

2025

2025 Environmental, Social and Governance (ESG) Report

SHENZHEN ABSEN OPTOELECTRONIC CO.,LTD.



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About This Report

This report is the 2025 Environmental, Social and Governance Report ("this Report") published by Shenzhen Absen Optoelectronics Co., Ltd. ("Absen", the "Company", or "we"), which systematically disclosing the Company's management practices, key performance indicators, and future plans in the environmental, social and governance ("ESG") field.

Timeframe

This Report covers the period from 1 January 2025 to 31 December 2025 (the "Reporting Period"). Certain content has been appropriately traced back to prior periods or extended beyond the Reporting Period to ensure continuity and comparability.

Reporting Scope

The scope of this Report aligns with the business coverage of Shenzhen Absen Optoelectronics Co., Ltd., encompassing Shenzhen Absen Optoelectronics Co., Ltd. and its subsidiaries.

Reference Standards

This Report has been prepared with reference to the Shenzhen Stock Exchange ("SZSE") Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 17 – Sustainability Reporting (Trial), while also drawing upon the provisions and requirements of the Global Sustainability Standards Board ("GSSB") GRI Sustainability Reporting Standards ("GRI Standards").

Accessibility

This Report is available in both printed and electronic formats. The electronic version can be accessed online or downloaded from Absen's official website at www.absen.cn.

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Chairman's Statement

The global industrial landscape is evolving rapidly amid transformation and recalibration. Sustainability has ceased to be a mere conceptual choice and has evolved into a benchmark for measuring core corporate competitiveness. Guided by the philosophy that "operating a business well is the greatest social responsibility", we have advanced our own steady growth while committing to serve the high-quality development of society. For Absen, the past year has been one of profound significance. In the face of market volatility and challenges, Absen chose to adopt a contrarian approach —focusing on high-value domains, refining our product mix and customer quality, and honing our uncompromising authenticity with a technology-for-good ethos.

In 2025, Absen successfully completed the renewal of its sixth Board of Directors, advancing the professionalisation and diversification of the Board. Upholding the strategic resolve to "remain vigilant in times of prosperity and act in harmony with prevailing trends", we have strengthened risk-control safeguards through institutional rigour. We have likewise embedded the core values of "integrity, gratitude, and responsibility" throughout our business conduct and ethics framework. Absen is committed to sustaining corporate resilience through institutionalised governance, and to fostering trust in our business operations through transparent compliance. We strictly fulfil our tax obligations to the state, contributing to national fiscal revenue and public sector development, while delivering long-term, stable returns to our shareholders and safeguarding their lawful rights and interests.

Customer-centricity remains our unwavering commitment. We treat customer needs as the wellspring of innovation, and win client trust through "genuine" quality. We have refined our quality management systems, forged mutually beneficial partnerships with suppliers, and provided global customers with safe, reliable, and green products together with professional audio-visual solutions. As we accelerate our "global products, local delivery" strategy, Absen honours its commitments to every customer, connecting the world through brand-anchored services.

Since launching the Absen Green initiative in 2021, we have consistently spearheaded the industry's green and low-carbon transition across six dimensions: design, materials, processes, intelligent manufacturing, health, and energy efficiency. We have introduced a range of low-power, high-efficiency LED display products, with certain models achieving energy-efficiency improvements of over 30%. All new products have secured international environmental certifications such as RoHS and REACH. We are also progressively expanding the product scope subject to carbon footprint verification. In energy management, we have comprehensively optimised our energy mix in production and actively pursued integrated photovoltaic, energy storage and charging, raising the proportion of renewable energy used throughout the year to 11.33%. We closely align our corporate growth with the long-term wellbeing of surrounding communities, proactively embedding ourselves in community development processes, and supporting the development of green communities through diverse forms of participation, engagement, and collaboration.

Our employees are the core asset of the company. We firmly believe that the essence of management lies in unlocking human potential and goodwill. We are dedicated to fostering a diverse, equitable, and inclusive working environment where every employee can flourish in an atmosphere of trust and respect. Through our flagship platform, the "Zhen Ai Academy", we have opened clear pathways for talent development, with average training hours per employee exceeding 20 hours during the year. We have fully implemented our occupational health and safety management system, achieving zero workplace safety incidents. More importantly, through our Employee Stock Ownership Plan and the three-tier partnership mechanism, we have transformed a greater number of employees from "executors" into "co-owners of the enterprise."

Looking ahead to the new year, Absen will leverage its existing six core competencies, with products as the cornerstone and strategy as the guiding force. We will deeply explore future technological transformations, enhance operational efficiency and delivery quality, and uphold a long-term perspective. We will systematically balance the core interests of all stakeholders—employees, customers, suppliers, government, shareholders, and communities—and work with partners across the global value chain to build a community with a shared future. Our vision is that every Absen screen across the globe will not only embody an ideal visual future but also manifest our unwavering commitment to sustainable development.



Chairman, Absen
Ding Yanhui



**Authentic
Brilliance,
Pursuit of
Excellence**

About Us

Company Profile

Established in 2001, Absen (SZSE: 300389) is a global leader in LED display technology and applications. The Group currently encompasses its Shenzhen headquarters, the Absen Dongjiang Intelligent Manufacturing Centre, and 20 subsidiaries worldwide spanning the United States, Germany, Japan, Dubai, Saudi Arabia, Russia, Mexico, Brazil, Hong Kong SAR, China and other key markets.

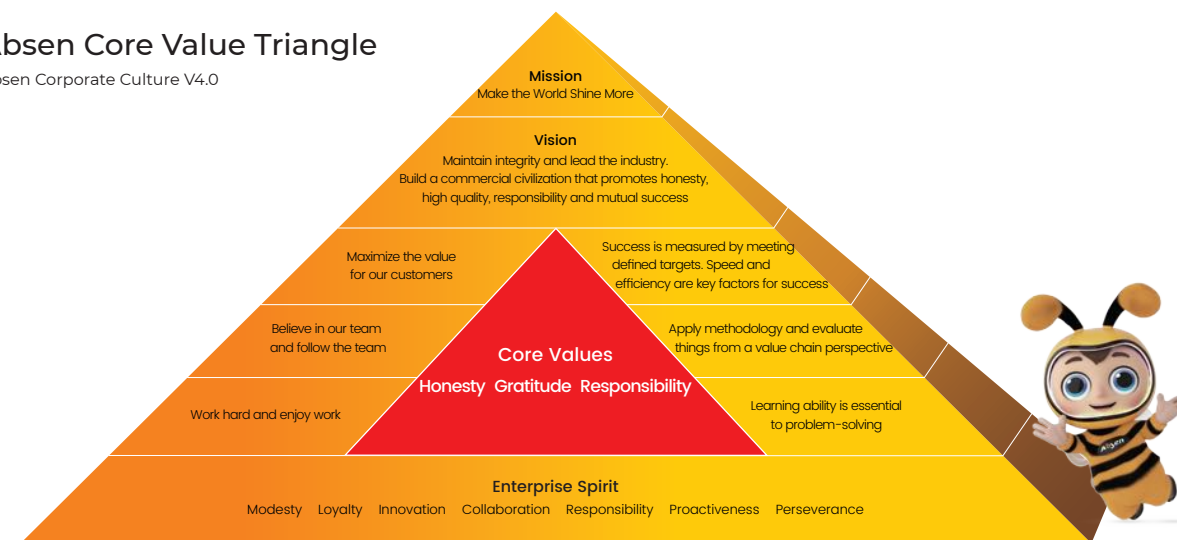
Absen's core business focuses on advertising displays, stage displays, commercial displays, data visualisation displays, conference displays, creative displays, and consumer-grade displays. Our products are exported to 165 countries and regions across the Americas, Europe, Oceania, Asia, and Africa, with over 65,000 successful installations to date. Notable projects include Hollywood, Disney, Universal Studios, the FIFA World Cup, the Olympic Games, the UEFA European Championship, the NBA, Times Square, New York and major media events. For 16 consecutive years, Absen has ranked first in the industry by export value of single-brand display products.

Corporate Culture

At Absen, we uphold the core values of "integrity, gratitude, and responsibility" — speaking truthfully, acting pragmatically, and embracing genuine character. We observe the "three no" principle: no falsehoods, no counterfeiting, and no bribery. Embodying the "little bee spirit" of loyalty, diligence, courage, and contribution, we remain united in solidarity and relentless in our pursuit of excellence, delivering quality products and professional services to our customers. Absen firmly believes that quality is the lifeline of the enterprise, and we adhere to rigorous standards in material selection, every step of the production process, and every detail of service, so as to create maximum value for our customers. Maintaining integrity and leading the industry, we at Absen are guided by the "True Brilliance" brand strategy. We are committed to establishing Absen as commercial civilization that promotes honesty, high quality, responsibility and mutual success.

Absen Core Value Triangle

Absen Corporate Culture V4.0



Mission Make the World Shine More In pursuit of excellence, we are committed to providing the best products and services for our customers worldwide We are the light of the world. We want to make the world shine more and make people's life more colorful	Vision Maintain integrity and lead the industry. Build a commercial civilization that promotes honesty, high quality, responsibility and mutual success We run our business with sincerity and integrity, seeking to develop better to lead the industry and light up the world We are determined to build a business civilization that promotes honesty, high quality, responsibility and mutual success We call upon more private enterprises in China to join hands with us in building such a commercial civilization	Core Values Honesty Gratitude Responsibility Honesty: Have a pure heart, be honest and trustworthy, and stay true to our words and firm in our actions Gratitude: Love is the drive of life and gratitude is the source of love. We should live with love, become the love and give our love Responsibility: To act is to fulfill responsibility	Values Maximize the value for our customers Believe in our team and follow the team Work hard and enjoy work Success is measured by meeting defined targets; Speed and efficiency are key factors for success Apply methodology and evaluate things from a value chain perspective Learning ability is essential to problem-solving	Enterprise Spirit Modesty Loyalty Innovation Collaboration Responsibility Proactiveness Perseverance
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Business Footprint

With a global outlook, Absen has assembled a high-calibre, international team of professionals. Through 20 overseas and domestic subsidiaries, over 20 domestic representative offices, a channel partner network of more than 6,000 entities, and over 700 international sales professionals operating in more than a dozen languages, we achieve precise, localised market reach across our target global markets, forming a sales network that covers over 165 countries and regions.



Overseas market

Benefiting from years of sustained cultivation in overseas markets, the continued advancement of our international strategic positioning, and the development of differentiated brand advantages, we have successfully enhanced our competitiveness in overseas markets. Our international business demonstrated robust growth momentum,

Generating operating revenue of approximately **RMB 3.178 billion**

Representing a year-on-year increase of approximately **8.41%**

Domestic market

In the domestic market, against a backdrop of subdued overall demand for LED displays, we achieved operating revenue of **RMB 981 million** through strategic initiatives focused on focusing on premium customer segments, product mix optimisation, and channel strategy adjustments — a year-on-year increase of **34.02%** that reflects successful counter-cyclical growth.

During the reporting period, the Company achieved total operating revenue of approximately RMB 4.158 billion, representing year-on-year increase of 13.53%.

During the reporting period, Absen received the following major awards:

Awards and Recognition



China's Best Managed Companies



Chinese Management Prize in Memory of Peter Drucker



International Renowned Brand



China's 500 Most Valuable Brands



2024 Golden Disclosure Award



Manufacturer of the Year



China Patent Excellence Award



Guangdong Provincial Industrial Design Centre

2025 in Numbers



Governance Responsibility

- Operating revenue increased by **13.53%** YOY
- An incentive fund of **RMB 60 million** was set aside for the Employee Stock Ownership Plan
- The restricted stock incentive plan proposes to grant **12 million shares**



Product and Service Responsibility

- R&D investment of RMB 184 million, with cumulative R&D investment over the past five years reaching **RMB 754 million**
- Intellectual property incentives totalling **RMB 579,200** were distributed
- Product safety investment of **RMB 8.5626 million**, increased up 31% year on year
- Supply chain fund management and collaboration mechanisms were optimised, providing support to **26 SME** suppliers cumulatively



Environmental Responsibility

- The proportion of renewable energy reached **11.33%**
- Carbon footprint verification completed for **90%** of indoor and outdoor fixed-installation products and all-in-one machines



Employee Responsibility

- Total investment in employee training of **RMB 9,663,500**
- Investment in safety production at the Huizhou Manufacturing Base of **RMB 1.13 million**
- **Zero** workplace safety incidents; zero occupational disease incidence



Social Responsibility

- The Absen Foundation made charitable donations of **RMB 1.1735 million**
- Public welfare and charitable activities benefited **392 individuals** in total

ESG Management

Absen continuously refines its ESG governance framework by integrating ESG performance into the annual performance appraisal system for relevant departments. We establish quantifiable and trackable key indicators, link evaluation outcomes to remuneration and incentives, and implement effective accountability mechanisms—thereby generating intrinsic momentum for the sustained improvement of ESG management practices.

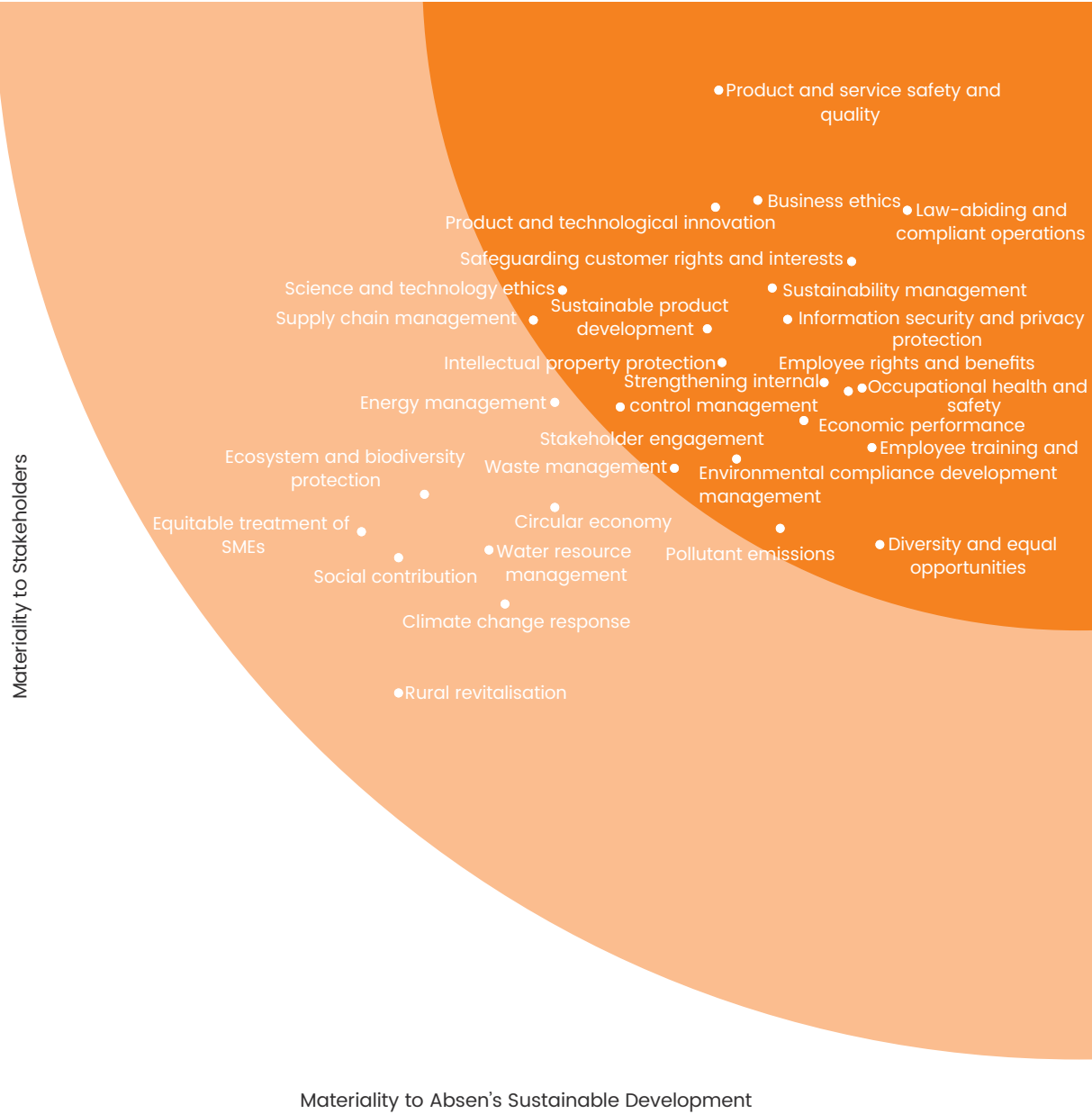
Stakeholder Engagement

We place great emphasis on constructive dialogue and collaborative governance with all stakeholders. To this end, we have established a regular communication mechanism, conducting stakeholder exchanges through multiple channels including periodic meetings, thematic research initiatives, on-site visits, and consultative roundtables. Stakeholder expectations are systematically incorporated into strategic decision-making and day-to-day operations.

Stakeholder	Key Concerns / Expectations	Response Measures
 Employees	• Wage and benefit security • Occupational health and safety • Fair promotion and career development • Work-life balance	• Refining the compensation system • Providing platforms for learning and advancement • Strengthening employee care and wellbeing initiatives
 Customers	• Protection of consumer rights and interests • Effective response to and resolution of complaints • Information security and data protection	• Continuously improving products and services • Conducting satisfaction surveys • Enhancing customer privacy protection
 Suppliers	• Fulfilment of contractual obligations in accordance with law • Transparent supplier onboarding standards • Promotion of mutual development	• Building a responsible supply chain • Standardising supplier management protocols
 Government Regulatory Bodies	• Law-abiding and compliant operations • Statutory tax payment in full • Protection of the local environment	• Monitoring policy developments • Paying taxes in full compliance with the law • Adhering to environmental protection regulations
 Shareholders Investors	• Standardised operational risk management • High-quality information disclosure • Achieving investment returns	• Identifying drivers of profit growth • Strengthening risk management and internal controls • Conducting periodic information disclosure • Organising investor meetings
 Community Organisations	• Promoting community development • Supporting social welfare and public benefit initiatives	• Contributing to local development • Enhancing community value • Carrying out charitable and public welfare activities
 Industry Associations	• Strengthening industry collaboration • Driving technological innovation • Building a green supply chain	• Participating in industry summits • Leading standard-setting initiatives • Promoting supplier energy conservation and carbon reduction

Materiality Assessment

During the reporting period, the Company, drawing upon its own operational characteristics and taking into account information disclosure requirements, capital market ratings, and industry issues of concern to peers, compiled a materiality topic inventory. Through interviews and questionnaire surveys with internal and external stakeholders, we prioritised and ranked the topics by materiality.



