

Remark Holdings Partners with Hanvon Technology to Win Phase 2 of China Mobile's Smart Store Transformation

June 1, 2020

Multi-Million Dollar Contract to be Delivered Over Two Years

LAS VEGAS, June 1, 2020 /PRNewswire/ -- Remark Holdings, Inc. (NASDAQ: MARK), a diversified global technology company with leading artificial intelligence ("AI") solutions and digital media properties, today announced its partnership with [Hanvon Technology](#), a publicly listed Chinese systems integrator, won the Phase 2 implementation of China Mobile's contract for the transformation of its 17,800 corporate stores into smart retail stores.

With its advanced AI solutions for the field of smart retail, Remark's China-based subsidiary, KanKan AI, partnered with Hanvon Technology to successfully win the second phase of China Mobile's Smart Telecom Operator Store Project. The Deputy General Manager of Hanvon Technology Mr. Li Bin said, "Hanvon Technology and KanKan AI will strengthen our partnership with China Mobile as we were awarded the second phase of the project by jointly advancing the adoption of innovative AI technology for China Mobile's Smart Telecom Operator Store Project."

"KanKan AI is excited to continue our deep cooperation with Hanvon Technology. By combining their hardware expertise and sales channel with our advanced AI technology research and development, we expect the partnership will not only allow to us to win more contacts together with China Mobile, but also to expand our business in the smart telecom retail store market," added Kai-Shing Tao, Remark's Chairman and Chief Executive Officer. "China Mobile's successful results from early Phase 1 implementations has resulted in an expanded commitment to our additional offerings. Our award winning AI solutions offer corporations a suite of applications that can be implemented in conjunction with existing security hardware."

The project is expected to be delivered over the next two years. Phase 1 includes the upgrade of more than 17,800 stores across the entire country and is valued at \$50 million to Remark. The second phase of the project will deliver an additional several million dollars to Remark resulting from a multi-year recurring software license for the new software application modules.

In the first phase of the project that KanKan AI and Hanvon Technology jointly won, facial-ID, traffic counting, and smart queue management systems have already been installed into operation. Among the installed systems, the Smart Queue Management System has been implemented in more than 2,000 stores across China, with a target of 5,000 stores by the end of 2020. The smart queue management system allows China Mobile's customers to use the company's mobile app or WeChat to find the nearest stores using location-based technology, and then allows the customer to get the queue status of each store in real-time, and to get an electronic queue ticket for online queueing. The system helps to distribute customer traffic to different stores and uses electronic queue ticketing to replace traditional paper ticketing, leading to improved store operation efficiency and customer experience.

The second phase of the project adds incident detection functionalities, including the following:

- Stranger intrusion alerting: generates a warning if unauthorized personnel trespass in monitored/sensitive areas.
- Fire detection: signals if a fire or smoke is detected in monitored areas.
- Object recognition and placement monitoring: alerts if an object is missing or moved from its original placement.
- Overcrowding detection: counts number of visitors, and generates a warning if the number exceeds the given capacity.
- Staff attendance management: monitors the duration of staff absence from appointed duties.
- Customer loitering prevention: detects loitering times of individual visitors and groups of visitors in monitored areas, alerting management if times exceed predetermined thresholds.
- Dress code compliance monitoring: the system automatically checks the dress code of staff, which is only allowed to begin a shift if standards are met.
- Mask wearing compliance monitoring: during the period of the pandemic, the system generates a warning if personnel or customers are not wearing proper facial protection.

The incident detection module being implemented during the second phase uses front-end cameras to collect video data, uses AI algorithms to analyze the video input and automatically perform incident-detection functionalities, and supports a comprehensive 24-hour-per-day real-time monitoring program. The system immediately identifies abnormal events and behaviors, generates warnings in real-time, archives any evidence, sends notification to the operator, and establishes workflow automation for pre-event alerting, allowing for a fast response when events happen.

Alarm data such as event type, processing status, processed rate, event time is summarized and analyzed in real-time for determining related patterns. The backend of the smart management system can effectively gather the data of all stores. With the multiple dimension metrics from queue management, to store standardization, abnormal environment, incident analysis and others, the smart management level of the store has been greatly increased.

About Hanwang Technology Co., Ltd

Established in 1998, Hanwang Technology Co., Ltd. (Hanvon Technology) is the pioneer in character recognition technology and intelligent interactive

products worldwide. Through continuous innovation over years, Hanwang Technology has a number of core technologies with independent intellectual property rights in the field of handwriting recognition, optical character recognition (OCR), and handwriting input. The company's comprehensive technical power is in leading position both at home and abroad. The technology of handwritten Chinese character recognition won the first prize of National Science and Technology Progress Award, and OCR won the second prize of this same award. For additional information, please refer to <http://www.hanvon.com/>.

Remark Holdings

About Remark Holdings, Inc.

Remark Holdings, Inc. (NASDAQ: MARK) delivers an integrated suite of AI solutions that enable businesses and organizations to solve problems, reduce risk and deliver positive outcomes. The company's easy-to-install AI products are being rolled out in a wide range of applications within the retail, financial, public safety and workplace arenas. The company also owns and operates digital media properties that deliver relevant, dynamic content and ecommerce solutions. The company is headquartered in Las Vegas, Nevada, with additional operations in Beijing, Shanghai, Chengdu and Hangzhou, China. For more information, please visit the company's website at <http://www.remarkholdings.com/>.

Forward-Looking Statements

This press release may contain forward-looking statements, including information relating to future events, future financial performance, strategies, expectations, competitive environment and regulation. Words such as "may," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," and similar expressions, as well as statements in future tense, identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, including those discussed in Part I, Item 1A. Risk Factors in Remark Holdings' Annual Report on Form 10-K and Remark Holdings' other filings with the SEC. Any forward-looking statements reflect Remark Holdings' current views with respect to future events, are based on assumptions and are subject to risks and uncertainties. Given such uncertainties, you should not place undue reliance on any forward-looking statements, which represent Remark Holdings' estimates and assumptions only as of the date hereof. Except as required by law, Remark Holdings undertakes no obligation to update or revise publicly any forward-looking statements after the date hereof, whether as a result of new information, future events or otherwise.

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