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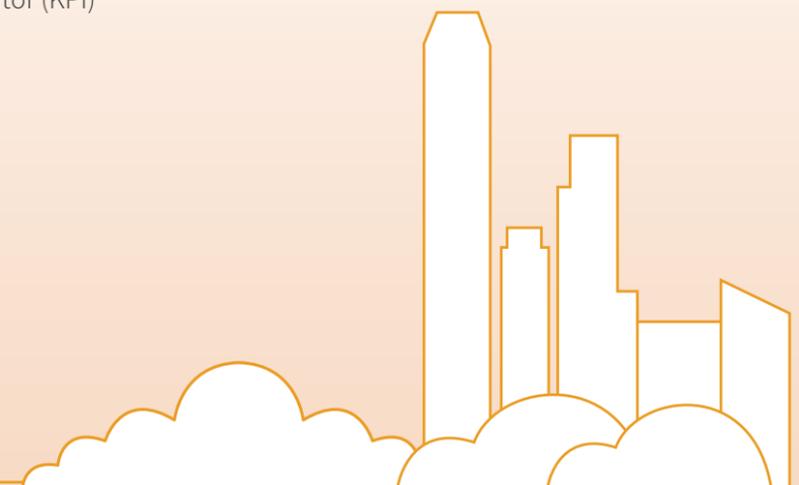
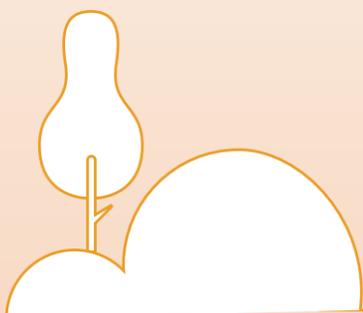
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About This Report

This report is the first Sustainability Report released by Luoyang Xinqianglian Slewing Bearing Co., Ltd. (hereinafter referred to as “Xinqianglian,” “the Company,” or “we”). Based on the principles of objectivity, standardization, transparency, and comprehensiveness, this report details the Company’s environmental, social, and governance practices and performance for the year 2025.

Report Scope

This report covers Luoyang Xinqianglian Slewing Bearing Co., Ltd. (the “Company”) as the main reporting entity, including its subsidiaries. Unless otherwise specified, the scope of this report is consistent with that of the Company’s Annual Report. This report is published on an annual basis.

Time Frame

The Reporting Period covered by this report is from January 1, 2025, to December 31, 2025 (referred to as the “Reporting Period”). To enhance the comparability and forward-looking nature of this report, some sections may appropriately include retrospective data from previous years or contain forward-looking statements.

Compilation Basis

- Shenzhen Stock Exchange: *Self-Regulatory Guidance No. 3 for Companies Listed on the ChiNext Market of Shenzhen Stock Exchange—Preparation of Sustainability Report*
- *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*
- China Enterprise Reform and Development Research Association: *China Enterprise Sustainability Report Guidelines (CASS-ESG6.0)*
- Global Reporting Initiative : *GRI Sustainability Reporting Standards (GRI Standards)*
- United Nations Sustainable Development Goals (SDGs)
- *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*

Data Statement

The data sources used in this report include the Company’s actual operational raw data, public data from government departments, annual financial data, internal statistical reports, third-party questionnaire surveys, and third-party evaluation interviews. The financial data in this report is presented in Renminbi (RMB). In the event of any discrepancies with the Annual Report, the Annual Report shall prevail.

Report Quality Assurance

The Company endeavors to ensure the completeness, materiality, balance, and comparability of the report’s content, systematically elaborating on its philosophies, systems, actions, and performance in pursuing development, economic, ecological, and social progress. It ensures that the content of this report is objective, accurate, and complete, free from any false records, misleading statements, or material omissions. Through the release of this report, the Company aims to improve its social responsibility management level, strengthen communication with stakeholders, and promote its sustainable development.

Explanation of Terms

Definition Entry	Explanation
Xinqianglian、 the Company、 we	Luoyang Xinqianglian Slewing Bearing Co., Ltd.
Shengjiu Forging	Luoyang Shengjiu Forging Co., Ltd
Haipusen	Luoyang Haipusen High Precision Rolling Element Co., Ltd.
Haozhi Machinery	Luoyang Haozhi Machinery Co., Ltd
Xinqianglian Heavy Industry	Xinqianglian (Jiangsu) Heavy Industry Technology Co., Ltd
Xinsheng New Energy	Luoyang Xinsheng New Energy Co., Ltd

Report Acquisition

This report is published in an electronic version. You can access the electronic version by visiting the Company’s official website (<https://lyxqlbearing.com.cn/>), or by browsing the Shenzhen Stock Exchange website (www.szse.cn) and Juchao Information website (www.cninfo.com.cn). For any questions or suggestions regarding this report, please email us at xql@lyxql.com.cn or call us at 0379-62811096.