Absen Materiality Matrix

Level	Category	2025 Topics
Highly Material Topics (21)	Governance	Business ethics
		Economic performance
		Law-abiding and compliant operations
		Strengthening internal control management
		Sustainability management
		Stakeholder engagement
	Product & Service	Product and service safety and quality
		Product and technological innovation
		Supply chain management
		Information security and privacy protection
		Safeguarding customer rights and interests
		Intellectual property protection
		Science and technology ethics
	Environment	Sustainable product development
		Environmental compliance management
		Waste management
		Pollutant emissions
	Employees	Occupational health and safety
		Employee training and development
		Employee rights and benefits
		Diversity and equal opportunities
Moderately Material Topics (8)	Environment	Energy management
		Circular economy
		Ecosystem and biodiversity protection
		Climate change response
		Water resource management
	Community	Social contribution
		Equitable treatment of SMEs
		Rural revitalisation



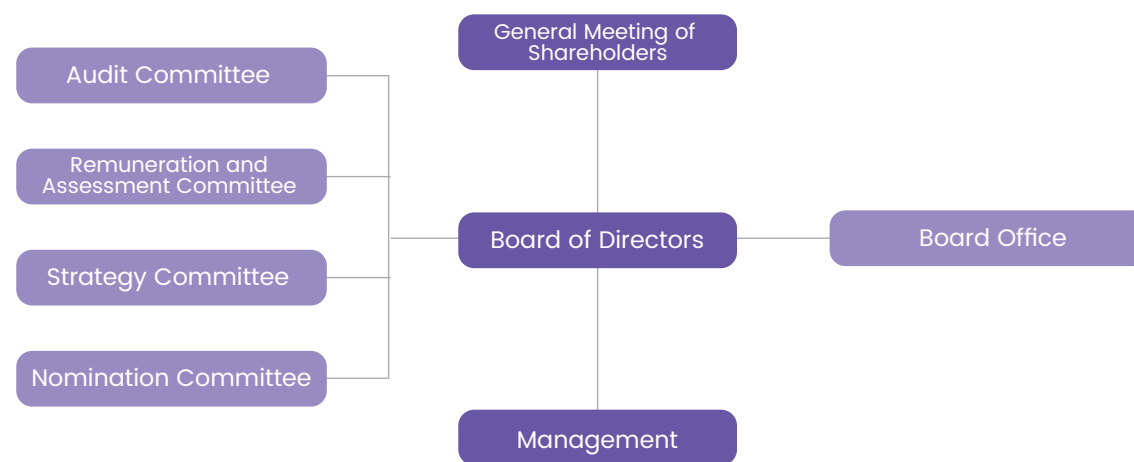
Integrity in Governance, Stability in Operations

Absen adheres to the corporate governance objective of "building an internationally leading enterprise characterised by a sound governance structure, clearly defined development strategies, robust decision-making mechanisms, optimised business processes, solid financial foundations, sound operational management, comprehensive risk control, and effective incentive and constraint mechanisms." The Company continuously refines its corporate governance framework, enhances risk prevention and control mechanisms, strengthens end-to-end compliance management, and upholds the bottom line of business ethics—ensuring sustainable development through disciplined governance and responsible operations.

Enhancing Corporate Governance

Absen strictly complies with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and other relevant laws, regulations, and regulatory requirements. During the reporting period, the Company revised and improved its internal governance framework, including the Articles of Association, the Independent Director Policy, and the Internal Audit Policy, thereby raising the standard of corporate governance.

Absen has established a governance framework with clearly defined roles and responsibilities. Under the Board of Directors, four specialised committees have been constituted: the Strategy Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. These committees provide professional opinions on material matters, ensuring the objectivity and scientific rigour of the Company's decision-making process.



Absen Corporate Governance Structure

In 2025, Absen held a total of 6 shareholders' meetings, 11 Board of Directors meetings, 7 Audit Committee meetings, 5 Remuneration and Appraisal Committee meetings, 2 Strategy Committee meetings, and 3 Nomination Committee meetings, diligently fulfilling its corporate governance responsibilities and safeguarding the long-term, steady development.

Board Diversity

In nominating and selecting directors, Absen adheres to the principle of appointing on merit. The Nomination Committee is responsible for assessing candidates' capabilities comprehensively and giving full consideration to the contribution they can bring to board diversity, thereby promoting more robust and well-rounded decision-making.

As of the end of the reporting period, the Board of Directors comprised 9 directors in total, including 3 independent directors (representing 33%), 1 female director (representing 11%), and 2 employee representative directors (representing 22%)—fully safeguarding employees' rights to participation and oversight in the Company's operational decisions. All incumbent directors possess extensive experience in the LED industry and corporate management, with deep professional expertise spanning compliance operations, business management, product sales, production and R&D, financial auditing, and other domains, providing solid professional support for the formulation and implementation of the Company's strategic decisions.

Remuneration Management

The Company has formulated remuneration policies including the Director Remuneration Policy and the Senior Management Remuneration Policy, and has actively pursued remuneration structure reforms to align the compensation of directors and senior management with market benchmarks, corporate performance, individual performance, and sustainable development objectives.

To strengthen the long-term incentive mechanism, attract and retain outstanding talent, Absen formulated and implemented the 2025 Restricted Stock Incentive Programme in accordance with the principle of matching returns with contributions. Incentive funds of RMB 50 million, RMB 40 million and RMB 60 million were set aside under the 2022, 2023 and 2025 Employee Stock Ownership Plans respectively, with the Company's partners as beneficiaries. The partnership mechanism more closely links the Company's operating performance with remuneration, effectively aligning the interests of shareholders, partners, and employees under a shared objective, thereby stimulating partners' enthusiasm for innovation and entrepreneurship, and supporting the Company's medium- and long-term strategic development.

Investor Protection

The Company strictly operates in accordance with the Investor Relation Management System, the Articles of Association, the Shareholders' Meeting Rules of Procedure, and other governance frameworks, effectively safeguarding the legitimate rights and interests of shareholders and the equal rights of minority investors. Through shareholders' meetings and streamlined voting arrangements for minority shareholders, the Company ensures all shareholders' right to participate in decisions on material matters.

Absen strictly fulfils its information disclosure obligations in accordance with regulatory requirements, ensuring timely, accurate and complete disclosure, thereby safeguarding shareholders' right to know. At the same time, the Company enhances communication and engagement with investors through platforms such as the Shenzhen Stock Exchange's Interactive Easy platform, the Company's official website, investor hotlines, investor email, on-site research visits, and results briefings.

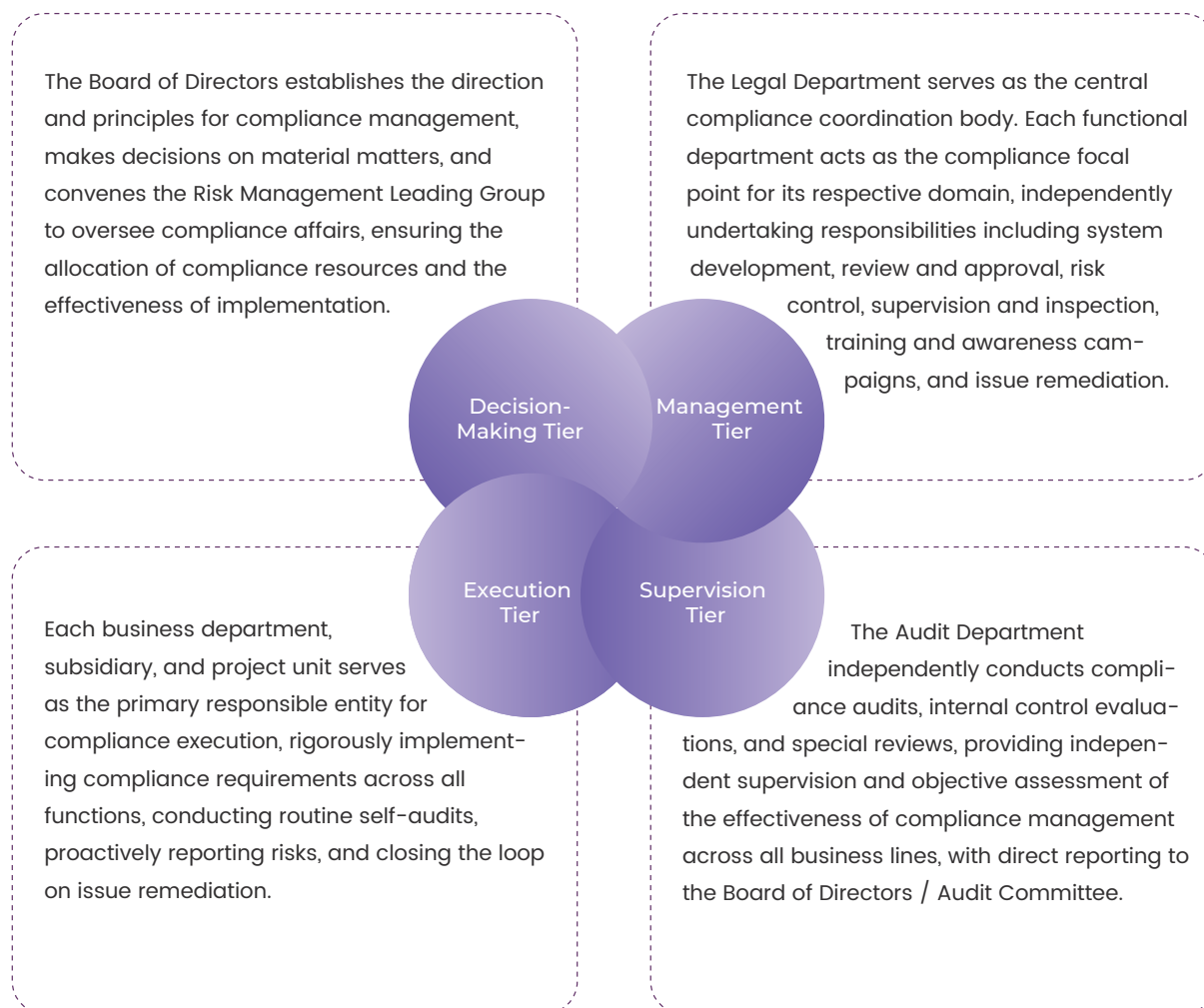
During the reporting period, the Company conducted a total of 5 annual results presentation meetings and investor research activities, responded to 19 investor inquiries on the Interactive Easy online platform, and engaged extensively with both institutional and individual investors—actively safeguarding investor interests and delivering reasonable returns to investors.

Enhancing Internal Control Management

Absen continues to strengthen its internal control system covering all operational levels and aspects. Through precise risk assessment, efficient control activities, and comprehensive internal oversight, the Company ensures a solid foundation for sound business operations.

Compliance Management

Absen has established a comprehensive, professional, and coordinated compliance governance framework.



Absen Compliance Governance Structure

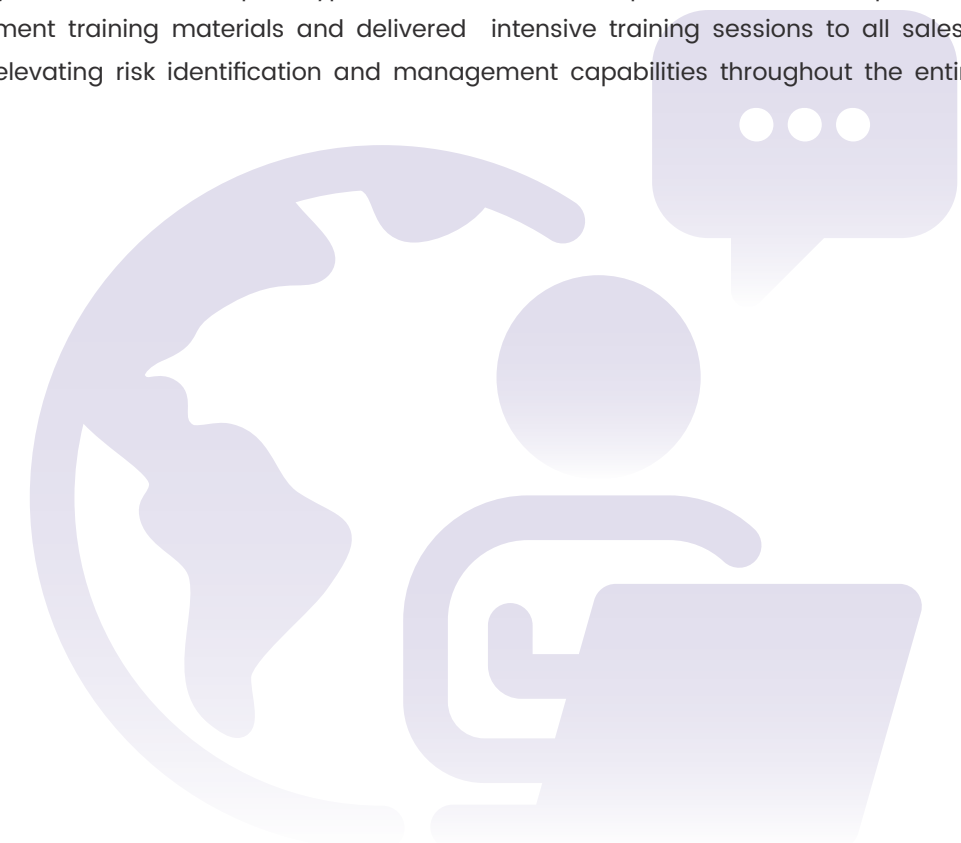
In 2025, Absen launched a dedicated compliance column on its internal "Bee Community" platform, issuing monthly compliance risk alerts to all employees to enhance compliance awareness and risk management capabilities.

Risk Management

Absen relies on a systematic and professional risk management framework to precisely identify, scientifically assess, and effectively respond to a wide range of internal and external risks and challenges. The Company has formulated the Comprehensive Risk Management System, the Risk Identification, Analysis and Response Process, the Business Continuity Management Manual, and the Internal Reporting System for Major Emergencies, among other policies. These establish the three lines of defence—business, functional and audit—clarify accountability for risk management across all domains, apply the probability and impact of risk occurrence as assessment criteria, and task professional teams with coordinating the implementation of risk response measures, thereby embedding risk prevention into routine operations in a standardised manner.

In 2025, the Company comprehensively identified and systematically assessed risks across key areas including strategy, market, operations, finance, and legal. The Company has integrated risk management requirements into organisational performance appraisals, and established a stringent loss accountability mechanism. For risk events such as information leaks and budget expense ratio deviations, graded deductions are applied based on the amount of loss and the magnitude of deviation, with clear assessment criteria for responsible leaders and departments. Similarly, audit issues, major product quality incidents, and safety incidents are subject to quantified deductions based on the cost of the incident and the outcome of accountability determinations. In 2025, the Company experienced no material risk events, effectively safeguarding operational stability.

Absen actively fosters a risk management culture and company-wide risk awareness. In 2025, the Company reviewed and compiled typical risk cases from the past decade, developed dedicated risk management training materials and delivered intensive training sessions to all sales personnel, thereby elevating risk identification and management capabilities throughout the entire business process.



Business Ethics

Absen consistently embeds the core values of "integrity, gratitude, and responsibility" into the foundations of business ethics. The Company has established a systematic anti-fraud mechanism and accessible whistleblowing channels, in its cooperation with suppliers, upholds ethical standards as a foundation for building a responsibility-sharing community across the supply chain.

Anti-Corruption

Absen has issued a series of supervisory and management policies, including the Whistleblowing Management System, the Conflict of Interest Management System, the Blacklist Management Measures, the Gift Management Measures, and Absen's Nine Prohibitions, as well as codes of conduct such as the Integrity Cooperation Agreement, the Integrity Declaration, and the Integrity and Self-Discipline Commitment. These instruments cover all internal employees and external partners, and are designed to foster a clean, transparent, and straightforward business environment.

Absen adheres to a "zero-tolerance, full-coverage, no-exceptions" principle in addressing corruption, and takes firm action against corrupt practices.

- In terms of prevention** the Company has established a tiered and categorised integrity culture training mechanism, covering new employee onboarding, ongoing education for existing staff, and integrity briefings for external partners. At the same time, integrity reminders are disseminated through platforms such as OA and the Bee Community to reinforce risk prevention at key junctures. During the reporting period, 67% of the Company's directors participated in anti-bribery and anti-corruption training, while management and employees achieved 100% coverage.
- In terms of monitoring** internal and external reporting channels are made publicly available and regularly promoted. For high-fraud-risk areas including sales, procurement, R&D, service, quality, warehousing, and equipment, the Company has developed and applied a "Fraud Risk Map", encouraging business departments to optimise controls through policy and process improvements.
- In terms of enforcement** the Company adheres to the principle of "investigating every case and holding every violation to account", handling corruption and fraud in strict accordance with laws and regulations. This creates a robust deterrent environment and comprehensively reinforces the integrity and compliance defences.
- In supplier management** the Company has incorporated corporate social responsibility clauses and integrity provisions into procurement contracts, and requires suppliers to separately sign the Integrity Cooperation Agreement. This measure has effectively strengthened anti-corruption risk controls across the supply chain and fostered a fair, transparent, and trustworthy working relationship.

Whistleblowing Mechanism

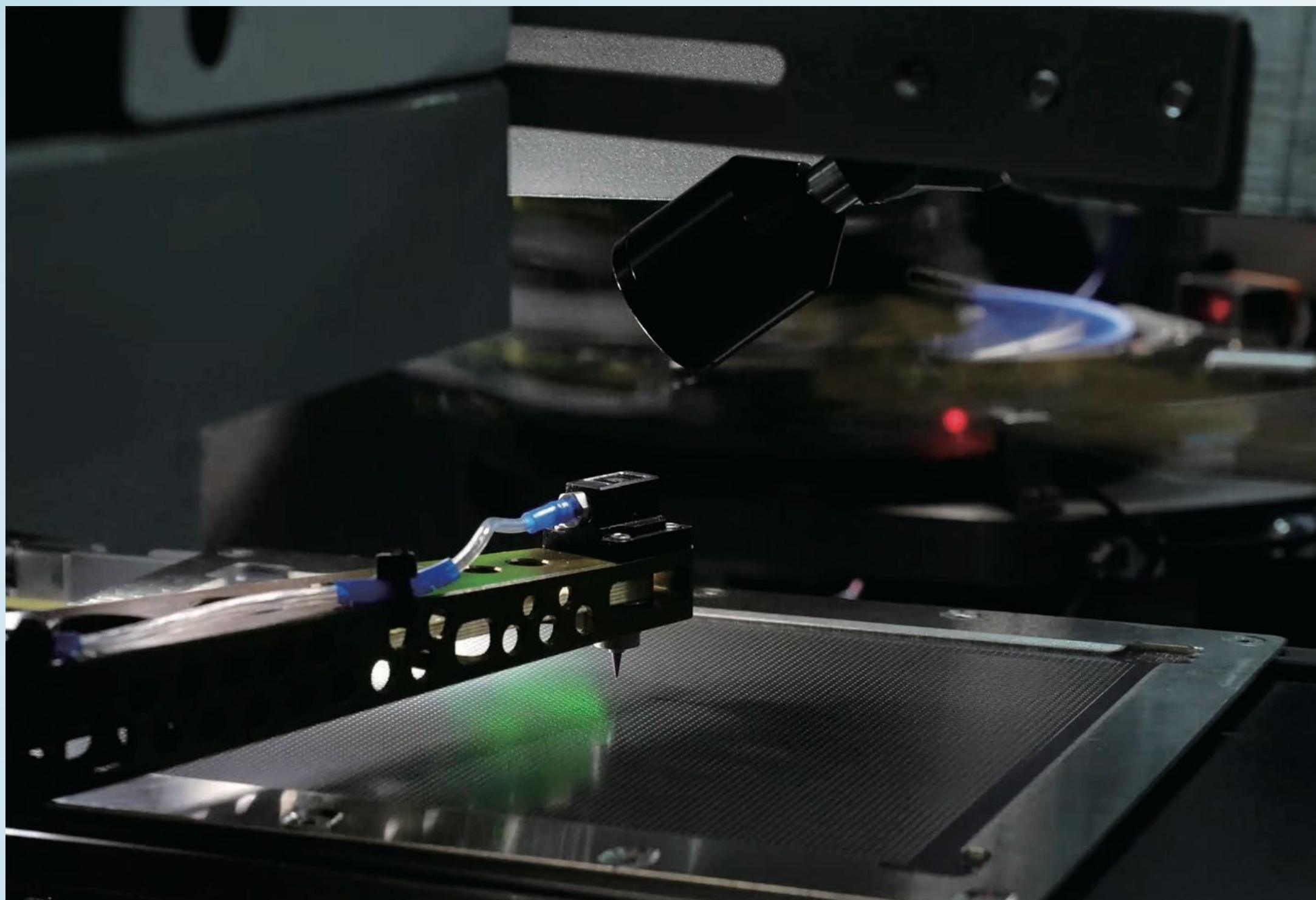
Absen has promulgated the Whistleblowing Management System, which articulates the Company's zero-tolerance stance on misconduct and establishes a comprehensive mechanism for case intake, investigation, and closed-loop remediation.

