



2025

2025 Environmental, Social, and Governance (ESG) Report

Shanghai Huace Navigation Technology Ltd

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About This Report

This is the second Environmental, Social, and Governance (ESG) Report published by Shanghai Huace Navigation Technology Ltd (hereinafter referred to as "CHC Navigation," the "Company" or "we"). The Report provides a detailed disclosure of the practices and performance of Shanghai Huace Navigation Technology Ltd in its economic, environmental, social, and governance responsibilities for the year 2025. It aims to facilitate effective communication with all stakeholders and systematically respond to their expectations and requirements.

Reporting Period

The reporting period covers January 1, 2025, to December 31, 2025. To enhance comparability and forward-looking perspective, some content may extend to previous or subsequent years.

Reporting Scope

The Report discloses information on the economic, social, environmental, and corporate governance responsibilities of Shanghai Huace Navigation Technology Ltd and its subsidiaries. Relevant case studies presented are from us and our subsidiaries.

Preparation Basis

United Nations Sustainable Development Goals (SDGs)

China Corporate Social Responsibility Reporting Guidelines (CASS-ESG 6.0) issued by Chinese Academy of Social Sciences

Guidance on Social Responsibility Reporting (GB/T 36001-2015) issued by China National Institute of Standardization

ISO 26000: Guidance on Social Responsibility (2010) issued by International Organization for Standardization

Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (Trial) issued by Shenzhen Stock Exchange

Data Sources

The information disclosed in this Report is sourced from official internal documents, statistical reports, and annual reports of Shanghai Huace Navigation Technology Ltd. The data disclosed herein is derived from the actual operational raw data of CHC Navigation, publicly available government data, annual financial data, internal statistical reports, third-party surveys, and third-party evaluation interviews. The financial data in this Report is denominated in RMB. In case of any discrepancies with the financial reports, the financial reports shall prevail.

Reliability Assurance

We guarantee that the content of this Report is true, accurate, and complete, and contains no false records, misleading statements, or material omissions.

Definitions

"CHC Navigation," the "Company" and "we" refer to Shanghai Huace Navigation Technology Ltd

How to Access This Report

This Report is available in electronic format for your reference. You may access it by visiting our official website. Should you have any questions or suggestions regarding this Report, please contact us via email or telephone.

Official website: www.huace.cn

Email: huace@huace.cn

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This Report is published in both Chinese and English. In case of any discrepancy in the interpretation between the two versions, the Chinese version shall prevail.

Message from the Chairman



Dear Stakeholders,

Time flies, and 2025 has been marked by our persistent and diligent efforts.

Looking back from this new historical juncture, we have once again calibrated our course forward in the vast expanse of spatio-temporal information. This year, we not only witnessed technological leaps but also gained a deeper understanding that the long-term vitality of an enterprise stems from a firm commitment to and hands-on practice of sustainability. On behalf of the Board of Directors, I am honored to present our 2025 Environmental, Social, and Governance (ESG) Report, which embodies our reflections and actions. I look forward to witnessing with you the solid footprints we have left on the path of sustainable development.

The year 2025 has been a pivotal one for us, driven by both "quality" and "intelligence". Grounded in our vision of "Building an Intelligent World with Precision Spatio-temporal Information", we are propelled by our core driving forces: positioning and navigation, perception and measurement, and intelligent control technologies. From the official launch of the Global Satellite-Ground Integrated Augmentation Service platform PointX, to building an agricultural ecosystem centered on our agricultural machinery navigation and auto-steering system, and to the comprehensive development of our 3D hardware and software products, our technology is integrating into a wide range of industries with unprecedented depth. We are keenly aware that every technological innovation and implementation not only creates



business value but also provides powerful support for social safety, resource efficiency, and ecological conservation.

A solid governance system is the ballast that ensures stability in a volatile and changing world.

This year, we further optimized our governance structure to ensure the scientific rigor and independence of our decision-making. We regard our reputation as our lifeblood, integrating compliance and business ethics into all aspects of daily management. Through regular internal control audits and anti-fraud mechanisms, we have fortified our line of defense against risks. In investor relations, we adhere to transparent communication, earning market trust through sincere engagement and rewarding our shareholders for their trust and support with steady performance growth. At the same time, we have further strengthened our information security infrastructure, providing reliable support for our digital development and customer trust.

In the face of the challenges of climate change, we choose to respond with the power of technology.

We have embedded green principles into the entire lifecycle of our product R&D—from breakthroughs in highly integrated chips and low-power algorithms to the large-scale promotion of unmanned operation solutions—all aimed at helping our clients reduce their carbon footprint. In the field of smart agriculture, our technology helps conserve water and fertilizer, significantly improving resource utilization efficiency. In clean energy construction, we provide precise support for the planning and operation of wind and solar power projects. In ecological conservation, we contribute a reliable data foundation for environmental monitoring and resource management. We firmly believe that precise spatio-temporal data is a crucial cornerstone for a low-carbon future.

A people-oriented approach involves not only nurturing talent but also fulfilling and practicing social responsibility.

We adhere to a people-oriented philosophy, providing a broad development platform for every striving employee and fostering a diverse and inclusive organizational atmosphere. At the same time, we actively fulfill our corporate social responsibilities, translating our philanthropic ideals into practical actions. We continue to support the development of higher education through financial donations, equipment support, and co-organized competitions to help cultivate future talent. We also actively participate in volunteer services to contribute to rural revitalization. At CHC Navigation, we always act with a grateful heart, giving back to society through concrete actions.

Looking ahead, sustainability is a marathon with no finish line. We will remain true to our original mission, integrating ESG principles deeply into our corporate operations and management. Driven by technological innovation and rooted in a sense of responsibility, we will work hand in hand with our partners to jointly promote the harmonious coexistence of humanity and nature as we build an intelligent world. Together, let us empower countless industries with the power of precision—and fulfill our mission with a heart of responsibility!

Chairman of CHC Navigation

Yanping Zhao

About CHC Navigation

Company Overview

CHC Navigation is engaged in the R&D, manufacturing, and commercialization of positioning and navigation, perception and measurement, and intelligent control technologies, relevant products and solutions. We are a leading enterprise in China's high-precision spatio-temporal information industry.

Adhering to our vision of "Building an Intelligent World with Precise Spatio-temporal Information", we have implemented our strategic layout centered around "three core technologies, three platforms, and four business segments". We focus on positioning and navigation technology, perception and measurement technology, and intelligent control technology, while continuously building a chip platform, the Global Satellite-Ground Integrated Augmentation Service platform PointX, and an intelligent control platform. We are progressively strengthening the competitiveness of our various high-precision positioning and navigation intelligent equipment, system applications, and solutions across four business segments: Agricultural Machinery Navigation and Robotics, Geospatial Information and Spatio-temporal Intelligence, Smart and Digital Construction, and Spatio-temporal Perception and Positioning Services.

We follow an innovation-driven development path and place a strong emphasis on scientific research. To date, we have received one National Technology Invention Award and four National Science and Technology Progress Awards, and hold over 900 authorized intellectual property rights. We are also recipients of the National May 1st Labor Award and have been designated as a National Enterprise Technology Center. In the 2020 Mount Everest elevation survey, our BeiDou high-precision positioning equipment successfully reached the summit, measuring the height of the world's tallest peak.

As of the end of the reporting period, we have established localized service outlets across 29 provinces in China and have set up branches in 12 countries and regions, including Hungary, Japan, and Singapore, serving over 140 countries and regions worldwide. Our products and solutions have been widely applied in industries such as natural resources, agriculture, construction, transportation, water conservancy, power, education, and environmental protection, and are also entering emerging fields like smart cities, autonomous driving, and artificial intelligence. Looking ahead, we will continue to invest in R&D, enhance our competitive advantages, and practice customer-centered values to provide society with more high-quality products and solutions.

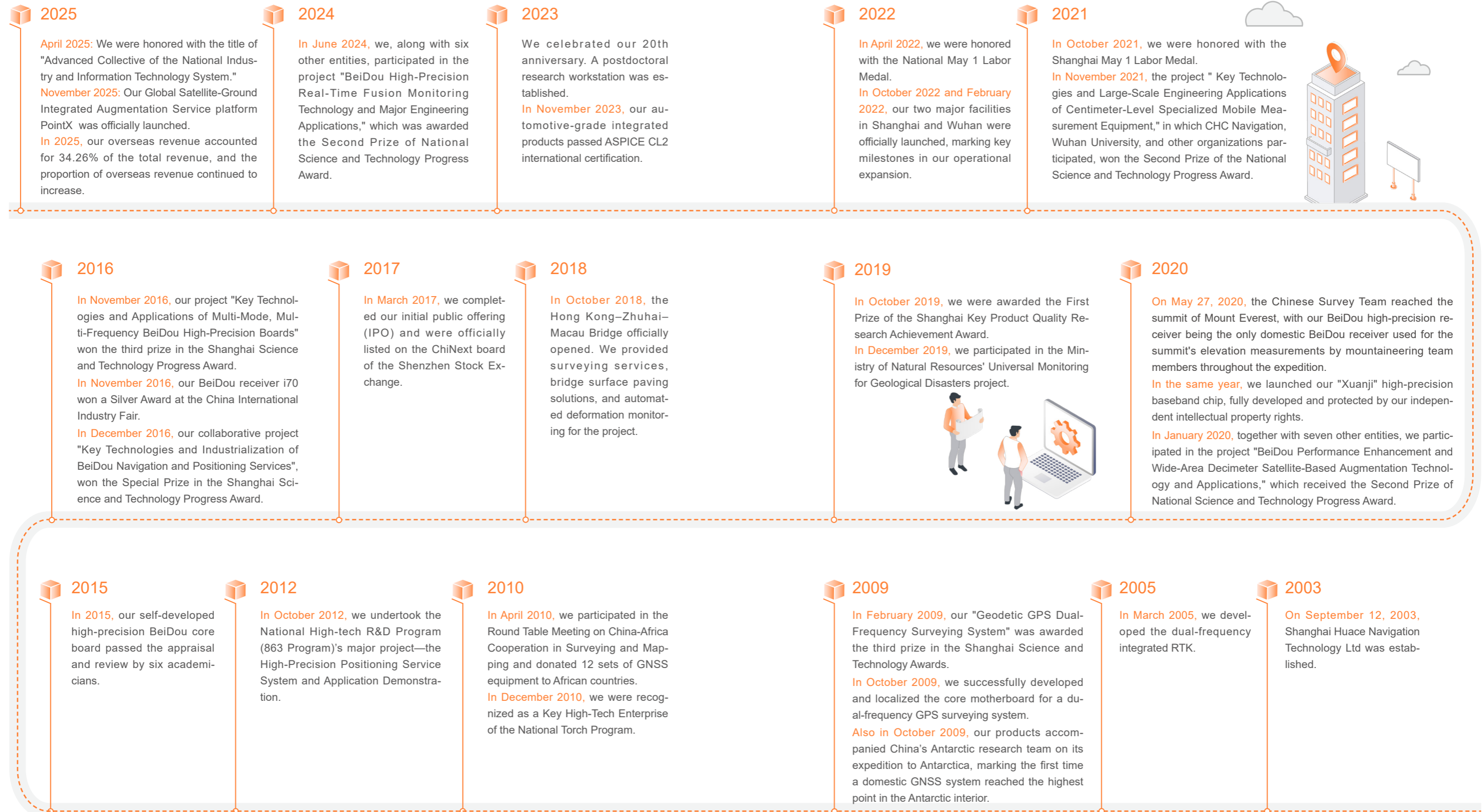


Main Products and Services

We offer a diverse portfolio of products, including the Global Satellite-Ground Integrated Augmentation Service platform PointX, GNSS surveying and mapping solutions, automated monitoring systems, 3D intelligent perception products, marine surveying equipment, navigation application solutions, precision agriculture systems, and digital construction tools. Our products serve multiple sectors—including Agricultural Machinery Navigation and Robotics, Geospatial Information and Spatio-temporal Intelligence, Smart and Digital Construction, and Spatio-temporal Perception and Positioning Services—providing tailored technical support and integrated solutions for a wide range of industries and application scenarios.



Development History



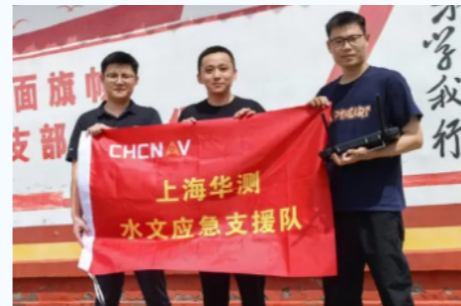
2025 Milestones



We launched the Global Satellite-Ground Integrated Augmentation Service platform PointX, which enables positioning in environments without ground network signals.



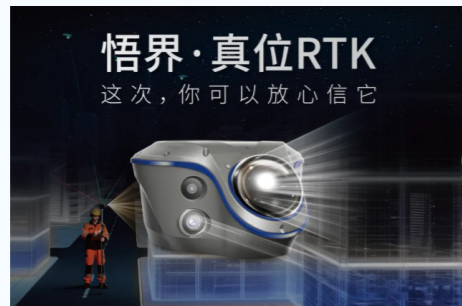
We built a comprehensive 3D software and hardware ecosystem: CoProcess 2025 software, Tiangong Engine 3.0, and the CHC Navigation CoCloud platform.



We provided technical support for multiple major disaster emergency rescue operations, ensuring technical assurance for emergencies in Sichuan, Beijing-Hebei, Guangzhou.



We contributed to the cultivation of surveying and mapping talent by supporting 18 university competitions and other events throughout the year, covering over 100 universities nationwide.



We launched the "Wujie-Zhenwei" RTK, applying multi-source fusion positioning technology.

Center	Mountpoints	Description
APM	SSR10APM#	GPS/GALILEO RT orbits and clocks based on internal APM Ultra Rapid product.
BNS	SSR10BNS#	GPS/GALILEO RT orbits, clocks and code biases based on CODE orbits and biases, yaw angle in addition.
CAS	SSR10CAS#	GPS/GALILEO RT orbits and clocks based on GFZ orbits. Also includes code biases.
CAS	SSR10CAS#	YTEC from Global Ionospheric Map.
CHC	SSR10CHC#	GPS/GALILEO RT orbits and clocks. Also includes code and phase biases.
CHC	SSR10CHC#	GPS/GALILEO RT orbits and clocks based on GFZ orbits. Also includes YTEC from Global Ionospheric Map, yaw angle, code and phase biases.
CHS	SSR10CHS#	YTEC from Global Ionospheric Map.
CHS	SSR10CHS#	GPS/GALILEO RT orbits and clocks based on internal GFZ orbits every 2 hours. Also includes code biases.
GFZ	SSR10GFZ#	GPS/GALILEO RT orbits and clocks based on internal GFZ orbits every 2 hours. Also includes code biases.
GAV	SSR10GAV#	GPS/GALILEO RT orbits and clocks based on GAV generated orbits. Stream in RTCM format delivers code biases.
JPL	SSR11JPL#	GPS/GAL RT orbits and clocks.
JPL	SSR12JPL#	GPS/GAL RT orbits and clocks.
JPL	SSR17JPL#	GPS/GLO RT orbits and clocks.
JPL	SSR22JPL#	GPS/GLO RT orbits and clocks.
NRCan	SSR10NR#	GPS RT orbits and clocks based on hourly orbits from NRCan software. Also includes code biases.

We were selected as an analysis center for the International GNSS Service (IGS), becoming the first commercial entity to join the organization worldwide.

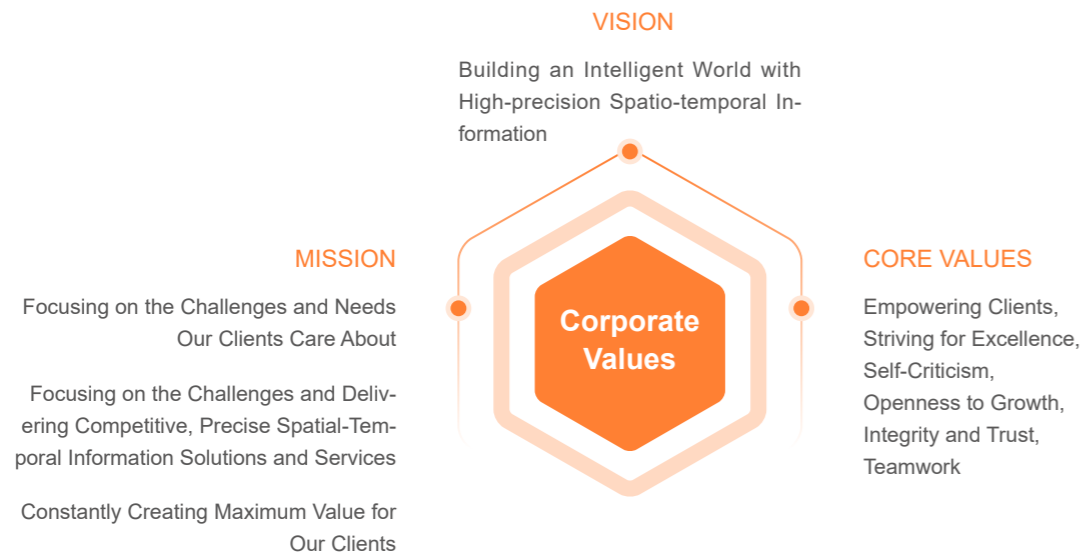


We supported the integration of industry, academia, and research in higher education by donating over RMB 10 million worth of funds and products to Hohai University, Wuhan University, and other universities and related institutions.



Corporate Culture

Our vision is "Building an Intelligent World with High-Precision Spatio-Temporal Information". Our mission is to focus on the challenges and pressures that matter most to our customers, deliver competitive high-precision spatio-temporal information solutions and services, continuously create maximum value for them, and contribute to social development.



Development Strategy

Our strategy is centered around "three core technologies, three platforms, and four business segments". We focus on positioning and navigation technology, perception and measurement technology, and intelligent control technology, while continuously building a chip platform, the Global Satellite-Ground Integrated Augmentation Service platform PointX, and an intelligent control platform. Our industrial applications include Agricultural Machinery Navigation and Robotics, Geospatial Information and Spatio-temporal Intelligence, Smart and Digital Construction, and Spatio-temporal Perception and Positioning Services.