Feedback

If you have any comments or suggestions regarding the Company’s sustainable development, you are welcome to share your feedback through the following contact methods to help us continuously improve this report.

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- ☎ Company Fax: 0379-62811095
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Chairman's Message

Dear Friends,

As time progresses, new chapters continually unfold. In 2025, a year marked by accelerated breakthroughs in the domestic production of high-end equipment such as large slewing bearings, Xinqianglian has consistently adhered to its development philosophy of "Openness, Inclusiveness, Cooperation, and Win-Win." While deeply cultivating our core business and pursuing excellence, we have integrated social responsibility into our developmental DNA, responded to the call of the times with technological innovation, and interpreted corporate value with concrete actions and a strong sense of responsibility. On behalf of the Company and all employees, I would like to extend our sincere gratitude to friends from all walks of life who have consistently cared for and supported us.

In 2025, we remained steadfast in our development goal of "Supporting High-End Equipment with Precision Manufacturing, and Contributing to Dual Carbon Goals with Green Production Capacity," moving forward with determination on the path of social responsibility. With strong technological capabilities and the ability to conduct independent R&D and industrialization, the Company has achieved breakthroughs in several key processes. Core products such as main shafts for wind turbines and main bearings for tunnel boring machines have reached internationally advanced levels. Actively responding to the call of the national "15th Five-Year

Plan," we have taken concrete actions to fortify the security of the high-end equipment industry chain, providing reliable bearing products for critical sectors including wind power, tunnel boring machines, and marine engineering equipment.

In terms of green development and low-carbon transition, we have deeply embedded the "dual carbon" goals into every aspect of our production and operations. By establishing subsidiaries to produce forgings and rolling elements, we have extended upstream in the industrial chain, effectively reducing logistics-related energy consumption and carbon emissions. We have optimized production equipment by utilizing energy-efficient machinery and circulating water systems. Leveraging our core strength in wind power bearings, our products support downstream wind turbine manufacturers, injecting strong momentum into the global clean energy transition. Our subsidiary, Xincheng New Energy, is actively expanding its photovoltaic (PV) + energy storage business, offering low-carbon, distributed, and digital PV energy solutions to clients across various industries, supporting their transition to a low-carbon, green model.

Regarding industrial chain win-win and ecosystem co-construction, we have joined hands with upstream and downstream partners to build a stable and sustainable industrial ecosystem. Facing industry opportunities, we not only solidify long-term cooperation with

core customers such as Mingyang Smart Energy, Sany Renewable Energy, Envision Energy, Goldwind, and Windey, but also enhance the overall competitiveness of the industrial chain through technology sharing and production capacity coordination. In our international expansion, we consistently uphold the corporate vision of "Bringing Xinqianglian to the World, Letting the World Know Xinqianglian," actively exploring international markets. We have earned recognition in the global market through high-quality products and integrity-based service, promoting our bearing brand worldwide.

In the realm of employee growth and value sharing, we firmly believe that "talent is the Company's most valuable asset." We continuously improve our talent development system by establishing training models involving university-industry collaboration, internal practical training, and technological project tackling, allowing our core technical personnel to enhance their value through innovative practices. The Company has optimized its compensation, benefits, and incentive mechanisms, advanced the standardization of safe production, and created a safe, inclusive, and diverse working environment for employees, ensuring that the fruits of the Company's development are shared with them.

Regarding our social responsibility and public welfare initiatives, we proactively fulfill our duties as a corpo-

rate citizen by promoting the employment of disabled individuals, veterans, and female workers. Focusing on rural revitalization in Luoyang, we have promoted the construction of PV power stations in collaboration with rural households, and helped cherry growers expand sales channels, adopting multiple measures to boost farmers' incomes. We actively engage in public welfare causes, organizing charitable donations and other social benefit activities, conveying warmth and responsibility through concrete actions.

Looking back on 2025, every achievement of the Company would not have been possible without the trust and support of our customers, suppliers, investors, and friends from all sectors, nor without the hard work and dedication of every Xinqianglian employee. Looking ahead, Xinqianglian is willing to work hand in hand with all partners, investors, and the wider community. We will remain true to our original aspiration and forge ahead courageously, jointly writing a new chapter in the sustainable development of high-end equipment supported by precision manufacturing, and contributing even greater strength to industrial upgrading and social progress!

Thank you all.

Luoyang Xinqianglian Slewing Bearing Co., Ltd.