Upon receiving or identifying leads concerning commercial bribery, embezzlement, or similar misconduct, the Audit Department conducts an immediate preliminary verification. For cases meeting the criteria for formal investigation, a full inquiry is initiated upon approval, during which evidence is gathered, and an investigation report is prepared. Based on the findings, the Audit Department works in conjunction with the Human Resources Department to hold those involved accountable in accordance with applicable laws and regulations. Where management gaps or policy deficiencies are identified during the investigation, remedial recommendations are proposed, and responsible departments are required to implement corrective actions. The system also explicitly provides for whistleblower protection and incentive mechanisms, ensuring that reporting channels remain accessible, secure, and effective, thereby upholding the Company's clean business environment.

Absen Whistleblowing Channels			
Phone	13823753868	WeChat	13823753868 (Integrity Absen)
Email	5198@absen.com	Postal Mail	Audit Department Director, Absen Co., Ltd., 20/F, Building 3A, Tianan Yungu, Bantian, Longgang District, Shenzhen, China

Whistleblower Protection Mechanism
Absen's Whistleblowing Protection Policy explicitly provides for a whistleblower protection mechanism, including: - Strict confidentiality of whistleblowers' personal information—including name, work unit, and home address—as well as the content of their reports. - When receiving reports or conducting verification interviews with whistleblowers, all communications shall be carried out with due confidentiality measures in place, without exposing the whistleblower's identity. The results of investigations and information concerning the subjects under investigation shall not be disclosed. - Regardless of whether a report is signed or anonymous, once verified to be true, the Company will provide appropriate material rewards to the whistleblower.

During the reporting period, the Company received a total of 5 whistleblowing leads concerning commercial bribery, corruption, and fraud. Of these, 4 cases were substantiated, and 7 individuals were disciplined in accordance with applicable regulations and policies. Among them, 2 were referred to judicial authorities and 4 had their employment contracts terminated, demonstrating the Company's unwavering zero-tolerance stance in upholding the integrity and compliance framework.



Precision in Products, Empowered by Innovation

With a global development footprint, Absen continues to deepen its intelligent transformation and upgrading, builds a high-calibre pipeline of innovative talent, and continuously strengthens its core technological innovation capabilities to deliver higher-quality, smarter LED display products and solutions to customers worldwide. The Company consistently generates innovation outcomes that deliver both industrial and social value, leading the sustainable development of the industry through technological advancement.

Product and Technological Innovation

The Company attaches great importance to the development of an innovative R&D management system, continuously consolidates its core advantage of technological leadership, strengthens the development and reserve of R&D talent pools, and deepens industry-university-research cooperation. Meanwhile, the Company has built an intellectual property protection framework, adheres to the fundamental principles of scientific and technological ethics and compliance, and comprehensively ensures that R&D and innovation work progresses steadily in a standardised and efficient manner.

Technology Leadership Strategy

With "anchoring commercial value through technological leadership" as its core guiding principle, Absen has established "maintaining technological leadership" as its primary core competitiveness, and continuously iterates and upgrades its R&D and innovation strategy. In 2025, the Company conducted a systematic review of the major market segments targeted by its technology leadership strategy, and continuously strengthened its capabilities in technological R&D and engineering implementation. To drive the precise implementation of the technology leadership strategy, the Company has formulated differentiated technology targets for different product lines:

Advertising Display Products	Professional Audio-Visual (ProAV) Products	Stage Rental Products
Centred on the core proposition of stability and energy efficiency, the Company strives to set industry technological benchmarks in the fields of energy performance and reliability.	Focused on delivering system-level solutions defined by simplicity and stability, the Company continuously enhances the technical integration capabilities of its end-to-end solutions.	With an in-depth focus on delivering exceptional user experience and image quality, the Company optimises artistic presentation and operational convenience through technological innovation.

Meanwhile, the Company has further defined five core technological innovation themes, set three-year technology development targets, and strives to streamline the end-to-end pipeline from cutting-edge technology research to product engineering realisation, ensuring that core technological breakthroughs are effectively translated into improved product performance and can deliver tangible value to users.

Key Priorities of Absen's "Technology Leadership Implementation" Programme

Five Core Technological Innovation Themes	Core Content	Three-Year Technology Development Targets
Innovation in Mechanical Design and Simulation Optimisation	Improve product reliability, reduce development and production costs, and provide fundamental support for lightweight design	Develop the first-generation model for mechanical and thermal simulation, prediction and optimisation; drive the completion of the first round of theoretical optimisation verification for key products; and achieve large-scale rollout of cost reduction and efficiency improvement
Innovation in Electronic Technology and Control Systems	Deliver high-performance display and efficient energy management, and meet the demand for intelligent control in complex scenarios	Achieve ultimate breakthroughs in electronic performance, strengthen the industry-leading technological advantages of core products, and deliver a revolutionary, convenient intelligent interaction experience to users through innovative control systems
Innovation in AI Algorithm Research and Application	Infuse products with intelligence, expand value-added services, and explore new business models	Develop AI value-added solutions for specific industries and achieve commercial rollout, driving growth in service-based businesses
Innovation in Image Algorithm Research and Application	Deliver the ultimate visual experience, address core industry pain points, and build differentiated product advantages	Deepen research on image quality technologies in segmented scenarios, meet users' differentiated demands for image quality, establish an image quality standard system covering mainstream high-end application scenarios, and build core competitive advantages for the Company's high-end products
Innovation in Material and Optical Technology Application (including processes)	Improve the performance of LED products in terms of luminous efficacy, colour and lifespan, and consolidate the mass production feasibility of Mini/Micro LED technologies	Build an advanced Micro LED technology system and products with independent intellectual property rights, and achieve major breakthroughs in key areas such as optical performance, reliability, slimness and flame retardancy

R&D and Innovation Management

Focusing on optimising process efficiency and strengthening institutional support, Absen continues to advance the development of its product and technological innovation management system, and has formulated and improved core management documents such as the Product Development Project Management Specification, ensuring that a set proportion of annual operating revenue is allocated to R&D. Meanwhile, the Company has built a full-process Integrated Product Development system spanning market demand identification to product technology implementation, forming a closed-loop management mechanism for R&D and innovation. In 2025, the Company carried out systematic optimisation of the Technology Development process within the Integrated Product Development system, clarified the R&D orientation anchored in market demand, accelerated the implementation and application of technological achievements, and promoted the in-depth adaptation of technology development to business scenarios and its precise alignment with user needs. These efforts have further improved R&D efficiency and achievement conversion rates, providing solid support for the continuous advancement of the technology leadership strategy.

In 2025, the Company's R&D investment amounted to RMB 184 million, with cumulative R&D investment reaching RMB 754 million over the past five years.

Core Innovation Achievements

In 2025, focusing on cutting-edge technology directions such as Micro LED display, the Company continued to increase R&D investment, made breakthroughs in multiple key technological areas, and promoted the transition of core innovation achievements from laboratory development to mass production application. Meanwhile, the Company has deepened its application of artificial intelligence technology, forming a "dual-engine" development pattern of internal empowerment and external exploration, promoting the deep integration of AI technology with the Company's operations and product scenarios, and achieving dual enhancement of technological value and commercial value.

Micro LED Segment	Artificial Intelligence Segment
Rollout of panel packaging technology: The Company's independently developed new-generation HTB packaging technology has officially entered the mass production transition phase. It significantly improves the contrast ratio and light extraction efficiency of display panels, further optimising core product performance. Application of hybrid driving technology: The Company's self-developed PWM+PAM hybrid driving technology has been successfully applied to Micro LED panels, enabling precise regulation of brightness and colour and consolidating the Company's core technological advantages. Launch of core products: The Company has successfully launched the CL V3 series, its flagship image quality product line equipped with the new HTB packaging technology and PWM+PAM hybrid driving technology. This series attains world-leading standards across all core image quality dimensions, including colour gamut coverage, contrast ratio, colour reproduction accuracy, refresh rate and frame rate.	Internal intelligent management: The Company has built the "AI Dr. Ai" intelligent agent platform, which enables interconnection across 18 information systems, breaks down data silos within internal systems, and advances cross-system data collaboration and the intelligent upgrading of office workflows. External commercialisation exploration: The Company actively promotes the deep integration of AI technology with LED display scenarios, focusing on developing two innovative applications: the AI Virtual Dressing Solution and the AI Meeting Assistant. Forward-looking intelligent agent deployment: The Company has officially commenced planning for the "Xiao Ai Assistant – LED Screen Intelligent Steward" intelligent agent project. Dedicated to upgrading display screens into intelligent terminals with self-sensing and self-adjustment capabilities, the Company continues to explore the market prospects of AI technology empowering hardware products.
Absen Shines at International Exhibitions and Wins Multiple Product Innovation Awards In February 2025, Absen participated in Integrated Systems Europe 2025 (ISE 2025), showcasing a range of products including KLCOB V2, CPS, Smart Screen X, A25, NT V2 and AbsenLive. The Company was awarded the Manufacturer of the Year grand prize, while the CPS series and AbsenLive SA-C series won the ISE Best Display Product Award. In March of the same year, the Company exhibited at the ISLE 2025 International Smart Display and System Integration Exhibition, showcasing core products such as KLCOB V2, CPS, NT and Smart Screen X. The A25 series won the Golden Display Award, and its benchmark project for the Paris Olympic Games won the Application Engineering Grand Award.	

R&D Team Development

The Company has established channels for recruiting innovative talent, and is committed to building a high-calibre, high-level scientific research and innovation team, providing solid talent support for technological breakthroughs and product iteration and upgrading.

High-End Talent Introduction	Reserve Talent Development
In April 2025, the Company formally signed a postdoctoral joint training agreement with the Chinese University of Hong Kong, Shenzhen, and established a Shenzhen Postdoctoral Innovation Practice Base, committed to cultivating compound high-level talents with both academic depth and engineering practice capabilities. As at the end of the reporting period, the Company had successfully recruited 3 doctoral talents from renowned domestic and international universities, focusing on strengthening theoretical research capabilities in core technological fields such as structural design simulation.	In 2025, the Company carried out campus recruitment activities at multiple key universities including Southern University of Science and Technology, continuously advancing the recruitment of outstanding fresh graduates, promoting the renewal and iteration of its talent team, optimising the personnel structure of the product R&D system, and invigorating the R&D team.

Industry-University-Research Cooperation

The Company deepens industry-university-research collaborative innovation, and carries out practical cooperation with universities including South China University of Technology and Xidian University. It conducts joint research on key technological directions including structural optimisation, thermal design and lightweighting, actively promotes the transformation of scientific research achievements, explores a funding application mechanism for research projects, and continuously improves the university-enterprise collaborative R&D system.

Ultra-Thin Double-Sided Screen Structural Optimisation Project	In cooperation with South China University of Technology, the project achieves lightweight product design while ensuring structural strength through simulation analysis and material selection optimisation, reserving key technologies for the R&D of next-generation products.
NT Series Product Strength Analysis and Lightweight Design Project	Conducting finite element analysis and topology optimisation in collaboration with Xidian University, the project effectively reduces product weight on the premise of ensuring quality and performance, and improves convenience in transportation and installation.
Thermal Analysis and Design Optimisation Project for Bare-Mounted Outdoor LED Displays in Buildings	Addressing the thermal dissipation demands of complex outdoor application scenarios, the Company carries out thermal-fluid coupling simulation analysis with South China University of Technology to optimise the thermal dissipation structure solution, ensuring stable product operation in high-temperature environments.
Large-Screen Thermal Dissipation Analysis and Design Optimisation Project	In cooperation with South China University of Technology, the project conducts systematic thermal simulation and structural optimisation focusing on the thermal dissipation requirements of large screens for key projects, effectively reducing the operating temperature of core devices, extending equipment service life, and ensuring smooth project delivery.

Industry Exchange

Absen is deeply committed to the development of the industry ecosystem, deepens communication and strategic cooperation with upstream and downstream partners across the industrial chain, proactively participates in key events such as industrial seminars and industry exchange conferences, and actively shares technological achievements and practical experience.

Absen Attends the National LED Industry Seminar

In September 2025, Absen participated in the 19th National LED Industry Development and Technology Seminar. Centred on the theme of "New Technologies Driving the Transformation and Upgrading of the LED Industry", the Company shared its HDR display technology breakthroughs and LED image quality evaluation system. Two papers submitted by the Company – LED Image Quality Evaluation Scheme Based on Perceptual Consistency and Industrialisation Path of Micro LED for Large-Size Display: Challenges and Innovations – both won the second prize, demonstrating the Company's strong technological R&D capabilities.



In October 2025, Absen participated in the 2025 TrendForce Self-Luminous Display Industry Seminar, discussing hot topics of industry development alongside leading display enterprises, experts, scholars and representatives from across the industrial chain



With its outstanding operational and management capabilities, leading COB display technology, and benchmark projects such as the world's largest COB curved screen and the world's largest single-unit LED virtual production studio, Absen won four major honours at the Expert Aurora Awards



As a "Class A Co-authoring Unit", Absen was deeply involved in compiling the 2025 Global LED Display Research White Paper, actively contributing technical insights and practical cases

In addition, the Company is deeply involved in formulating industry standards and technical specifications, committed to guiding technological directions and improving the industrial evaluation system. It fosters industry-wide synergy with an open, win-win approach, and jointly promotes technological iteration, standard improvement and high-quality transformation and upgrading of the LED display industry. In 2025, the standards led or participated in by the Company are as follows:

Type of Standard	Standard Name	Participation Role
National Standard	Requirements and Inspection Methods for LED Displays in Stadiums and Gymnasiums	Participated in formulation
Industry Standard	Technical Specification for Ultra-High Definition Light Emitting Diode (LED) Display Systems	Participated in formulation
Association Standard	Energy Conservation Evaluation Specification for Micro LED Displays	Led the formulation
	Mini LED Indoor Commercial Displays	Participated in formulation

Sustainable Products

Absen officially launched the "Absen Green" initiative in 2021, fully integrating the concepts of green and low-carbon development, energy conservation and environmental protection into the entire production and operation process. Guided by this initiative, the Company continues to advance the R&D and manufacturing of sustainable products, embeds sustainability concepts at early product design stage, proactively selects eco-friendly raw materials, and promotes the application of energy-efficient, safe and reliable advanced technologies, effectively reducing the lifecycle impact of products on the ecological environment and human health.



Sustainable Product Design

During the product design and development phase, the Company has established and improved new product introduction procedures and manufacturability review specifications, ensuring the large-scale application of green, low-carbon, cost-effective and efficient design solutions across all product series through these systematic processes. The Company strictly complies with international raw material standards, fully adopts green and non-toxic materials, and promotes modular design, reducing environmental impact while improving product maintenance efficiency.

Raw Material Management

- Strictly complying with international standards such as the EU Restriction of Hazardous Substances Directive (RoHS), the Company exercises strict control over hazardous substances such as lead, mercury and cadmium in product raw materials. As at the end of the reporting period, all product series of the Company comply with the latest requirements of the RoHS 2.0 Directive (2011/65/EU).
- The Company has obtained IECQ QC080000 Hazardous Substance Process Management System certification, ensuring the systematicness and traceability of hazardous substance control.
- The Company fully adopts eco-friendly materials such as lead-free solder paste, green polymer packaging materials and halogen-free flux, continuously advancing the green upgrading of production processes, proactively replacing high-risk hazardous substances, and controlling and reducing the use and discharge of toxic and hazardous substances at the source.

Modular Design

- The Company has established a closed-loop feedback mechanism between the R&D and process sides, feeding quality experience back into product design, and focusing on promoting the modular development of key components such as waterproof modules and welded copper pillars, effectively improving the feasibility of product design and production quality.
- Products adopt a structural design with independently detachable cabinets and panels, which greatly improves on-site maintenance convenience and operation and maintenance efficiency, and extends product service life.

Sustainable Product Manufacturing

Absen implements the management philosophy of full-process refinement and circular economy, integrating green and low-carbon practices into every aspect of production and operation. In terms of energy management, the Company promotes systematic energy efficiency improvement and clean energy substitution, continuously reduces unit energy consumption in production processes through intelligent scheduling and production process optimisation, and actively deploys photovoltaic power generation in manufacturing facilities to improve the energy mix. In water resource management, the Company focuses on building a closed-loop recycling system to increase the recycling rate of process water. For production waste, it strictly implements full-chain classified management and control, ensuring 100% compliant disposal of hazardous waste. In the areas of waste gas treatment and dust emission reduction, the Company combines source transformation with end-of-pipe treatment to achieve compliant emissions and significantly reduce pollutant release. These initiatives collectively form the core practice direction of Absen's sustainable product manufacturing.

Sustainable Product Use

Focusing on the application demands of multiple scenarios, the Company continues to develop green products with high energy efficiency and low energy consumption, and systematically promotes product carbon footprint verification, making every link from creation to operation of each display more environmentally friendly. Leveraging multiple core technologies such as black screen energy saving, common cathode energy saving, dynamic energy saving and flip chip energy saving, the Company achieves an overall energy saving effect of approximately 35%, enabling low-carbon operation of products in all aspects. In 2025, the Company made new breakthroughs in product energy-saving technologies. Through multi-dimensional innovations such as optimising the luminous efficiency of LED lamps, upgrading driving solutions, and enabling the power-saving mode of driver ICs, the A25 series achieves approximately 50% lower energy consumption than domestic similar products under full-scenario dynamic energy saving, significantly reducing the environmental impact of products during the use phase.

End-of-Life of Sustainable Products

Adhering to the concept of circular economy, the Company has established a standardised recycling and disposal mechanism for end-of-life products, which proactively guides and provides customers with services such as professional recycling, compliant disposal, refurbishment and functional upgrading, thereby promoting the resource reuse of components and materials, maximising product service life and utility, and effectively reducing the generation of e-waste.

Renew and Upgrade: Circular Renovation Practice for Large LED Displays

In September 2025, the Company provided old display refurbishment and upgrading services for the large LED display at Shenzhen Tian'an Cloud Park. Addressing issues such as poor display performance and high energy consumption of the original large display at the end of its lifecycle, the Company implemented overall refurbishment while retaining the main steel structure. During the project, the Company adopted professional disassembly and standardised installation procedures and replaced the modules with energy-saving A1025 series modules. After the renovation, the display achieved significantly improved brightness and resolution, with energy consumption reduced by over 50%, greatly saving the client's operating costs, reducing e-waste generation, and realising resource recycling. The project delivers multiple benefits, including visual upgrade, cost reduction and efficiency improvement, and environmental protection.