Honors and Awards

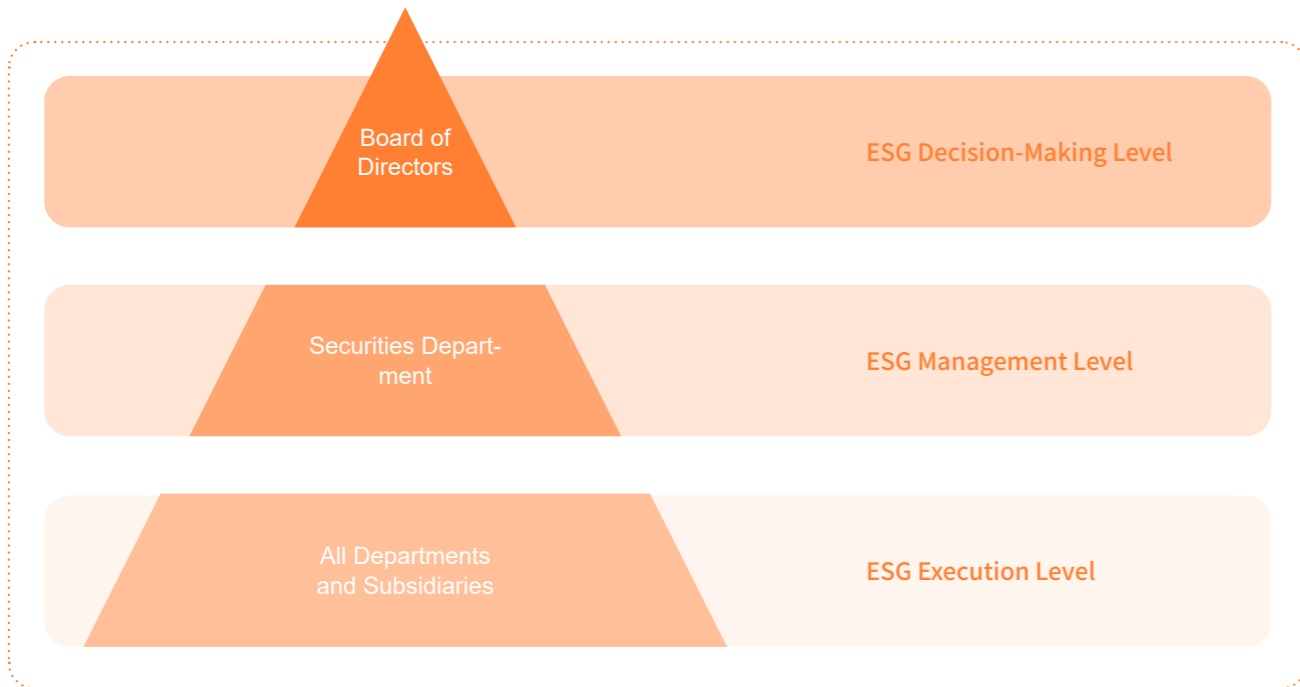
Date of award	Award name	Award description	Award image
April 2025	National Advanced Collective of the Industry and Information Technology System	As an advanced unit with outstanding contributions in the field of industry and information technology, we were awarded the honorary title of National Advanced Collective of the Industry and Information Technology System	
August 2025	First Prize of the Satellite Navigation and Positioning Science and Technology Progress Award	The project "Construction of a BeiDou Standard System for Shipping Safety and Implementation of High-Precision Positioning Applications" won the First Prize of the Satellite Navigation and Positioning Science and Technology Progress Award	
August 2025	Honorary Title of "Top 100 Enterprises in the 2025 Geographic Information Industry" (Third Place)	We received the honorary title of "Top 100 Enterprises in the 2025 Geographic Information Industry" (Third Place) for our outstanding performance in the geographic information industry	
August 2025	Sixth Panorama Investor Relations Golden Award - Outstanding Market Value Management Award	We won the Outstanding Market Value Management Award for our excellent performance in market value management	
October 2025	Geographic Information Science and Technology Progress Award - First Prize for the R&D, Testing, and Application of Domestic Core Equipment for the 2020 Mount Everest Elevation Survey	The project "R&D, Testing, and Application of Domestic Core Equipment for the 2020 Mount Everest Elevation Survey" won the First Prize of the Geographic Information Science and Technology Progress Award	
November 2025	First Prize of the Natural Resources Science and Technology Progress Award	Our project "Key Technologies for BDS/GNSS All-Frequency High-Precision Positioning and Development of Domestic Equipment" won the First Prize of the Natural Resources Science and Technology Progress Award	
December 2025	First Prize of the Natural Resources Science and Technology Progress Award	Our project "Key Technologies and Applications for the National Geological Disaster Monitoring and Early Warning System" won the First Prize of the Natural Resources Science and Technology Progress Award	
December 2025	SSE Eagle · Golden Quality - Continuous Growth Award	We received the SSE Eagle · Golden Quality Continuous Growth Award for our long-term stable growth performance	
December 2025	2025 A-Share Listed Company - Growth Enterprise of the Year	As a new force driving the industry's evolution, we were named the 2025 A-Share Listed Company - Growth Enterprise of the Year	

ESG Governance

ESG Structure

We have established a multi-tiered ESG structure, integrating ESG principles into every aspect of our corporate operations. Our Board of Directors fulfills the decision-making responsibilities for ESG matters and provides solid support; our Securities Department coordinates the promotion and implementation of various ESG initiatives; and all of our departments and subsidiaries, leveraging their respective business expertise and resource advantages, effectively integrate ESG principles into their daily operations and translate them into concrete actions.

Our ESG Structure



Stakeholder Communication

Based on our industry characteristics and operational realities, we have built a multi-tiered and regular communication system focused on six key stakeholder groups: shareholders, customers, employees, government and regulatory agencies, partners, and communities and public welfare organizations. Through diverse channels—including our official website, news media, special meetings, periodic reports, and themed events—we have established an efficient two-way communication mechanism. At the same time, we actively listen to feedback and opinions from all parties, continuously optimize our communication strategies, and constantly enhance the quality and effectiveness of our stakeholder engagement, thereby laying a solid foundation for sustainable development.

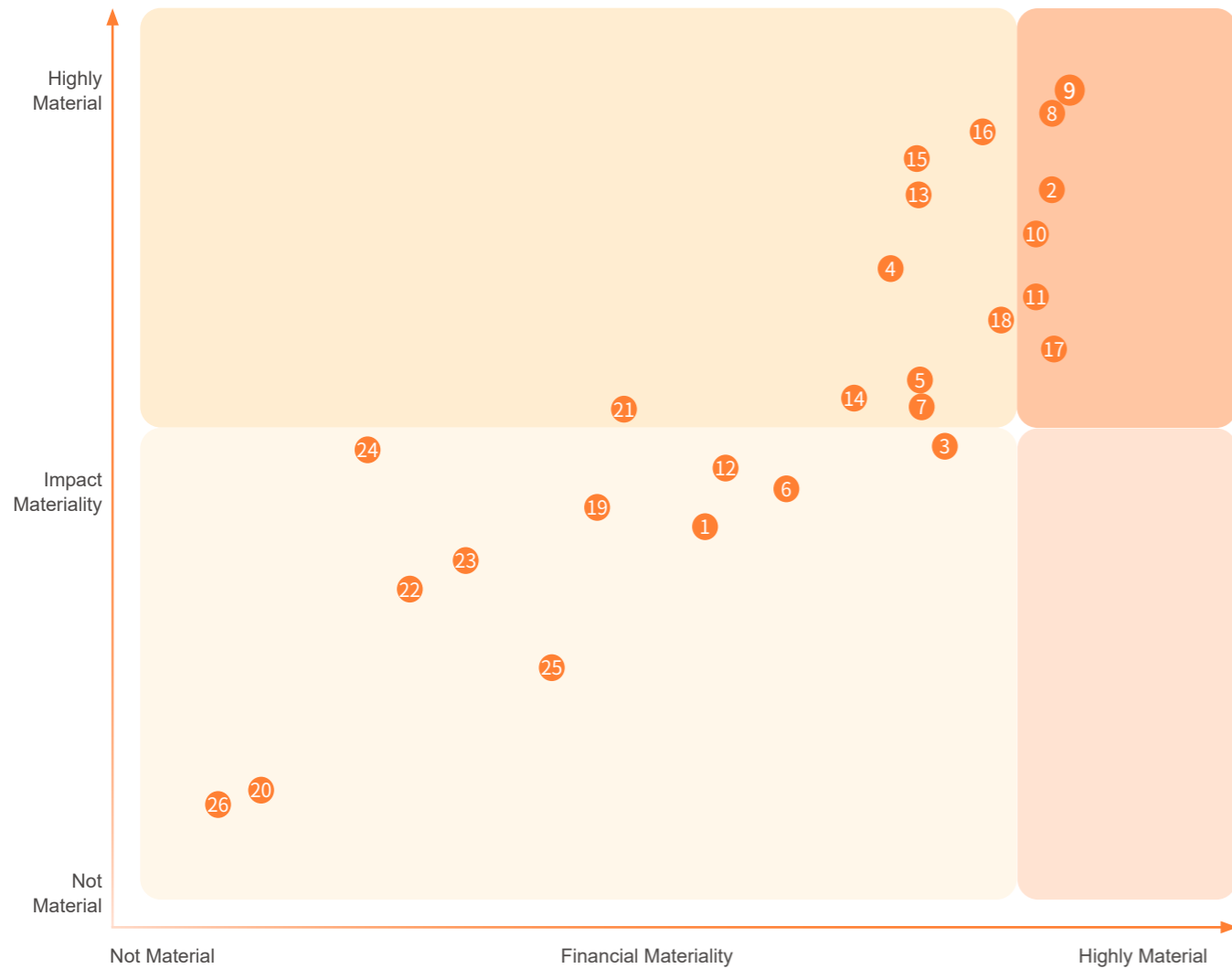
Stakeholders	Expectations and demands	Communication response
 Shareholders	<ul style="list-style-type: none"> Compliant operation Performance growth Protection of rights and interests Shareholder dividends Information disclosure Investor communication Integrity in business practices 	<ul style="list-style-type: none"> Operating in compliance with laws and regulations Improving risk management and internal controls Periodic and ad-hoc information disclosure Maintaining open investor communication channels Zero tolerance for corruption and bribery
 Customers	<ul style="list-style-type: none"> High-quality products After-sales service Privacy protection 	<ul style="list-style-type: none"> Innovative R&D and design Ensuring high-quality products Responsible marketing Efficient customer service Customer privacy and security
 Employees	<ul style="list-style-type: none"> Employment and rights protection Employee remuneration and well-being Career development and training Employee safety and health Democratic communication 	<ul style="list-style-type: none"> Protecting employee rights Transparent remuneration system Clear promotion system Strengthening democratic management Enhancing employee care
 Government and Regulatory Agencies	<ul style="list-style-type: none"> Lawful operations Regulatory requirements National development policies 	<ul style="list-style-type: none"> Compliance with laws and regulations Cooperation with regulatory inspections Periodic and ad-hoc information disclosure Monitoring national policy developments
 Supplier	<ul style="list-style-type: none"> Supply chain management Cooperation based on integrity and friendship 	<ul style="list-style-type: none"> Transparent and responsible procurement Supplier management and evaluation
 Industry	<ul style="list-style-type: none"> Technological innovation 	<ul style="list-style-type: none"> Industry exchange Industry-academia-research cooperation
 Community and Public	<ul style="list-style-type: none"> Social welfare Rural revitalization 	<ul style="list-style-type: none"> Charitable donations Volunteer activities
 Environment	<ul style="list-style-type: none"> Low-carbon operations Environmental protection initiatives 	<ul style="list-style-type: none"> Green factory Environmental management Energy conservation and emission reduction Three-waste treatment Environmental protection promotion

Materiality Analysis

Guided by national policies, industry trends, and our own strategic priorities, we have systematically analyzed, identified, and assessed ESG-related topics. This process involved comprehensive consideration of stakeholder concerns, reference to mainstream rating frameworks such as MSCI ESG and Wind ESG, and close collaboration between external experts and our internal project team. Building on this foundation—and in full alignment with the Shenzhen Stock Exchange's Self-Regulatory Guidelines No. 17 for Listed Companies—Sustainability Report (Trial)—we have refined and optimized our topic framework to develop an ESG materiality matrix. This matrix enhances the relevance and completeness of our sustainability disclosures, enabling us to better focus on core sustainable development issues, proactively address stakeholder expectations, and continuously strengthen our sustainable development management.



Material Topic Identification Results



1	Board of Directors operations	14	Technology ethics
2	Compliance and risk management	15	Occupational health and safety
3	Investor relations management	16	Employee rights and welfare
4	Intellectual property protection	17	Employee training and development
5	Anti-bribery and anti-corruption	18	Industry cooperation and development
6	Anti-monopoly and unfair competition	19	Social contribution
7	ESG/sustainable development management	20	Rural revitalization
8	R&D and innovation	21	Environmental compliance management
9	Product quality and safety	22	Addressing climate change
10	Customer service and rights protection	23	Energy and resource management
11	Supply chain management	24	Emissions and waste management
12	Fair treatment of SMEs	25	Green office and operations
13	Data security and customer privacy protection	26	Biodiversity conservation

Robust Governance

Solidifying the Foundation for Development

We adhere to the principles of standardized operations and sound management. We continuously enhance our governance structure and management mechanisms to foster a governance system characterized by clear responsibilities and operational efficiency. Focusing on key areas—including corporate governance, investor relations, internal control, business ethics, and information security—we strengthen institutional safeguards and risk management to enhance operational transparency and compliance, thereby supporting our long-term, stable development.

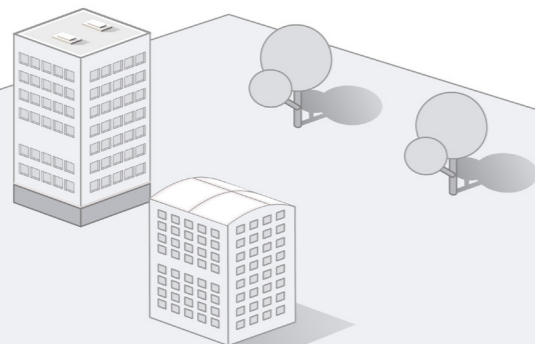
Corporate Governance

Investor Relations Management

Internal Control

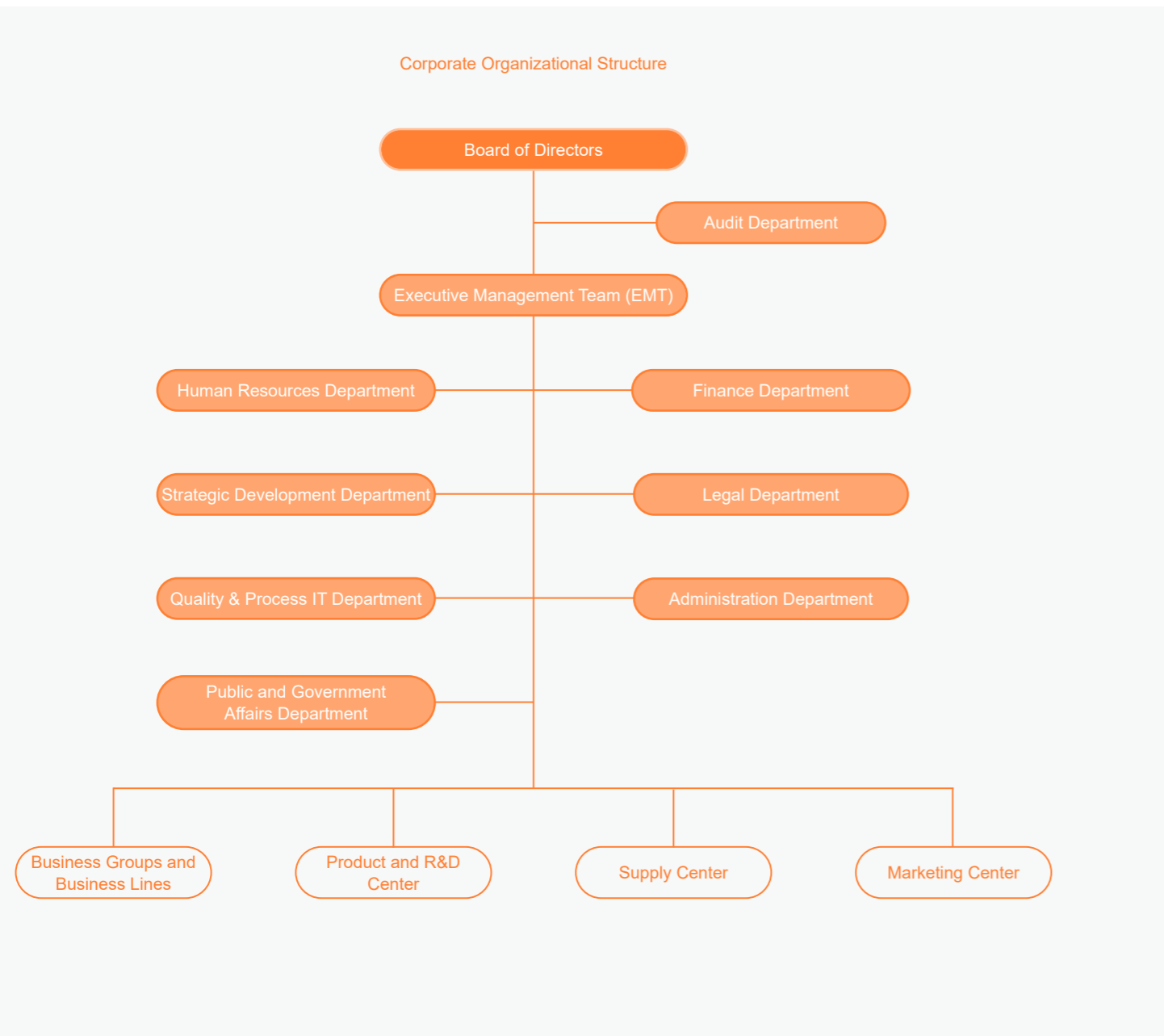
Business Ethics

Information Security



Corporate Governance

We strictly comply with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules Governing the Listing of Stocks on the ChiNext Market of the Shenzhen Stock Exchange, and other applicable laws, regulations, and our Articles of Association. We continuously refine our corporate governance structure and decision-making mechanisms, standardizing the division of responsibilities and operational procedures among the General Meeting of Shareholders, the Board of Directors, and Senior Management. We have established a clear governance framework in which the General Meeting of Shareholders serves as the supreme authority, the Board of Directors as the decision-making body, and Senior Management as the executive body. This structure explicitly defines the boundaries of authority and responsibility for each governance entity to ensure standardized, efficient, and accountable operations. Concurrently, we are committed to enhancing the professionalism and diversity of our Board of Directors, leveraging an independent and standardized decision-making mechanism to strengthen governance effectiveness and provide a robust institutional foundation for our stable operations and long-term strategic execution.



General Meeting of Shareholders

In strict accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules Governing the Listing of Stocks on the ChiNext Market of the Shenzhen Stock Exchange, and our Articles of Association, we standardize the procedures for convening, holding, and voting at General Meetings of Shareholders. We treat all shareholders equitably, ensuring that every shareholder—particularly minority shareholders—can fully exercise their rights to information, participation, and voting. This upholds the legality and validity of meeting resolutions and effectively safeguards shareholder rights.

Board of Directors

We elect directors in accordance with the procedures stipulated in relevant laws, regulations, and our Articles of Association, ensuring that the size and composition of the Board of Directors meet all applicable regulatory requirements. We have established a comprehensive operational mechanism and internal management system for the Board, clearly defining its duties and authority. This enables directors to fulfill their responsibilities diligently, exercise sound judgment in decision-making, and actively engage in the work of the Board and General Meetings of Shareholders—thereby effectively safeguarding the long-term interests of our company and all shareholders.

Case Study: Special Topic Training on Corporate Governance

In April 2025, we organized a specialized training session on corporate governance, attended by several directors and senior executives. We were honored to invite Professor Weijun Ge—an independent director of our company and a professor at the School of Law, Fudan University—to deliver a keynote lecture titled Revisions to the New Company Law and Their Implications for Corporate Governance and the Duties of Directors, Supervisors, and Senior Management. From a legal and compliance perspective, the session deepened participants' understanding of the latest regulatory requirements and further strengthened their capacity to conduct operations in a standardized manner and fulfill their fiduciary duties effectively.

Training Session

Key Performance

During the reporting period, we held **13** Board meetings, **6** Audit Committee meetings, **12** Remuneration and Appraisal Committee meetings, and **1** Strategy and Investment Committee meeting, with an average board attendance rate of **100%**.

Board Diversity and Independence

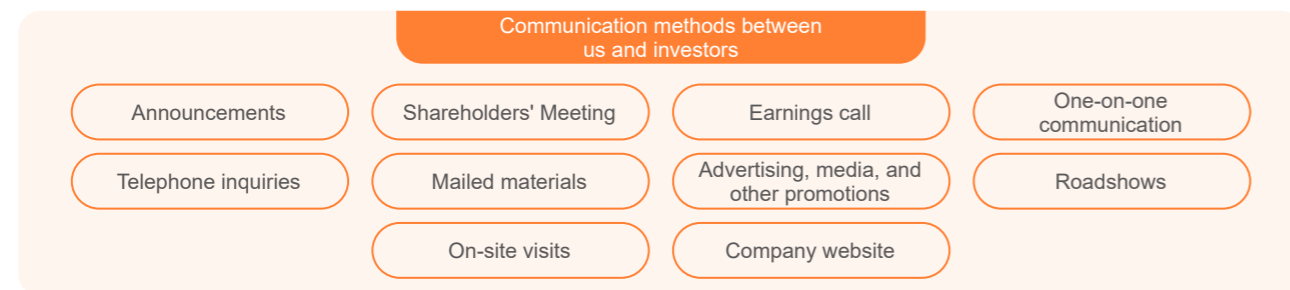
Our Board of Directors includes 3 independent directors, 1 employee representative director, and 1 female director. Board members possess diverse academic and professional backgrounds, covering various fields such as business management, accounting, and law. This ensures board diversity, providing a wealth of experience and perspectives for decision-making and helping to improve its quality. At the same time, we have formulated the Independent Director Work Guidelines, enabling independent directors to perform their duties independently, safeguard the overall interests of our company, and pay special attention to protecting the legitimate rights and interests of minority shareholders, thus ensuring the independence and objectivity of decision-making.