Chairman: 肖争强

Introduction to Xinqianglian

Company Profile

Luoyang Xinqianglian Slewing Bearing Co., Ltd. (hereinafter referred to as “Xinqianglian”) was established in 2005. In July 2020, the Company was listed on the ChiNext Market of the Shenzhen Stock Exchange (stock abbreviation: “Xinqianglian” , stock code: 300850). Located in the Luoxin Industrial Park Xin'an County Economic and Technological Development Zone Luoyang City, Henan Province—a historic capital of nine dynasties—the Company is a national high-tech enterprise. Xinqianglian is dedicated to advancing the domestic substitution process for wind power bearings. Its main products include wind turbine main shaft bearings, yaw bearings, pitch bearings, slewing bearings for marine engineering equipment cranes, tunnel boring machine (TBM) bearings and key components, gearbox bearings and components, wind turbine locking discs, wind turbine high-speed couplings, as well as rolling elements for slewing bearings, slewing bearing cages, and industrial forgings. Focusing on the R&D, manufacturing, and sales of bearing products, the Company serves industries such as wind power generation, marine engineering equipment, and TBM equipment.

In terms of product portfolio, the Company's wind power bearing products cover main shaft bearings, yaw bearings, pitch bearings, gearbox bearings, and other key components for wind turbines, market position is at the forefront of the industry. In the marine engineering equipment sector, the Company's independently developed products, such as the integral slewing bearing for full-revolving floating cranes and the split slewing bearing for wind power installation vessels, have achieved industry-leading technological levels, successfully breaking long-standing foreign technological monopolies and establishing a prominent market advantage. Regarding TBM bearings, the Company has made multiple significant breakthroughs in the field of ultra-large TBM main bearings and key components, forming stable and in-depth cooperative relationships with leading industry customers.

In technology R&D, the Company and its subsidiaries hold 160 patents, including 33 invention patents. It has participated in formulating the national machinery industry standard “Rolling bearings—Main bearings for tunnel boring machines” and was awarded the second prize of the “China Machinery Industry Science and Technology Award” for its project “Development and Application of Series Main Bearings for Tunnel Boring Machines.” Representative achievements include a 14-meter diameter class ultra-large TBM main bearing, a 12MW offshore anti-typhoon main bearing, and an 18-meter diameter class split three-row cylindrical roller slewing bearing for a 3,500-ton crane. Multiple products and technologies have been recognized as internationally advanced. The Company has been honored as a “National Intellectual Property Advantage Enterprise” , “Henan Provincial Manufacturing Individual Champion Enterprise” and a “Henan Province Manufacturing Single Champion Enterprise,” underscoring its technological strength and industry influence.

Facing the domestic market while reaching out to the world, Xinqianglian consistently keeps pace with the national strategic emerging industries that are prioritized for cultivation and development. The Company actively researches and develops high-end equipment supporting products and continuously promotes the optimization and upgrading of its product structure. Leveraging its exceptional technology, quality, and service, and against the backdrop of economic globalization and the implementation of the Belt and Road Initiative, Xinqianglian, guided by its development philosophy of “Openness, Inclusiveness, Cooperation, and Win-Win,” is steadily advancing its internationalization strateg.

Corporate Culture



Vision

Bringing Xinqianglian to the World,
Letting the World Know Xinqianglian



Mission

Innovation Shapes the Future



Values

Market-Oriented, Customer-Centric,
Practical and Realistic, Cooperation
and Win-Win



Quality Policy

Customer Satisfaction is
Xinqianglian's Eternal Pursuit



Development History

Taking Shape: A Promising Start

2005-2011

- In August 2005, Luoyang Xinqianglian Slewing Bearing Co., Ltd. was established, with its headquarters settling in the Luoxin Industrial Park Xin'an County Economic and Technological Development Zone Luoyang City, Henan Province, focusing on the R&D, manufacturing, and sales of large-scale slewing bearing products.
- In 2008, successfully supplied thin-section slewing bearings for Ferris wheel cabins to the French company POMA, and provided marine crane slewing bearings for Japan's IHI brand, achieving the first breakthrough in overseas high-end markets.
- In 2009, invested RMB 200 million to build a wind power bearing production line. Developed the then-largest domestically produced three-row slewing bearing with an outer diameter of 6,210mm. Successfully entered the tunnel boring machine (TBM) field, with the official delivery of TBM turntable bearings for China Railway Engineering Equipment Group, establishing a foundational position in the high-end equipment supporting industry.
- In 2011, successfully developed and installed the 2MW direct-drive wind turbine three-row cylindrical roller main bearing, marking the Company's technological breakthrough in the field of core wind power components.