Intellectual Property Protection

Absen strictly abides by relevant laws and regulations such as the Patent Law of the People’s Republic of China, the Copyright Law of the People’s Republic of China and the Trademark Law of the People’s Republic of China. In accordance with the national standard Code of Intellectual Property Management for Enterprises , the Company continuously optimises its intellectual property (IP) management system, comprehensively advances IP creation, management, utilisation and protection, effectively prevents IP risks, fully stimulates the innovation dynamism of R&D personnel, and realises scientific management and strategic application of intellectual property.

Intellectual Property Management

The Company has formulated management documents such as the Intellectual Property Management Measures and the Concept Phase Process for Technology Development Projects, clarifying core elements such as management responsibilities, management measures, reward and punishment implementation standards, and risk identification procedures related to intellectual property. In 2025, the Company obtained certification for the IP compliance management system under the Code of Intellectual Property Management for Enterprises, further consolidating the standardised and systematic management of intellectual property.

The Company strengthens IP risk management and control, deeply integrates IP management into the product development process, and carries out IP risk identification simultaneously with the advancement of R&D projects. The Company has established an IP management team, conducts patent searches in line with business development and R&D demands, and produces Intellectual Property Analysis Reports to provide scientific and reliable professional support for the Company’s R&D decision-making. In addition, the Company collaborates with external professional institutions to conduct Freedom to Operate analysis, effectively preventing various IP infringement risks and effectively safeguarding the Company’s legitimate IP rights and interests.

Intellectual Property Incentives

Based on its own development reality and industry best practices, the Company revised the Intellectual Property Management Measures, raised the reward standards for invention patents, and added special contribution awards such as the Annual Patent Star Award and IP Professional Talent Development Award, further stimulating the innovation enthusiasm of R&D personnel and strengthening incentives for IP achievements. During the reporting period, the Company issued a total of RMB 579,200 in intellectual property incentives.

Recognition and Incentives

- **Promotion rewards:** Employees with outstanding performance in intellectual property work are given priority for promotion under equal conditions.
- **Performance rewards:** Employees who have been granted patent authorisations receive extra points in talent selection and performance appraisal.
- **Honorary rewards:** Employees who have been granted invention patent authorisations or made outstanding contributions to technological innovation are awarded certificates, conferred with corresponding honorary titles, and publicly commended.

Bonus Incentives

- **Patent application rewards:** After a patent application is submitted and an acceptance notice is received, rewards are given to the inventor or designer.
- **Patent authorisation rewards:** After a patent is granted an authorisation certificate, rewards are given to the inventor or designer.
- **Patent implementation remuneration:** During the term of the patent right, a fixed-amount implementation remuneration is given to the inventor or designer.
- **Software copyright registration rewards:** After software copyright registration is completed, rewards are given to the author.
- **Integrated circuit layout design rewards:** After integrated circuit layout design registration is completed, rewards are given to the designer.
- **Patent drafting related rewards:** Special rewards are given to patent engineers of the intellectual property team who draft patent application documents.

Special Contribution Incentives

- **Annual patent star reward:** The top three employees with the highest patent contributions are selected and granted monetary awards.
- **Intellectual property professional development reward:** In alignment with local operational management requirements, cultivation incentives are applied for and disbursed to intellectual property professionals.

Absen Intellectual Property Incentive Mechanism

Intellectual Property Profile		
Indicator		Data (units)
Number of Patent Applications in 2025	Invention patents	99
	Utility model patents	93
	Design patents	10
	Total	202
Number of Granted Patents in 2025	Invention patents	24
	Utility model patents	123
	Design patents	15
	Total	162
Total cumulative valid patents by the end of the reporting period		632

In May 2025, Absen won the China Patent Excellence Award issued by the National Intellectual Property Administration for its patent Support Frame and LED Display System Including the Support Frame.

Science and Technology Ethics

Absen attaches equal importance to technological innovation and scientific and technological ethics. In the process of product R&D and application, the Company proactively identifies and prevents potential ethical risks at an early stage, values user health and safety, continuously strengthens data usage standards and user privacy protection, pays attention to the environmental impact of products, and fosters an industry ecosystem of fair competition, ensuring that technological innovation meets market demands while aligning with scientific and technological ethical values.

Product Safety and Health Ethics

- Strictly controlling potential impacts such as blue light radiation and electromagnetic radiation from LED display screens, the Company ensures all relevant products have obtained multiple international safety certifications, safeguarding users' safety and physical health.
- For products deployed in high-traffic scenarios, flame-retardant materials and processes are uniformly adopted to minimise fire safety hazards.

Customer Privacy and Data Security Ethics

- The Company explicitly follows core principles such as data minimisation and local processing, standardises the entire process of data collection, storage and use, and effectively protects user privacy and data security.

Environmental Ethics

- The Company actively develops and promotes low-energy-consumption, energy-saving and eco-friendly products, and conducts product carbon footprint verification for multiple product series to reduce the environmental impact of products.

Industry Ecosystem and Fair Competition Ethics

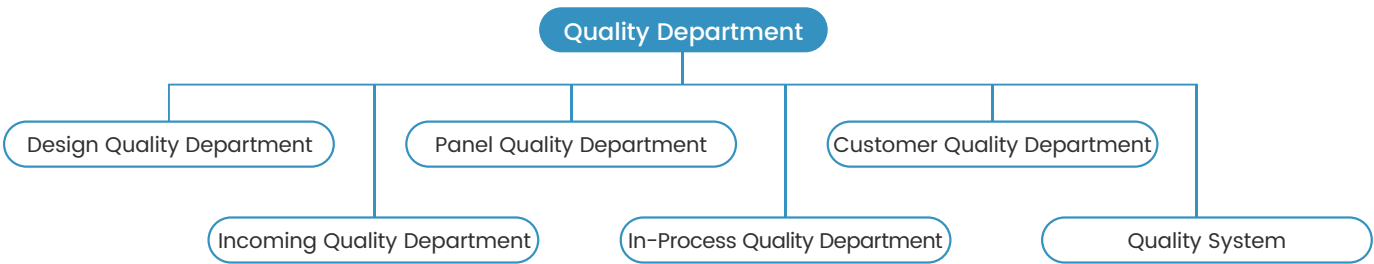
- The Company proactively advocates for and initiates the formulation of industry-related standards, promoting the standardised development of the industry.
- It strictly safeguards the intellectual property rights of itself and its partners, adheres to the bottom line of fair competition, and jointly builds a healthy and orderly industry ecosystem.

Product and Service Safety and Quality

Absen adheres to a customer-centric approach, strictly abides by industry standards and compliance requirements, continuously strengthens product quality and safety assurance capabilities, and builds a full-process quality control system and safety risk prevention mechanism. We continuously optimise service processes and improve service quality, and effectively protect customer rights and interests with safe, reliable, high-quality and efficient products and services.

Product Quality Management

The Company has established a quality management structure with clear roles and responsibilities. The Quality Department takes the lead in formulating the Company's quality objectives and establishing supporting assessment mechanisms, continuously promoting the achievement of the Company's overall quality objectives. The Quality Department has six secondary departments under it, responsible for coordinating various specialised quality control initiatives, forming an end-to-end quality management system centred on R&D, supply, production, sales and service.



Absen Quality Management Structure

In 2025, focusing on product quality improvement, the Company newly developed 60 quality management-related documents, fully covering core areas such as Integrated Product Development, Integrated Supply Chain and Quality Control, further improving quality management specifications for all stages of the product lifecycle. The Company continuously improves the construction of its quality management system and actively promotes quality management system certification.

Design Stage

Incoming Inspection Stage

Production Process Stage

Pre-Shipment Inspection Stage

Quality planning is conducted using the Integrated Product Development process methodology, with key quality activities standardised and quality delivery requirements clarified, to ensure closed-loop management of all quality risks. All products must pass safety certification before entering the mass production stage.

The Company enforces strict quality inspections on raw materials, covering all key inspection dimensions such as product appearance, structural dimensions, functional testing, performance testing, photoelectric testing, RoHS testing and reliability, ensuring product quality at the source.

The Company has strengthened quality control during the production process, and strictly implements finished product inspection procedures covering order requirement confirmation, product appearance, functional testing, performance, photoelectricity, structure, packaging and other aspects, to ensure process quality meets standards.

The Company strictly implements pre-shipment inspection standards, conducting special inspections on product appearance, display effect, photoelectric parameters, software control, structural parameters, safety performance and other aspects, to control the quality of shipped products and ensure delivered products meet quality standards and customer requirements.



Absen Quality Management Process

ISO 9001 Quality Management System Certification

Product Safety Assurance

The Company conducts in-depth assessment of the potential health and safety impacts of various products, and continuously develops and manufactures safe, stable and high-quality products. As at the end of the reporting period, the Company's products have obtained safety certifications in nearly 40 countries and regions including China, the EU, the US, Latin America and Southeast Asia, covering more than ten authoritative international and domestic standards, ensuring that products comply with relevant product safety requirements of the countries and regions where they operate.

Focusing on the key safety control points of display products such as structural safety, fire resistance, waterproofing and electric leakage protection, the Company strictly complies with domestic and international standards, and has established a safety protection system covering "core material selection – design factor control – reliability test verification – installation standard implementation – full-lifecycle maintenance" to ensure safe and reliable product operation.

In 2025, the Company's investment in product safety reached RMB 8.2634 million, a year-on-year increase of 26%.

Safety Protection System	Core Safety Assurance Measures	Risk Type
Core material selection	Key components all meet UL94-V0 flame retardant requirements; wires additionally pass VW-1 or FT1 tests; housings adopt flame-retardant aluminium alloy or flame-retardant ABS materials, fully eliminating flammable components.	Fire risk
	AW series products adopt fin-shaped heat dissipation design, physically isolating the heat dissipation air duct from the circuit area to avoid safety hazards caused by heat conduction; high-end products such as the A25 series adopt bare passive natural heat dissipation or fan-free forced air cooling natural heat dissipation design to avoid local overheating of products.	Fire risk
	Die-cast aluminium alloy / galvanised steel cabinets are selected to enhance product structural safety; high-end products such as the A25 series adopt lightweight design, maintaining excellent structural strength while reducing weight.	Structural safety risk
Design factor control	Customised product design solutions are provided according to the environmental characteristics of different regions to enhance wind and seismic resistance; for coastal environments, products are treated with salt spray resistant coatings to improve environmental adaptability.	Extreme environment risk
	The power module is built with flame-retardant fuses, the driver board is equipped with thermal fuse protection devices, and the system has automatic power-off functions under over-current, over-temperature and short-circuit conditions, effectively preventing components from overheating and catching fire and ensuring safe circuit operation.	Electric leakage risk
	The whole machine adopts an integrated front and rear sealed waterproof structure, and modules are independently sealed. The protection rating of mainstream products reaches IP65, and high-end products such as the A25 series are upgraded to IP66 fully sealed protection, which can effectively prevent water vapour infiltration and electric leakage risks.	Electric leakage risk
Reliability test verification	Product quality inspections such as environmental tests, optical tests, electrical performance tests, safety tests and mechanical strength tests are conducted to ensure product quality meets the demands of global customers.	Product quality risk
Installation standard implementation	A professional installation service team is equipped and standardised procedure manuals are provided to ensure the installation process strictly complies with design specifications. After product installation, structural safety inspection, electrical performance test, waterproof test, display effect commissioning and safety training delivery are carried out to confirm safe and reliable product operation.	Equipment failure risk
Full-lifecycle maintenance	Featured maintenance services are provided, offering 5–10 years of warranty service for products. During the warranty period, professional personnel are arranged to conduct regular on-site inspections and maintenance to promptly identify and eliminate safety hazards.	Equipment failure risk

Product Health Assurance

In the fields of photobiological safety and light pollution prevention and control, the Company has established an internal technical standard system that is higher than national standards and stricter than international standards. With "Care + Comfortable Vision" and "Absen Green" as core design concepts, the Company achieves multi-dimensional and all-round protection for human health, residents' lives, traffic safety and the ecological environment through core initiatives such as optical innovation, intelligent control and system integration.

Core Dimension	Management Initiatives	Specific Contents
Human health	Internal standard control	The blue light hazard safety level of all product series reaches the RG0 hazard-free level, which can achieve retinal safety protection under unlimited exposure time, fully protecting human visual health.
	Precise control of blue light band	By optimising chip selection and packaging processes, the proportion of energy in the peak hazardous blue light band is effectively reduced, lowering blue light hazards.
	Dual blue light detection mechanism	Third-party professional institutions are entrusted to test products in accordance with the IEC 62471 standard, and an internal blue light hazard testing laboratory has been established, with additional assessment items on retinal thermal hazard and rhythm disturbance, to ensure that blue light radiation of products remains below the safety threshold throughout the lifecycle.
	Special control for key products	For indoor fine-pitch and control room display products, blue light hazard values are strictly controlled, which can meet users' long-time viewing needs and reduce visual fatigue and health risks.
	Special control for special scenarios	For products used in special scenarios such as education and healthcare, additional assessment of blue light rhythm disturbance coefficient is conducted to effectively protect the physical health of adolescents and special groups.
Residents' lives	Precise control of residential light intrusion	Night protection standards stricter than national standard requirements are implemented, with clear requirements for automatic reduction of product brightness below specified values during specific periods, supporting multi-level brightness adjustment by time period to reduce interference with residents' lives.
	Night colour temperature control	Products are switched to warm colour temperature mode at night, reducing the proportion of blue light by 60%, effectively reducing the impact on the sleep quality of surrounding residents.
Safe travel	Glare value control	Ultra-black coating and anti-glare structural design are adopted to ensure that the glare value from the driver's perspective is far below the national standard limit, effectively reducing visual interference from strong light on drivers and ensuring traffic safety.
Ecological environmental protection	Collaborative energy saving governance	A collaborative governance model of light pollution and energy consumption is implemented, adopting energy-saving technologies such as white screen power saving, black screen power saving, dynamic power saving and full-range high PF value, achieving energy saving and consumption reduction while preventing and controlling light pollution, and practicing the concept of green development.

During the reporting period, the Company did not incur any major safety and quality liability accidents related to products and services, nor any non-compliance related to the health and safety impacts of products and services.

Quality Culture Building

The Company upholds the quality commitment of "upholding quality and getting it right the first time" at all levels, actively carries out quality culture building, and consolidates the quality awareness of all employees through forms such as reward and punishment incentives, case studies, special activities and tiered training, promoting continuous improvement of quality control levels.

Quality Training System

The Company has established a full-cycle, multi-level quality training system, delivering comprehensive quality empowerment to employees from onboarding to on-the-job, and from frontline staff to engineers.

Quality Reward and Punishment Mechanism

The Company has formulated and improved the Quality Reward and Punishment Management Regulations and special incentive schemes for quality improvement, optimised the quality incentive and restraint mechanism, commended outstanding quality improvement projects and employees with outstanding contributions, and strictly held accountable for quality accidents.

Quality Case Sharing

The Company regularly carries out typical quality case sharing covering key links such as R&D, production, process, equipment and sales, conducting in-depth analysis of quality problems, causes and corrective measures, guiding all employees to learn from cases and avoid risks, and preventing the recurrence of similar quality problems.

Quality Month Activities

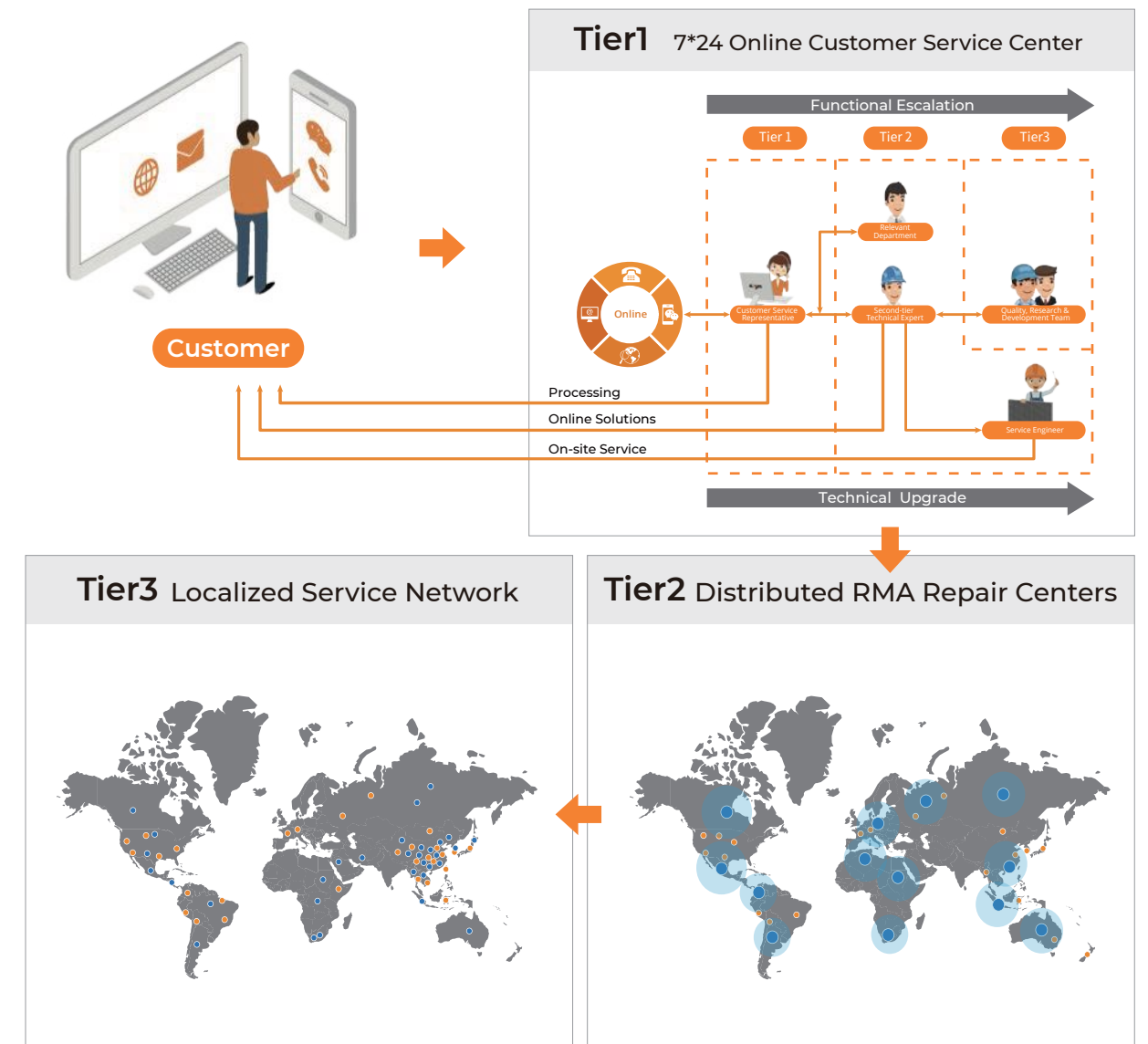
The Company's management signed quality commitments, organised 8 empowerment training sessions covering more than 1,500 participants, held skills competitions with cross-departmental participation, advanced 22 QCC improvement projects and standardised more than 30 management documents, and advocated a cultural atmosphere of "everyone values quality" through promotional videos.

