusing on Employee Satisfaction



APPENDIX II: GRI STANDARDS CONTENT INDEX

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4.7 ESG Materiality Assessment
	3-2	List of material topics	4.7 ESG Materiality Assessment
	3-3	Management of material topics	4.7 ESG Materiality Assessment
Topic Standards – Economic Topics (GRI 200 Series)			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	See "Annual Report 2025"
	201-2	Financial implications and other risks and opportunities due to climate change	9.3 Constant Vigilance to Manage Climate Risks
	201-3	Defined benefit plan obligations and other retirement plans	8.4 Shared Value, Safeguarding Employee Compensation and Welfare
	201-4	Financial assistance received from government	The government subsidies received during the year mainly cover stable employment subsidies, special funds for the development of modern service industries, tax incentive awards, special funds for talent introduction, and industrial guidance funds, etc.
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	8.4 Shared Value, Safeguarding Employee Compensation and Welfare
	202-2	Proportion of senior management hired from the local community	8.4 Shared Value, Safeguarding Employee Compensation and Welfare
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	7.2 Rural Revitalization, Building A "Bridge of Hearts" for Urban-Rural Integration
	203-2	Significant indirect economic impacts	7.2 Rural Revitalization, Building A "Bridge of Hearts" for Urban-Rural Integration 7.3 Through Public Welfare and Charity, Warming Vulnerable Groups in the Community
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	7.1.1 Exerting Efforts on the Chain, Forging a Green and Resilient Supply Chain



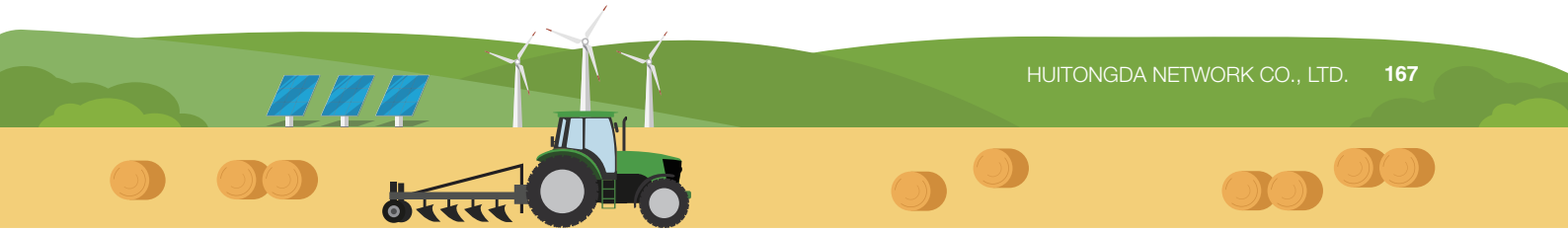
APPENDIX II: GRI STANDARDS CONTENT INDEX

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	6.4 Integrity and Honesty, Adhering to Professional Bottom Lines
	205-2	Communication and training about anti-corruption policies and procedures	6.4 Integrity and Honesty, Adhering to Professional Bottom Lines
	205-3	Confirmed incidents of corruption and actions taken	6.4 Integrity and Honesty, Adhering to Professional Bottom Lines
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	6.4 Integrity and Honesty, Adhering to Professional Bottom Lines
GRI 207: Tax 2019	207-1	Approach to tax	/
	207-2	Tax governance, control, and risk management	/
	207-3	Stakeholder engagement and management of concerns related to tax	/
	207-4	Country-by-country reporting	/
GRI 301: Materials 2016	301-1	Materials used by weight or volume	/
	301-2	Recycled input materials used	/
	301-3	Reclaimed products and their packaging materials	/
GRI 302: Energy 2016	302-1	Energy consumption within the organization	9.1 Energy Saving and Emission Reduction, Pursuing Green Operation Practices
	302-2	Energy consumption outside of the organization	9.1 Energy Saving and Emission Reduction, Pursuing Green Operation Practices
	302-3	Energy intensity	9.1 Energy Saving and Emission Reduction, Pursuing Green Operation Practices
	302-4	Reduction in energy consumption	9.1 Energy Saving and Emission Reduction, Pursuing Green Operation Practices
	302-5	Reductions in energy requirements of products and services	/



APPENDIX II: GRI STANDARDS CONTENT INDEX

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	9.2.1 Water Resources Management
	303-2	Management of water discharge-related impacts	9.2.1 Water Resources Management
	303-3	Water withdrawal	9.2.1 Water Resources Management
	303-4	Water discharge	9.2.1 Water Resources Management
	303-5	Water consumption	9.2.1 Water Resources Management
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	9.4 Ecological Protection, Jointly Creating a Green Home
	304-2	Significant impacts of activities, products and services on biodiversity	9.4 Ecological Protection, Jointly Creating a Green Home
	304-3	Habitats protected or restored	9.4 Ecological Protection, Jointly Creating a Green Home
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	9.4 Ecological Protection, Jointly Creating a Green Home
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	9.1.2 Greenhouse Gas and Emissions Management
	305-2	Energy indirect (Scope 2) GHG emissions	9.1.2 Greenhouse Gas and Emissions Management
	305-3	Other indirect (Scope 3) GHG emissions	9.1.2 Greenhouse Gas and Emissions Management
	305-4	GHG emissions intensity	9.1.2 Greenhouse Gas and Emissions Management
	305-5	Reduction of GHG emissions	9.1.2 Greenhouse Gas and Emissions Management
	305-6	Emissions of ozone-depleting substances (ODS)	9.1.2 Greenhouse Gas and Emissions Management
	305-7	Nitrogen oxides (NO_X), sulfur oxides (SO_X), and other significant air emissions	9.1.2 Greenhouse Gas and Emissions Management