Forging Ahead with Determination, Building a Brand

2012-2019

- On January 16, 2012, received the Enterprise Legal Person Business License issued by the Luoyang Administration for Industry and Commerce, marking the official establishment of Luoyang Xinqianglian Slewing Bearing Co., Ltd. and the successful completion of the Company's joint-stock reform.
- In 2013, Luoyang Shengjiu Forging Co., Ltd., established through investment, commenced operations, achieving self-sufficiency in forging supply and laying the foundation for subsequent cost control and production capacity assurance.
- In 2017, successfully developed China's largest diameter three-row cylindrical roller slewing bearing, with a diameter of 10 meters.
- In 2018, approved to establish the "Henan Province Engineering Research Center for High-Power Offshore Wind Turbine Main Shaft Bearings."
- In 2019, successfully developed medium-carbon alloy steel medium frequency quenching technology without soft bands.

Continuous Improvement, Achieving Grand Ambitions

2020-2025

- In 2020, Xinqianglian was successfully listed on the ChiNext Market of the Shenzhen Stock Exchange. The proceeds from its initial public offering were primarily used for the construction project of bearings for large capacity wind turbine generators rated at 2.0MW and above, and to supplement working capital. This became a significant milestone for the Company, ushering in a new phase of large-scale expansion and global strategic positioning, empowered by capital.
- In August 2021, the Company issued shares to specific investors. The funds raised were mainly used for the construction of bearing production lines supporting 3.0MW and above high-power wind turbines, the R&D center construction project, and to supplement working capital. In December 2021, the Company acquired Luoyang Haozhi Machinery Co., Ltd., formally entering the field of wind turbine couplings and locking discs, achieving a strategic breakthrough in the key components business for wind turbines.
- In 2022, the Company issued convertible corporate bonds to unspecified objects. The funds raised were primarily allocated for the gearbox bearings and precision components project, and to supplement working capital.
- In 2023, participated in formulating the national machinery industry standard "Rolling bearings—Main bearings for tunnel boring machines." In 2023, delivered a TBM main bearing with a diameter. In April 2023, established Xinqianglian (Jiangsu) Heavy Industry Technology Co., Ltd., primarily focused on manufacturing core precision equipment for large offshore wind turbines, supporting marine engineering equipment, and large tunnel boring machines.
- In September 2023, the Company issued shares to specific investors and paid cash to purchase assets and raise matching funds. Upon completion of this transaction, Shengjiu Forging became a wholly-owned subsidiary from a controlling subsidiary. In 2023, the Company comprehensively built a digital management platform, carrying out digitalization construction for internal management, manufacturing, and other scenarios.
- In February 2024, established Luoyang Haipusen High Precision Rolling Elements Co., Ltd., successfully achieving self-supply of rolling elements, further enhancing cost control and quality assurance. At the same time, established Luoyang Da Vinci Precision Bearings Co., Ltd., focusing on the R&D and manufacturing in the field of gearbox bearings. In 2024, established Luoyang Xinqianglian Import and Export Co., Ltd., focusing on exploring overseas markets.
- In 2024, successfully developed an ultra-large TBM main bearing with a diameter of 14 meters class, receiving a Scientific and Technological Achievement Identification Certificate from the Henan Society of Mechanical Engineering, filling a domestic gap. In July 2024, launched an 18-meter diameter class split three-row cylindrical roller slewing bearing for a 3,500-ton crane, reaching an internationally advanced level.
- In October 2025, the project *Key Technology R&D and Industrialization of Extra-Large Turntable Bearings* was awarded the second prize of the Science and Technology Progress Award jointly presented by the China Machinery Industry Federation and the Chinese Mechanical Engineering Society. In December 2025, the Company proposed to apply for issuing shares to specific investors. The funds raised are primarily intended for the construction project of 6MW and above high-power wind turbine main bearings, yaw and pitch bearings and components, and to supplement working capital.

Company Honors



序号	企业名称	荣誉名称
38	洛阳新强联回转支承股份有限公司	多晶硅组件
39	洛阳新强联回转支承股份有限公司	高精度高精度材料气态连续热处理
40	洛阳新强联回转支承股份有限公司	12米超大型风电主轴承 12米超大型风电主轴承
41	洛阳新强联回转支承股份有限公司	移动式平衡架高精度装配
42	洛阳新强联回转支承股份有限公司	电液混合动力系统 (1300V, 600V)
43	洛阳新强联回转支承股份有限公司	工业机器人视觉交叉滚子轴承 (HRAU-1000)



2025 Henan Province First Set (First Unit) of Major Technical Equipment Designation

Goldwind Green Supplier



序号	企业名称	荣誉名称
1	河南新强联回转支承股份有限公司	高新技术企业认定
2	河南新强联回转支承股份有限公司	高新技术企业认定
3	河南新强联回转支承股份有限公司	高新技术企业认定
4	河南新强联回转支承股份有限公司	高新技术企业认定
5	河南新强联回转支承股份有限公司	高新技术企业认定
6	河南新强联回转支承股份有限公司	高新技术企业认定
7	河南新强联回转支承股份有限公司	高新技术企业认定
8	河南新强联回转支承股份有限公司	高新技术企业认定
9	河南新强联回转支承股份有限公司	高新技术企业认定
10	河南新强联回转支承股份有限公司	高新技术企业认定