Enhancing Customer Service

Adhering to the service philosophy of "proactive, fast, standardised and considerate", Absen has built an efficient three-tier service support structure, promoting the upgrading of service standards from internal process compliance to delivering excellent customer experience. Centred on the core closed loop of "precisely managing customer expectations – delivering beyond-expectation experience throughout the process – shaping positive customer perceived value – driving customer loyalty and word-of-mouth", the Company creates full-lifecycle scenario-based service solutions covering pre-sales, during-sales and after-sales, unlocks customer value with industry-leading service standards, and continuously enhances its competitive edge in service.

Differentiated Service Strategy

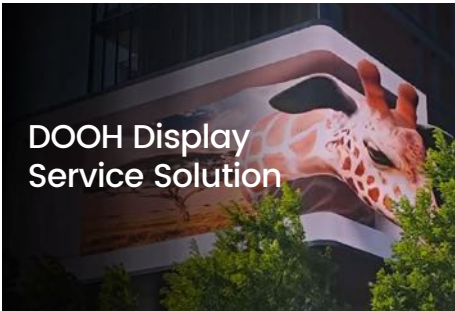
With a customer-centric approach, we adopt a service model of "tailored regional strategies, customised customer solutions, and grid-based management", and formulate differentiated service solutions tailored to the characteristics, cost structure, policy environment and local resources of each regional market. By building a management mechanism of "headquarters-led coordination, regional hub execution, and urban grid coverage", we support the implementation of the three-tier service structure and business model of "Omnimedia customer service centre + RMA maintenance service centre + on-site local service network", achieving "10-second online response, 4–8 hours on-site service domestically, 24–48 hours on-site service internationally, and full-process closed loop management", building service competitiveness of "speed, professionalism and global coverage", and improving global service response efficiency and customer experience.



Customer Service Assurance

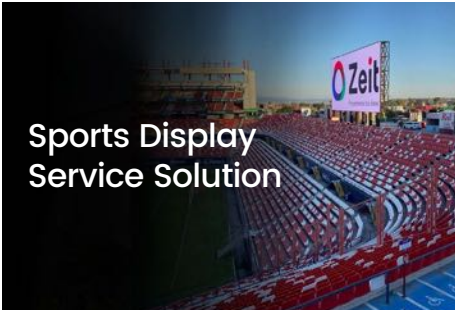
Absen has established 40 primary and secondary service centres worldwide, and partnered with over 1,000 service partners. Its service network covers 165 countries and regions across 6 continents. Relying on a tiered management model to achieve efficient collaborative operation, the Company has built an integrated service system covering global markets. The Company has formed a professional international service team comprising multilingual professionals fluent in English, German, Spanish, Portuguese, Russian and Japanese, providing seamless localised services to customers worldwide.

The Company has built the "Absen Care" full-lifecycle scenario-based service system, launching service solutions for different application scenarios such as digital outdoor advertising, professional audio-visual, event rental and sports display, to accurately identify and efficiently respond to customer needs, driving the advancement of industry standards.



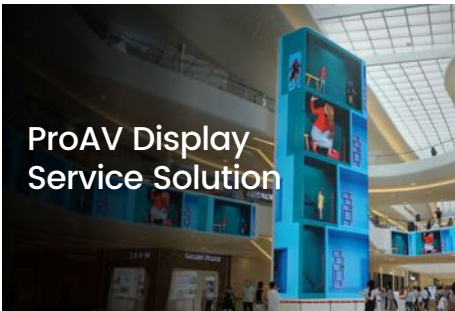
AbsenCare DOOH display service solution is specifically designed for DOOH displays to ensure uninterrupted performance!

Fast Response 24/7 support	Specialized Inspection Proactive removal of potential hazards	Comprehensive Support One-stop solution
Six-star standalone services Freely customizable, meeting your personalized needs!	Choose from two standard packages to suit your needs Standard Assurance Package: Comprehensive Coverage Premium Assurance Package: Proactive Protection	



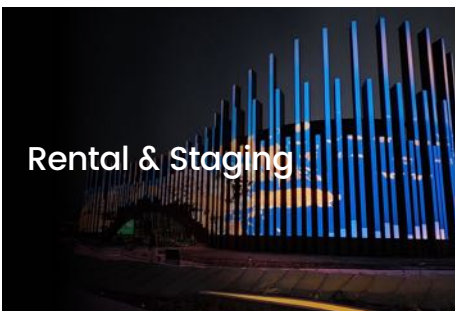
The AbsenCare sports display service solution, your dedicated event guardian that ensures failure-free, spectacular broadcasts!

Fast Response 24/7 support	Specialized Inspection Proactive removal of potential hazards	Comprehensive Support One-stop solution
Worry-Free Event Package for Critical Events Delivering end-to-end support	Five Premier Service Available in flexible combinations to meet your needs!	



The AbsenCare ProAV display service solution is here to help! We offer a One-stop Service Solution!

Worry-free Ease your maintenance pressure by 60%	Hassle-free Guarantee equipment stability	Fast Response 24/7 support
Six-star standalone services Freely customizable, meeting your personalized needs!	Choose from two standard packages to suit your needs Maintenance Protection Package: preferred choice for VAP partners All-round Protection Package: ultimate guarantee for end users	



AbsenCare has introduced the rental & staging display service solution exclusively designed for rental & staging.

Fast Response 30% increase in repair speed	Lower Costs Achieve up to 50% cost savings	Super Guardian Support Package for One-Stop Support
Fast Response, Hassle-Free Repairs, and Comprehensive Support!	Five Premier Services are available in flexible combinations to fit your needs!	

Scenario-based, full-lifecycle and customised professional service solutions

Digital Service Experience

The Company leverages digital technologies to enhance its customer service system, delivering standardised, visualised and intelligent management of the entire service process through information systems, and continuously improves service efficiency and customer experience.

Online Service System

The Company has built a 24/7 omnichannel integrated technical support system, integrating multiple service access channels including telephone, WeChat, official website and SMS. Equipped with an advanced omnichannel call centre management system and customer service information management system, it realises unified acceptance, recording, distribution, scheduling and process monitoring of service demands.

Customer Service Management Platform

Relying on the Customer Service Management (CSM) platform, the Company realises unified scheduling of global service resources, real-time supervision of service processes and results, and automatic anomaly warning, ensuring efficient operation of all links.

Global After-Sales Service Monitoring Platform

The Company has built a "Global After-Sales Service Monitoring Platform", which fully integrates global service data and realises transparent management of the entire chain from work order creation and engineer dispatch to progress tracking, supporting rapid response to customer demands and precise allocation of service resources.

Service Team Empowerment

The Company attaches importance to improving the professional capabilities of the service team and standardised management of service partners, and continuously strengthens the professional capabilities of the service team through a competency-building programmes, digital tool sharing and standardised quality control.

Diversified Service Training

The Absen Certified Engineer (ACE) Programme is a customised training project provided by the Company for employees in service-related positions such as global LED display engineers and technical personnel. Through systematic theoretical teaching and practical training, it helps trainees master LED display-related knowledge and practical skills in all aspects. Those who pass the assessment can obtain an ACE certification certificate. As at the end of the reporting period, ACE training had delivered over 300 sessions, certifying more than 5,400 trainees, effectively improving the industry's technical service level.

In 2025, the Company simultaneously carried out offline training activities such as special service themed training sessions and "invite-in" service training, and organised targeted online service training, promoting the comprehensive upgrading of professional capabilities of global service personnel through diverse training forms.



Global ACE Training and Certification

To ensure that the service quality of service partners is consistent with the Company's service standards, the Company has established a service partner management system. By granting service partners access to the CSM platform with service partners, it realises the coordinated linkage of service resources and service processes, and improves the service efficiency of partners. At the same time, the Company incorporates the customer service work of all service partners into the service quality management system simultaneously, and conducts regular service quality inspections. For non-compliant service processes and substandard service quality, partners are promptly required to make rectifications, and those with ineffective rectifications are eliminated, ensuring unified and controllable global service quality.

Customer Communication and Feedback

The Company has built a multi-channel customer communication network covering multilingual and diverse customer needs across multiple scenarios, which responds to customers' business inquiries in a timely manner. We attach great importance to customers' opinions and demands, receive customer complaints and feedback in a timely manner through channels such as service hotlines and dedicated email for complaints and suggestions, and establish a full-process closed-loop management mechanism from acceptance, verification, handling to follow-up, ensuring that all customer feedback receives a full response and is resolved satisfactorily, thereby continuously enhancing customer satisfaction and the overall service experience.

Online Service Communication Channels

- **Multi-touch hotlines and portals:** A global service hotline has been set up, and one-stop service access is provided through the Chinese and English official websites.
- **Instant messaging and social media matrix:** A series of official communication accounts under "Absen Global Service" have been established, covering mainstream domestic and international instant messaging software and social media platforms.
- **Email support system:** An email support channel has been set up to ensure professional and timely handling of customer demands and feedback.

Other Communication and Feedback Channels

- **Offline event outreach:** Face-to-face communication channels are established through participating in and holding various offline activities such as industry exhibitions, marketing conferences, roadshows and customer promotion meetings.
- **Internal collaboration mechanism:** An efficient internal demand circulation and response mechanism has been established to ensure seamless connection between front-end customer service demands and back-end support capabilities.

On-Site Service Follow-Up Mechanism

- **Closed-loop Service Management Process:** A time-effect tracing mechanism for the entire service process has been established. After completing on-site service, service engineers conduct standardised satisfaction follow-up and surveys with customers. Customer feedback is collected through the system to optimise service processes.

The Company improves its customer feedback management mechanism, clarifies time limit requirements for each stages, and covers various customer feedback scenarios to ensure efficient response to customer feedback. At the same time, the Company strengthens its customer feedback handling capacity, and forms a joint expert team of sales, service and quality to quickly judge feedback, implements precise measures, and promptly outputs targeted solutions. After receiving customer demands, the Company will simultaneously investigate potential risks of products under production, in stock and in transit, dig deep into the root causes of problems, and formulate and implement effective improvement measures.

The Company has built a time-effect management system covering the entire process of online service, RMA service, on-site service and customer satisfaction, and set quantitative indicators such as response time, service standard achievement rate, on-site service resolution time and customer service satisfaction. The Company regularly conducts Net Promoter Score surveys to understand customers' feedback on product quality, service, delivery and other aspects.

During the reporting period, the customer satisfaction score was 98.20%.

Responsible Marketing

Absen strictly abides by relevant laws and regulations such as the Advertising Law of the People's Republic of China, and has formulated management documents such as the Brand Marketing Business Violation Management System, Marketing Material Management System and Marketing Promotion Plan Management Process, clarifying compliance standards for marketing activities, materials and promotional content, and resolutely prohibits false publicity and misleading information.

The Company has established a strict pre-approval mechanism for marketing activities. All marketing promotion and market activity plans must be reviewed by the compliance and legal departments to ensure compliance with advertising regulations, consumer protection regulations and industry regulatory requirements of the operating locations. Centred on customers' real demands, we implement precise positioning, tiered marketing and compliant publicity around core application fields such as advertising, sports and stage rental, and strive to build a responsible and trustworthy global brand image. At the same time, the Company standardises the management of the entire marketing promotion chain, clarifies marketing standard requirements for employees, and regularly monitors and evaluates the publicity behaviours of partners such as distributors and media to ensure the authenticity and accuracy of product information promotion.

The Company regularly conducts special compliance training covering all marketing employees and global partners, systematically promoting awareness of marketing code of conduct, anti-bribery requirements, data compliance and brand usage guidelines, and comprehensively improving the compliance awareness of all employees. In addition, the Company's marketing centre, in conjunction with the legal and audit departments, regularly conducts cross-departmental compliance audits, risk investigations and special inspections, implements closed-loop monitoring of the entire marketing process, establishes and improves a violation accountability mechanism, and takes disciplinary action against non-compliant marketing practices to ensure the implementation of rectifications.

During the reporting period, the Company did not experience any violations related to product and service information and labelling, nor any violations related to marketing communication.

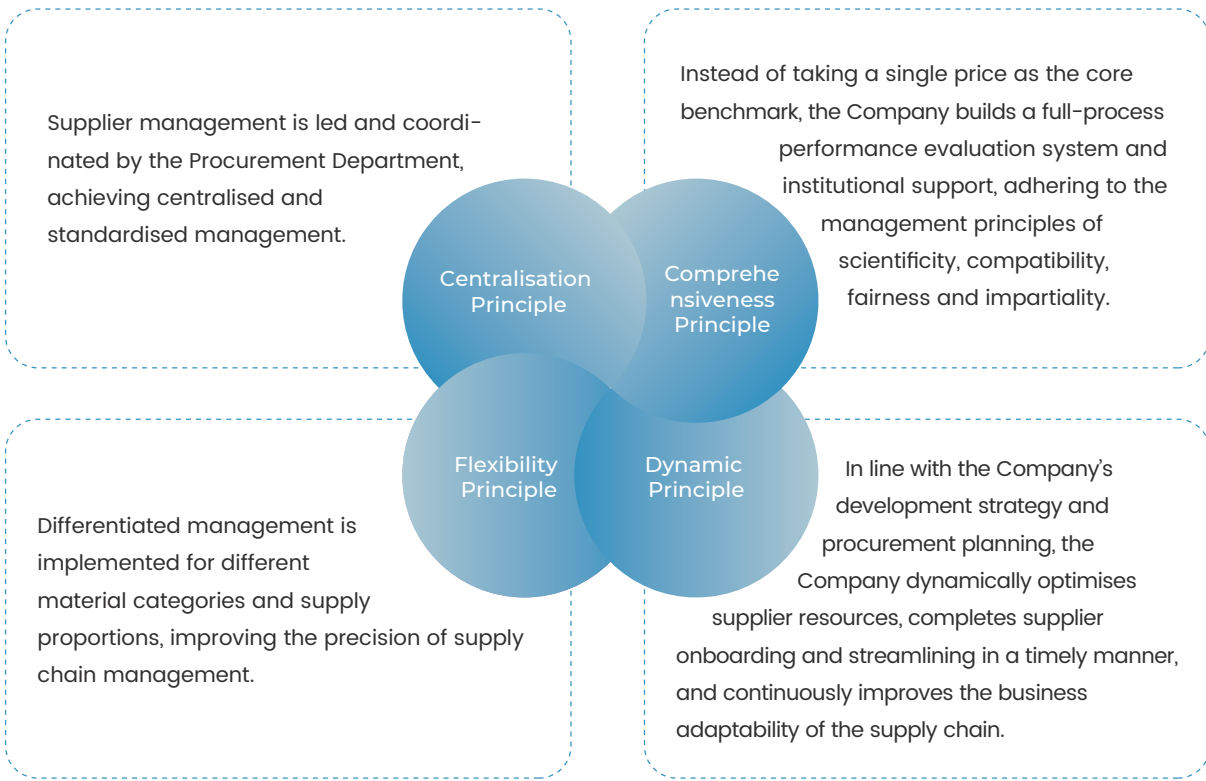
Supply Chain Management

Absen conducts business with high standards of business ethics and builds an equal and responsible value chain cooperation ecosystem. The Company continuously strengthens the construction of its supply chain management system, adopts multiple measures to empower supplier development, and is committed to achieving win-win results with global supply chain partners.

Supplier Management Principles

The Company strictly abides by laws and regulations such as the Bidding and Tendering Law of the People's Republic of China, and has formulated institutional documents such as the Supplier Management Regulations and Supplier Quality Management Regulations, clarifying full-process management specifications for supplier access, classification, evaluation and elimination. In 2025, the Company revised the Supplier Performance Management Process to further refine supplier performance assessment indicators and enhance the standardisation and efficiency of supplier management.

The Company follows four core principles in conducting full-process supplier management and continuously optimise the supply chain system:



During the reporting period, the Company had a total of 156 suppliers, with 75% of procurement sourced from local suppliers in operating regions. The specific distribution is as follows:

Indicator	Domestic suppliers (including Hong Kong, Macao and Taiwan regions)	2025 Data (number of entities)
2025 Data (number of entities)	154	2

Supplier Onboarding

The Company conducts systematic assessments of prospective suppliers based on four core onboarding criteria: sound operational performance, high strategic alignment, optimal overall cost, and rigorous quality control. We integrate ESG dimensions such as anti-corruption and compliance, environmental protection, labour practices and quality management into the supplier onboarding audit system, ensuring the compliance, stability and sustainability of the supply chain from the source. In 2025, the Company signed the Integrity Cooperation Agreement, Confidentiality and Intellectual Property Protection Agreement and Supplier Corporate Social Responsibility Agreement with suppliers, achieving a 100% signing rate.

Integrity and compliance dimension
- Suppliers are required to sign the Letter of Commitment on Integrity Guidelines and strictly abide by the Company's "Three Nos" principle: no falsehood, no fraud, no bribery. - The Company verifies suppliers' internal anti-commercial bribery systems, employee integrity training records and gift and hospitality registration ledgers, and identifies and assesses business ethics risks through on-site interviews with personnel in key positions.
Environmental protection dimension
- Suppliers are required to provide ISO 14001 environmental management system certification or equivalent proof, and the Company conducts on-site audits of the operation status of wastewater, waste gas and solid waste treatment facilities and compliant emission monitoring records. - In accordance with the requirements of the QC080000:2017 standard, the Company focuses on verifying the control of hazardous substances, and conducts spot checks on raw material safety data sheets and RoHS and REACH compliance declaration documents.
Environmental protection dimension
- Suppliers are required to pass social responsibility audits such as SA8000 and BSCI, or have equivalent internal management systems. - The Company verifies suppliers' labour management practices such as employee labour contract signing rate, social security payment records, and working hours and overtime management ledgers. - On-site audits are conducted on the implementation of workplace safety protection and the protection of the rights and interests of juvenile workers and female employees.
Quality management dimension
- Suppliers are required to obtain ISO 9001 quality management system certification. - The Company conducts on-site audits of suppliers' quality control plans and related quality management documents. - The Company inspects the implementation records of the entire process of incoming inspection, in-process inspection and outgoing inspection of suppliers, as well as the application of statistical process control. It conducts witness tests on key processes to verify the effectiveness of quality management measures such as equipment calibration, first article confirmation and non-conforming product control.

During the reporting period, 100% of the Company's new suppliers were screened using environmental evaluation dimensions, and 100% were screened using social evaluation dimensions.

Supplier Evaluation and Assessment

The Company has established a closed-loop management system for supplier performance evaluation and rectification, with monthly and quarterly assessment mechanisms. It conducts performance evaluation based on the Supplier Relationship Management (SRM) system, and implements closed-loop tracking of supplier rectification through digital systems, ensuring the compliance, authenticity and traceability of the supplier evaluation process.

Assessment Frequency	Assessment Form	Rectification Mechanism
Monthly assessment	Weights are assigned across core dimensions such as cost, quality, delivery and commerce to comprehensively evaluate suppliers' monthly performance.	• If a supplier's monthly performance fails to meet standards, the SRM system will automatically trigger a rectification process and send a rectification notice to the supplier. • Suppliers are required to confirm the issues, complete internal reviews within the specified time limit, and submit a written improvement report including root cause analysis, corrective measures and prevention plans. • The improvement report is jointly reviewed by the Company's supplier quality engineers and procurement personnel to verify the effectiveness and implement ability of the supplier's improvement measures and ensure rectification is delivered.
Quarterly assessment	Quarterly ratings such as green card, yellow card, red card and black card are generated based on the aggregated monthly performance results of three consecutive months, and differentiated tiered management is implemented.	• A tiered response mechanism is activated for suppliers with a quarterly rating of "to be improved" or "unqualified". • For suppliers that fail the quarterly assessment for the first time, strategic procurement specialists will initiate an application for supplier level adjustment and provide special rectification guidance to the suppliers. • For suppliers that fail the assessment for two consecutive quarters, a supplier downgrade process is initiated to adjust subsequent procurement weight and cooperation priority. • If a supplier fails the assessment for three consecutive quarters, the Company will activate the supplier certification exit mechanism and take measures such as temporarily freezing supplier resources, re-sourcing or terminating cooperation.