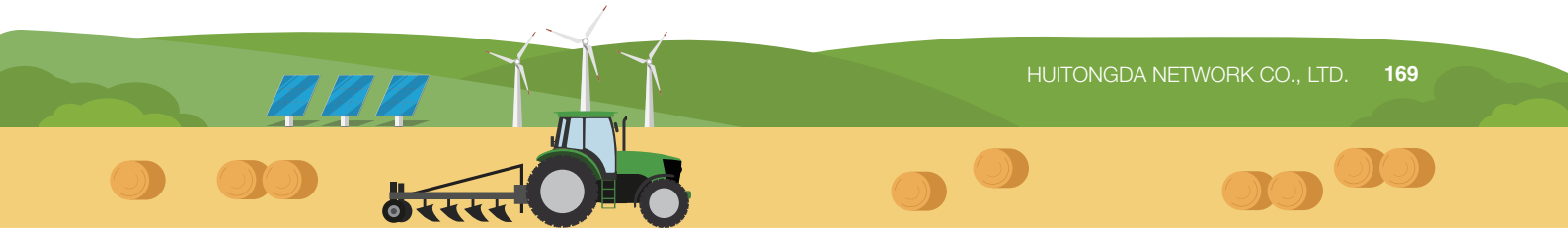
APPENDIX II: GRI STANDARDS CONTENT INDEX

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	9.2.2 Waste Management
	306-2	Management of significant waste-related impacts	9.2.2 Waste Management
	306-3	Waste generated	9.2.2 Waste Management
	306-4	Waste diverted from disposal	9.2.2 Waste Management
	306-5	Waste directed to disposal	9.2.2 Waste Management
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	7.1.1 Exerting Efforts on the Chain, Forging a Green and Resilient Supply Chain
	308-2	Negative environmental impacts in the supply chain and actions taken	7.1.1 Exerting Efforts on the Chain, Forging a Green and Resilient Supply Chain
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	8.2 Compliance in Employment to Build A Regulated Labour Environment
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	8.4 Shared Value, Safeguarding Employee Compensation and Welfare
	401-3	Parental leave	8.4 Shared Value, Safeguarding Employee Compensation and Welfare
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	8.2 Compliance in Employment to Build A Regulated Labour Environment



APPENDIX II: GRI STANDARDS CONTENT INDEX

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	8.5 Safety First, Consolidating a Defense Line for Health at the Workplace
	403-2	Hazard identification, risk assessment, and incident investigation	8.5 Safety First, Consolidating a Defense Line for Health at the Workplace
	403-3	Occupational health services	8.5 Safety First, Consolidating a Defense Line for Health at the Workplace
	403-4	Worker participation, consultation, and communication on occupational health and safety	8.5 Safety First, Consolidating a Defense Line for Health at the Workplace
	403-5	Worker training on occupational health and safety	8.5 Safety First, Consolidating a Defense Line for Health at the Workplace
	403-6	Promotion of worker health	8.5 Safety First, Consolidating a Defense Line for Health at the Workplace
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	8.5 Safety First, Consolidating a Defense Line for Health at the Workplace
	403-8	Workers covered by an occupational health and safety management system	8.5 Safety First, Consolidating a Defense Line for Health at the Workplace
	403-9	Work-related injuries	8.5 Safety First, Consolidating a Defense Line for Health at the Workplace
	403-10	Work-related ill health	8.5 Safety First, Consolidating a Defense Line for Health at the Workplace
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	8.3 Tiered Talent Cultivation: Unlocking Pathways for Career Advancement
	404-2	Programs for upgrading employee skills and transition assistance programs	8.3 Tiered Talent Cultivation: Unlocking Pathways for Career Advancement
	404-3	Percentage of employees receiving regular performance and career development reviews	8. Working Together to Create the Future



APPENDIX II: GRI STANDARDS CONTENT INDEX

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	6.1 Corporate Governance, Building a Solid Foundation for the Future 8.2 Compliance in Employment to Build A Regulated Labour Environment
	405-2	Ratio of basic salary and remuneration of women to men	8.4 Shared Value, Safeguarding Employee Compensation and Welfare
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	/
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	/
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	7.1.1 Exerting Efforts on the Chain, Forging a Green and Resilient Supply Chain 8.2 Compliance in Employment to Build A Regulated Labour Environment
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	7.1.1 Exerting Efforts on the Chain, Forging a Green and Resilient Supply Chain 8.2 Compliance in Employment to Build A Regulated Labour Environment
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	7.2 Rural Revitalization, Building A “Bridge of Hearts” for Urban-Rural Integration
	413-2	Operations with significant actual and potential negative impacts on local communities	No significant negative impacts identified



APPENDIX II: GRI STANDARDS CONTENT INDEX

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	7.1.1 Exerting Efforts on the Chain, Forging a Green and Resilient Supply Chain
	414-2	Negative social impacts in the supply chain and actions taken	7.1.1 Exerting Efforts on the Chain, Forging a Green and Resilient Supply Chain
GRI 415: Public Policy 2016	415-1	Political contributions	/
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	7.1.1 Exerting Efforts on the Chain, Forging a Green and Resilient Supply Chain
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	7.1.1 Exerting Efforts on the Chain, Forging a Green and Resilient Supply Chain
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	6.5 Responsible Marketing, Winning Customer Trust
	417-2	Incidents of non-compliance concerning product and service information and labeling	6.5 Responsible Marketing, Winning Customer Trust
	417-3	Incidents of non-compliance concerning marketing communications	6.5 Responsible Marketing, Winning Customer Trust
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	6.3 Information Security, Always Preparing for Prevention


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