Henan Provincial Innovative Leading Enterprise

Second Prize of Scientific and Technological Progress Award



First Prize of Henan Province Machinery Industry Science and Technology Award

National Intellectual Property Advantage Enterprise

2025 Strategic Partner of Dongfang Electric



Mingyang Smart Energy 2025 Innovation Excellence Award

Mingyang Smart Energy 2025 Strategic Supplier

Goldwind 2025 Outstanding Innovation Award

Goldwind 2025 Outstanding Innovation Achievement Award

2025 Milestones

- On February 13, the Department of Science and Technology of Henan Province issued the *Notice on Announcing the List of Henan Provincial Innovative Leading Enterprises*, in which the Company was recognized as a Henan Provincial Innovative Leading Enterprise (with a validity period of three years, from 2025 to 2027).
- China Railway Engineering Equipment Group Tunneling Boring Machinery Co., Ltd. awarded the Company the honor of "2024 Excellent Supplier."



The "14-meter diameter class ultra-large TBM main bearing (Φ 7.6m)" by Luoyang Xinqianglian Slewing Bearing Co., Ltd. was named among the "2024 Luoyang Top Ten Symbolic High-End Equipment in the Equipment Manufacturing Industry." This marks the second consecutive year the Company has received this honor.

On October 17, the "Qianglian Convertible Bonds" (Bond Code: 123161) issued by the Company were delisted from the SZSE. As the early redemption condition was triggered, the "Qianglian Convertible Bonds" ceased trading on September 26. After the completion of the full redemption, no "Qianglian Convertible Bonds" remained in circulation or trading.

On February 8, the "Three-Row Cylindrical Roller Main Shaft Bearing for Wind Turbines" was recognized as a Patent Intensive Product by the Patent Protection Association of China, comprising 8 invention patents and 8 utility model patents.



On February 26, the China Bearing Industry Association organized experts in Luoyang to appraise the achievements of Xinqianglian's "Research and Application of Key Technologies for Main Shaft Bearings of Offshore High-Power Wind Turbines" project. The expert panel concluded that "the project holds independent intellectual property rights, demonstrates strong innovation in key generic technologies for main shaft bearings of high-power offshore wind turbines, and has reached an internationally advanced level overall."

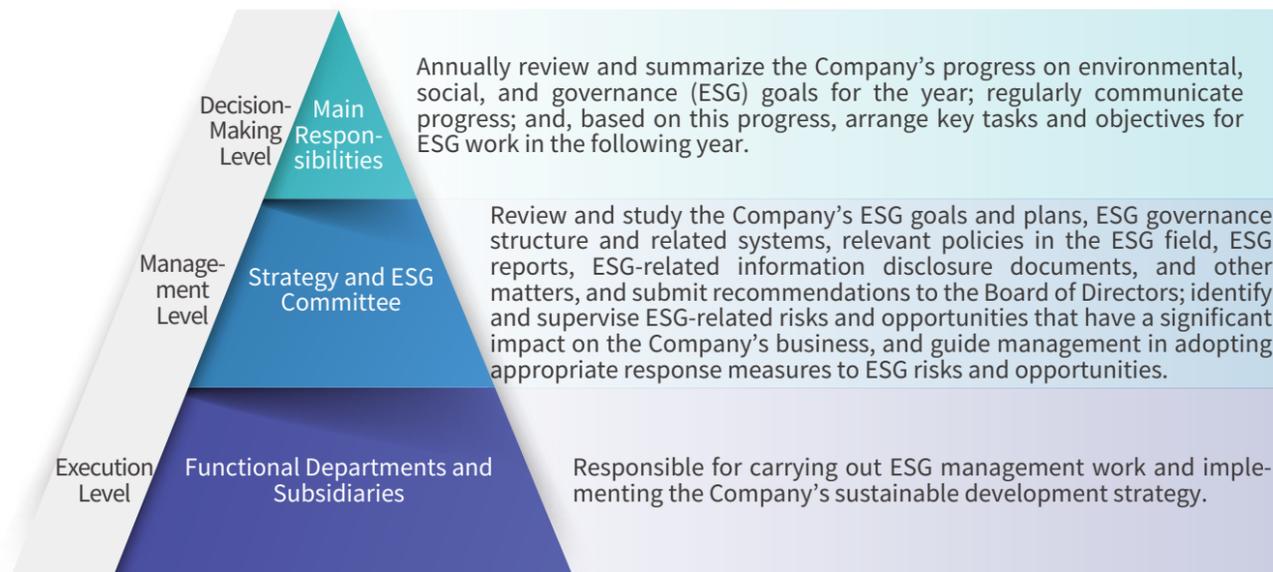


On September 11, the Company's "18-meter diameter class split three-row cylindrical roller slewing bearing for a 3,500-ton crane" was designated as a 2025 Henan Province First Set (First Unit) of Major Technical Equipment by the Department of Industry and Information Technology of Henan Province and the Department of Finance of Henan Province.