Meanwhile, the Company has established a scientific and sound supplier scoring model, adopting a multi-sector collaborative evaluation mechanism covering three core functional departments: procurement, R&D and quality. Differentiated weights are set based on the business contribution of each sector to comprehensively and objectively reflect the overall capabilities of suppliers and achieve tiered management and control of suppliers.

Supplier Rating	Tiered Management Measures
Grade A	Included in the priority pool for major project bidding, and suppliers of this grade are given priority under equal conditions.
Grade B	Maintain regular business cooperation relations, review performance improvement items on a quarterly basis, and continuously optimise cooperation quality.
Grade C	Immediately launch the supervision and improvement process, with strategic procurement specialists taking the lead in formulating supplier improvement plans and tracking the progress and effectiveness of rectification throughout the process.
Grade D	Suspend cooperation qualification. If a supplier is rated Grade D twice within a year, the matter will be submitted to management for review and the cooperation relationship will be terminated.

During the reporting period, the Company conducted environmental and social impact assessments on all suppliers, achieving a 100% coverage rate. The number of suppliers confirmed to have significant actual or potential environmental and social impacts was 0.

Capability Enhancement

The Company builds efficient and collaborative communication bridges through communication forms such as face-to-face meetings, telephone calls and on-site conferences, and strengthens empowerment and guidance for suppliers. In 2025, the Company held the annual Core Supplier Partner Conference, where the Company's executives communicated the annual development strategy to core suppliers and clarified the direction of cooperation development. Heads of departments such as product, quality and procurement explained the Company's standard requirements and action guidelines to suppliers from dimensions such as product standards, quality control and procurement collaboration. They also emphasised the principles of integrity and clean cooperation, clarified supplier reporting channels, guided suppliers to operate in a standardised manner, consolidated the foundation of cooperation, and fostered win-win supply chain development.

The Company regularly conducts sustainable supply chain awareness training and capacity building programmes for internal supplier audit teams and procurement personnel, supports employees in obtaining procurement qualification certifications, and improves the professional competence compliance awareness and sustainable management capabilities of supply chain-related personnel.

Conflict Minerals Management

The Company strictly abides by internationally accepted conflict-free minerals standards, has established a full-chain supply chain control system, resolutely eliminates the use of conflict minerals, and earnestly fulfils corporate social responsibility. We require all products supplied by suppliers to be conflict-free metal products, and continue to deepen supply chain due diligence management. We conduct full-process traceability verification of key metals involved in products, such as gold (Au), tantalum (Ta), tungsten (W), cobalt (Co) and tin (Sn), ensuring that the relevant metals are not obtained through illegal channels such as mining or smuggling by warlord groups and illegal groups, and do not involve high-risk countries and regions related to the the Democratic Republic of the Congo (DRC) and adjoining countries identified by the United Nations Security Council.

Equal Treatment of Small and Medium-Sized Enterprises

The Company has always adhered to the supply chain cooperation philosophy of equality, mutual benefit and collaborative development, actively supports the growth of small and medium-sized enterprise (SME) suppliers, and is committed to building a fair, transparent and win-win supply chain system, ensuring that SME suppliers enjoy equal cooperation opportunities and development space. As at the end of the reporting period, the Company has optimised supply chain capital management and cooperation mechanisms, and has supported a total of 26 SME suppliers, effectively helping them maintain stable operations and expand production capacity, and jointly building a more resilient and sustainable supply chain ecosystem.

Information Security and Privacy Protection

Absen abides by the laws, regulations and regulatory requirements applicable in China and all regions where its business operates, incorporates information security and data compliance into a core component of corporate management, continuously improves its information security management system, and constantly refines technical protection and internal control processes. The Company attaches great importance to the protection of user privacy and data security, and effectively fortifies the line of defence for information security through full-lifecycle management, regular risk assessment and emergency response mechanisms, safeguarding the data rights and interests of users, partners and the Company itself.

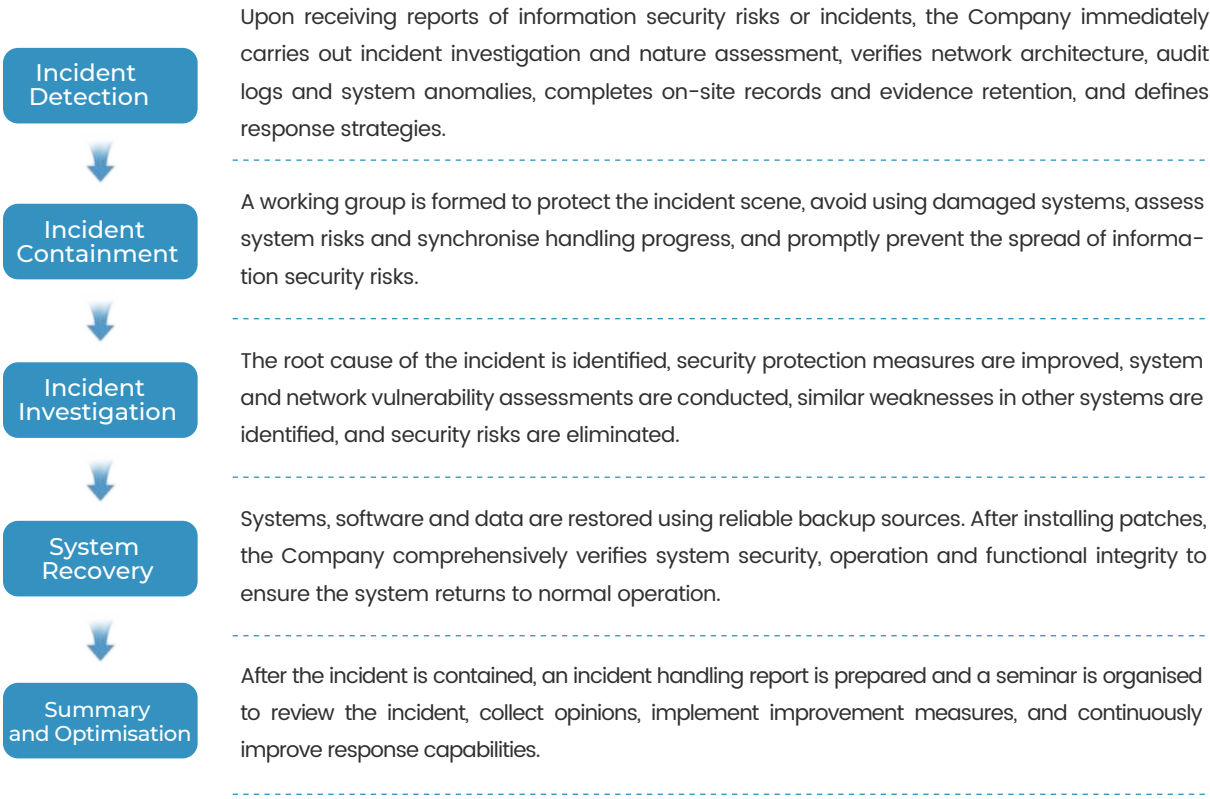
Information Security Management

The Company has established an information security management structure and set up an Information Security Leading Group, which makes decisions on major information security matters, reviews the information security management system, and supervises the handling of major security incidents. The Digital Operations Department, as the permanent administrative body of the Leading Group, assists the Leading Group in implementing information security strategies, supports decision-making on information security affairs, takes charge of the establishment, implementation and daily operation of the information security management system, formulates information security policies and management standards, and communicates and coordinates with national information security competent authorities and departments. Heads of all first-tier departments, as the primary persons responsible for information assets of their respective departments, are fully responsible for the management and maintenance of information assets in their departments and cooperate in audits. The System Team of the Quality Department is responsible for information security system audits, information asset inventory updates, and risk control assessment and tracking. Meanwhile, the Company requires all internal employees to strictly comply with information security-related regulations, use information assets in a standardised manner, actively participate in security training, and report violations in a timely manner, to jointly build a strong information security defence for the Company.

The Company has formulated and implemented internal management policies such as the Information Security Management System, Information Security Incident Management Regulations and Cybersecurity Management Regulations. The Company has obtained ISO/IEC 27001:2022 Information Security Management System Certification and Information Security Service Qualification Certification.



The Company has formulated management documents such as the Information System Emergency Response Plan to standardise information security incident handling procedures and continuously enhance emergency response capabilities.



Information Security Incident Handling Process

In 2025, Absen organised company-wide phishing email emergency drills to improve employees' ability to identify and report incidents promote the standardised closed loop of handling procedures, and transform protection from passive to active. Meanwhile, the IT Department organised backup data restoration drills to verify data integrity and restoration time efficiency, optimise backup strategies, and consolidate the data security defence line. In terms of information security culture building, the Company has set up compulsory onboarding courses for new employees, established an internal mechanism for sharing on technology and security knowledge, and regularly carried out awareness campaigns on phishing email prevention and data leakage protection through internal platforms, to continuously strengthen the security awareness of all employees.

Customer Privacy Protection

The Company strictly complies with relevant laws, regulations and industry regulatory requirements, continuously improves its personal information protection management system and operational specifications, clarifies the boundaries of rights and responsibilities at all stages such as information collection, storage, use, transmission and destruction, and safeguards customers' rights to be informed, to choose and to control their information. Through measures such as improving the technical protection system, strengthening data security audits and conducting employee compliance training, we continuously improve data security management capabilities and strictly guard against risks of information leakage, abuse and unauthorised access.

In product design and service delivery, the Company implements data minimisation measures to effectively protect customers' privacy rights and interests, and build a safe, credible and responsible customer service ecosystem.

As at the end of the reporting period, the Company did not experience any customer privacy leakage incidents, nor any complaints arising from infringement of customer privacy or loss of customer data.



ISO/IEC 27701:2019 Privacy Information Management System Certification



Clean Development, Safeguarding Ecosystems

Absen advocates a production and operation model centred on green, low-carbon, energy-saving and eco-friendly practices. It integrates the concept of full-lifecycle management thinking into all aspects of product R&D, manufacturing and operations, systematically reduces environmental risks during operations, and continuously explores a green development path that balances sustainable growth with ecological sustainability.

Environmental Compliance Management

Absen strictly complies with national and local environmental laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste. The Company has formulated environmental management systems including the Regulations on the Management of Water, Gas, Noise and Residue Discharge, and continuously optimises its environmental compliance system to ensure all operations meet stringent environmental management requirements.

Absen has defined the division of responsibilities across all departments, forming an environmental management organisational structure with clear accountabilities and synergistic collaboration. In addition, through regular energy conservation training, expert lectures, knowledge competitions and creative idea campaigns, the Company systematically fosters a green culture of full participation, co-creation and shared value, deeply embedding the concept of energy conservation and environmental protection into daily operations and employee behaviour.



ISO 14001 Environmental
Management System Certification

ISO 50001 Energy
Management System Certification

Responding to Climate Change

Governance

Absen proactively evaluates the impact of climate change on business operations, incorporates climate action into its ESG governance structure, and drives the advancement of its green and low-carbon strategy.

Strategy

Absen's climate action is systematically implemented across three core areas: products, production and operations, and supply chain management.

- In terms of products, the Company focuses on energy-saving and eco-friendly design across the full lifecycle, and continuously develops green products with high energy efficiency and low energy consumption.

- In terms of production and operations, the Company takes national-level green factories and green office buildings as strategic pillars. Through independent investment, it has built a facility-wide integrated green energy system combining photovoltaic power generation, energy storage and charging infrastructure, creating a full-scenario energy closed loop of self-generation and self-consumption, surplus grid feed-in, energy storage for peak shaving, and green mobility.
- In terms of supply chain management, the Company upholds the philosophy of green procurement, implements a stringent hazardous substance control system for components and raw materials, actively participates in the formulation of industry green standards, and collaborates with upstream and downstream partners along the value chain to build a sustainable green ecosystem.

Risk Management

Absen has established a systematic climate change risk management system across three dimensions: compliance operations, environmental risks and value chain risks.

- In terms of compliant operation, the Company has established a carbon footprint accounting and verification mechanism covering the entire process. It conducts quantitative assessments of product carbon emissions across all cradle-to-gate stages, and has pioneered the completion of carbon footprint verification for multiple product series with authoritative certification, effectively managing compliance risks amid tightening environmental regulations.
- In terms of environmental risks, the Company has established an end-to-end monitoring and emergency response system covering critical monitoring nodes at the Dongjiang Intelligent Manufacturing Centre, achieving zero environmental hazard incidents for the entire year.
- In terms of value chain risk management, the Company integrates ESG management requirements to supplier management and product development by signing environmental compliance agreements and verifying hazardous substance process management system certifications. This shifts risk governance from end-of-pipe treatment to source control, and reduces the potential impact of climate change and its associated policies on business operations.

Meanwhile, the Company has refined its physical risk identification and prevention and control mechanism, and formulated the Emergency Response Plan for Extreme Weather Incidents, to effectively manage and promptly respond to various extreme weather events and ensure operational continuity.

Indicators and Targets

The Company has established a scientific, comparable system of climate-related indicators, covering key metrics such as energy consumption intensity and renewable energy share. It discloses progress on these indicators annually, reports climate action outcomes to stakeholders, and drives continuous internal improvement.

In 2025, the Company engaged an independent third-party organisation to conduct cradle-to-gate carbon emission accounting for its full product ranges of the A27 series, NX series, A series, KLCOB series, iCon series, HCM series, and HC II series. As at the end of the reporting period, the Company had completed carbon footprint verification for 90% of indoor and outdoor fixed-install and all-in-one products, providing data support for energy saving and carbon reduction across the entire value chain.



Absen's Shenzhen headquarters is a national two-star green building, integrating eco-friendly structural design, smart operations, clean energy application, water conservation and ecological landscaping to build a full-cycle green and low-carbon operation system. Rooftop photovoltaic power generation reached 145,000 kWh in its first year of operation, achieving a carbon reduction of approximately 135.6 tons of carbon dioxide equivalent.

Energy Management

Absen strictly complies with relevant laws and regulations such as the Energy Conservation Law of the People's Republic of China, and formulates and refines the Energy and Resource Management System. It clarifies the energy management responsibilities of each department, and formulates and implements annual energy-saving plans for key energy-consuming areas including production, office, domestic and auxiliary equipment energy use. The Company incorporates energy-saving targets into business performance assessments, establishes energy performance parameters and benchmarks, and achieves dynamic monitoring of key indicators.

Application of the Integrated PV-Storage-Charging System

Absen makes full use of factory rooftop resources to plan and build an integrated photovoltaic, energy storage and charging project. Based on systematic calculations, the photovoltaic system at the Huizhou Manufacturing Base generates an average of approximately 1.8 million kWh of electricity per year, with a peak daily output of 9,000 kWh, while the energy storage station has an annual charge and discharge capacity of approximately 3 million kWh. Through coordinated scheduling of photovoltaic generation and energy storage, the project delivers both economic and environmental benefits. Economically, it is expected to save approximately RMB 3 million in energy costs per year on average. Environmentally, it is expected to save approximately 550 tons of standard coal annually and reduce emissions by approximately 1,400 tons of carbon dioxide equivalent, supporting the development of a clean and efficient factory energy supply and consumption system.

The Company advanced refined management of production energy efficiency, with production electricity consumption per unit area decreasing by 9.3% year on year.

The Company carried out intelligent upgrading of burn-in test electrical cabinets, adopting the "2+1" automatic cycle control mode, achieving a 10% year-on-year reduction in electricity consumption during the testing phase.

In production workshops, the Company promoted off-peak electricity utilisation for burn-in test displays across peak and valley load periods, optimised grid load distribution, and effectively improves power utilisation efficiency.

The Company implemented thermal insulation design and hot air discharge optimisation for exhaust air ducts in the Printed Circuit Board Assembly (PCBA) workshop, reducing the impact of indoor temperature differences and significantly cutting the energy consumption of refrigeration systems.

The Company installed cooling water circulation flow meters for refrigeration systems, enabling remote energy consumption monitoring and intelligent scheduling via Internet of Things (IoT) technology, effectively reducing electricity consumption in the Chip on Board (COB) workshop by approximately 37%.

The Company deployed rooftop photovoltaic power generation systems across factory premises, actively utilises clean energy, and optimises the production energy mix. In 2025, the proportion of renewable energy reached 11.33%.

Absen Optimised Production Energy Use

The Company implemented electricity saving controls in office areas, with energy-efficient LED lighting fixtures adopted across all premises.

The Company installed centralised linked controllers for smart central air conditioning in office areas, enabling multi-dimensional precise control of air conditioning across whole-site, zoned and scheduled modes.

The Company introduced a third-party vehicle dispatching platform to standardise the management of official vehicles, optimise the allocation of official vehicle resources, and prioritise the use of new energy electric vehicles for business travel.

Absen Optimised Office Energy Use

Water Resource Management

Through measures such as optimising production processes, upgrading water-saving equipment and implementing water recycling systems, Absen continuously reduces water consumption per unit of output value and improves water utilisation efficiency. In its production operations, the Company deploys closed-loop circulating water systems for key water-consuming processes such as cleaning and cooling, to minimise municipal water intake. The Company has established a water metering and monitoring mechanism to track and analyse water consumption across workshops and facilities in real time, and promptly identify and rectify abnormal water use. For production wastewater, the Company has installed with advanced sewage treatment facilities in strict compliance with national and local discharge standards, ensuring treated effluent meets discharge requirements or is reused.

Application of Water Recycling Systems

In 2025, the Huizhou Manufacturing Base installed water recycling systems to treat testing water, enabling it to meet reuse standards and be recirculated for water testing procedures, forming a closed-loop system. Following the upgrade, annual water savings reach 27,955 tons, with an equivalent reduction in wastewater discharge, significantly lowering municipal water intake costs and sewage treatment costs.

Pollutant and Waste Management

Absen strictly complies with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Emission Standard for Environmental Noise at Boundary of Industrial Enterprises and relevant local environmental regulations. Adhering to the principles of reduction, recycling and harmless treatment, the Company continuously improves end-to-end pollutant and waste management.

In waste gas management, the Company identifies key processes such as cutting, welding and spraying, and ensures 100% compliant emissions through front-end process assessment, extraction and ventilation system collection, and activated carbon adsorption treatment.

In solid waste management, the Company implements a classified disposal mechanism: non-recyclable solid waste is entrusted to qualified operators for treatment. Hazardous waste is transferred daily from user departments to a dedicated hazardous waste warehouse, entrusted to licensed third parties for collection and disposal, and fully registered and declared via the Guangdong Provincial Solid Waste Environmental Supervision Information Platform to ensure compliant disposal.

In noise management, the Company identifies major noise sources including vehicles, production equipment, air compressors and generators. It requires factory vehicles to minimise unnecessary honking and undergo regular maintenance; exhaust fans and production equipment are operated on demand and switched off when not in use; air compressors are managed as special equipment with regular inspection and record-keeping. Through source control and standardised operation and maintenance, noise impact is effectively reduced.