Investor Relations Management

We place great importance on information disclosure and investor relations management. In accordance with relevant laws, regulations, and the Articles of Association, we have formulated the Information Disclosure Management System, the Investor Relations Management System, and the Market Value Management System. By standardizing information disclosure procedures and strengthening internal management, we effectively protect the legitimate rights and interests of investors. We also clarify the principles, content, division of responsibilities, and communication methods for investor relations management, continuously enhancing corporate governance transparency and market communication to provide institutional support for our standardized operations and high-quality development.

Communication Methods Between Us and Investors



Case Study: Ongoing Investor Reception Day Activities

In 2025, we continued to enhance our investor interaction mechanisms by holding three in-person open Investor Reception Day events in April, August, and October, welcoming a total of 237 investors. Our management engaged in in-depth discussions with investors on topics such as industry development trends, corporate strategic planning, operating performance, and business progress, further enhancing information transparency. Additionally, we maintained an open investor hotline, with dedicated personnel responsible for handling inquiries and following up on issues to promptly address investor concerns. This has established a regular communication and feedback mechanism, continually strengthening investor trust. During the reporting period, we answered a total of 58 questions on the Hudongyi platform – the official investor interaction platform.

Internal Control

We consider the development of our internal control system a crucial foundation for standardized operations and risk management. By continuously improving our systems and management mechanisms, we enhance our operational management and risk prevention capabilities. We have established an internal control system covering all business segments to ensure that business activities are legally compliant, assets are secure and complete, and financial information is true and accurate. At the same time, we strengthen our tax and financial management and standardize business processes to effectively protect the legitimate rights and interests of us, our shareholders, and creditors.



Governance

We continuously improve our internal control governance structure. Under the leadership of the Board's Audit Committee, we have established an internal control management system organized and implemented by management and independently supervised and evaluated by the Audit Department. As the lead department for internal control management and evaluation, the Audit Department is responsible for developing, executing, and tracking the rectification of internal audit plans to ensure the effective operation of the internal control system. We have formulated and implemented management documents such as the Internal Control Management Manual and the Internal Audit System, which standardize control requirements, division of responsibilities, and supervision mechanisms for various business processes. This has created a comprehensive system covering key areas such as procurement, sales, capital, finance, and taxation, continuously enhancing the level of operational standardization and risk prevention capabilities.



Strategy

We regard the development of our internal control system as vital support for enhancing governance capabilities and achieving our globalization strategy and sustainable development goals. We continuously promote the deep integration of internal control with business management, ensuring stable business operations by strengthening process management and risk identification. We focus on the management requirements of the internal control system in terms of compliance, accuracy, security, and process effectiveness. We also view the optimization of the internal control system as a significant opportunity to improve management efficiency, reduce operating costs, and enhance risk resilience. Through process standardization and refined management, we continuously improve our operational quality and governance standards.

Impact, Risk, and Opportunity Management

We combine internal and external audits to regularly assess and continuously improve the operation of our internal control system.

Internal audits

Internal audits are organized and implemented by the Audit Department, which conducts special audits focusing on key areas such as procurement management, fund management, and tax management. By developing an annual audit plan and employing methods like walk-through tests, sample inspections, and interviews, the Audit Department carries out an end-to-end review of business procedures to identify key risk points and propose recommendations. For high-risk areas, we appropriately increase the frequency of audits. Through issuing audit reports, defining corrective measures, and tracking their implementation, we promote continuous optimization of management processes in relevant departments, achieving a closed-loop management system for issue rectification and mechanism improvement.

External audits

External audits are conducted by qualified accounting firms, typically in conjunction with the annual financial report audit, to independently evaluate the design and operating effectiveness of internal controls related to financial reporting and to issue an internal control audit report. We promptly carry out remediation of deficiencies based on external audit findings and further enhance our internal control system by incorporating professional recommendations. Through information sharing and collaboration, internal and external audits effectively integrate process supervision with independent verification, jointly driving the continuous optimization of our internal control system.

Case Study: Regular Internal Audits

We place great importance on the effectiveness of our internal control system. Through the Audit Department, we conduct regular audits of all subsidiaries and key business functions to ensure operational compliance and asset security. In 2025, we carried out in-depth internal audits of subsidiaries across multiple provinces and in specialized areas such as fund management. The audit scope covered core aspects including organizational structure, human resources, fund activities, procurement, asset management, sales, financial reporting, comprehensive budgeting, information disclosure, guarantee management, and related-party transactions. We have established a rigorous closed-loop mechanism—"Discovery—Communication—Rectification—Closure"—with clearly defined responsible parties and rectification deadlines. The Audit Department continuously tracks and reviews the effectiveness of implemented corrective actions. Through this ongoing cycle of internal supervision and management optimization, we have further strengthened our risk early-warning and response capabilities, ensuring steady improvement in our overall corporate governance standards.

Indicators and Targets

We continue to strengthen the management of internal control effectiveness, ensuring the timely execution of our annual internal audit plan and driving problem rectification and process optimization based on audit findings. During the reporting period, we cooperated fully with external audit firms as required to complete the annual internal control audit and issue the relevant reports. Overall, our internal control system operated effectively, with no material weaknesses identified. Looking ahead, we will further refine our risk identification and assessment mechanisms, continuously enhancing our internal control management capabilities and strengthening our overall risk prevention framework.

📊

Key Performance

During the reporting period, we conducted

35

internal audits.

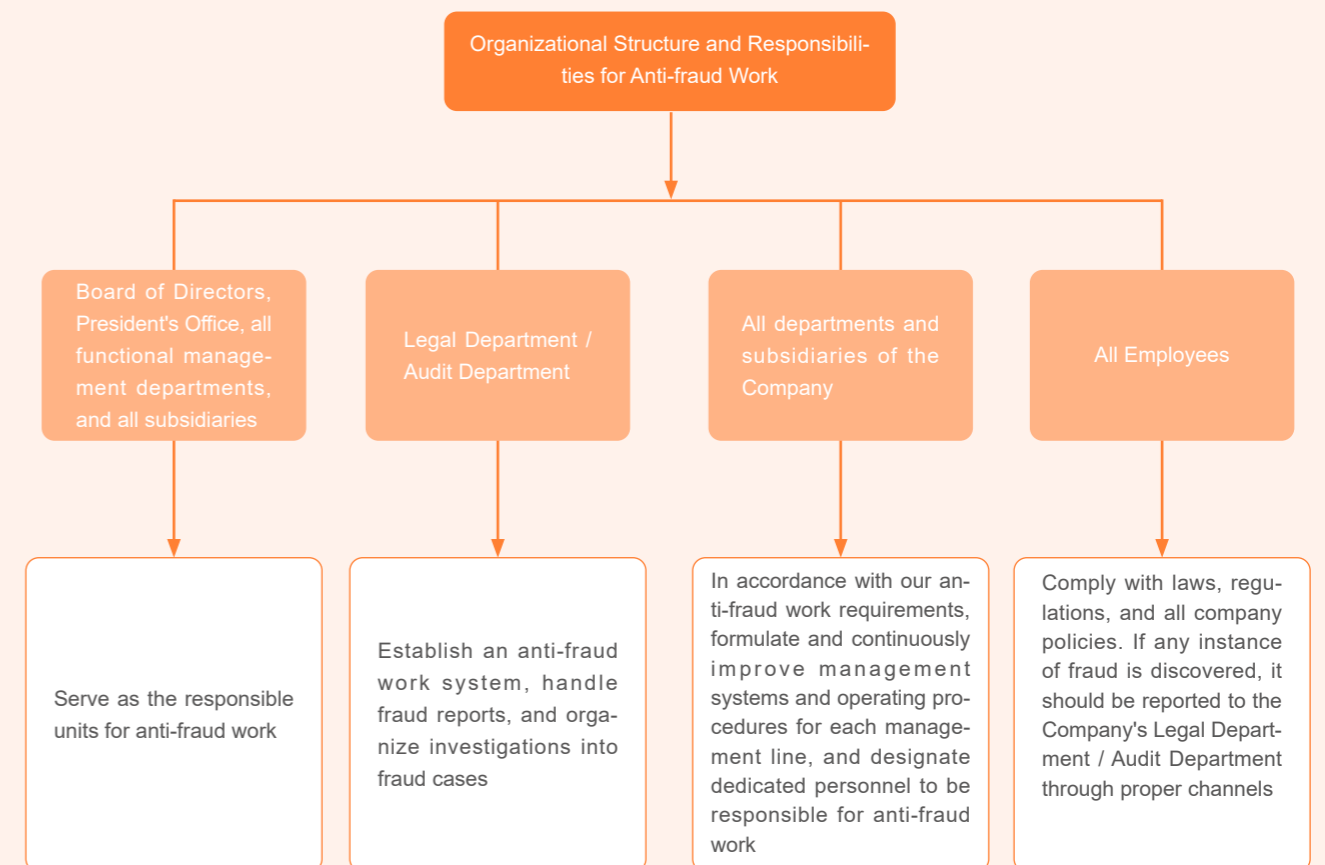
Business Ethics

We regard business ethics and operational compliance as a fundamental pillar of sustainable development and are steadfast in our commitment to cultivating a corporate environment characterized by integrity, transparency, and standardization. To this end, we have implemented a comprehensive anti-fraud management system that spans risk prevention, detection, response, and continuous improvement. We regularly deliver business ethics and compliance training programs to reinforce and deepen employees' awareness of regulatory requirements and ethical conduct. Maintaining a zero-tolerance stance toward corruption and bribery, we have established a secure and confidential reporting channel coupled with a robust whistleblower protection mechanism. This encourages internal oversight and ensures that all business activities are conducted in strict accordance with applicable laws and regulations.

Anti-Bribery and Anti-Corruption

We have formulated and implemented key policy documents—including the Anti-Fraud Management Measures and the Business Ethics and Anti-Corruption Policy—which clearly define management requirements and standards for anti-bribery and anti-corruption efforts across the organization. A comprehensive, full-process integrity risk management mechanism has been established, encompassing risk prevention, identification, investigation, and rectification. The Audit Department is entrusted with organizing and conducting regular supervision and inspections related to business ethics. It also leads special investigations into suspected cases of fraud, bribery, or conflicts of interest, and actively drives corrective actions and management enhancements. Through these structured measures, we continuously strengthen our capacity to prevent, detect, and mitigate integrity-related risks, reinforcing a culture of accountability and ethical conduct throughout the Company.

Organizational Structure and Responsibilities for Anti-fraud Work



Compliance Management for Business Partners

We consider the management of business partners a crucial part of our integrity risk prevention and control. We have formulated and issued the Supplier Code of Conduct, requiring partners such as suppliers, distributors, and agents to comply with anti-bribery, anti-corruption, and other compliance requirements. In managing anti-bribery and anti-corruption, we include business partners within the scope of our internal audits. Through a full-process management mechanism that includes pre-engagement due diligence, in-process transaction monitoring, and post-transaction verification, we review partner qualifications, contract compliance, transaction reasonableness, and fund flows at least once a year.

For high-risk areas, we conduct special audits as appropriate and refine cooperation management requirements or adopt corresponding risk control measures based on the inspection results. At the same time, we establish and regularly update compliance files for business partners to continuously improve our cooperation risk management level.

Scope of Regular Procurement Audits



Reporting Channels and Whistleblower Protection Mechanism

We have established multi-channel reporting mechanisms to encourage employees and external partners to report suspected violations, either by name or anonymously. We promptly investigate and verify reported matters and strictly implement a whistleblower protection system, prohibiting the disclosure of whistleblower information or any form of retaliation, thereby fostering a compliance culture of openness, transparency, and courageous supervision.

Complaint and Reporting Channels



Training and Awareness

We regularly conduct awareness campaigns on business ethics and integrity compliance. Through internal announcements, feature articles, and multi-channel awareness activities both online and offline, we strengthen the compliance awareness of all employees, ensuring they understand policies on anti-fraud, anti-bribery, and fair competition, and promote an integrity culture of full compliance and proactive prevention.

Key Performance

During the reporting period, **100%** of employees signed the Integrity Commitment Letter.

During the reporting period, we had **no** major incidents of commercial bribery or corruption-related violations, **nor were there any instances** of being investigated by competent authorities for such issues or having contracts with business partners terminated or not renewed.



在商业合作的道路上，供应商行为准则如同交通信号灯，明确指引着前行方向。

1 供应商行为准则-制定目的

规范背景: 在商务合作过程中，频繁面临供应商赠送礼品或邀约宴请的情况，由于缺乏明确的拒绝依据，致使此类行为逐渐常态化。

潜在风险: 这种现象不仅会给供应商带来额外的商务负担，也会对员工个人造成心理压力，同时还可能引发潜在的利益关联风险。

准则目的: 公司制定并推行供应商行为准则，旨在为全体员工提供清晰明确的行为规范与合规依据，确保商务合作活动在公平、透明、合规的环境下有序开展。

Business Ethics Awareness Campaign -- Supplier Code of Conduct: The "Traffic Lights" of Business Cooperation

Anti-Unfair Competition

We strictly abide by laws and regulations related to anti-monopoly and anti-unfair competition. We require all employees to adhere to the principle of fair dealing in their business interactions with customers, suppliers, competitors, and government agencies, and prohibit obtaining benefits through information manipulation, abuse of resources, or other improper means. This ensures that all business activities comply with fair and proper business practices and maintain a healthy market order.

Our Fair Competition Principles

We require employees to adhere to the following principles in all business dealings with customers, suppliers, and competitors:

- Fully respect the legitimate rights and interests of all parties and adhere to the principle of fair trade
- Strictly prohibit all forms of improper business conduct, including but not limited to illegal and non-compliant activities such as information manipulation, abuse of privilege, and misrepresentation of facts
- Ensure that all business activities comply with internationally accepted fair competition standards and strictly adhere to the anti-unfair competition laws and regulations of the countries/regions where the Company operates, in order to support the creation of a sustainable business ecosystem and achieve win-win outcomes for all parties

Key Performance

During the reporting period, we had **zero** cases of litigation or major administrative penalties resulting from unfair competition.

Information Security

We attach great importance to information security and data protection, viewing them as a critical foundation for ensuring stable business operations and maintaining customer trust. By improving management systems, strengthening technical safeguards, and standardizing operational procedures, we continuously enhance our information security management, effectively preventing network and data security risks, ensuring the safe and stable operation of information systems, and providing reliable support for our digital development.

Information Security Management System

To strengthen information security governance and ensure robust business operations, we have formulated the Information Security Policy and Strategy. In alignment with national information security policies and classified protection requirements, we have established a comprehensive, multi-layered information security management system covering data classification, access control, encryption technology, and system operations management—ensuring the integrity, confidentiality, and availability of our information systems.

To ensure the effective operation of this system, we have also established policy documents such as the Composition and Responsibilities of the Information Security Leading Body, the Authorization and Approval Management System, and the Security Inspection and Audit Management System, which clearly define the division of labor and responsibilities within the management team. The information security management team comprises a 27-member leadership group responsible for coordinating the formulation, implementation, and supervision of information security strategies.

Responsibilities of the Information Security Management Team



During the reporting period, we obtained ISO/IEC 27001 certification. Leveraging the “PDCA” (Plan–Do–Check–Act) model—combined with internal audits, third-party assessments, and vulnerability scanning—we continuously optimize our information security processes, proactively identify and mitigate potential risks, and provide a robust foundation for stable and sustainable business development.

Information security management objectives

Information security management objectives	2025 achievement status
To maximize the protection of the integrity, confidentiality, and availability of information systems from damage.	Achieved
To ensure the occurrence frequency of major information security incidents (Level II) is minimized within a controllable range, with a target of “0” incidents per year.	



Information Security Management System Certification

Organization and Emergency Management

We have established an information security management team, consisting of an Information Security Leadership Group, responsible for policy formulation, implementation, and supervision to ensure the continuous and effective operation of the system. For sudden security incidents, we have built a comprehensive emergency management system, including documents such as Management of Monitoring and Security Management Center, Network Security Management System, System Security Management System, Security Incident Reporting and Handling, Storage Media Management System, and Information System Emergency Plan. This is supplemented by technical measures such as access control, log analysis, firewalls, and a security awareness platform to ensure business continuity and information security.

Information Security Protection Measures

To further strengthen our information security management, this year we upgraded our existing encryption system and integrated terminal management functions, effectively reducing the risk of data leakage from terminal devices. We monitor and control network traffic using technical facilities such as firewalls and user behavior management tools, and utilize the MSS online security service platform to monitor network-wide attack behaviors in real-time, providing timely warnings and responses to potential risks. During the reporting period, we conducted 2 network-wide vulnerability scans and 1 attack-surface scan, and remediated and reinforced the identified issues, further enhancing the overall security and protection capabilities of our systems.

Awareness and Training

We strengthen all employees' information security awareness and privacy protection capabilities through internal communication, special topic articles, and online and offline campaigns. In accordance with the requirements of systems like the Information System Personnel Management System and the Information Security Training Management System, we systematically enhance the professional quality and risk control capabilities of personnel in information-related positions, starting from both onboarding and training management. The training content covers key areas such as data classification, risk identification, and interpretation of privacy policies to ensure that employees handle data processing activities in compliance with regulations in their daily work. We formulate an annual information security training and awareness plan, requiring all employees to participate in at least one basic training session and assessing its effectiveness through examinations. Additionally, specialized training is conducted for mid-level managers and above to enhance their understanding and promotion of the construction and implementation of the information security management system, thereby reducing the risk of errors, fraud, and data leakage at the source.



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! 警惕邮件风险, 筑牢安全防线
警惕邮件风险, 筑牢安全防线

Information Security Training and Awareness

Key Performance

During the reporting period, we had 0 confirmed data security incidents and 0 confirmed customer privacy breaches.

Technology Leadership

Advancing Innovation and Quality Manufacturing

CHC Navigation adheres to technological innovation and quality management as its core driving forces, deeply integrating innovation capability building with excellent quality control to continuously enhance the core competitiveness of its products and services. By strengthening R&D investment, improving our intellectual property management system, and building a comprehensive quality management mechanism, we consistently promote the transformation of technological achievements and the upgrading of product quality. We empower development through innovation and win the market with quality, driving us toward stable and sustainable growth.

Innovation-Driven Development

Intellectual Property Protection

Product Quality



Innovation-Driven Development

CHC Navigation has always adhered to technological innovation as its core growth engine, committed to building a multi-dimensional technology matrix and a global R&D network. Through the deep integration of international innovation resources, the development of a professional talent pipeline, and the promotion of industry-academia-research collaboration, we have formed a full-chain innovation ecosystem encompassing key technology breakthroughs, green product applications, and the commercialization of scientific and technological achievements. While pursuing technological excellence, we strictly abide by technology ethics, striving to achieve a harmonious balance between technological progress and social responsibility.

Governance

We have built a three-catalog architecture based on the IPD system to clarify business layers and enhance product competitiveness and technology platform capabilities. As the core technical force, our R&D department oversees multiple business units and specialized technical teams, covering key areas such as high-precision positioning, intelligent equipment, and spatio-temporal information. Concurrently, through a model of product-driven development, platform support, and collaborative innovation among professional teams, we continuously optimize R&D efficiency and coordination, supporting technological breakthroughs and industrial development.

Strategy

We have proposed an R&D strategy of "three core technologies and three platforms," driven by high-precision positioning technology. This strategy focuses on three key technological areas: positioning and navigation, perception and measurement, and intelligent control. It aims to progressively build three foundational technological platforms: a chip platform, the Global Satellite-Ground Integrated Augmentation Service platform PointX, and an intelligent control platform. The goal is to forge core competitiveness, drive continuous business innovation, and lay a solid foundation for our future development.

In the process of advancing technological innovation and implementing our R&D strategy, we have identified potential risks that could affect R&D efficiency, technological breakthroughs, and the commercialization of results. We also focus on the market and technological opportunities that innovation brings. To ensure the steady progress of R&D activities, we regularly assess R&D-related risks and opportunities and formulate targeted countermeasures and strategic plans. This approach guarantees continuous technological innovation, orderly project progression, and the achievement of sustainable development.