Sustainability Governance

To further promote the Company's sustainable development and strengthen strategic synergy, the Board of Directors has established a Strategy and ESG Committee. This integrates ESG governance concepts with the Company's actual operations, building a governance model that aligns with international standards while reflecting the Company's unique characteristics.

The Company has established a three-tier ESG governance structure comprising the "Decision-Making Level, Management Level, and Execution Level," with clear responsibilities defined for each tier. Through the strategic decisions and guidance of the Board of Directors, the overall planning and coordination of the Strategy and ESG Committee, and the implementation of specific tasks by various departments and subsidiaries, the Company has forged a closely linked and highly efficient governance chain. This optimizes the top-down responsibility transmission and supervision system, effectively standardizing the management of ESG work. Concurrently, the Company regularly conducts specialized exchanges and business optimization follow-ups with external experts on key issues, steadily advancing its ESG governance practices.



ESG Training

The Company consistently regards ESG management as a core strategic pillar for achieving sustainable development and places high importance on the construction and practical implementation of the ESG system. To deepen all employees' understanding of ESG concepts, build a consensus for development, and ensure all work is carried out in compliance and an orderly manner, the Company regularly organizes specialized ESG training sessions. These sessions invite industry professional lecturers to participate, laying a solid foundation for the Company to align with policy directions, meet market and customer demands, attract green capital, and enhance its brand image. This helps the Company achieve high-quality, sustainable long-term development while fulfilling its social responsibilities.

Case Study ESG Empowers Long-Term Development: Xinqianglian's Special Training Practice

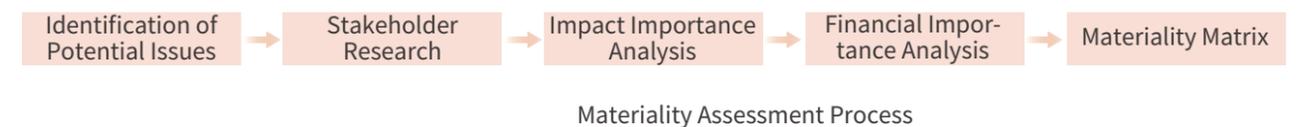
To promote the implementation of its sustainable development strategy, meet the ESG compliance requirements of domestic and international customers' supply chains, and deepen all personnel's understanding and practice of Environmental, Social, and Governance (ESG) work, on December 10, 2025, the Company engaged external experts to hold a special ESG training meeting. Participants included over 20 heads from various core departments and subsidiaries. This training effectively strengthened management and execution layers' understanding and management of ESG, helped enhance the Company's brand image, and laid a solid foundation for the Company's ESG information disclosure, long-term development, and fulfillment of social responsibilities.



ESG Training Session

Double Materiality Assessment

The Company places significant emphasis on the management and assessment of ESG issues and their double materiality, conducting regular materiality issue identification and analysis. In accordance with the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*, and with reference to the Global Reporting Initiative (GRI) Standards, mainstream rating agency criteria (such as MSCI ESG Ratings), and the Sustainability Accounting Standards Board (SASB) Standards, the Company periodically compiles and summarizes annual material issues. This is achieved through methods including discussions within internal ESG working groups, external consultations, and stakeholder questionnaires. Considering the characteristics of the wind power equipment components industry, the Company analyzes and confirms both the "impact materiality" and "financial materiality" of each issue. Identified material issues are then ranked according to double materiality to form a Double Materiality Matrix, thereby advancing the Company's ESG strategic development.



Identification of Potential Issues

The Company begins with the 21 issues outlined in the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)*. By integrating other sustainability disclosure standards applicable to Xinqianglian, industry standards, and peer analysis, the Company identifies sustainability issues relevant to its operations, forming an ESG issue list aligned with the Company's strategic objectives.

Stakeholder Survey

In addition to ongoing communication with various stakeholders during daily operations, the Company also conducted surveys using questionnaires. These surveys targeted a wide range of stakeholders, including members of the Board of Directors, heads of functional departments and subsidiaries, employees, suppliers, customers, to gauge their level of concern and perspectives on each issue. We collected over 170 valid responses.