Ecosystem and Biodiversity

Absen actively collaborates with third-party professional ecological service institutions to establish a landscaping maintenance mechanism and improve the ecological quality of its premises. The Company has also installed 25 beehives at the Huizhou Manufacturing Base, demonstrating its commitment to biodiversity conservation.



Bees pollinate surrounding vegetation, improving fruit set rates and seed yields, which in turn supports the food chain for birds and small mammals and maintains the stable reproduction of the regional ecosystem. Meanwhile, bees are highly sensitive to pollutants, and their health status serves as a low-cost, high-sensitivity biological indicator system for identifying environmental risks at the facility. Within the industrial landscape, beehives and factory vegetation together form key nodes in pollination corridors, effectively improving habitat connectivity. In addition, the beehives serve as a nature education for employees and the local community, translating intangible pollination services into tangible corporate action and engaging more employees in ecological protection.

Circular Economy

Absen embraces the principles of the circular economy, establishing a standardised management and control system, and embeds the circular principles of reduction, reuse and resource recovery across the entire product lifecycle, spanning from R&D and production to recycling.

• General Production Materials and Processes

Over 90% of developed products can achieve efficient mass production using existing equipment.

• Standardised Processes

The Company has streamlined and improved new product introduction (NPI) processes and manufacturability review specifications, standardised the product introduction workflow, and ensured that green, cost-effective design solutions can be widely rolled out across all product series.

Green Packaging

In 2025, the Huizhou Manufacturing Base implemented green upgrades for disposable packaging materials in supplier deliveries: recyclable plastic corner protectors, plastic pallets and turnover plastic crates replaced foam corner protectors, wooden pallets and traditional cartons respectively, reducing non-degradable waste at source. Meanwhile, the base has established an internal recycling management system with dedicated recycling areas to ensure standardised reuse of packaging materials. It has also signed dedicated recycling agreements with suppliers to build a full-chain closed-loop management model of use, recycling, and regeneration and reuse, effectively reducing packaging solid waste generation and end-to-end supply chain costs.

Talent-driven Development, People-oriented Approach

Absen consistently adheres to the principles of respect, trust, and mutual growth, committing to building a fair, diverse, and inclusive home for every dedicated professional. By unlocking employees' full potential, we align individual value with organisational development, building a community of mutual success and trust. We safeguard health and safety with responsibility, pave the way for career growth with sincerity, and enable every professional to transform from dedicated to joyful work, jointly writing a future of sustainable development.



Employee Rights and Benefits

Absen strictly adheres to human rights and labour-related standards, providing competitive remuneration packages and diversified welfare guarantees. The Company maintains open channels for employee communication, actively listens to employee feedback, and addresses reasonable demands, effectively enhancing employees' sense of belonging and happiness, and fostering strong talent engagement for the sustainable development of the enterprise.

Protection of Basic Rights

Absen proactively complies with a series of international human rights conventions, charters, and principles, such as the ILO Constitution and the Universal Declaration of Human Rights, and strictly abides by laws and regulations including the Labour Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, and the Labour Contract Law of the People's Republic of China, explicitly prohibiting forced or compulsory labour, the use of child labour, violence, and harassment.

Absen systematically prevents forced labour risks by institutionally clarifying the principle of voluntary labour relations. Employees enjoy the right to resign freely according to the law; the Company strictly forbids withholding identification documents or collecting deposits, and employees can file complaints through HRBPs or the audit email. All employees sign labour contracts upon onboarding, retain their own personal documents, and overtime is strictly voluntary. The Company protects employees' right to rest according to the law, ensures overtime is mutually agreed upon and compensated, and pays wages and contributes to the "Five Social Insurances and One Housing Fund" on time and in full. Through channels such as HRBPs, values assessments, and new employee symposiums, the Company promptly identifies potential risks and extends the prohibition of forced labour to the supply chain, requiring partners to comply with the same standards and accept on-site audits.

Absen systematically eliminates the risk of child labour. At the institutional level, the strict prohibition of recruiting minors under the age of sixteen is established as a core recruitment criterion and incorporated into the Supplier Code of Conduct, with strict accountability for violations. During the recruitment process, the Company implements an original ID card verification and dual-approval system to ensure age compliance and retains records for future reference. In terms of supervision, the Company strengthens internal compliance reviews through random checks, special audits, and open reporting channels, while conducting irregular employment audits on partners to strictly prevent child labour risks in the supply chain. Furthermore, the Company conducts specific training on child labour control for HR and recruitment-related personnel to enhance their legal awareness and identification capabilities, preventing child labour at its source.

Based on the above measures, no incidents of forced or compulsory labour or child labour were recorded within the Company in 2025.

Diversity and Equal Opportunity

Absen ensures that the entire recruitment process is legal, compliant, fair, and equitable, providing equal employment and development opportunities for all candidates. The Company explicitly prohibits discrimination or differential treatment against employees based on factors such as gender, age, nationality, race, religious beliefs, family status, or health conditions.

In the Company's management team, women are well-represented, with female leaders in the overseas sales department being particularly prominent. We provide maternity and paternity leave for eligible employees in accordance with the law, actively implement allowance policies, and set up nursing rooms, practically supporting employees in balancing work and family responsibilities, fostering a friendly workplace atmosphere that accommodates both career development and family care, and deepening gender equality practices.

During the reporting period, the Company had a total of 996 female employees, with female managers accounting for 31.1%, and female managers in the overseas sales department accounting for 57.35%. A total of 61 employees took maternity and paternity leave.

Compensation and Benefits

In 2025, Absen comprehensively carried out a remuneration system reform, striving to break the traditional seniority-based distribution model and establish a more objective distribution mechanism with greater market competitiveness and internal fairness, further stimulating the dynamism of young core talents.

The Company continues to invest significantly in building an employee benefits and care system covering statutory benefits, featured benefits, and instant incentives, practically enhancing employees' sense of belonging, happiness, and professional identity.

Statutory Benefits

- Provide statutory holidays such as paid annual leave, marriage leave, maternity leave, and paternity leave.
- Contribute to the "Six Social Insurances and One Housing Fund" for employees.

Featured Benefits and Care

- Health Guarantee: Employees can enjoy medical examination services upon onboarding and after one year of employment.
- Festival and Birthday Care: Hold afternoon tea activities during festivals; employees receive a gift redemption quota on their birthdays.
- Tenure Rewards: Distribute exclusive commemorative gifts to employees who have been with the company for 1, 3, 5, and 10 years.
- Life Care: Provide meal allowances, communication allowances, and supporting talent housing resources.
- Cultural and Sports Activities: Regularly organise activities such as yoga, badminton, football, and basketball; both the Shenzhen Headquarters and the Huizhou Manufacturing Base have set up cultural and sports associations to hold regular activities and competitions.

Instant Incentives

- **Special Sales Incentives:** Hold sales incentive conferences monthly and quarterly, awarding cash, electronic devices, and other prizes on-site to outstanding performers.
- **Outstanding Employee Recognition:** Publicise the deeds of outstanding employees through the Company's online and offline channels.

Absen Employee Benefits and Care System

During the reporting period, Absen achieved a 100% labour contract signing rate and a 100% social security coverage rate.

Employee Communication

Absen highly values employee communication and employee voice, committing to building an open and transparent employee communication system, facilitating open feedback channels, and listening to the true voices of employees.

HRBP Mechanism

The Company has established an HRBP mechanism, arranging HRBPs to be embedded in various business departments, conduct regular communication with employees, accurately collect employees' opinions and demands regarding direct supervisors, work arrangements, etc., and coordinate to handle or report upwards step by step in a timely manner.

Open Email Channel

The Company has established an open audit email address, through which employees can directly provide feedback on issues via email. The Company will conduct special verifications and handling of the feedback content.

New Employee Symposium

The Company has optimised the feedback collection method for new employees by shifting from online scoring to offline symposiums. Through face-to-face communication, accurately evaluate new employees' onboarding feelings, training experiences, and development suggestions.

Main Employee Communication Channels at Absen

Employee Training and Development

Absen continuously refines its talent development strategy from a strategic perspective, building a training system that covers all employees throughout their entire career journeys. Through systematic training and targeted empowerment, the Company builds a high-quality talent pool, empowering employee growth and injecting continuous talent momentum into the enterprise's high-quality and sustainable development.

Talent Development Strategy

Absen explicitly focuses on three core strategies: Strategic Focus, Technology Leadership Strategy, and Talent Strategy, driving the deep integration of talent development and business strategy.

Strategic Focus

- **Organisational Restructuring:** In 2025, restructured business units by segmented scenarios, and established virtual organisations to precisely align with customer needs in specific segments.
- **Sales Capability Enhancement:** Launched sales team capability enhancement projects, and hired external lecturers to conduct targeted training.
- **Product-side Capability Building:** Concentrated R&D resources; conducted special training for product managers focusing on the product requirement collection phase.

Technology Leadership Strategy

- **Requirement Collection End:** Promote the transformation of overseas sales to consultative sales, focus on enhancing product technology comprehension, and cultivate sales engineers.
- **Requirement Realisation End:** Deepen the core capabilities of product managers, focusing on cultivating their requirements screening, identification, and product definition capabilities.
- **Technology Realisation End:** Cooperated with The Chinese University of Hong Kong, Shenzhen to establish a postdoctoral innovation base. Introduced 3 postdocs in 2025, 2 of whom have onboarded and completed their proposal defences.
- **Value Transmission End:** Focus on enhancing the capabilities of solution engineers, promoting them to become front-end market technology interpreters and solution designers.

Talent Strategy

- **Talent Introduction:** Launch core talent programmes, led by senior management, highlighting the priority of the talent strategy.
- **Pipeline Building:** Supplement the reserve of international sales management talents, and perfect the building of the talent pipeline.

Absen Talent Development Strategy

Employee Training System

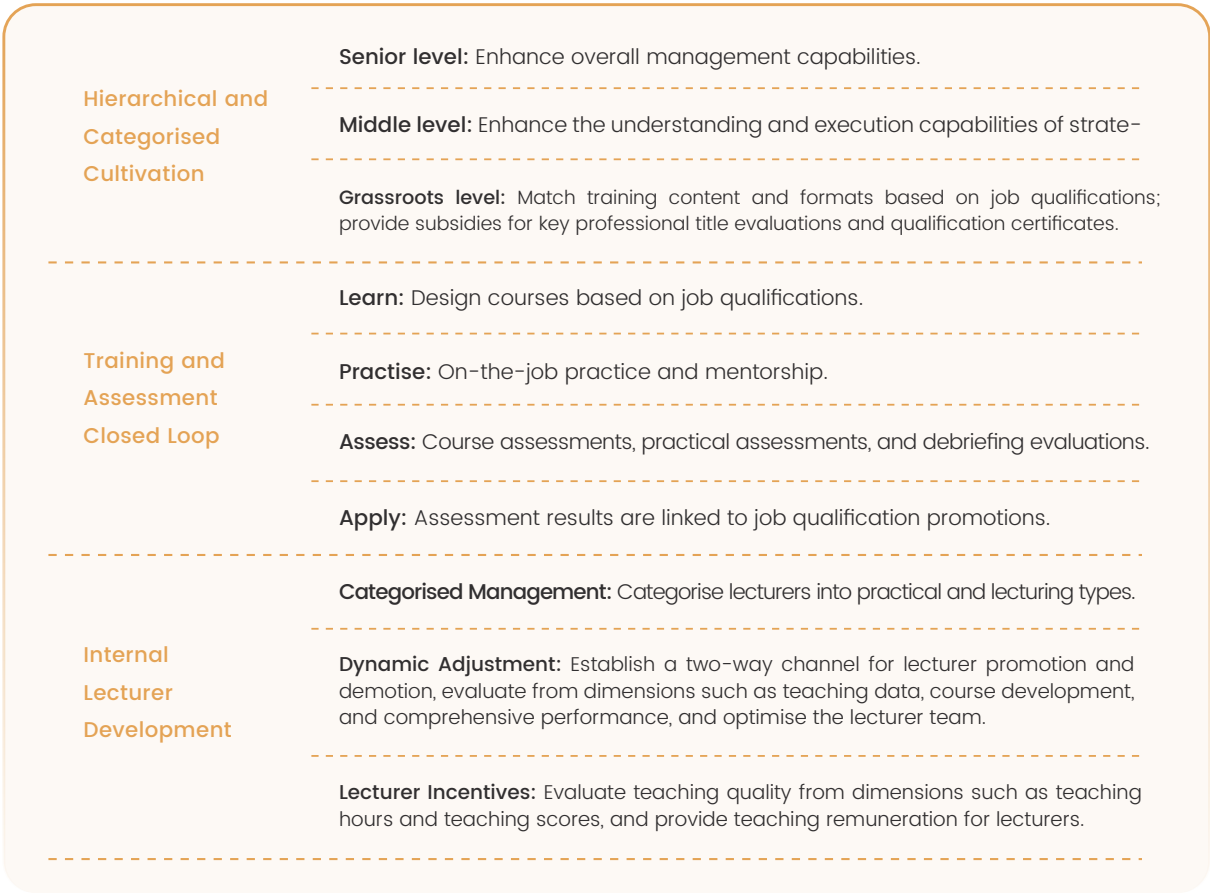
The development of the Absen Zhen Ai Academy is rooted in Absen's long-term strategic investment in its talent system.

In 2010, the Company organised over 60 core employees in a systematic study of Peter Drucker's courses, gaining a profound understanding that "management has its true essence and methods" and that "the essence of management is to stimulate human goodwill and potential". This realisation laid the ideological foundation for the academy's development.

In 2019, the Company officially established the first corporate university in the LED display industry—Absen Zhen Ai University (later developed into Absen Zhen Ai Academy). Driven by the initial mission of "cultivating world-class entrepreneurs with a Chinese spirit", it focuses on key employees and emphasises "using the best to develop the better".

Since then, the Academy has continued to evolve, gradually deepening its mission to "cultivate business talents with Absen genes", building a comprehensive cultivation system covering five major colleges, and linking with the Company's "Professional + Management" dual-channel promotion mechanism to provide capability upgrade solutions for internal managers, core backbones, and technical talents.

Its development process reflects the continuous integration of modern management philosophies, growing from a single training carrier into a strategic talent empowerment platform covering internal certification, global service standards, and supply chain co-construction.



Absen Employee Development System

Focusing on core areas such as LED display control system technology, conduct product technical talent training. A total of 252 people participated in online and offline training, 103 people participated in on-the-job practice, and the assessment pass rate was 98%.

Focusing on core areas such as product knowledge, sales processes, and after-sales service, conduct new sales talent training. A total of 8 sessions of courses were conducted, 367 people participated in online and offline training and on-the-job practice, and the assessment pass rate was 100%.

During the reporting period, employee training coverage reached 96.25%, with a total employee training investment of RMB 9.6635 million. The training satisfaction score for product technical talents was 95, while that for sales talents was 96.

Performance Management System

The Company continuously improves its comprehensive performance management system to effectively drive employee engagement, ensure strategic execution and achievement of business goals, and provide support for human resource decisions such as employee career development, remuneration, rewards, and punishments. The Company uses PBC (Personal Business Commitment) and values assessment as quarterly assessment tools to conduct comprehensive evaluations. The Company issued the 2025 Restricted Stock Incentive Programme Assessment Management Measures, linking corporate and individual performance to serve as the basis for the vesting of restricted stocks.



During the reporting period, the percentage of employees receiving regular performance and career development reviews was 100%.

Occupational Health and Safety

Absen has established a systematic occupational health and safety management system, comprehensively strengthening the production safety defence line. We actively shape a safety culture with full participation, deeply embedding safety concepts into the entire operation process, and safeguarding sustainable business growth and employee well-being.

Safety Management System

Absen strictly complies with relevant laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and the Work Safety Law of the People's Republic of China, formulating internal systems including the Production Safety Responsibility System, Safety Hazard Identification and Governance System, and Fire Safety Management System.



ISO 45001 Occupational Health and Safety Management System Certification

The Company has established a Work Safety Management Committee and appointed a dedicated safety officer. We actively cascade the signing of production safety responsibility commitments at all levels to ensure the rigorous implementation of fire safety, environmental safety, and related initiatives.

Furthermore, the Company has established a safety risk hierarchical control mechanism, formulating specific management systems such as the Emergency Preparedness and Response Management Regulations and the Accident and Incident Management Regulations. The Company identifies major safety risks such as fire, poisoning, and electric shock, establishing a list of high-risk locations and operational points, clearly defining accountable departments and targeted control measures for each site. This approach effectively mitigates risks at the source and elevates overall safety management standards.

2025 Annual Safety Goal Achievement Status of Huizhou Manufacturing Base

- Production safety accidents: 0
- Occupational disease incidence rate: 0
- Environmental pollution accidents and environmental emergencies: 0
- Fire accidents: 0
- Food poisoning accidents: 0
- Quarterly work-related injuries: ≤1
- A total of 137 safety hazards identified throughout the year, with a safety hazard rectification rate of 100%
- Total Recordable Incident Rate (TRIR) per million hours worked: 0.99

Work Safety Culture

Absen focuses on cultivating a culture of safe production. During the reporting year, the Huizhou Manufacturing Base organised a total of 7 comprehensive or specialised drills covering firefighting, flood emergency response, special equipment incident response, chemical spills, food poisoning, electric shock first aid, and environmental emergencies. Concurrently, the Company actively delivered targeted safety training courses, covering various topics such as fire safety, chemical management, and machinery safety. We strictly implemented three-level safety training for newly onboarded personnel and organised monthly safety training for on-the-job personnel in workshops.

The Huizhou Manufacturing Base continuously handles occupational disease prevention and control well, regularly conducting hazard monitoring on operational positions exposed to occupational hazard factors such as dust, noise, and chemicals in the production process. For employees in positions with occupational hazards, the Company standardises the organisation of pre-employment, on-the-job, and off-the-job occupational health examinations.



Fire Drill



Chemical Spill Drill

During the reporting period, the Huizhou Manufacturing Base conducted safety onboarding training for 1,074 new hires, organised 12 training sessions for current employees, achieved a 100% employee health examination rate, and invested RMB 1.13 million in production safety.



Benevolent Dedication, Community Wellbeing

Absen adheres to the philosophy of "people-oriented, giving back to society", transforming business achievements into social well-being through the Absen Public Welfare Foundation and continuous educational support initiatives. Absen firmly believes that corporate value lies not only in creating wealth but also in inspiring goodwill and sharing development achievements with the community, building a bridge of responsibility between the Company and society through tangible efforts.