Identified R&D-Related Risks

Risk type	Risk name	Risk description	Potential financial impact	Response measures
Supply chain risk	Stability of core component supply	The supply of core components may be affected by changes in the external environment	May have a certain impact on costs and delivery schedules	Continuously improve supply chain management and promote diversified supply assurance
Regulatory risk	Technical standards and compliance	Technological development may face updates to standards or regulatory requirements	May lead to compliance investments or project adjustment needs	Establish compliance assessment processes and closely monitor policies and regulations
Talent risk	Stability of the R&D talent team	The turnover of R&D talent may have a certain impact on project progress	May have a certain impact on R&D progress and efficiency	Establish a multi-level talent pipeline and improve incentive and development mechanisms
R&D management risk	R&D project management	There may be challenges in collaboration and management	May have a certain impact on the efficiency of resource allocation	Establish a project management system, unify R&D processes, and conduct regular progress reviews

Identified R&D-Related Opportunities

Opportunity type	Opportunity name/Risk name	Opportunity description	Potential financial benefits	Implementation measures
Technological innovation	Leadership in core technologies	Breakthroughs in high-precision positioning and intelligent control technologies	Growth in new product revenue and increased market share	Increase R&D investment and promote the rapid commercialization of results
Market expansion	Emerging application fields	Products can be applied in emerging markets such as smart cities, autonomous driving, and unmanned systems	Growth in product sales revenue	Focus on industry application scenarios and develop customized solutions
Industry collaboration	Industry-academia-research cooperation	Collaborate with universities and research institutions on key projects to achieve technology sharing and commercialization of results	Reduced R&D costs and faster time-to-market	Establish joint laboratories and research platforms to promote the integration of industry, academia, and research
Green R&D	Energy-saving and eco-friendly technologies	Low-power consumption and eco-friendly designs enhance product competitiveness	Enhanced brand value and policy support	Integrate green design concepts into product development and strive for certifications and awards

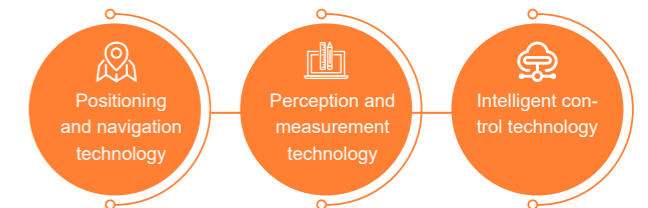
Impact, Risk, and Opportunity Management

In the face of evolving industry technological changes, increasingly stringent environmental regulations, and global talent competition, we consistently integrate risk management and opportunity identification deep into our R&D and innovation system. We capture opportunities from the upgrading of the BeiDou industry through forward-looking technological positioning, mitigate risks from technological iteration by relying on our deep R&D talent pipeline, and incorporate green and ethical standards into product design. This ensures that while technological innovation drives business growth, it also creates sustainable social value.

Forward-Looking Technology Layout

As a leading enterprise in China's high-precision satellite navigation and positioning industry, we focus on BeiDou high-precision spatio-temporal intelligent information and have proactively established our presence in core technology areas including positioning and navigation, perception and measurement, and intelligent control.

Technology Layout



Core Technology Applications

We specialize in the research, development, manufacturing of related products, and industrial application of positioning and navigation, perception and measurement, and intelligent control technologies. Our core technologies are widely applied in mature industries such as surveying and mapping and natural resources, as well as in emerging fields like smart cities, autonomous driving, and artificial intelligence. Currently, we have established four major application segments, including Agricultural Machinery Navigation and Robotics, Geospatial Information and Spatio-temporal Intelligence, Smart and Digital Construction, as well as Spatio-temporal Perception and Positioning Services to provide comprehensive products and solutions.

R&D Team Building

We have built a high-caliber R&D team of 879 professionals, with doctoral and master's degree holders forming our core. Our professional backgrounds cover multiple cutting-edge fields, including satellite navigation, computer science and technology, and mechanical engineering. With deep technological expertise and an innovative spirit, our team is internationally competitive in its respective fields, ensuring our sustained competitive advantage in technological iteration and product development. In terms of talent cultivation, we implement a special training program for distinguished engineers, pilot reforms in engineering doctoral and master's degree programs, and have established a multi-level talent development pipeline supported by our R&D talent development plan.

Industry-Academia-Research Cooperation

We collaborate closely with universities and research institutions, having established a postdoctoral research workstation and an academician and expert workstation to build an integrated industry-academia-research platform that promotes the commercialization of academic achievements and technological innovation. We actively foster university-enterprise cooperation, establishing joint training programs with top domestic universities such as Shanghai Jiao Tong University, Tongji University, and Beijing Jiaotong University, and have enrolled several cohorts of engineering master's and doctoral students. We, along with the students and their academic supervisors, jointly select project topics before the students' internships. Students are co-supervised by university professors and corporate mentors to complete their projects, ensuring that their professional expertise and practical skills are highly aligned with our needs.

In 2025, our university-enterprise cooperation was further deepened and solidified. We actively participated in the Shanghai Science and Technology Commission's Explorer Program, collaborating with universities such as Tongji University, Shanghai Jiao Tong University, East China Normal University, and Shanghai Ocean University to conduct basic research on common industry challenges, including geological deformation monitoring, low-orbit integrated positioning, and perception in unstructured environments. In terms of commercializing industry-academia-research achievements, we have utilized horizontal project commissioning to target key R&D areas such as high-precision inertial navigation algorithms and multi-source trustworthy PNT. This approach effectively reduces R&D costs while enabling the efficient industrialization of university technologies.

Integration of International Resources

We are simultaneously advancing our international R&D layout by establishing an R&D center in the United Kingdom, which focuses on GNSS technology innovation. The center maintains close collaborations with top UK universities, dedicating its efforts to developing efficient and innovative GNSS solutions to continuously enhance positioning accuracy and reliability. With data analysis at its core, our R&D work constantly optimizes positioning algorithms and technological applications, providing advanced and reliable support for high-precision positioning.

Green Design Philosophy

We are committed to integrating a green design philosophy into our entire product lifecycle management, viewing it as a core consideration in R&D and innovation. During the design and production stages, we strictly select environmentally friendly raw materials that comply with RoHS standards to ensure all our products are non-hazardous, thereby minimizing negative environmental impact from the source. Furthermore, we actively promote the deep integration of technological innovation and environmental standards. Several of our products have been certified by authoritative bodies and have received environmental certificates, achieving a synergistic development of business performance and ecological protection.



China Environmental Labelling (Type II) Product Certification

Adherence to Technology Ethics

We strictly adhere to tech ethics and ethical standards throughout the entire R&D lifecycle, committed to providing global users with safe and reliable solutions for precise spatial information perception and navigation. Our core research currently focuses on robotics and autonomous driving, with a priority on industrial applications in closed or semi-closed operational scenarios. Leveraging artificial intelligence models, we conduct in-depth innovative research on autonomous driving algorithms and high-precision non-contact measurement technologies, aiming to significantly enhance industry productivity through intelligent means. Throughout the technological iteration process, we consistently uphold the principle of "technology for good." Our current research scope is strictly confined to non-sensitive decision-making areas and does not involve ethical risks related to human safety decisions or highly sensitive human-computer interactions, ensuring a harmonious coexistence between technological development and human value systems.

Indicators and Targets

Through continuous R&D investment and technological innovation, we constantly enhance our core technical capabilities and product competitiveness, striving to maintain a leading domestic position and approach advanced international standards in the fields of high-precision navigation, intelligent equipment, and spatio-temporal information. Our R&D activities are geared toward promoting the commercialization of scientific and technological achievements, broadening, and deepening the application of our technologies, and advancing green design and sustainable development—thereby providing solid support for our long-term business growth.

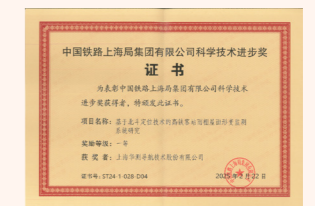
Key Performance

During the reporting period, our R&D expenditure totaled about **RMB 557.997 million**, representing **15.08%** of operating revenue.

We have **879** R&D personnel, representing approximately **38%** of the total number of employees.

Honors Related to Innovative R&D

- In February 2025, we won the First Prize of the China Railway Shanghai Group Co., Ltd. Science and Technology Progress Award for the research on a deformation monitoring system for high-speed railway station canopy roofs based on positioning technology
- In April 2025, we won the First Prize of the Disaster Prevention Science and Technology Award (Innovation and Application Award) for key technologies for rapid closure of large levee breaches and their application in the Tuanzhouyuan emergency response
- In September 2025, our Shoujing Z8 Radar-Vision Fusion Multi-Point Displacement Monitoring Instrument won the "CIIF High-Tech Engineering Award".
- In November 2025, a technological achievement of we were selected for the 2025 Guiding Catalog of Key Advanced and Practical Water Conservancy Technologies for Promotion
- In December 2025, the projects "Key Technologies and Applications for the National Geological Disaster Monitoring and Early Warning System" and "Key Technologies for BDS/GNSS All-Frequency High-Precision Positioning and Development of Domestic Equipment", in which we participated, both received the First Prize of the Natural Resources Science and Technology Progress Award



2025 年度水利先进实用技术重点推广指导目录

序号	技术名称	推广单位
41	基于北斗高精度定位的水利工程智能监测系统	上海华测导航技术股份有限公司, 水利部南京水利科学研究院

2024 年度自然资源科学技术奖获奖成果

序号	项目名称	完成单位	获奖等级
29	基于北斗高精度定位的水利工程智能监测系统	上海华测导航技术股份有限公司, 水利部南京水利科学研究院	一等奖
44	国家自然资源督察上海专员办	自然资源部督察上海专员办	一等奖

Intellectual Property Protection

We place great importance on intellectual property management, considering it a crucial component of our innovation-driven strategy and core competitiveness. To safeguard our technological achievements, we have established a systematic intellectual property management system, which, combined with incentive mechanisms, training, and awareness activities, encourages our R&D team to innovate continuously and strengthens their awareness of confidentiality. During the reporting period, we obtained certification for our Intellectual Property Compliance Management System.



Intellectual Property Compliance Management System Certification

Key Honors

In October 2025, we won the 5th Shanghai Intellectual Property Innovation Award



Shanghai Intellectual Property Innovation Award (Creation)

R&D Incentive System

To stimulate the enthusiasm and creativity of our R&D personnel, we have developed a comprehensive, multi-level incentive matrix that covers everything from output results to process contributions. This system is designed to enhance our ability to attract and retain top-tier technology talent.

Intellectual Property Incentives

We have formulated the Intellectual Property Reward Management Measures to provide differentiated rewards for achievements such as software copyrights, invention patents, and academic papers. This initiative aims to stimulate the innovative drive of our R&D personnel, ensure a continuous output of intellectual property, and promote technological innovation and our long-term development.

General Principles of Intellectual Property Incentives



- We provide cash rewards to employees who actively participate in intellectual property applications and achieve corresponding results
- Intellectual property achievements serve as an important basis for technical title evaluations, job appointments, promotions, and other rewards
- At the end of each year, we conduct an award evaluation for the intellectual property achievements of the year, recognizing and rewarding departments and individuals who have excelled in meeting IP targets
- If any employee misappropriates a service invention for personal gain, we will pursue legal action against the responsible individual and seek economic compensation in accordance with the losses incurred by us

Timely Incentives for the R&D Center

We have established a timely incentive program for our R&D Center. This program covers multiple dimensions, including quality rewards, value-based demand rewards, knowledge contribution awards, and process optimization awards. We select and reward outstanding employees on a quarterly basis to motivate our R&D team to achieve continuous improvement.

R&D Center Timely Incentive Program



Intellectual Property Training and Awareness

We regularly organize intellectual property training and awareness activities—including systematic training sessions, online quizzes, and an IP Month campaign—to enhance all employees' legal awareness and ability to protect innovative achievements.



Poster for the IP Month Campaign



Intellectual Property Training

Key Performance

During the reporting period, we conducted **3** intellectual property-related training sessions, covering approximately **200** employee attendances.

Product Quality

We have always regarded quality as our lifeline and brand promise, committed to providing customers with stable, reliable, and high-performance products and services. Through a comprehensive governance system, a clear quality strategy, strict management mechanisms, and continuous employee training, we consistently optimize our quality control processes and management practices. We promote full employee participation and continuous improvement, ensuring product quality from system to execution and thereby strengthening customer trust and corporate competitiveness.

Governance

Guided by the philosophy of "Making CHC Navigation a Trustworthy Organization and Its Products Synonymous with High Quality", we have established a comprehensive quality governance system. By formulating a series of policies, including the Nonconforming Product Control Procedure and the Product Protection Control Specification, we have provided a solid institutional foundation for quality control. In terms of governance structure, the Quality Committee serves as the highest decision-making body, responsible for approving quality policies, setting objectives, reviewing major improvement projects, and determining the classification and accountability for quality issues, ensuring that quality management decisions are both scientific and efficient. We strictly implement primary quality responsibility, designating business heads as the first persons responsible for quality, thereby driving a quality-first mindset among all employees and creating a top-down closed loop of accountability. During the reporting period, we obtained ISO 9001 Quality Management System certification.



Quality-Related Management System Certification

Strategy

We adhere to the philosophy of "Making CHC Navigation a Trustworthy Organization and Its Products Synonymous with High Quality," viewing quality as the cornerstone of our survival and the core reason customers choose us. We are committed to communicating customer quality requirements and expectations throughout the entire value chain, driving quality improvement across all personnel and processes to ensure the high quality and sustainable development of our products and services.



Quality Strategy

- We regard quality as the lifeblood of the enterprise; it is the cornerstone of our value proposition and brand image, as well as the foundation for building long-term and important customer relationships and loyalty.
- We create high-quality products, center on the end-user experience, and build quality in terms of results, processes, and business reputation across four dimensions: systems, products, components, and processes.
- We foster a quality culture that respects rules and processes, gets things right the first time, and pursues continuous improvement.
- We accurately convey customer requirements and expectations to partners and manage them effectively, building high quality and sustainable development throughout the value chain.
- We respect professionalism, advocate for craftsmanship, and build world-class expert teams in all fields.
- Everyone pursues quality in their work, refusing to create, pass on, or accept work outputs that do not meet requirements; no cover-ups, no shirking responsibility, no falsification, and a commitment to fact-based decision-making and problem-solving.
- We implement managers' primary responsibility for quality, build a quality assurance system based on processes, and establish a comprehensive quality management system adaptable to future development.

In advancing our quality strategy, we have fully identified potential risks and development opportunities, addressing and managing them through systems, processes, and management mechanisms to support our sustained, high-quality development.

Identified product quality-related risks

Risk type	Risk name	Risk description	Potential financial impact	Response measures
Operational risks	Supply chain quality fluctuations	Inconsistent product quality from suppliers or subcontractors may affect final product quality	May lead to increased repair costs and affect customer satisfaction	Strict supplier management and evaluation; establish a full-life-cycle quality control mechanism
Compliance risks	Changes in regulations and standards	National or industry quality standards may be updated, requiring adjustments to existing processes	May increase compliance costs	Regularly monitor changes in standards and regulations and promptly update internal systems and processes
Execution risks	Inconsistent quality awareness	Discrepancies may exist in how employees operate or managers execute standard processes	May lead to an increase in the non-conformance rate of products	Conduct regular training and assessments to strengthen quality responsibility awareness

Identified Product Quality-Related Opportunities

Opportunity type	Opportunity name	Opportunity description	Potential benefits	Measures and practices
Technological innovation	High-value-added product development	Focus on areas such as high-precision navigation, intelligent equipment, and green design	Enhance product competitiveness and market share	Increase R&D investment and strengthen cross-departmental collaborative innovation
Brand building	Enhancement of quality reputation	High-quality products and services build customer trust and brand reputation	Increase customer loyalty and repeat purchase rates	Improve the quality management system and continuously optimize the customer experience
Management optimization	Process standardization	Reduce quality management risks through institutionalized and standardized processes	Improve operational efficiency and reduce quality costs	Continuously optimize processes and assessment mechanisms to promote full-staff participation
Cooperation opportunities	Industry-academia-research collaboration	Jointly develop new technologies with universities and research institutions	Accelerate technology transfer and industrial application	Establish joint laboratories and research workstations to promote the implementation of research outcomes

Impact, Risk, and Opportunity Management

To effectively address potential product quality-related risks and seize development opportunities brought by quality management, we have established a systematic risk and opportunity management mechanism, achieving comprehensive management through systems, processes, and cultural development.

Assessment and Management System

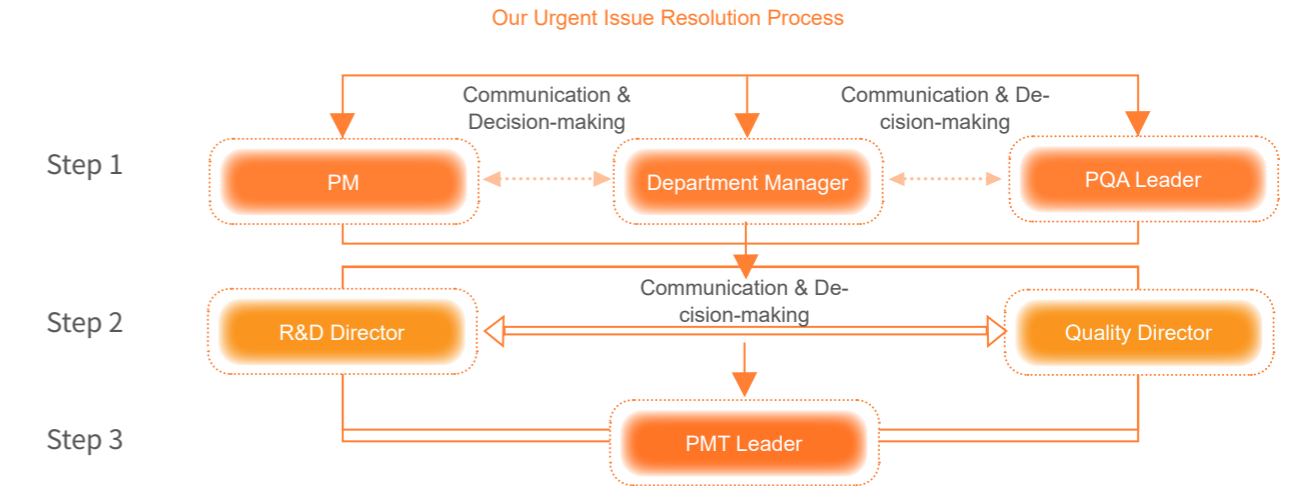
Centered on enhancing quality leadership, we have built a stringent quality assessment and management system. We implement quality redline requirements to ensure full participation and continuous improvement. By clarifying quality management responsibilities, we have established a comprehensive assessment mechanism covering all segments to ensure that both products and processes meet high standards.

"Primary Responsible Person" Assessment Mechanism

To ensure that quality management responsibilities are fully implemented, we designate business heads as the "primary responsible person for quality," directly linking quality outcomes to managerial performance. If product repair rates or customer satisfaction levels fail to meet targets due to inadequate management, accountability will be pursued in accordance with the system. This mechanism creates a top-down closed-loop of responsibility, strengthening quality and risk prevention awareness among all employees.

Emergency Response Mechanism for Quality Issue

We have established a rapid response mechanism to address emergency quality issues, ensuring that customer needs are met promptly. Through standardized processes and optimized handling solutions, we can efficiently identify and manage potential quality anomalies, reducing risk impacts and enhancing customer satisfaction and brand trust.



Enhancing Quality Awareness

To promote risk prevention and continuous improvement, we conduct systematic quality training and cultural development activities—including Quality Month campaigns, seminars, and on-site inspections—covering all aspects of design, production, and management. Through these training and awareness initiatives, we have effectively enhanced the quality consciousness of all employees, empowering them to proactively identify risks, comply with standards, and pursue continuous improvement in their daily work.

Indicators and Targets

We adhere to the quality objective of "Making CHC Navigation Synonymous with High Quality in the Geospatial Information and Surveying Industry." To fulfill this commitment, we ensure that our products consistently meet design specifications and customer requirements through rigorous quality control across all processes and stages. Toward this end, we continuously optimize our product quality management processes, implementing full life-cycle management of materials and stringent control over key production stages.

Key Performance

During the reporting period, we successfully implemented **611** quality assurance plans, which significantly improved product qualification rates, mitigated potential quality risks, and reinforced our commitment to high-quality development and continuous enhancement of customer satisfaction.

During the reporting period, we conducted quality assessments covering **2** key quality indicators, both of which were met, achieving a target completion rate of **100%**.

Synergistic Collaboration

Building a Win-Win Ecosystem

CHC Navigation adheres to the principle of win-win cooperation, continuously strengthening communication and collaboration with customers, suppliers, and industry partners. By refining management mechanisms and evolving cooperation models, we enhance the overall stability and competitiveness of the value chain—working hand in hand with all stakeholders to foster the healthy and sustainable development of the industry.