Impact Materiality Analysis

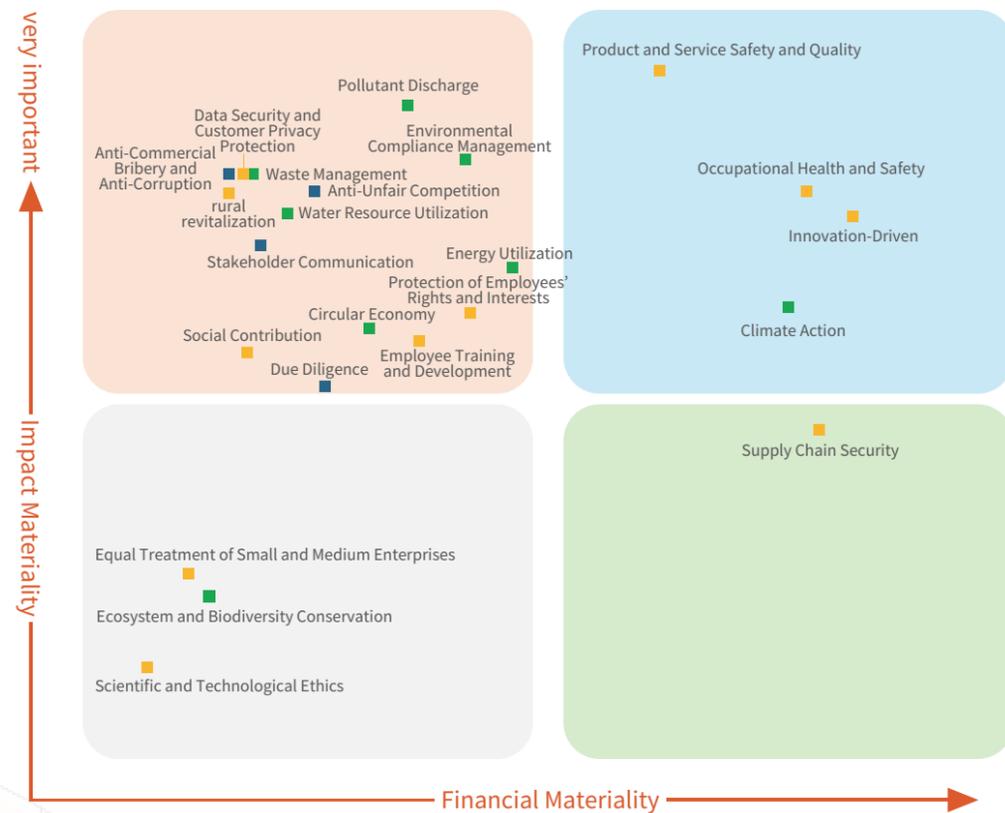
By analyzing the survey results, the Company ranked the impact materiality of each issue based on factors such as the degree of stakeholder concern, the scale of impact, and the scope of impact.



Double Materiality Matrix

By integrating the analysis results of both impact materiality and financial materiality, the Company developed a Double Materiality Matrix. Issues identified as having double materiality include: Climate Action, Product and Service Safety and Quality, Supply Chain Security, Innovation-Driven, and Occupational Health and Safety, among others.

Double Materiality Issues Matrix



Stakeholder Communication

Xinqianglian pays close attention to the rights and interests of its stakeholders, including customers, shareholders, employees, suppliers, government, and the community. It systematically gathers and effectively responds to their key concerns related to environmental, social, and governance (ESG) issues.

Stakeholders	Stakeholder Concerns	Communication Channels and Frequency
Shareholders	Compliance in Operations Business Ethics Internal Control Technological Innovation Environmental Compliance Social Responsibility	Shareholders' Meeting (Annual and ad hoc) Performance Briefing (Annual) Annual/Half-Year/Quarterly Reports (Regular) Other Temporary Announcements (ad hoc) Investor Exchange Meetings (ad hoc) Interactive Easy Platform (Real-time) Investor Hotline, Email, and Official Website (ad hoc)
Government and Regulatory Bodies	Tax Compliance Social Responsibility Environmental Compliance Climate Action	Disclosure in Regular and Temporary Announcements (ad hoc) Regulatory Assessments (Annual) Telephone and Email (ad hoc)
Customers	Product Quality Data Security Technological Innovation Sustainable Supply Chain Customer Service Quality Environmental Compliance	On-site Communication (ad hoc) Customer Satisfaction Survey (Regular) Telephone and Email (ad hoc)
Employees	Employee Welfare Occupational Health and Safety Talent Development Diversity and Equality	Employees' Congress (Annual) Face-to-face Communication (ad hoc) Employee Satisfaction Survey (Annual)
Community and Public Welfare Organizations	Social Responsibility Environmental Compliance Occupational Health and Safety	Charitable Donations (Annual and ad hoc) Exchanges and Visits (ad hoc)
Suppliers	Sustainable Supply Chain Integrity in Supply Chain Product Quality	Business Visits (ad hoc) Telephone and Email Communication (ad hoc)
Industry Associations and Research Organizations	Technological Innovation Occupational Health and Safety	Industry Conferences (ad hoc) Site Visits (ad hoc)
Media	Social Responsibility Compliance in Operations	Media Interviews (ad hoc) Telephone and Email (ad hoc)

Sustainability Goals

Xinjianglian pursues sustainable corporate operations and responds to the United Nations Sustainable Development Goals (SDGs). By closely aligning its corporate development with the SDGs, the Company is committed to its own sustainable growth while contributing to the global sustainable development process.