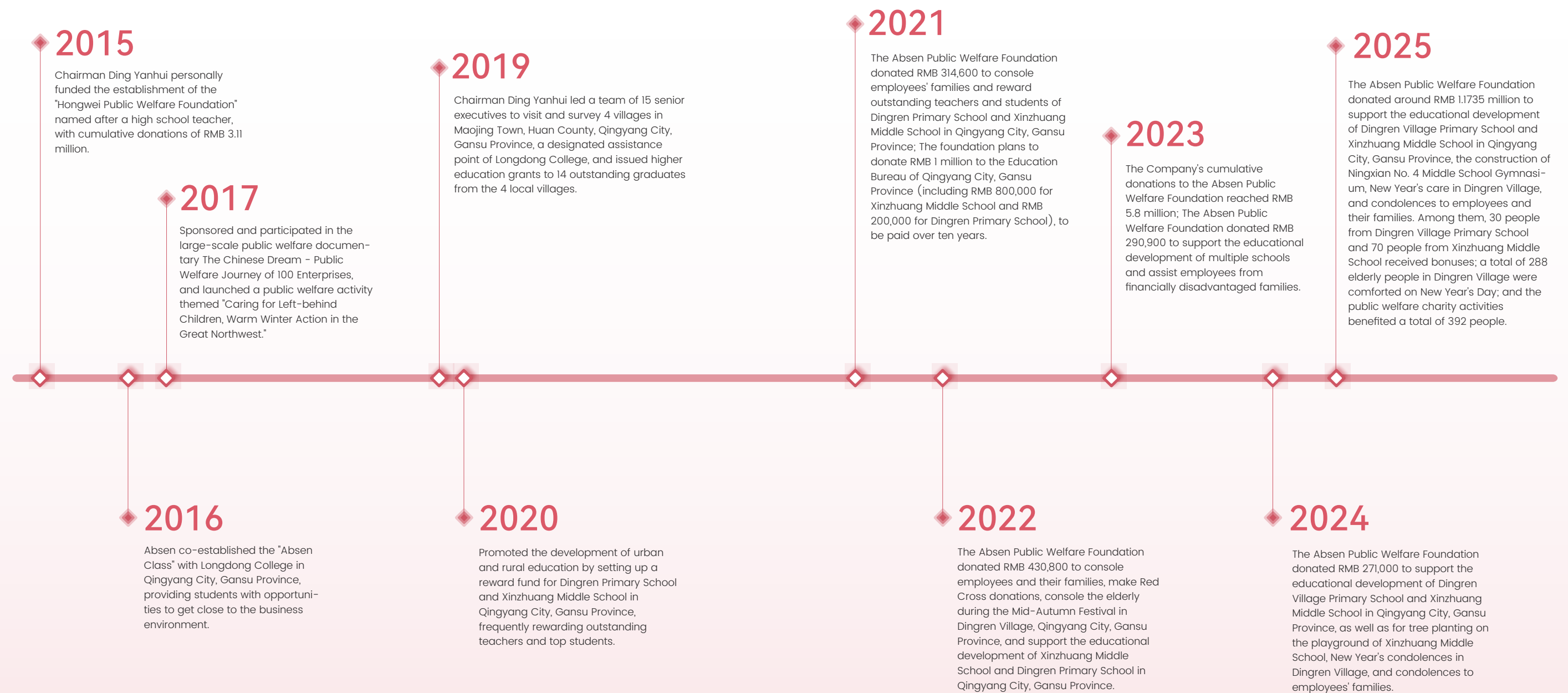
Rural Revitalisation and Social Contributions

Over the years, Absen has consistently paid attention to the rural development process. Relying on its public welfare foundation, the Company consistently provides financial and material aid to underserved regions, with a focus on supporting the development of rural education and the improvement of people's livelihoods.

In the future, the Company will further integrate its business operations, making support for rural revitalisation and consolidating the expansion of poverty alleviation achievements a strategic focus. By empowering rural specialty industries and promoting local employment, the Company aims to foster sustainable economic and social development while ensuring healthy growth and continuous returns for investors.

Warming the Hearts of Rural Elderly and Supporting Livelihood Care

Absen has long been dedicated to safeguarding the physical and mental health and livelihood security of the elderly and retired workers in rural areas. In January 2025, the Absen Public Welfare Foundation provided dedicated support for elderly care initiatives in Dingren Village, distributing daily necessities, such as grain and cooking oil, to residents aged 60 and above, as well as retired workers. The Company also conducted on-site visits to care for the living conditions of the elderly population, injecting strength into rural livelihood security with practical actions.



Key Performance Indicators (KPI) Table

Environmental KPIs

Indicator	Unit	2025	2024	2023
Energy Consumption				
Total energy consumption	MWh	27,595.03	26,918.85	27,129.31
Energy consumption intensity	MWh / million revenue	6.64	7.35	6.77
Direct Energy Consumption				
Total direct energy consumption	MWh	3,359.45	3,343.79	1,066.57
Direct energy consumption intensity	MWh / million revenue	0.81	0.91	0.27
Gasoline (mobile combustion)	Liter	26,578.21	36,370.29	29,985.64
Self-generated renewable electricity	MWh	3,127.02	3,025.73	804.34
Indirect Energy Consumption				
Total indirect energy consumption	MWh	24,235.58	23,575.06	26,062.74
Indirect energy consumption intensity	MWh / million revenue	5.83	6.44	6.51
Purchased electricity	MWh	24,235.58	23,575.06	26,062.74
Greenhouse Gas (GHG) Emissions				
Total GHG emissions	tCO2e	12,918.81	12,590.23	13,895.91
Scope 1	tCO2e	59.41	81.30	67.03
Scope 2	tCO2e	12,859.40	12,508.93	13,828.89
GHG emissions intensity	tCO2e / million revenue	3.11	3.44	3.47
Water Resource Usage				
Total water consumption	Ton	136,981.70	152,979.20	151,687.50
Water consumption intensity	Ton / million revenue	32.94	41.77	37.86
Wastewater Discharge				
Total wastewater discharge	Ton	130,183	146,561	144,907
Total pollutants in water	kg	7,764.10	11,556.33	6,237.45
Chemical Oxygen Demand (COD)	kg	2,994.20	7,550.61	5,207.32
Suspended solids	kg	3,514.94	2,343.29	911.28
Ammonia nitrogen	kg	1,252.36	1,640.30	116.25
Total phosphorus	kg	2.60	22.13	2.60
Exhaust Gas Emissions				
Particulate matter	kg	2,292.84	3,785.72	2,650.01
Volatile Organic Compounds (VOCs)	kg	461.67	929.66	3,963.16
Solid Waste				
Total general production waste	kg	375,242.00	334,062.00	368,984.00
Recyclable	kg	323,423.00	302,099.00	326,068.00
Non-recyclable	kg	51,819.00	31,963.00	42,916.00
Total hazardous waste	kg	746.00	434.00	298.00

Notes:

1.The statistics for direct energy consumption cover gasoline (mobile combustion) consumption by Shenzhen Absen Optoelectronic Co., Ltd. and the Huizhou Manufacturing Base, as well as self-generated renewable electricity consumption by the Huizhou Manufacturing Base. The conversion coefficient for standard coal is derived from the General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020).

2.The statistics for indirect energy consumption cover purchased electricity consumption by Shenzhen Absen Optoelectronic Co., Ltd. and Huizhou Absen Optoelectronic Co., Ltd.

3.Scope 1 GHG emissions calculation refers to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories published by the Intergovernmental Panel on Climate Change (IPCC) and the IPCC Sixth Assessment Report. Scope 2 GHG emissions calculation refers to the 2023 national average grid emission factor for electricity published by the Ministry of Ecology and Environment and the National Bureau of Statistics.

4.Total water consumption statistics cover production water usage at the Huizhou Manufacturing Base, as well as municipal water, barreled water, and bottled water consumption at Shenzhen Absen Optoelectronic Co., Ltd.

5.Wastewater discharge statistics cover domestic sewage at the Huizhou Manufacturing Base; there is no generation or discharge of productive industrial wastewater.

6.Exhaust gas emissions statistics cover the Huizhou Manufacturing Base.

7.Solid waste statistics cover the Huizhou Manufacturing Base.

Social KPIs

Indicator	Unit	2025	2024	2023
Employee Structure				
Total number of employees	Person	2,552	2,455	2,713
By Region				
Domestic (including HK, Macao, and Taiwan)	Person	2,442	2,378	2,626
Overseas	Person	110	77	87
By Gender				
Female	Person	996	943	1,022
Male	Person	1,556	1,512	1,691
By Age				
30 and under	Person	952	961	1,077
31-50	Person	1,538	1,438	1,590
51 and above	Person	62	56	46
By Rank				
Non-management	Person	2,327	2,256	2,531
Management	Person	225	199	182
By Employment Type				
Full-time employees	Person	2,552	2,455	2,713
Part-time employees	Person	0	0	0
New Hire Structure				
Total new hires	Person	965	1,073	941
By Region				
Domestic (including HK, Macao, and Taiwan)	Person	902	1,039	908
Overseas	Person	63	34	33
By Gender				
Female	Person	330	390	365
Male	Person	635	683	576
By Age				
30 and under	Person	599	628	508
31-50	Person	364	442	432
51 and above	Person	2	3	1
By Rank				
Non-management	Person	941	1,064	919
Management	Person	24	9	22
By Employment Type				
Full-time employees	Person	965	1,073	941
Part-time employees	Person	0	0	0
Employee Turnover Rate				
Employee turnover rate	%	25.07	35.02	33.67
By Region				
Domestic (including HK, Macao, and Taiwan)	%	25.30	35.26	34.05
Overseas	%	19.71	26.67	19.44
By Gender				
Female	%	22.61	31.96	32.14
Male	%	26.57	36.79	34.56

Indicator	Unit	2025	2024	2023
By Age				
30 and under	%	34.75	41.15	40.17
31-50	%	16.73	30.80	28.22
51 and above	%	11.43	16.42	18.52
By Rank				
Non-management	%	25.56	36.75	34.90
Management	%	19.64	5.69	9.90
Employee Rights and Benefits				
Total employees taking maternity and paternity leave	Person	61	49	51
Female	Person	41	29	28
Male	Person	20	20	23
Employees returning to work in reporting period after leave	Person	55	46	50
Female	Person	35	26	27
Male	Person	20	20	23
Employees returning to work and still employed after 12 months	Person	55	38	39
Female	Person	35	23	23
Male	Person	20	15	16
Return-to-work rate after leave	Female	%	85.37	89.66
	Male	%	100	100
Retention rate after leave	Female	%	85.37	79.31
	Male	%	100	69.57
Employee Training and Development				
Percentage of employees receiving regular performance and career reviews	%	100	100	100
Number of training sessions conducted	Session	222	257	298
Training investment	RMB 10,000	966.35	565.22	335.34
Average training hours per employee	Hour	25.3	23.6	16.65
Employee training coverage rate	%	96.25	95.75	95
Occupational Health & Safety (Huizhou Manufacturing Base)				
Employee health examination rate	%	100	100	100
Fatality rate due to work-related injuries	%	0	0	0
High-consequence work-related injury rate	%	0	0	0
Recordable work-related injury rate	%	0.99	0.47	0.42
Number of recordable work-related injuries	Case	4	2	2
Days lost due to work-related injuries	Day	170	37	113
Investment in production safety	RMB 10,000	113	117	135
Community Participation				
Public welfare donation amount	RMB	1,173,452	270,967	290,867.7
Number of beneficiaries from public welfare	Person	392	403	142

Notes:

1.Turnover rate of a certain category of employees = Number of turnovers in that category during the reporting period / (Total number of employees in that category at the end of the reporting period + Number of turnovers in that category during the reporting period).

2.Maternity/paternity leave includes: prenatal check-up leave, maternity leave, paternity leave, and breastfeeding leave.

3.Return-to-work rate = Total number of employees actually returning to work after leave / Total number of employees expected to return to work after leave * 100.

4.Retention rate = Total number of employees still employed 12 months after returning to work / Total number of employees who returned to work after leave in the previous reporting period * 100.

5.Occupational health and safety indicators cover employees at the Huizhou Manufacturing Base.

6.Fatality rate due to work-related injuries = Number of fatalities due to work-related injuries / Number of hours worked * 1,000,000.

7.High-consequence work-related injury rate (excluding fatalities) = Number of high-consequence work-related injuries (excluding fatalities) / Number of hours worked * 1,000,000.

8.Recordable work-related injury rate = Number of recordable work-related injuries / Number of hours worked * 1,000,000.

Shenzhen Stock Exchange Guidelines Index

Dimension	No.	Topic	Corresponding Clause	Chapter Index	Page Index
Environmental	1	Climate Change Response	Articles 21-28	Product and Technological Innovation Responding to Climate Change Energy Management Environmental KPIs	P25-P36 P53-P54 P55 P73
	2	Pollutant Discharge	Articles 30	Pollutant and Waste Management Environmental KPIs	P56 P73
	3	Waste Disposal	Articles 31	Pollutant and Waste Management Environmental KPIs	P56 P73
	4	Ecosystem and Biodiversity Protection	Articles 32	Ecosystem and Biodiversity	P57
	5	Environmental Compliance Management	Articles 33	Environmental Compliance Management	P53
	6	Energy Utilization	Articles 35	Energy Management Environmental KPIs	P55 P73
	7	Water Resources Utilization	Articles 36	Water Resource Management Environmental KPIs	P56 P73
	8	Circular Economy	Articles 37	Circular Economy Environmental KPIs	P58 P73
Social	9	Rural Revitalization	Articles 39	Rural Revitalisation and Social Contributions	P71-P72
	10	Social Contribution	Articles 40	Rural Revitalisation and Social Contributions Social KPIs	P71-P72 P74-P75
	11	Innovation-driven Development	Articles 42	Product and Technological Innovation	P25-P36
	12	Ethics of Science and Technology	Articles 43	Product and Technological Innovation	P36
	13	Supply Chain Security	Articles 45	Supply Chain Management	P45-P48
	14	Equal Treatment of SMEs	Articles 46	Supply Chain Management	P45-P48
	15	Product and Service Safety and Quality	Articles 47	Product and Service Safety and Quality	P36-P44
	16	Data Security and Customer Privacy Protection	Articles 48	Information Security and Privacy Protection	P48-P50
	17	Employees	Articles 50	Employee Rights and Benefits Employee Training and Development Occupational Health and Safety	P61-P63 P64-P66 P67-P68
Sustainable Development Governance	18	Due Diligence	Articles 52	Supply Chain Management	P45-P48
	19	Stakeholder Engagement	Articles 53	ESG Management Enhancing Corporate Governance	P12-P14 P17-P18
	20	Anti-commercial bribery and Anti-corruption	Articles 55	Business Ethics	P21-P22
	21	Fair Competition	Articles 56	Business Ethics Supply Chain Management	P21-P22 P45-P48

GRI Standards Index

Usage Instruction

Absen has reported the information for the period from January 1, 2025 to December 31, 2025 in accordance with the GRI Standards

GRI Used

GRI 1: Foundation 2021

GRI Standard	Disclosure	Chapter Index	Page Index
GRI 2: General Disclosures 2021	2-1 Organizational details	About Us	P7-P10
	2-2 Entities included in the organization's sustainability reporting	About This Report	P1-P2
	2-3 Reporting period, frequency and contact point	About This Report	P1-P2
	2-4 Restatements of information	No restatements of information	/
	2-6 Activities, value chain and other business relationships	About Us	P7-P10
		ESG Management	P12-P14
	2-7 Employees	Social KPIs	P74-P75
	2-8 Workers who are not employees	Social KPIs	P74-P75
	2-9 Governance structure and composition	Enhancing Corporate Governance	P17-P18
	2-10 Nomination and selection of the highest governance body	Enhancing Corporate Governance	P17-P18
	2-11 Chair of the highest governance body	Enhancing Corporate Governance	P17-P18
	2-12 Role of the highest governance body in overseeing the management of impacts	Enhancing Corporate Governance	P17-P18
	2-13 Delegation of responsibility for managing impacts	Enhancing Corporate Governance	P17-P18
	2-14 Role of the highest governance body in sustainability reporting	Enhancing Corporate Governance	P17-P18
		ESG Management	P12-P14
	2-15 Conflicts of interest	Business Ethics	P21-P22
	2-16 Communication of critical concerns	ESG Management	P12-P14
	2-17 Collective knowledge of the highest governance body	Enhancing Corporate Governance	P17-P18
	2-18 Evaluation of the performance of the highest governance body	Enhancing Corporate Governance	P17-P18
	2-19 Remuneration policies	Enhancing Corporate Governance	P17-P18
	2-20 Process to determine remuneration	Enhancing Corporate Governance	P17-P18
	2-22 Statement on sustainable development strategy	Chairman's Statement	P3-P4
		ESG Management	P12-P14
	2-23 Policy commitments	ESG Management	P12-P14
	2-24 Embedding policy commitments	ESG Management	P12-P14
	2-25 Processes to remediate negative impacts	ESG Management	P12-P14
	2-26 Mechanisms for seeking advice and raising concerns	ESG Management	P12-P14
	2-27 Compliance with laws and regulations	Not occurred during the reporting period	/
	2-29 Approach to stakeholder engagement	ESG Management	P12-P14
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Management	P12-P14
	3-2 List of material topics	ESG Management	P12-P14
	3-3 Management of material topics	ESG Management	P12-P14
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Responding to Climate Change	P53-P54
	201-3 Defined benefit plan obligations and other retirement plans	Employee Rights and Benefits	P61-P63
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Rural Revitalisation and Social Contributions	P71-P72
	203-2 Significant indirect economic impacts	Social KPIs	P74-P75

GRI Standard	Disclosure	Chapter Index	Page Index
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Supply Chain Management	P45-P48
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics	P21-P22
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics	P21-P22
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Business Ethics	P21-P22
		Supply Chain Management	P45-P48
GRI 301: Materials 2016	301-2 Recycled input materials used	Circular Economy	P58
	301-3 Reclaimed products and their packaging materials	Circular Economy	P58
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental KPIs	P73
	302-3 Energy intensity	Environmental KPIs	P73
	302-4 Reduction of energy consumption	Energy Management	P55
	302-5 Reductions in energy requirements of products and services	Energy Management	P55
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Resource Management	P56
	303-2 Management of water discharge-related impacts	Water Resource Management	P56
	303-5 Water consumption	Environmental KPIs	P73
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Ecosystem and Biodiversity	P57
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental KPIs	P73
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental KPIs	P73
	305-4 GHG emissions intensity	Environmental KPIs	P73
	305-5 Reduction of GHG emissions	Responding to Climate Change	P53-P54
		Environmental KPIs	P73
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental KPIs	P73
		Environmental KPIs	P73
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pollutant and Waste Management	P56
	306-2 Management of significant waste-related impacts	Pollutant and Waste Management	P56
	306-3 Waste generated	Environmental KPIs	P73
	306-4 Waste diverted from disposal	Environmental KPIs	P73
	306-5 Waste directed to disposal	Environmental KPIs	P73
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management	P45-P48
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Management	P45-P48

GRI Standard	Disclosure	Chapter Index	Page Index
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social KPIs	P74-P75
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights and Benefits	P61-P63
	401-3 Parental leave	Employee Rights and Benefits	P61-P63
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	P67-P68
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	P67-P68
	403-3 Occupational health services	Occupational Health and Safety	P67-P68
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	P67-P68
	403-5 Worker training on occupational health and safety	Occupational Health and Safety	P67-P68
	403-6 Promotion of worker health	Occupational Health and Safety	P67-P68
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	P67-P68
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	P67-P68
	403-9 Work-related injuries	Occupational Health and Safety	P67-P68
	403-10 Work-related ill health	Occupational Health and Safety	P67-P68
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Training and Development	P64-P66
		Social KPIs	P74-P75
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training and Development	P64-P66
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Enhancing Corporate Governance	P17-P18
		Employee Rights and Benefits	P61-P63
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee Rights and Benefits	P61-P63
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management	P45-P48
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Management	P45-P48
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product and Service Safety and Quality	P36-P44
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product and Service Safety and Quality	P36-P44
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Product and Service Safety and Quality	P36-P44
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GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Privacy Protection	P48-P50