Customer Rights and Interests

Supply Chain Security

Industry Co-development



Customer Rights and Interests

We remain steadfastly customer-centered, leveraging the unique characteristics of the high-precision spatio-temporal information industry to deeply integrate customer needs with real-world application scenarios. By doing so, we are committed to delivering professional, precise spatio-temporal information solutions and services to global customers—continuously creating long-term value and driving meaningful outcomes across diverse industries.

Governance

We are committed to compliant operations as the foundation of our daily business and strive to enhance customer satisfaction. We strictly adhere to relevant laws and regulations, including the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, and have established the CHC Navigation After-Sales Service Policy. This policy clearly defines the standards and procedures for after-sales service, ensuring the protection of customers' legal rights—such as the “Three Guarantees” (repair, replacement, and return), technical support, and complaint handling—thereby fostering a transparent, trustworthy, and highly responsive service ecosystem.

We have established an after-sales service management structure with clearly defined responsibilities and efficient cross-functional collaboration, forming a closed-loop management system that integrates “coordination by functional departments + multi-level execution + full-process supervision.” At the service network level, we have set up service outlets covering all provinces across China and established strategic service centers in key overseas markets, creating a global service network characterized by “comprehensive domestic coverage + targeted international presence.” This ensures that customers—wherever they are located—receive timely, professional, and reliable service support.



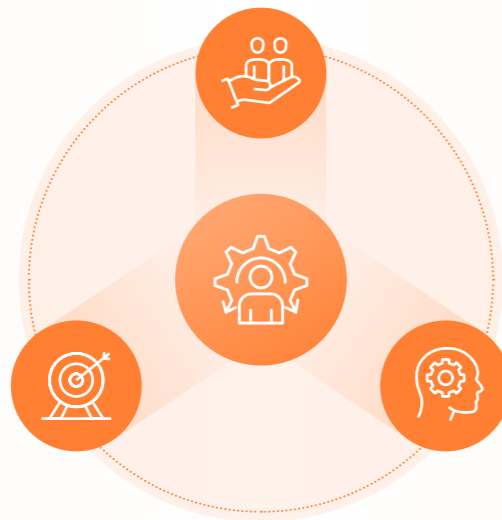
After-Sales Service Policy, Goal, and Corporate Spirit

Service Policy

Quality First, Integrity Always, Service Above All

Service Objectives

Prompt Response, Professional Service, Comprehensive Solutions, Customer Satisfaction



Corporate Spirit

Customer-centered, Practical, and Enterprising

Strategy

We adhere to the after-sales service policy of “Quality First, Integrity Always, Service Above All” and embody the corporate spirit of being “Customer-centered, Practical, and Enterprising” to fully protect customer rights and interests from harm. To continuously enhance customer service quality and safeguard customer rights, we have identified risks at a strategic level that could impact customer experience and service effectiveness, while also capturing potential opportunities for improvement and development.

List of Risks

Risk type	Risk name	Risk description	Potential financial impact	Response measures
Customer service risks	Risk of customer complaints and response delays	Untimely handling of customer complaints or service responses may affect customer experience and satisfaction	May affect customer satisfaction and service efficiency	Establish a closed-loop process of “Acceptance–Verification–Resolution–Improvement” and implement accountability and service improvement measures; regularly analyze complaint hotspots to optimize service processes and product features
Needs identification risk	Risk of inadequately capturing customer needs	Failure to promptly identify new customer needs or market changes may lead to delays in product and service iteration	May affect service alignment and the utilization of customer feedback	Promptly identify potential customer needs through annual satisfaction surveys, regular follow-up visits, and data analysis to provide data support for product iteration
Technical training risk	Risk of insufficient customer operation training	Lack of operation training for customers in equipment use may affect the stable operation of the equipment	May lead to delays in problem resolution during the service process	Provide online/offline technical training during the delivery phase and within the warranty period, update operation guides, and establish a case library and knowledge base for support

List of Opportunities

Opportunity type	Opportunity name	Opportunity description	Potential benefits	Potential benefits
Customer experience enhancement	Customer satisfaction enhancement opportunity	Enhance customer experience through an efficient after-sales service system and continuous training	Can promote customer satisfaction and partnership loyalty	Improve the after-sales service process, establish a work order data and case library, and continuously optimize the customer experience
Product iteration	Opportunities for product upgrade and optimization	Customer feedback and complaint data can provide guidance for product optimization and service upgrades	Contributes to product and service improvement	Regularly analyze complaint data and follow-up information to formulate product improvement and service optimization plans
Data-driven	Data-supported management opportunities	Customer satisfaction data and work order data can support quantitative management and decision-making optimization	Supports operational efficiency improvement	Establish customer profiles and a data analysis system to support scientific decision-making and process optimization
Brand and market	Opportunities for brand and market expansion	High-quality customer service and responsiveness can enhance our market recognition	Can enhance corporate reputation and market recognition	Establish national and overseas service outlets to ensure service timeliness and standardization, and to showcase professional capabilities

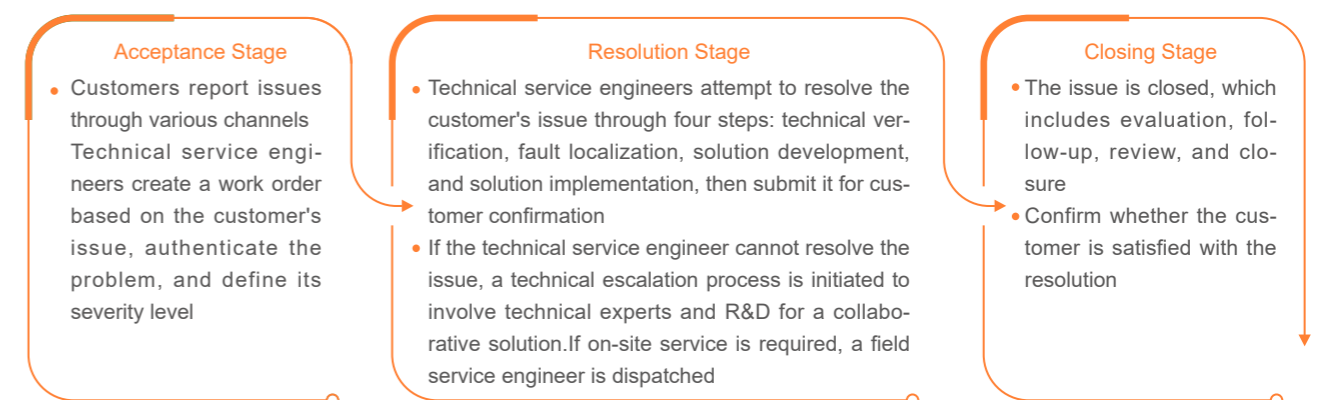
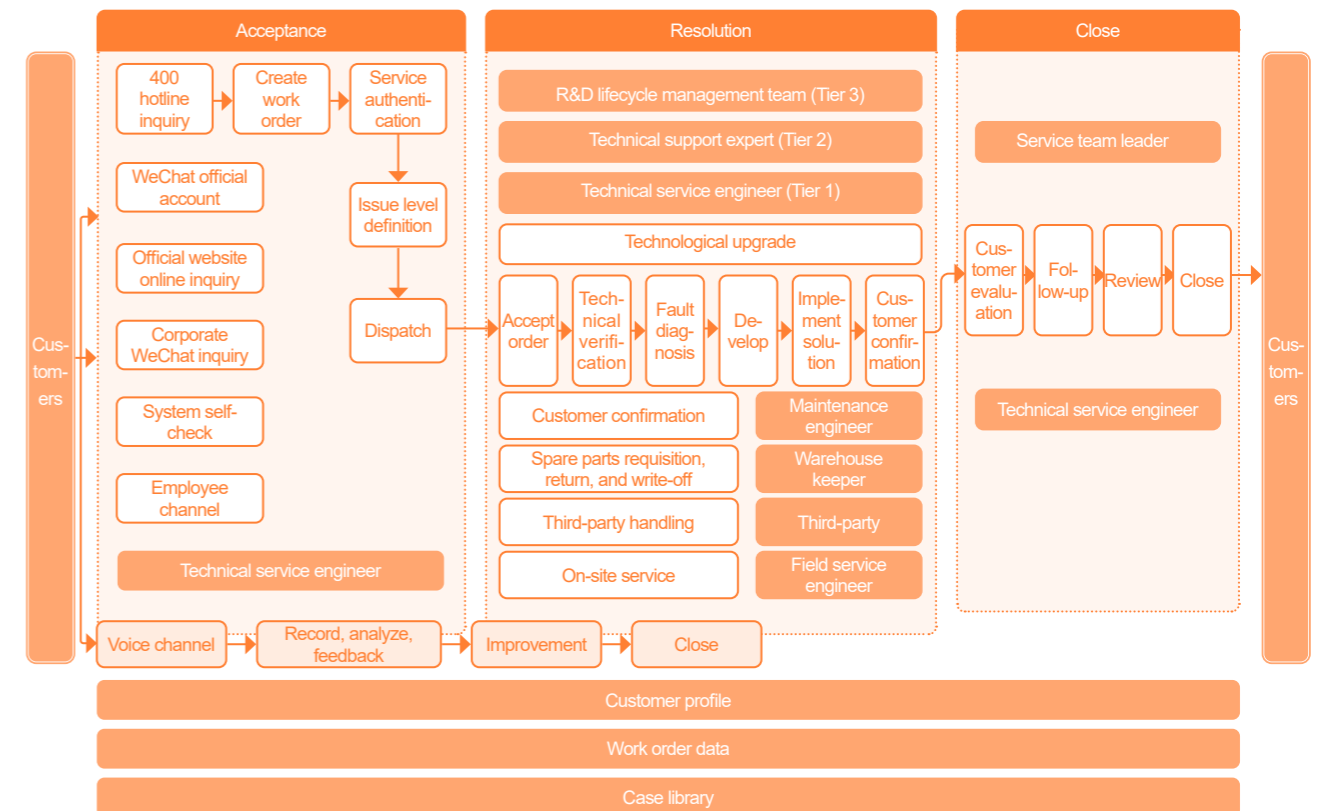
Impact, Risk, and Opportunity Management

By ensuring accessible complaint channels, conducting satisfaction surveys, and standardizing investigation procedures, we effectively manage operational risks arising from service deviations and mismatched demands. We also precisely capture development opportunities from potential customer needs. While safeguarding customers’ legitimate rights and enhancing their service experience, this approach provides precise guidance for our product iteration and service upgrades.

Customers’ After-Sales Service Rights

To ensure the quality of customer service, we have established a comprehensive after-sales service process, which is mainly divided into three key stages: request intake, professional handling, and service closure. Through the synergistic linkage of three major data modules—customer profiles, work order data, and a case library—we have built a highly efficient service system to comprehensively enhance customer satisfaction with their after-sales service experience.

After-Sales Service Process Flowchart



We ensure the protection of customer after-sales rights and interests by strictly adhering to all specifications of our after-sales service system. All customers who purchase our products are legally entitled to the "Three Guarantees" (repair, replacement, and return) for products. If a product exhibits quality issues, customers may apply for a return, replacement, or repair service within the specified period. We have a professional after-sales service team dedicated to ensuring that all customer requests receive timely and effective responses and resolutions. In addition, customers are entitled to comprehensive technical training: during product delivery, we provide one-time free online or on-site technical training for personnel designated in the contract, helping them quickly become familiar with instrument functions and master key operational procedures. Throughout the warranty period, customers may also participate in complimentary online technical training sessions to reinforce and enhance their operational skills—ensuring the long-term, stable, and efficient performance of their equipment.

Customer "Three Guarantees" Rights

Seven-day free return, replacement, and repair	Within 7 calendar days from the start of the warranty period, if the main unit of the product experiences a non-human-induced performance failure, customers may choose to have it repaired, replaced with a product of the same model, or arrange for a return after verification by our technical personnel.
Fifteen-day free replacement and repair	<p>Within 15 calendar days from the start of the warranty period, if the product experiences any of the following issues, customers may choose to replace it with a product of the same model and specifications:</p> <ul style="list-style-type: none"> ① The main unit of the product experiences a non-human-induced performance failure; ② The product is found to be damaged during transportation, and proof of damage from the shipping company can be provided; ③ The product is found to have significant discrepancies in one or more important aspects from its original description.
Repair	During the warranty period, if the main unit of the product experiences a non-human-induced performance failure, customers are entitled to free repair services.

Customer Complaint Channels

We have established a dedicated service hotline, 400-620-6818, as a complaint channel to ensure customer concerns are quickly directed to the appropriate point of contact. For each complaint, a management process of "Acceptance-Verification-Resolution-Improvement" is established to ensure proper responses. The responsible parties are held accountable in strict accordance with our regulations. Additionally, complaint data serves as a crucial basis for service optimization. We regularly analyze complaint hotspots and common issues to formulate targeted measures for process improvement and product optimization, fostering a virtuous cycle of "improvement through complaints," continuously reducing service risks, and strengthening customer trust.



Customer Satisfaction Management

To accurately capture customer needs, we have established a comprehensive customer satisfaction survey system. Since 2020, we have commissioned a professionally qualified third-party organization to conduct annual satisfaction surveys for six consecutive years, ensuring the objectivity and authority of the data from a neutral perspective. This is supplemented by a year-round regular follow-up mechanism, including follow-ups after 400 hotline complaints and periodic visits by product line business personnel, to comprehensively track changes in customer perceptions during product use and service experiences. By collecting customer opinions and feedback, we conduct in-depth analysis of the core factors affecting customer satisfaction, providing solid data support for product iteration and service upgrades.

Letters of Appreciation from Customers

May 23, 2025	June 6, 2025	August 12, 2025
Nanning Emergency Management Bureau "Emergency Mission · 2025" -- Typhoon Prevention and Response Drill	Zhengzhou Flood and Drought Control Headquarters Office "Emergency Mission - 2025" Henan Flood Control Emergency Comprehensive Drill	Baoding Hydrological Survey and Research Center of Hebei Province, Baoding Hydrological Emergency Monitoring Work

Indicators and Targets

We adhere to the principle of "Quantitative Management and Continuous Improvement," setting clear and measurable indicators and development goals around customer satisfaction and after-sales service response efficiency to ensure that service optimization is directional, standardized, and effective.

Key Performance

During the reporting period, our overall customer satisfaction rate was **76.5%**, an increase of **1.6%** compared to 2024, marking the fifth consecutive year of improvement. Customer satisfaction was rated **"Good"**, while loyalty and NPS remained at an **"Excellent"** level.

Customer Satisfaction Survey Objectives

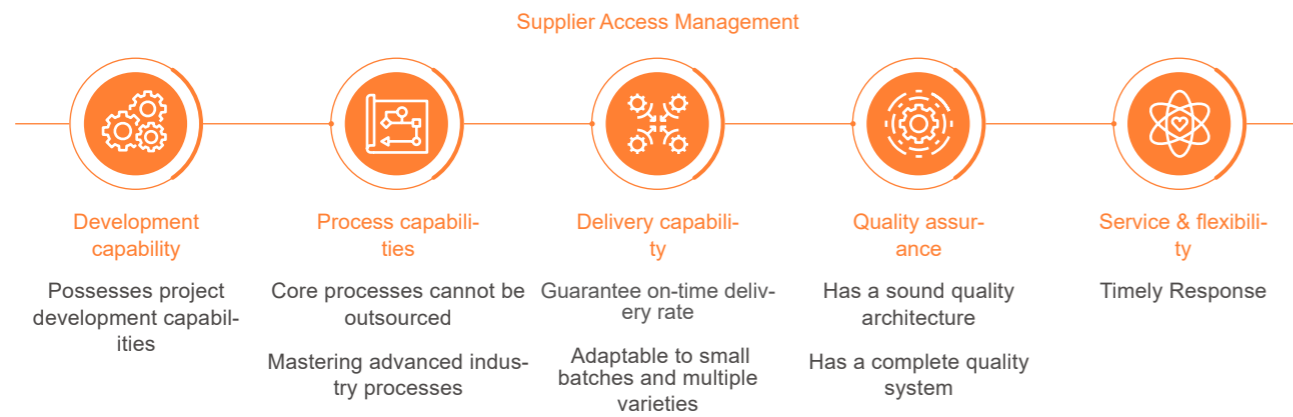
- A comprehensive assessment of our product capabilities, quality levels, technical services, and after-sales service performance at the customer's
- Improve product quality control and management, enhance customer perception, and elevate corporate image
- Evaluate employee performance

Supply Chain Security

We attach great importance to standardized supply chain management and risk control. By establishing a supplier access and evaluation mechanism, strengthening process supervision and collaborative management, we promote the stable operation and sustainable development of the supply chain.

Governance

We have established a comprehensive supplier access and exit system based on the Supplier Management System. During the access process, the compliance qualifications, management system, and manufacturing capabilities of suppliers are evaluated to ensure the compliance and quality of the supplier team.



Strategy

We improve supplier capabilities and optimize processes by enhancing our supplier access, training, and performance management mechanisms, thereby achieving supply chain stability and efficient collaboration while ensuring fair cooperation and compliant operations. To further ensure supply chain stability and compliant operations, we have identified risks at the strategic level that could affect supply chain management, while also capturing potential opportunities for improvement and collaborative development. The following table outlines the main risks and opportunities, along with corresponding response measures and potential benefits, to support the continuous optimization of the supply chain management system.

List of Risks

Risk type	Risk name	Risk description	Potential financial impact	Response measures
Supplier compliance risk	Inadequate supplier qualifications or operational management	Discrepancies in the compliance or management of core suppliers may limit cooperation efficiency or service consistency	May increase operational management costs or cause supply delays	Strengthen supplier access, regular reviews, and training to ensure suppliers continuously meet Company standards
Information security risk	Inadequate supplier data or contract management	Non-standard information management by suppliers during cooperation may affect data security and contract execution	Potential contract disputes or information disclosure risks	Sign unified confidentiality and transparent procurement agreements to strengthen information management standards
Supply chain collaboration risk	Inconsistent supplier skills or quality standards	Differences in technical or quality levels may affect overall supply chain collaboration	May affect product quality or service levels	Conduct regular technical certification, training, and quality monitoring, and establish feedback and improvement mechanisms

List of Opportunities

Opportunity type	Opportunity name	Opportunity description	Potential benefits	Measures and practices
Improved supply chain efficiency	Supplier capability enhancement opportunity	Improve supplier technical and management levels through training and capacity building	Improve supply chain collaboration, and enhance delivery timeliness and product quality	Provide regular training and technical guidance, and establish assessment and incentive mechanisms
Supply chain innovation and collaboration	Supply chain collaboration optimization opportunity	Enhance overall supply chain efficiency through information sharing and process optimization	Reduce operating costs and improve supply chain responsiveness	Implement an information management platform to achieve end-to-end supply chain visibility
Sustainability and compliance opportunity	Transparent procurement and social responsibility opportunity	Fair procurement and compliance management enhance corporate social responsibility performance	Enhance our brand image and increase supplier trust and willingness to cooperate	Sign transparent procurement agreements, and strengthen anti-corruption and contract management
Opportunity to support micro and small enterprises	Opportunity to support the development of small and medium-sized enterprises	Pay accounts payable on schedule and provide fair opportunities	Build a stable supply chain ecosystem and enhance supply chain resilience	Establish payment systems and regulatory processes to ensure the protection of the rights and interests of small and medium-sized enterprises



Impact, Risk, and Opportunity Management

Supplier Capacity Building

We regularly conduct specialized training for core suppliers on technical certification, quality control, and compliance operations. The training covers key content such as technical practice and the application of quality management systems. Through a combination of theoretical explanation and practical exercises, we help suppliers solidify their skills and optimize their production processes. At the same time, we have established a training effectiveness evaluation and feedback mechanism to promote technical collaboration and capability building between the supply and demand sides, achieving co-creation of supply chain value.

Transparent Procurement

We implement a transparent procurement mechanism, requiring partners to sign the *Transparent Procurement Agreement* and the *Confidentiality Agreement*. We regulate procurement behavior and prevent integrity risks through standardized bidding processes and an anti-corruption supervision system. Adhering to the principles of fairness and impartiality, we treat all partners equally, especially SMEs, strictly abide by contractual agreements, promptly settle accounts payable, and eliminate overdue payments. This provides SMEs with fair competitive opportunities, reduces supply chain cooperation risks, expands high-quality cooperative resources, and achieves sustainable supply chain development.

Indicators and Targets

We set quantitative indicators and development goals around the core aspects of supplier management to continuously improve the efficiency of supply chain management and ensure the stable operation and sustainable development of the supply chain.

2025 Targets	Achievement Status
Achieve 100% signing rate of transparent procurement agreements, with no major cases of commercial bribery or unfair competition	Achieved
Accounts payable to SMEs were settled in a timely manner, with no overdue payment incidents	

Key Performance

During the reporting period, we established or maintained stable and mutually beneficial cooperative relationships with more than **600** suppliers, adding more than **40** new suppliers.

Industry Co-development

We have always adhered to the concept of openness and win-win cooperation, actively fulfilling the social responsibility of a leading enterprise through technology sharing, industry exchanges, and educational support, and are committed to building a collaborative development ecosystem for the global geographic information industry.

Expanding Global Technological Horizons

Through deep global engagement, we showcase China's high-precision technology solutions to the world. We actively participate in international exhibitions, engaging with global peers to discuss cutting-edge trends in surveying, agriculture, and digital construction. These global showcases and exchanges have not only enhanced our brand visibility but also significantly strengthened the international influence of high-precision positioning technology in the geospatial sector.

Case Study: Showcasing Value-Chain Achievements at Professional Exhibitions


In 2025, CHC Navigation, as a core enterprise representing the low-altitude industry chain, showcased its products at the International Low-Altitude Economy Expo. In the Qingpu exhibition area, we highlighted our terminal equipment and intelligent manufacturing achievements. This participation effectively enhanced our brand awareness and industry influence in the low-altitude economy sector, demonstrated our technological capabilities and integrated product solutions, and laid a solid foundation for future market expansion and strategic collaboration.



Promotional Image for the International Low-Altitude Economy Expo

Case Study: Debuting at INTERGEO 2025, Launching a Next-Generation Flagship Product

In October 2025, we showcased our comprehensive intelligent equipment for "sky, ground, water, and engineering" scenarios at INTERGEO 2025 in Frankfurt, Germany. We presented our newly released Wujie Zhenwei RTK, the new 3D cloud service platform CoCloud, and the Global Satellite-Ground Integrated Augmentation Service platform PointX at the exhibition. Through interactive experiences, we attracted numerous international visitors who stopped by to exchange ideas and try out our products. The measurement accuracy and reliability of our equipment received widespread recognition, successfully demonstrating our technological innovation capabilities and high-end product competitiveness to the global market, and significantly enhancing our brand influence in the international professional field.



INTERGEO 2025

During the reporting period, we actively participated in major industry events across numerous countries and regions worldwide, deepening international technical exchanges:

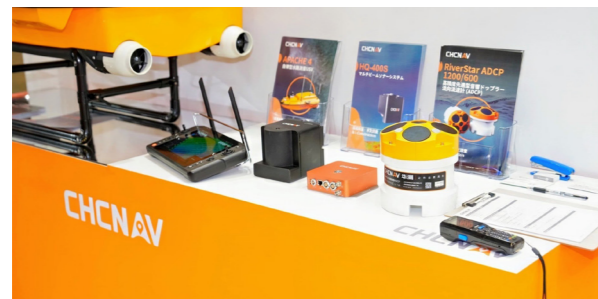
April 2025: Bauma 2025, Germany



April 2025: FIG Working Week 2025, Australia



June 2025: CSPI-EXPO 2025, Japan



November 2025: AGRITECHNICA 2025, Germany



Building Consensus on Industry Innovation

We adhere to an open technology platform, actively host high-level exchange activities organized by industry associations, and participate in emergency rescue and disaster relief efforts, contributing to the development of industry standards and the protection of public safety. Through close collaboration with industry associations and research institutions, we share our practical experience in building digital infrastructure to help foster industry consensus. At the same time, we respond swiftly in the face of extreme disasters, providing critical data support through our specialized equipment.



Case Study: China Association for Geospatial Industry and Sciences' Real-Scene 3D City Working Committee Organizes Member Units to Visit Shanghai

In April 2025, the Real-Scene 3D City Working Committee of the China Association for Geospatial Industry and Sciences organized a visit for several member units to CHC Navigation. Experts from authoritative organizations, including the Shanghai Surveying and Mapping Institute and the Qingdao Surveying and Mapping Institute, gathered at the CHC Navigation Smart Industry Base. The representatives toured our exhibition hall, gaining a detailed understanding of the development journey of domestically produced high-precision positioning equipment, from summiting Mount Everest to empowering real-scene 3D construction. Through discussions and exchanges, the parties explored collaborative and innovative paths for integrating high-precision positioning technology with real-scene 3D data. The aim is to provide more accurate, reliable, and user-friendly geospatial information technology and services for the digital transformation of megacities through technological optimization and iteration.



On-site Visit



Deepening the Industry-Education Integration Ecosystem

We recognize that talent is the driving force behind industry progress and are committed to cultivating future leaders for the global surveying, mapping, and engineering fields through university-enterprise collaboration, equipment donations, and visiting scholar programs. We actively support the digital transformation of higher and vocational education, bridging the gap between classroom instruction and real-world practice through diverse hands-on projects. In doing so, we aim to build a strong pipeline of high-quality technical talent to ensure the sustainable development of our industry.



International Students from Beihang University Visit CHC Navigation



Top Students from the Surveying Competition at the National University of Mongolia Visit CHC Navigation for a Study Tour



Academic Exchange with Imperial College London

People-Oriented Empowering Organizational Growth

Employees are our most valuable asset. We consistently integrate employee rights protection, career development, health and safety, and care and support initiatives into every aspect of our ESG management framework. Our goal is to cultivate a workplace that is fair, just, inclusive, diverse, and empowering—creating an environment where employees can thrive and grow alongside the Company. Through this commitment, we foster a strong synergy that drives mutual success and long-term value creation for both our people and our organization.

Talent Attraction

Talent Development

Employee Health and Safety

Employee Benefits and Care



Talent Attraction

Adhering to a "talent-first" philosophy, we have developed the *CHC Navigation Employee Handbook* to govern the full employee lifecycle—from recruitment and employment to the termination of labor contracts—in strict compliance with key Chinese laws and regulations, including the *Labor Law of the People's Republic of China*, the *Contract Law of the People's Republic of China*, and the *Social Insurance Law of the People's Republic of China*. Through a transparent and standardized recruitment system, we actively prevent fraud and eliminate discrimination, ensuring fairness and equal opportunity in hiring. We also uphold rigorous corporate social responsibility (CSR) standards across our operations, explicitly prohibiting child labor in any form and firmly opposing forced labor, thereby safeguarding the rights of minors and upholding the lawful labor rights of all employees. We are committed to providing a fair, competitive, and inclusive employment platform for talent from diverse backgrounds and educational levels—including bachelor's, master's, and doctoral degree holders, as well as international and returning overseas professionals—fostering an open, respectful, and empowering workplace culture.

Key Performance

As of the end of the reporting period, we had a total of **2,333** employees located across China and overseas.

Among them, **64%** held bachelor's degrees, and **27%** held master's or doctoral degrees.

During the reporting period, more than **60** individuals obtained local household registration through various talent policies. As of the end of the reporting period, the cumulative number of employees who have obtained local household registration exceeded **300**.

Regulations Related to Recruitment and Employment



Remuneration Management System

We adhere to the management principle of "valuing dedicated contributors" and determine remuneration based on a comprehensive assessment of employee capabilities, job value, work performance, and conduct, with the *CHC Navigation Performance Management Measures* as our core. We implement comprehensive performance management through multi-cycle assessments (annual, semi-annual, and quarterly) to ensure that remuneration is distributed scientifically and reasonably. At the same time, we have established a diversified incentive system. Since our listing, we have actively implemented equity incentive plans and concurrently promoted measures such as intellectual property incentives and timely incentives for the R&D Center. Differentiated rewards are given for innovative achievements like software copyrights and invention patents, fully motivating employees and achieving mutual growth for individuals and us.

Performance Management Measures



- Implement quarterly and annual PBC assessments and management, with all employees conducting performance reviews.
- Adopt a top-down approach to break down our overall strategic goals, reinforcing the principle of goal alignment.
- Integrate job functions, Key Performance Indicators (KPIs), key events, team and individual development goals, and values and behaviors to reinforce the principle of performance improvement orientation.



- Encourage regular communication between supervisors and subordinates, track subordinates' goal achievement, and provide timely coaching and support for work-related issues.
- Encourage managers to conduct regular formal interviews with employees and record key points in the OA system to support employee growth.
- Managers must provide performance coaching to new hires, promoted employees, or those in the initial phase of inter-departmental transfers to help them adapt to the new environment and improve work performance.



- Adhere to the principles of objectivity and fairness, conducting regular performance evaluations based on multiple dimensions such as annual performance achievement and capability demonstration.
- The performance evaluation process includes an appeal mechanism, allowing employees to file an appeal if they have questions about their results, fully protecting employee rights.



- Performance assessment results serve as an important reference for year-end bonuses, performance-based pay, timely incentives, special incentives, salary adjustments, awards, promotions, job transfers, capability development, and dismissals.
- Simultaneously, based on their performance evaluation results, employees are provided with suggestions for improvement to support their growth and development.

Performance Management Measures

Goal setting

- Departmental goal breakdown
- Individual goal setting
- Communicate and sign PBC

Performance execution and coaching

- PBC refresh
- Routine coaching
- Key event record
- Mid-term review

Performance feedback

- Feedback interview
- Performance complaint
- Result application

Performance appraisal

- Collective review
- Employee self-assessment
- Result announcement
- Direct manager evaluation



To consolidate the stability of our management and core technical team and continuously stimulate team effectiveness, we have formulated a long-term incentive program for senior executives and core personnel. Since our listing, we have continuously implemented equity incentive plans to align the interests of our senior executives and core personnel with those of our shareholders, motivating the management and core employees to strive together for our long-term and healthy development.

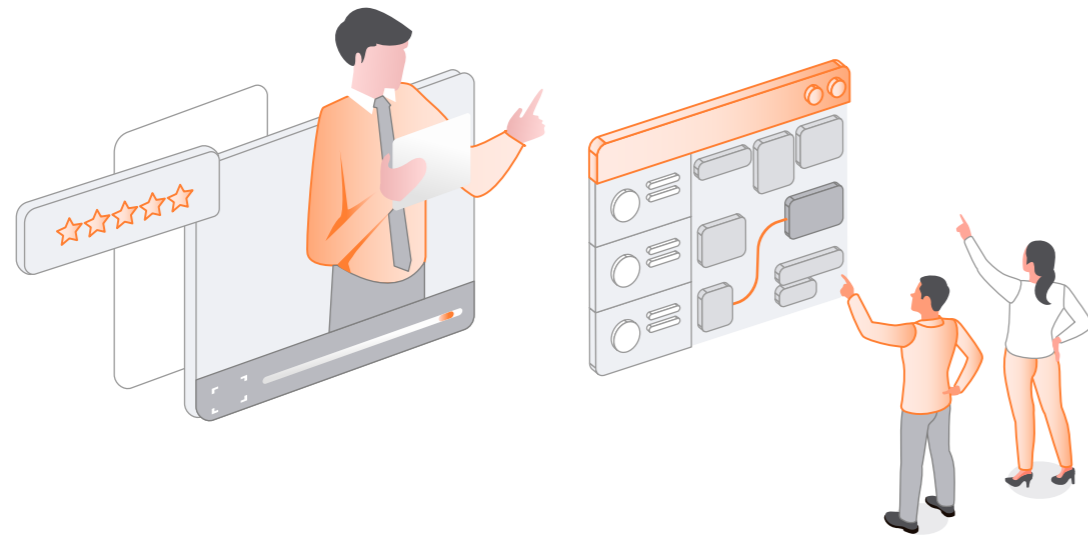
Key Performance

During the reporting period, we launched **three** new equity incentive plans:

The 2025 Phase I Restricted Stock Incentive Plan (covering **24** people), the 2025 Phase II Restricted Stock Incentive Plan (covering **12** people), and the 2025 Phase III Restricted Stock Incentive Plan (covering **1,074** people).

In 2025, we processed the vesting of several equity incentive plans for our employees, including the third vesting of the initial grant of the 2021 Restricted Stock Incentive Plan (covering **549** people), the second vesting (second batch) of the initial grant of the 2021 Restricted Stock Incentive Plan (covering **1** person), the second vesting of the reserved grant of the 2021 Restricted Stock Incentive Plan (covering **104** people), the third vesting of the 2022 Restricted Stock Incentive Plan (covering **1** person), the first vesting of the initial grant of the 2023 Restricted Stock Incentive Plan (covering **801** people), and the first vesting of the reserved grant of the 2023 Restricted Stock Incentive Plan (covering **95** people).

Since our listing, we have launched a total of **nine** equity incentive plans, and the stock has been granted to **3,833** person-times.



Talent Development

We consider talent development as the core support for our sustainable development. By improving preferential policies for high-tech talent, conducting regular performance surveys, and deepening university-enterprise cooperation to attract and develop talent, as well as building a diversified employee training system, we provide comprehensive support for talent acquisition, cultivation, and development. We continuously build a high-quality, professional, and innovative talent team, providing solid human resources and intellectual support for our long-term, stable growth.

Governance

We have established and improved a preferential treatment governance system for high-level talent, providing special benefits such as household registration support, housing subsidies, and research funding support for high-tech professionals, including PhDs and industry-leading experts. We also offer application channels for talent programs like the "Oriental Talents Program" and the "Qingfeng Program." Through clear policy provisions and standardized implementation procedures, we safeguard the legitimate rights and interests of high-tech talent, fostering an institutional environment that respects talent and encourages innovation.

Strategy

Focusing on precise talent matching and long-term supply, we strengthen our talent development strategy through regularized performance management, university-enterprise cooperation, and a diversified training system, providing solid talent support for our continuous innovation and sustainability. To ensure the effective implementation of our talent development strategy and promote the continuous improvement of employee capabilities, we have identified and reviewed potential risks and opportunities that may arise in the talent development process:

List of Risks

Risk type	Risk name	Risk description	Potential financial impact	Response measures
Talent attrition risk	Turnover of talent in key positions	Loss of high-end technical and managerial talent may affect team stability	Labor costs may increase	Establish incentive and retention mechanisms, strengthen career development planning, and optimize talent policies
Recruitment risks	Difficulty in attracting high-tech talent	Difficulty in recruiting for core technical positions	Recruitment cycles may be extended	Expand university-enterprise cooperation channels and optimize recruitment strategies

List of Opportunities

Opportunity type	Opportunity name	Opportunity description	Potential benefits	Measures and practices
Training and capability enhancement	Opportunities for employee skill development	Employees enhance job skills and comprehensive abilities through training	Enhance productivity and innovation capabilities	Formulate training plans, combining online and offline training with hands-on exercises
University-Enterprise Cooperation	Opportunities for high-end talent cultivation	Jointly cultivate targeted talent with universities to optimize the talent reserve	Provide a long-term supply of high-quality talent that meets corporate needs	Carry out joint research, internships, and targeted cultivation programs
Incentive policies	Incentive opportunities for high-end talent	Implement preferential policies to attract industry-leading talent	Enhance talent attraction and retention rates	Improve talent policies, welfare guarantees, and career development channels

Impact, Risk, and Opportunity Management

To ensure the implementation of our talent development strategy, we effectively address potential risks such as talent mismatch, skill gaps, and turnover through measures like diversified training, regular performance surveys, and university-enterprise cooperation. At the same time, we fully explore opportunities for employee growth and the cultivation of high-quality talent, providing a solid talent guarantee for our long-term innovation and sustainability.

Training System

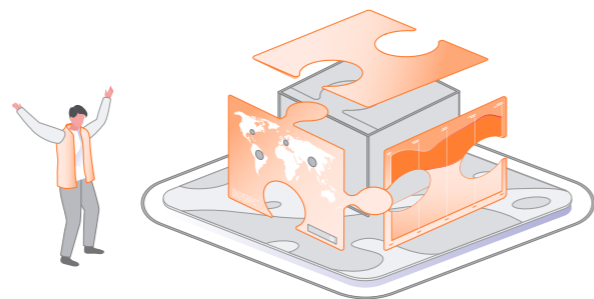
We have established a comprehensive employee training system. Leveraging an internal learning platform, we provide standardized and reusable online course resources, combined with customized offline training formats such as on-site lectures, hands-on exercises, and special topic seminars. This approach balances the breadth of coverage and contextual relevance of training, effectively reducing the costs and efficiency risks associated with talent development, while broadening channels for employees' independent learning and skill enhancement.

New Employee Onboarding Training

We have established a standardized new employee onboarding training system. It delivers systematic training on core content such as corporate culture, rules and regulations, job responsibilities, and safety standards. This helps new employees quickly integrate into the team and become familiar with their roles, shortening their adaptation period and reducing the risks of early turnover and role mismatch—thereby laying a solid foundation for talent retention and long-term development.

Employee Skills Training

Focusing on core positions and business needs, we continuously deliver specialized skills training for employees across key areas such as technology R&D, production operations, customer service, and quality management. Through targeted capability building and hands-on practice, we enhance our professional competencies and job competitiveness, effectively mitigating operational risks stemming from skill gaps—and thereby providing robust talent support for our technological innovation and business transformation.



Regular Performance Reviews and Assessments

We have established a mechanism for regular performance reviews and assessments, systematically evaluating employees across dimensions such as work performance, competency, and career development aspirations. This enables us to accurately understand the current state and growth needs of our talent pool. The insights gained are directly applied to talent incentives, job adjustments, promotions, and the design of personalized training plans—providing objective, data-driven support for optimizing talent management strategies and unlocking employee potential. This creates a closed-loop linkage that reinforces and advances our overall talent development strategy.

University-Enterprise Cooperation

We adhere to the deep integration of industry, academia, and research as a cornerstone of our talent strategy, actively advancing university-enterprise collaboration. Through targeted talent development, joint scientific research, and project-based practical partnerships—centered on our core technological domains and job requirements—we have established a full-chain cultivation model that seamlessly connects campus talent pipelines with real-world enterprise application. This approach ensures a steady influx of high-quality professional, technical, and managerial talent, reinforcing the foundation for our long-term innovation and sustainable growth.

In 2025, we supported 18 competitions at higher education and vocational institutions, reaching approximately 100 universities. Through these discipline-specific contests, we actively fostered teaching exchanges and practical innovation in surveying, geographic information, and related fields—helping to enhance students' professional competencies and holistic development. This initiative strengthens the integration of industry and education and advances talent cultivation aligned with the evolving needs of the sector.



Case Study: Expanding University-Enterprise Cooperation to Jointly Cultivate Talent in the Navigation Field

In November 2025, we hosted a delegation of leaders, professors, and postdoctoral fellows from the School of Instrument Science and Engineering at Southeast University for a special exchange program aimed at expanding employment opportunities. The delegation toured our showroom to gain in-depth knowledge of the applications of our high-precision products in various fields. Subsequently, both parties engaged in in-depth discussions on industry-academia-research collaboration and precise talent matching. We expressed our strong willingness to collaborate on core technologies and targeted talent cultivation, and offered access to our practical resources. This event effectively built a bridge for university-enterprise engagement, led to preliminary cooperation intentions, and laid a solid foundation for cultivating and supplying high-quality professionals in the high-precision navigation field.



Exchange and Cooperation with Southeast University





Case Study: Supporting the Successful Hosting of the First National University Student Digital and Intelligent Innovation Competition in Remote Sensing

In October 2025, the first National University Student Digital and Intelligent Innovation Competition in Remote Sensing was successfully held in Chibi City, Hubei Province. A total of 146 teams from 41 universities across the country participated in events such as UAV remote sensing, LiDAR, SLAM surveying, and intelligent interpretation. As a supporting organization, we provided technical equipment and professional team guidance throughout the event, assisting with competition organization and implementation. Through this practical competition, students received systematic training in high-tech applications, full-process data handling, and teamwork. The event also strengthened the practical platform for university-enterprise and industry-academia-research cooperation, providing strong support for talent cultivation and the commercialization of research achievements in remote sensing technology.



Competition Site of the National University Student Digital and Intelligent Innovation Competition in Remote Sensing



Indicators and Targets

We set quantitative indicators and targets centered on core dimensions of talent development to provide solid talent support for our sustainable development.

Key Performance

- As of the end of the reporting period, we had launched **7** university-enterprise cooperation projects based on the "Explorer Program" special technology initiative;
- In terms of high-end talent, we have cumulatively been recognized with **1** Shanghai Outstanding Talent, **1** Industry-Leading Talent, **2** top talents in the Oriental Talents Program, **1** top talent in the "Qingfeng Program," and **1** individual in the Oriental Talents Youth Program;
- A total of over **500** training sessions were conducted throughout the year, with a training coverage rate of **100%**.

Employee Health and Safety

We regard the physical and mental health of our employees as a critical baseline for corporate operations and have established a comprehensive occupational health and safety management system. By formulating strict operating procedures and risk prevention and control measures, we continuously conduct safety production training and emergency drills, dedicated to eliminating various safety hazards at their source in both office and project sites.

Occupational Health

We strictly adhere to laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Law on the Prevention and Control of Occupational Diseases*. We have established a comprehensive safety management system that covers all employees and all operational scenarios, clearly defining roles, responsibilities, and management mechanisms to provide a robust institutional foundation for employee health and safety. Our office premises are equipped with AED devices, first-aid kits, and other emergency response equipment to ensure prompt medical assistance when needed. Additionally, we regularly conduct health and safety training for employees to enhance awareness and foster a culture of safety across the organization.



AED and First-Aid Kit



Case Study: Organizing Health Check-ups to Care for Employees' Physical and Mental Well-being

In 2025, we organized annual occupational health check-ups for all employees at CHC Navigation. These check-ups included standard medical screenings as well as targeted occupational health examinations tailored to specific roles, enabling us to systematically monitor employees' physical well-being and proactively prevent work-related illnesses. Through these health management initiatives, we gained timely insights into the overall health status of our workforce and were able to offer personalized health guidance and support based on individual results. This approach reflects our deep commitment to—and genuine care for—the physical and mental well-being of our employees, reinforcing their sense of belonging and contributing to greater team stability.



Employee Health Check-up



Safety Training

We place great importance on safety production training. Through a variety of formats—including fire safety knowledge sessions and hands-on emergency drills—we help employees master essential safety protocols and emergency response techniques, enhancing their ability to respond effectively and protect themselves in unexpected situations. Supported by our comprehensive safety management system, we have been awarded the title of "Qingpu District Industrial and Commercial Enterprise Safety Production Standardization Level II Excellent Enterprise" and maintain a valid Work Safety Permit. Through systematic and regular safety training, we continuously reinforce safety awareness across the entire workforce, strengthening the foundation of safe production and upholding our commitment to a secure working environment.



Donation of Teaching and Research Equipment to the China Fire and Rescue Institute

Key Honors and Certificates



Certificate for Safety Production Standardization Level II Excellent Enterprise



Our Work Safety Permit

Case Study: Conducting Emergency Drills to Enhance Emergency Response Capabilities

In July 2025, we organized an emergency response drill simulating an elevator entrapment incident. The exercise covered the full response process—from initial alarm activation and on-site passenger reassurance to coordinated rescue operations. This hands-on drill effectively tested the feasibility of our emergency plan and significantly improved cross-departmental coordination and response efficiency during sudden incidents. It also revealed opportunities for enhancement, particularly in procedural familiarity and internal communication. These insights have provided clear guidance for refining our emergency protocols and strengthening staff training—ultimately elevating the emergency support capabilities of our property services team.



Emergency Response Plan Drill for Elevator Entrapment

Employee Benefits and Care

We deeply value employee well-being and care. To foster a warm, supportive, and vibrant workplace, we have established comprehensive communication channels, thoughtful care facilities, and a rich array of cultural and recreational activities. These initiatives not only strengthen our team's sense of belonging, happiness, and job satisfaction but also drive the shared growth and success of both employees and the Company.

Democratic communication

We adhere to the communication philosophy of "openness, transparency, and two-way interaction," establishing a multi-dimensional and comprehensive democratic communication mechanism to ensure that employee demands are responded to promptly and addressed reasonably. By setting up diverse communication channels, we ensure their regular and efficient operation. In accordance with laws and regulations, we have established a labor union, which serves as a communication bridge between management and employees. It regularly collects centralized employee demands, organizes forums and exchanges, and promotes the implementation of matters such as labor rights protection and welfare optimization. We have established an online community called "Tongshiba (Colleague Hub)," where employees can freely post questions, suggestions, and criticisms on various topics such as our products, services, work environment, and living support, with the option of real-name or anonymous posting, breaking down hierarchical barriers. In addition, employees can obtain the contact information of all staff, including our Chairman, through Enterprise WeChat, enabling direct communication across departments and levels to ensure that important demands quickly reach the decision-making level.



Development of the "Tongshiba (Colleague Hub)" Online Platform

Employee Satisfaction Surveys

To promptly understand employees' views and needs regarding our work environment, benefits, and hardware facilities, we have developed and distributed the Satisfaction Survey Questionnaire to comprehensively collect employee opinions and suggestions. By systematically analyzing the questionnaire data, we generate a detailed Questionnaire Report, which identifies our strengths and areas for improvement in employee care. Based on this, we formulate targeted improvement measures to continuously optimize the employee experience.

Items Covered in the Survey Questionnaire



Employee Care Facilities

To meet employees' needs for leisure, sports, and health outside of work, we have invested resources in creating diverse, high-quality care facilities. We are equipped with professional basketball courts, soccer fields, billiard facilities, and a fitness equipment area, covering a variety of needs such as aerobic and ball sports, which are open to employees free of charge and can be booked independently. At the same time, we have set up dedicated recreational activity venues to provide employees with a comfortable space to relax and interact. In addition, we have placed AED first-aid devices and first-aid kits in office areas, comprehensively covering daily health protection and emergency medical needs, safeguarding the physical and mental health of employees.

Extensive Employee Activity Facilities



Employee Activities

We organize a wide variety of employee activities centered on holiday culture, team building, and interest development to create a positive, united, and cooperative cultural atmosphere.

A Wide Variety of Employee Activities



Case Study: International Women's Day Themed Event to Care for the Development of Female Employees

In March 2025, we held an International Women's Day themed event aimed at all female employees. The event effectively enhanced their sense of belonging and fulfillment, reflecting our commitment to employee well-being and our dedication to building an inclusive workplace culture.



International Women's Day



Giving Back to Society

Fulfilling the Original Commitment to Responsibility

We actively fulfill our corporate citizen responsibilities by transforming high-precision positioning technology into a tool for serving society and benefiting the public. We are committed to deeply integrating our development strategy with the sustainable needs of society, promoting the synergistic realization of technological value and social benefits, and building a better social environment through precise spatio-temporal information.

Contributing to Rural Revitalization

Practicing Philanthropy and Charity



Contributing to Rural Revitalization

In active response to the national rural revitalization strategy, we have long provided donations and support to Dongfang Village in Qingpu District. These efforts aim to enhance rural industrial efficiency, optimize governance, and improve local livelihoods, thereby promoting integrated urban-rural development and comprehensive rural revitalization. Through these practical actions, we fulfill our social responsibility of serving grassroots communities and empowering rural areas.



Case Study: Volunteer Services to Improve Rural Well-being

In 2025, we organized a group of Party member volunteers to conduct an environmental cleanup campaign in Dongfang Village, focusing on areas such as the main village roads, green belts, and centralized waste collection points. Through this grassroots governance practice, the village's appearance and environment were improved.

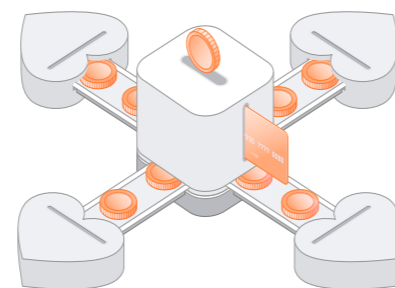


Environmental Cleanup Campaign

Practicing Philanthropy and Charity

Leveraging our technological expertise and industry resources, we carry out specialized charitable activities focusing on educational development, public welfare, and emergency response.

In 2025, we donated over RMB 10 million in total to more than ten universities and related institutes, including Wuhan University (Zhizhuo Wang Education Development Fund and Jinsheng Ning Education Development Fund), Hohai University, and China University of Mining and Technology. These donations support the development of surveying and mapping-related disciplines and talent cultivation, contributing to the industry's talent pool and academic advancement. Concurrently, we made charitable donations to the Shanghai Charity Foundation and the Qingpu District representative office of the Shanghai Elderly Friends Foundation, demonstrating our corporate warmth and social responsibility as a listed company through precise and practical philanthropic actions.



Case Study: Donating Funds and Equipment to the Zhizhuo Wang Education Development Fund at Wuhan University to Support the Development and Talent Cultivation in Remote Sensing

In 2025, we donated multi-rotor drones, airborne LiDAR systems, LiDAR point cloud production software, and an education fund—totaling RMB 5 million—to the Zhizhuo Wang Education Development Fund at Wuhan University. This donation is specifically designated to support the innovative development of the remote sensing discipline, with the aim of advancing talent cultivation and academic innovation in this field. The contribution provides critical resources for cutting-edge research and high-level competitions in remote sensing, effectively enhancing students' innovative thinking and practical capabilities. It also reflects our long-standing commitment to fulfilling corporate social responsibility by supporting foundational scientific research and higher education, thereby helping to drive the sustainable development of China's surveying, mapping, and remote sensing endeavors.

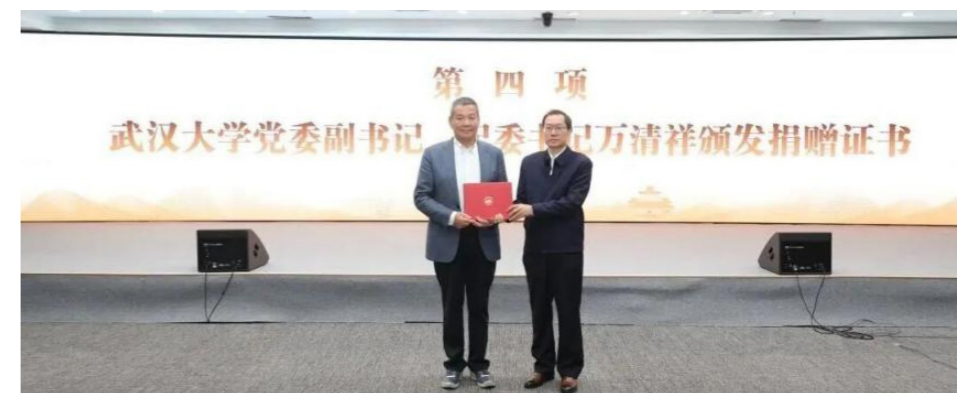


Donation Ceremony



Case Study: Yanping Zhao Donates Funds to the Jinsheng Ning Education Development Fund at Wuhan University

In 2025, Mr. Yanping Zhao, our Chairman, donated RMB 2 million to the Jinsheng Ning Education Development Fund at Wuhan University to support talent cultivation in the field of surveying and mapping. This donation is both a tribute to Academician Jinsheng Ning's dedication to education and a reflection of Mr. Yanping Zhao's sense of responsibility towards education. It aims to help the surveying and mapping discipline at Wuhan University continue to lead industry development and inspire more students to devote themselves to serving the country through science and technology.



Donating Funds to the Jinsheng Ning Education Development Fund at Wuhan University



Case Study: Donating Funds and Equipment to Hohai University to Support Disciplinary Development, Talent Cultivation, and Innovation and Entrepreneurship Education

In 2025, we donated a total of RMB 5 million in funds and software and hardware equipment to Hohai University to establish the "CHC Navigation Education Fund." The fund is designed to provide robust support for disciplinary development, the cultivation of young talent, and innovation and entrepreneurship education at Hohai University. This contribution has actively promoted the integration of industry and academia, helping to accelerate China's advancement toward becoming a global leader in education, science and technology, and talent development.



Unveiling Ceremony of the CHC Navigation Education Fund



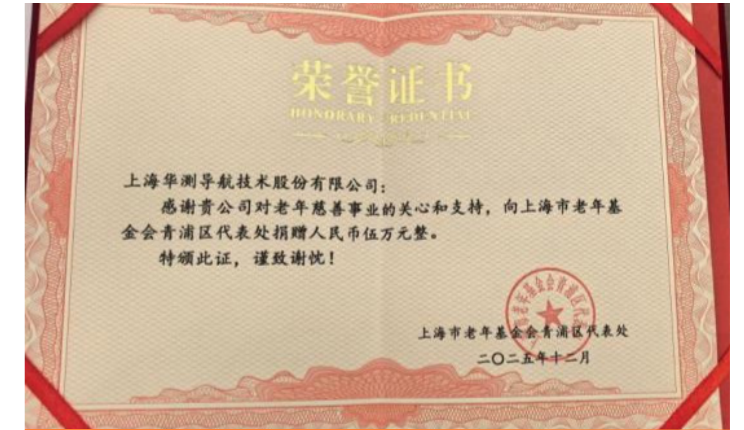
Case Study: Donating Funds to China University of Mining and Technology and Signing a Strategic Cooperation Agreement

In 2025, we donated RMB 1 million to China University of Mining and Technology to support initiatives including research funding, laboratory construction, and the establishment of scholarships. We also signed a strategic cooperation agreement with the university—concrete actions that actively implement the national strategies of "Innovation-Driven Development" and "Industry-Education Integration." This collaboration not only strengthens the foundation for scientific research and talent development but also injects new momentum into the national energy security strategy and the intelligent transformation of surveying and mapping technologies.



Donating Funds to China University of Mining and Technology

We also donated products valued at several million RMB to more than 10 schools, helping universities optimize teaching conditions, enhance practical skills, and promote the deep integration of industry, academia, and research.



RMB 50,000 to the Qingpu District Representative Office of the Shanghai Elderly Friends Foundation to Support Public Welfare for the Elderly

Additionally, we contribute to the development of global scientific research and education by donating advanced equipment and providing technical support:

- 1 **Donation of GNSS receivers to the University of Ghana**
Supporting surveying and mapping education and research practices in local higher education and contributing to the cultivation of surveying and mapping talent in Africa.
- 2 **Support for the FIG Young Surveyors Network**
Donation of relevant technical equipment to encourage young surveyors to apply advanced tools in addressing global geospatial challenges.
- 3 **Donation of an unmanned surface vessel system to a water resources research center in Southeast Asia**
Assisting in hydrological monitoring and water resource management research to enhance local adaptive capacity to climate change.



Green Operations

Safeguarding a Sustainable Future

We adhere to a green development philosophy, integrating environmental protection and resource conservation into the entire process of our operations and management to continuously reduce the environmental impact of our business activities. By improving our environmental management system, promoting efficient resource utilization, standardizing waste management, and actively addressing issues such as climate change and ecological protection, we continuously enhance our level of green operations. This promotes the coordinated development of our enterprise and ecological environmental protection, achieving long-term, stable, and sustainable growth.

Environmental Compliance Management

Efficient Resource Utilization

Waste Management

Addressing Climate Change

Biodiversity Conservation

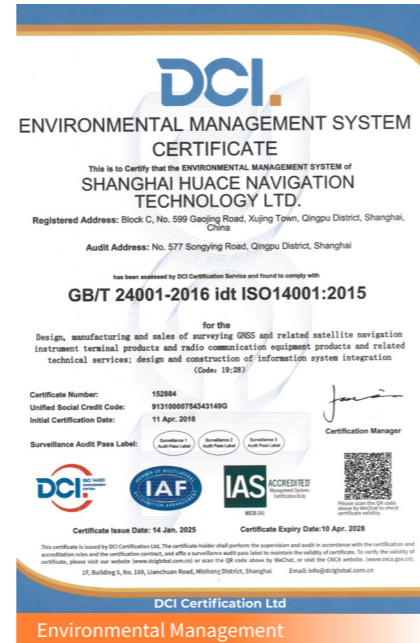


Environmental Compliance Management

We have established comprehensive environmental management policies and systems that clearly define the environmental responsibilities of each department and position, ensuring that all our environmental protection work is well-regulated. In accordance with the Infrastructure and *Work Environment Control Procedure and the Environmental and Safety Operational Control Procedure*, we systematically manage our infrastructure, work environment, and environmental matters to ensure the effective operation of our environmental management system.

During the reporting period, we obtained ISO 14001 Environmental Management System certification and have continuously optimized our environmental management processes. Regular internal audits and management reviews are conducted to ensure that all activities during project development and design comply with environmental requirements.

To implement our management policies and objectives and to identify and control significant environmental factors, we have formulated the Environmental and Safety Operational Control Procedure. This procedure systematically controls environmental and occupational health and safety management activities related to engineering consulting, design, and general contracting projects. It specifies operational methods and conditions to ensure that all activities are conducted under controlled conditions. Through this procedure, we can effectively prevent potential environmental risks and scientifically manage identified risks.



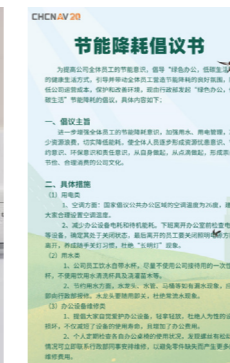
Energy Utilization

We are committed to building an efficient energy management system and promoting the rational use of energy, achieving tangible energy savings and consumption reduction through robust management systems, and optimized operational processes. In daily office operations, we post energy-saving signage and install independent switches in office buildings and power load areas to remind employees to "turn off lights when you leave, turn off equipment when you depart." Dedicated personnel conduct regular patrols to ensure that lights, air conditioners, and other equipment are switched off when not in use. Moreover, we actively guide employees to cultivate energy-saving habits and embed green office principles into their daily routines through targeted training sessions and awareness campaigns. Regarding equipment upgrades, our R&D Center and Manufacturing Department prioritize phasing out high-energy-consumption devices and replacing them with new, high-efficiency, energy-saving alternatives—thereby reducing energy consumption at the source.

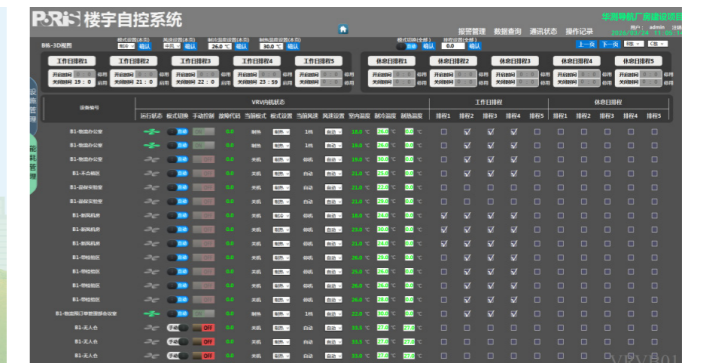
To further enhance management efficiency, we have implemented a Building Automation System (BAS) to enable automated monitoring and optimized scheduling of lighting, air conditioning, ventilation, and other energy-consuming equipment across office areas, laboratories, and public facilities. The system dynamically adjusts equipment operation based on real-time occupancy and usage patterns, effectively preventing energy waste, improving overall energy utilization efficiency, and providing reliable data to support informed energy-saving decisions.



Energy-Saving Sign



Energy Saving and Consumption Reduction Initiative



Building Automation System

Key Performance

During the reporting period, we strictly complied with environmental laws and regulations, experienced **no** major sudden environmental incidents, and received **no** environmental administrative penalties.

Efficient Resource Utilization

We attach great importance to energy management and resource conservation and are committed to the scientific and rational use of energy and resources—reducing costs while enhancing overall corporate economic benefits. In accordance with the *Resource and Energy Management Control Procedures*, we have designated the Administration Department as the competent authority responsible for the overall planning, supervision, and assessment of energy and resource consumption across all workshops and relevant functional departments, ensuring the effective implementation of all management measures. Each department, based on its own responsibilities, undertakes daily management duties and implements energy-saving and consumption-reduction measures to ensure the rational use of energy and resources.

We conduct regular comprehensive inspections, organizing a company-wide special inspection of energy and resource use at least once every six months. Through methods such as on-site verification and data analysis, we identify potential points of waste, evaluate the effectiveness of energy-saving measures, and formulate and track corrective action plans for implementation. At the same time, we actively promote green concepts such as "water conservation, electricity conservation, energy conservation, land conservation, and material conservation." Tailored control measures have been developed for different locations and operational activities, enabling efficient resource utilization through process optimization, adoption of energy-saving equipment, and waste reduction.

Water Resource Management

In water resource management, the Administration Department formulates scientific water use plans for each department based on water consumption indicators, defining clear water use targets and assessment mechanisms to ensure the efficient utilization of water resources. The plumbing and electrical team regularly inspects water pipelines to promptly repair any leaks, drips, or bursts, reducing waste at the source. Each department, based on its specific characteristics, studies relevant regulations, and formulates targeted water-saving measures to optimize water use processes and improve water efficiency.



Water Conservation Sign

Waste Management

As a high-precision navigation and positioning technology enterprise, our own operations generate almost no "three wastes." However, we still strictly adhere to environmental protection regulations to ensure the compliant treatment of wastewater, waste gas, and solid waste. In our EPC projects, we further strengthen the management of the three wastes by optimizing resource utilization and reducing waste emissions through scientific planning and green construction, thereby practicing the concept of sustainable development, and contributing to ecological protection.

Pollution Prevention and Emission Management

Water Pollution Management

In terms of water pollution management, we have established comprehensive wastewater treatment facilities in strict accordance with national and local environmental regulations to ensure that our wastewater is discharged in compliance with standards. In 2025, we maintained a 100% compliance rate for wastewater discharge, with no instances of non-compliant emissions. We regularly commission third-party professional institutions for testing, and all results have met environmental standards.

Key Performance

In 2025, we maintained a **100%** compliance rate for wastewater discharge, with **no** instances of non-compliant emissions.



Water Pollution Control Measures

Standardized discharge of domestic sewage

Ensure that domestic sewage is treated to meet standards before being discharged into the municipal sewage network, and prohibit the direct discharge of untreated sewage to prevent water pollution at the source.

Leak prevention management for hazardous materials and oils

Strictly control the transportation, use, and storage of hazardous chemicals and oils to prevent leakage accidents. In the event of a leak, it must be reported immediately and emergency measures taken to prevent pollutants from entering water bodies.



Control of toner from office equipment

When replacing toner cartridges for copiers and printers, it is strictly forbidden to wash away toner with water to prevent it from entering rainwater or sewage pipes. Toner must be collected centrally and disposed of in accordance with regulations to avoid water contamination.

Wastewater treatment at construction sites

In EPC projects, strengthen the management of wastewater containing mud and sand at construction sites, strictly control its discharge, and ensure that construction organization complies with environmental protection requirements to prevent construction wastewater from polluting surrounding water bodies.

Air Pollution Management

In terms of air pollution, our operational activities do not produce direct waste gas emissions. During R&D, production, and operations, we minimize our impact on the atmospheric environment by optimizing processes, using environmentally friendly materials, and adopting green, low-carbon technologies, while actively responding to green and low-carbon policies.

Air Pollution Control Measures

Management of hazardous chemicals and flammable/explosive materials

Strictly adhere to national regulations in the transportation, storage, and use of hazardous chemicals (such as alcohol and methane) to prevent the leakage of volatile organic compounds (VOCs) that could cause air pollution. Hazardous materials must be stored in designated areas, away from ignition sources, and equipped with comprehensive fire prevention, explosion-proof, and fire-extinguishing facilities to ensure the safety of the atmospheric environment.

Dust control at construction sites

In EPC projects, strict dust management measures are implemented for dust-prone activities such as earthwork, transportation of bulk materials, and site cleaning to ensure that air pollutant emissions from construction sites meet compliance standards.

Noise Control

In terms of noise control, we strictly manage noise emissions at our construction and installation sites to ensure that noise levels in residential areas and from construction machinery comply with national and local standards. Through the use of professional monitoring equipment and third-party monitoring, all indicators at monitoring points meet the required standards.

Waste Management

In solid waste management, we implement strict measures for classified collection and compliant disposal. Hazardous waste (such as chemical agents and adhesives) is entrusted to qualified professional institutions for treatment, ensuring 100% compliance. For non-hazardous waste (such as paper, plastics, and office trash), we implement classified management to increase recycling rates and reduce the environmental burden. At our construction sites, construction debris, waste materials, and auxiliary packaging materials must be transported to designated locations, with on-site incineration or illegal landfilling strictly prohibited.

Waste Disposal Methods

Waste generation site	Category	Disposal method
Office premises	Waste electronic products, toner cartridges, ink cartridges	Periodically collected and handed over to professional companies for disposal
Small-scale construction sites (e.g., laboratory renovations)	Waste from renovation and demolition, residual renovation materials, auxiliary packaging materials, scrapped renovation tools and equipment	Management and control of related parties should be strengthened; waste should be transported to designated locations. On-site incineration is not permitted, and toxic and hazardous waste must not be used as backfill

Circular Economy

We actively promote the concept of a circular economy, integrating resource conservation and waste recycling into daily operations and R&D activities. Office and functional teams strictly adhere to paper-saving regulations, with double-sided printing and copying widely implemented. In R&D and production processes, we reduce raw material waste and mitigate environmental impact through effective recycling initiatives. These measures significantly enhance our resource utilization efficiency, delivering a win-win outcome for both environmental sustainability and economic performance.

Key Performance

During the reporting period, we recycled motor packaging boxes and navigation product upper shell packaging boxes, reusing them for customer order shipments. A total of approximately **5,000** packaging units were reused throughout the year.

The aluminum foil bags and bubble bags used for antenna and PCBA packaging are recycled and provided to outsourced manufacturers for reuse, with a cumulative reuse of more than **600,000** bags.

Addressing Climate Change

CHC Navigation focuses on the risks and opportunities presented by climate change. Leveraging high-precision spatio-temporal information technology, we provide technical support in key areas such as disaster prevention and mitigation, resource management, and clean energy—helping to enhance resource utilization efficiency and strengthen climate risk resilience. Moving forward, we will continue to explore relevant technological applications aligned with our business growth, advancing corporate development in harmony with green and low-carbon principles.

Governance

We place great importance on climate-related risks and low-carbon development opportunities, integrating them as core components of our ESG management system. Within our established ESG governance framework, management actively tracks national “dual carbon” policy developments, while business units routinely assess how climate-related risks affect supply chain stability, production safety, and product development in their day-to-day operations. Through existing management mechanisms, we continuously identify, monitor, and respond to climate-related risks and opportunities, ensuring that relevant initiatives are effectively implemented across our operations in alignment with our business characteristics.

Climate change has been formally integrated into our ESG governance framework. The Board of Directors holds ultimate responsibility for strategic decision-making and oversight, while each business unit and subsidiary implements climate-related initiatives according to their specific roles and responsibilities. Through this tiered management mechanism, we continuously identify, assess, and address climate change-related risks and opportunities, ensuring they are appropriately considered and embedded across our operations and management processes.

Strategy

We actively align with China’s national “dual carbon” strategic goals—carbon peaking and carbon neutrality—and have deeply embedded green and low-carbon principles into our core corporate strategy. Through high-precision spatio-temporal information technology, we are committed to empowering the low-carbon transformation of industries across the economy. On one hand, we systematically identify and manage both physical and transition risks posed by climate change to safeguard long-term business resilience and sustainability. On the other hand, we proactively seize emerging technological opportunities in green development, with focused efforts in clean energy, precision agriculture, and environmental monitoring. By delivering efficient, low-energy-consumption product solutions, we help diverse sectors reduce their carbon emission intensity—contributing meaningful technological support toward the nation’s carbon peaking and carbon neutrality objectives.

Identified Climate-Related Risks

Risk type	Risk name	Risk description	Potential financial impact	Response measures
Transition risks	Technology risks	As market demand for ultra-low power consumption and highly integrated spatio-temporal intelligent products accelerates, existing technologies may face the risk of becoming obsolete	Research and development investment continues to increase; failure to update technology in a timely manner may affect product competitiveness	Continue investing in the research and development of highly integrated chips and low-power algorithms, and enhance technology iteration efficiency through the IPD system
Physical risks	Extreme weather impact	Extreme weather events such as heavy rainfall and typhoons may disrupt on-site construction work or affect the supply chain	Project delivery may be delayed; disruptions to raw material supply may cause cost fluctuations	Strengthen green construction and scientific planning of engineering projects; enhance the adaptability of equipment to extreme environments through highly reliable hardware at the design stage.

Identified Climate-Related Opportunities

Opportunity type	Opportunity name	Opportunity description	Potential financial impact	Response measures
Products and service	Enhancing climate adaptability	Extreme weather events that trigger dam breaches and geological disasters have spurred market demand for deformation monitoring and early warning systems.	Increase market share and brand premium for disaster prevention and monitoring products.	Product upgrades have enabled us to provide deformation monitoring software and hardware solutions tailored to the diverse needs of customers across various industries.
Resource efficient	Green agriculture: low-carbon and efficient	Automatic driving technology for agricultural machinery can effectively reduce fuel consumption during agricultural operations.	The competitiveness of agricultural products has been further enhanced, expanding their global market share.	Improve the automation application of systems such as NX612 in the entire process of cultivation, planting, management, and harvesting.

Impact, Risk, and Opportunity Management

We are committed to transforming high-precision spatio-temporal information technology into actionable productivity to combat climate change. By empowering renewable energy development, enhancing agricultural carbon sequestration efficiency, and strengthening early disaster warning systems, we deliver comprehensive support for achieving global climate governance goals.

Facilitating the Transition to Renewable Energy – Mitigating Climate Change

Our high-precision positioning technology directly empowers the construction and operation of green energy infrastructure, reducing dependence on fossil fuels.

Smart ocean

Provides solutions for offshore wind turbine foundation inspection and unmanned coastline measurement, supporting accurate site selection and safe operation of offshore wind farms.



Offshore Wind Turbine Foundation Inspection

Smart power

Based on high-precision monitoring technology, real-time monitoring of tower and line safety is conducted; high-precision technology serves the precise layout of photovoltaic projects, ensuring the high efficiency and stability of clean energy transmission networks and promoting green transformation.

Extreme Climate Disaster Early Warning – Enhancing Climate Resilience

Climate change is leading to more frequent extreme weather events, and our technology can significantly enhance society's ability to adapt to climate risks.

Deformation monitoring

Providing millimeter-level real-time fusion monitoring technology for geological disasters (such as debris flows and landslides), dam safety, and slope stability. In the event of floods or secondary disasters triggered by extreme precipitation, it can provide all-weather early warning, ensuring the safety of life and property.



Reservoir Capacity Solution—APACHE Series USV Equipped with a Multi-Beam Echosounder System

Smart water management

Monitoring reservoir rainfall and water levels and dam safety, improving the effective utilization rate of water resources, and addressing the uneven distribution of drought and flood caused by climate change.

Emission Reduction and Precision Efficiency Enhancement in Smart Agriculture—Low-Carbon Agriculture

Through precision operations and intelligent management, smart agriculture reduces energy consumption and the use of agrochemicals, lowering carbon emissions while increasing yields and facilitating a low-carbon, high-efficiency model.

Precision Agricultural Machinery

Precision seeding and fertilization are achieved through automated driving, land leveling, and guidance systems for agricultural machinery. This not only enhances land yield per unit but also significantly reduces fuel consumption and related carbon dioxide emissions by minimizing repetitive operations.



Intelligent Spraying

Intelligent Control

Intelligent spray control solutions enable the precise reduction of pesticides and chemical fertilizers, thereby lowering agricultural non-point source pollution and greenhouse gas emissions resulting from the production and application of agrochemicals.

Ecological Carbon Sink Monitoring and Forest/Grassland Protection—Supporting Carbon Neutrality

Healthy ecosystems are important carbon sinks. Our technology is used for the precise monitoring and management of forest and wetland resources, ensuring the quality of carbon sinks.

Smart Forestry and Grassland

The use of integrated "space-air-ground" technology for forest and grassland fire prevention, patrol, and monitoring, as well as laser scanning systems for forestry surveys, effectively prevents forest fires (a major source of short-term carbon emissions) and accurately calculates forest stock volume and carbon sink capacity.



Smart Forestry and Grassland

Unmanned Operations to Reduce the Operational Carbon Footprint: Green Design

Low-Power Design

Our H3 monitoring GNSS receiver and other equipment feature low-power designs, significantly reducing the energy consumption of long-term field monitoring equipment.

Replacement with Unmanned Systems

The use of unmanned aerial vehicles (UAVs) and unmanned surface vessels (USVs) for hydrographic surveys, emergency reconnaissance, and national land surveys replaces traditional manned vehicle operations, significantly reducing the carbon emission intensity of conventional survey methods.

Indicators and Targets

We pay close attention to the risks and opportunities brought by climate change and, in line with our business characteristics, continuously promote the application of high-precision spatio-temporal information technology in fields such as resource conservation, disaster prevention and mitigation, clean energy, and smart agriculture. By enhancing monitoring capabilities, optimizing resource allocation, and improving operational efficiency, we play an active role in helping clients reduce their environmental impact and improve their climate resilience. In the future, we will continue to explore the potential of our technology in climate management-related scenarios, in line with industry development trends.

Biodiversity Conservation

We actively fulfill our corporate social responsibility in biodiversity conservation by minimizing the impact of our business activities on the ecological environment through technological innovation and scientific management. We strictly adhere to ecological protection regulations and focus on maintaining ecological balance and avoiding the destruction of natural habitats during project development and operation. Concurrently, we promote the application of high-precision navigation and positioning technology in ecological monitoring and protection, providing precise data support for biodiversity. In the future, we will continue to deepen technology application and explore more solutions to support biodiversity conservation.



Key Performance

Business indicators

Indicator	Unit	2025	2024	2023
Operating revenue	Ten thousand yuan	369,915.21	325,101.34	267,834.11
Net profit attributable to shareholders of the listed company	Ten thousand yuan	68,542.06	58,340.32	44,914.08
Basic earnings per share	Yuan per share	0.882	0.764*	0.596*
Total assets	Ten thousand yuan	606,420.51	512,441.08	441,205.00

Environmental indicators

Topic	Indicator	Unit	2025	2024	2023
Environmental management	Number of violations of environmental laws and regulations	Cases	0	0	0
	Amount of major administrative penalties imposed by relevant departments such as the ecological environment department due to environmental incidents during the reporting period	Ten thousand yuan	0	0	0
Energy utilization	Total amount of purchased electricity	MWh	6,746,958.60	5,601,429.20	5,406,212.34

Social indicators

Topic	Indicator	Unit	2025	2024	2023
Employee employment	Total number of employees	Persons	2,333	2,046	1,844
	Number of newly-recruited employees	Persons	624	454	\
	Number of female employees	Persons	479	416	387
	Number of male employees	Persons	1,854	1,630	1,457
	Proportion of female employees	%	21	20	21
	Proportion of male employees	%	79	80	79
	Total number of R&D personnel	Persons	879	681	615
Total number of R&D personnel	%	37.68	33.28	33.35	

*Note: The data has been adjusted.

Topic	Indicator	Unit	2025	2024	2023
Employee employment	Number of employee resignations	Persons	337	253	\
	Employee turnover/resignation rate	%	14	12	\
Employee rights & interests and welfares	Employee social insurance coverage rate	%	100	100	100
	Confirmed incidents of discrimination	Cases	0	0	0
	Confirmed incidents of forced labor	Cases	0	0	0
	Confirmed incidents of child labor	Cases	0	0	0
Employee health and safety	Number of safety drills	Number of times	1	2	1
	Number of work-related injuries	Persons	3	1	0
	Number of work-related fatalities	Persons	0	0	0
	Occupational disease incidence rate	%	0	0	0
Talent training and development	Total number of training sessions for the year	Times	573	527	396
	Employee training coverage rate	%	100	100	100
R&D and innovation	R&D expenditure	Ten thousand yuan	55,799.68	46,901.91	46,211.31
	Ratio of total R&D expenditure to operating revenue	%	15.08	14.43	17.25
	Number of patents held	Cases	490	452	353
	Number of invention patents held	Cases	191	183	162
	Number of software copyrights held	Cases	358	333	315
Product quality	Amount of damages involved in major liability accidents related to product and service safety and quality in the year	Ten thousand yuan	0	0	0
Data security and customer privacy	Number of confirmed data security incidents	Cases	0	0	0
	Monetary value involved in data security incidents	Ten thousand yuan	0	0	0
	Number of confirmed customer privacy breaches	Cases	0	0	0
	Monetary value involved in customer privacy breaches	Ten thousand yuan	0	0	0

Governance indicators

Topic	Indicator	Unit	2025	2024	2023
Corporate governance	Number of directors	Persons	8	7	7
	Number of female directors	Persons	1	1	1
	Number of independent directors	Persons	3	3	3
	Number of Board meetings	Times	13	11	8
	Number of Audit Committee meetings	Times	6	8	6
	Number of Remuneration and Appraisal Committee meetings	Times	12	8	5
	Number of Nomination Committee meetings	Times	0	1	2
	Number of Strategy and Investment Committee meetings	Times	1	0	0
	Average board attendance rate	%	100	100	100
	Number of Shareholders' Meetings	Times	5	3	3
Business ethics	Percentage of employees who have signed the integrity commitment letter	%	100	100	100
	Total number of lawsuits/administrative penalties for violation of fair competition	Cases	0	0	0

Index of Indicators

Primary topics	Secondary topics	Relevant sections
Climate change tackling	Management of climate change-related risks and opportunities	Climate change tackling
	Assessing the adaptability of the Company's strategy, business model, etc., to climate change	Climate change tackling
	Transformation plans, measures, and progress in addressing climate-related risks and opportunities	Climate change tackling
	Greenhouse gas reduction practices	Climate change tackling
	New technologies, products, and services conducive to reducing carbon emissions and achieving carbon neutrality	Climate change tackling
Pollutant discharge	Pollutant discharge treatment	Waste management
	Administrative penalties	Not involved
Waste disposal	Treatment status	Waste management
Ecosystem and biodiversity protection	Protective measures within the region	Biodiversity protection
	Protection and restoration measures	Biodiversity protection
Environmental compliance management	Risk management	Environmental compliance management
	Emergency incidents	Not involved
	Administrative penalties	Not involved
Energy usage	Usage status	ESG performance
Usage of water resources	Usage status	Efficient resource utilization
Circular economy	Specific measures	Waste management
	Progress and outcomes	Waste management
Rural revitalization	Specific measures	Contributing to rural revitalization
	Achievements	Contributing to rural revitalization
Contributions to the society	Contribution status	Practicing public welfare
Innovation-driven	Strategic objectives	Innovation-driven
	Specific details	Innovation-driven
	R&D achievements	Innovation-driven
	Innovation impact	Innovation-driven
Ethics of science and technology	Fields of engagement	Innovation-driven
	Violations	Not involved

Primary topics	Secondary topics	Relevant sections
Supply chain security	Risk management	Supply chain security
	Safeguard measures	Supply chain security
	Improvement measures	Supply chain security
Equal treatment to small and medium-sized enterprises	Outstanding payments	Not involved
	Specific details	Supply chain security
Safety and quality of products and services	Management system	Product quality
	Quality certifications	Product quality
	Major incidents	Not involved
	After-sales service	Customer rights and interests
	Accessibility	Customer rights and interests
Data security and customer privacy protection	Management system	Information security
	Security incidents	Information security
	Customer privacy protection	Information security
	Data breach incidents	Information security
Employees	Employee recruitment	Talent attraction
	Occupational health and safety	Employee health and safety
	Career development and training	Talent development
Due diligence	Due diligence implementation	Communications with stakeholders
Communications with stakeholders	Communication mechanisms	Communications with stakeholders, Investor relations management
	Feedback channels	Communications with stakeholders
Anti-commercial bribery and anti-corruption	Management system	Business ethics
	Risk assessment	Business ethics
	Training performance	Business ethics
	Incidents occurred	Business ethics
Anti-unfair competition	Administrative penalties	Business ethics

Reader Feedback

Dear Readers:

Thank you for taking time off to read the 2025 Environmental, Social and Governance (ESG) Report of Shanghai Huace Navigation Technology Ltd in order to better prepare the Report and enhance the responsibility-fulfilling ability and level of the Company, we sincerely value your valuable advice and suggestions on the Report so that we can make further improvements.

1. For CHC Navigation, the category of stakeholders you belong to is:

- Government Customer Employee Partner Environmental related organization
 Community and the public

2. What is your overall impression of the Report?

- Very good Good Average Poor Bad

3. What do you think of the structural arrangement of the Report?

- Very reasonable Relatively reasonable Average Poor Bad

4. What do you think of the layout of the Report?

- Very reasonable Relatively reasonable Average Poor Bad

5. Do you think that the Report is readable?

- Very good Good Average Poor Bad

6. Do you think that the Report can reflect the Company's significant impact on the economy, society and environment?

- Yes Average No idea

7. How clear, accurate and complete do you think the information, data and indicators disclosed in the Report are?

- High Relatively high Average Relatively low Low

8. How do you think the Company is doing in serving customers and protecting stakeholders?

- Good Average Poor No idea

9. Do you have any valuable advice or suggestions on the preparation of the Report or the responsibility-fulfilling practices of the Company?



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