- 1

Community Engagement

Making donations to charitable organizations and sports events, and supporting local specialty industries.
- 3

Occupational Health and Safety

Through the EHS system, implementing four-level management responsibilities, conducting graded risk control and hidden danger management, regularly organizing safety training, emergency drills, and occupational health check-ups, and standardizing the occupational safety of hazardous chemicals and related parties.
- 5

Community Engagement

Protecting the legitimate rights and interests of female employees and upholding equal pay for equal work.
- 6

Water Resource Utilization

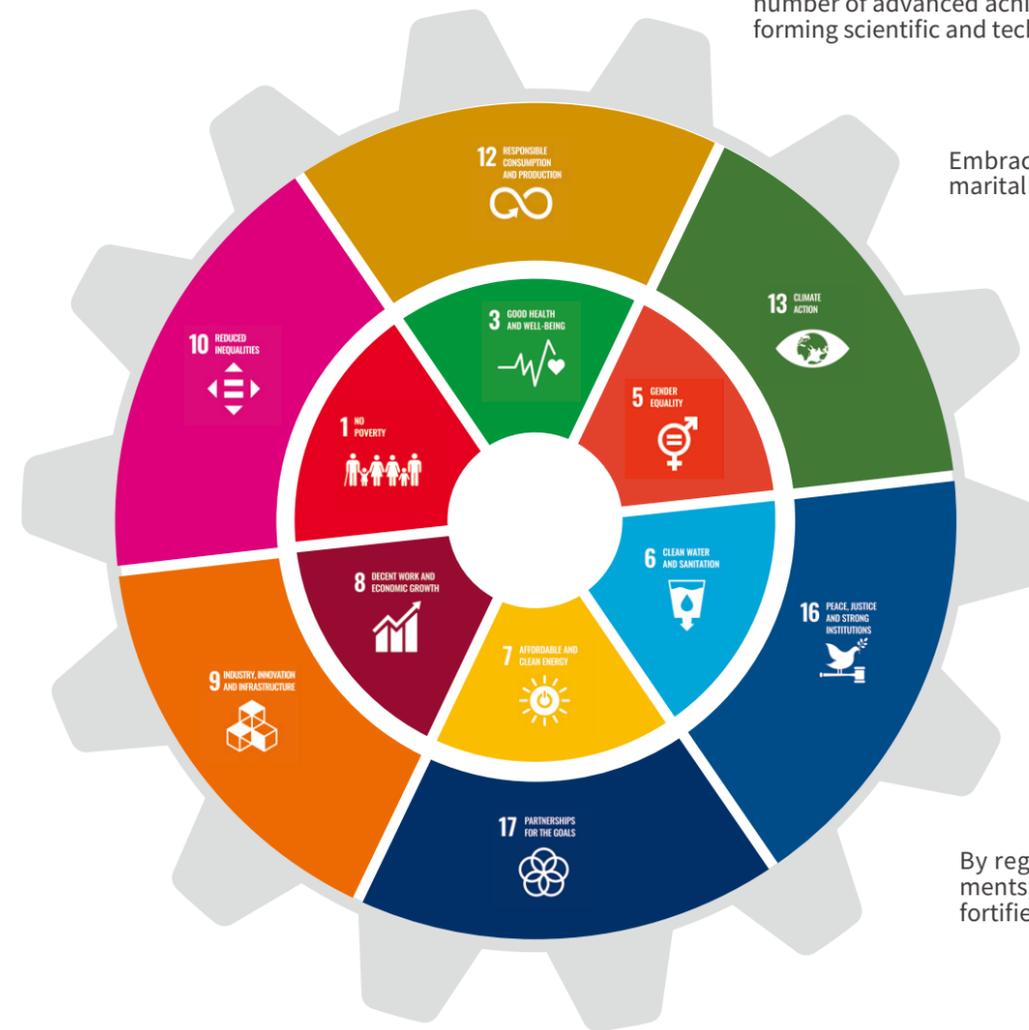
By recycling production water for reuse, recovering cleaning solutions, ensuring compliant discharge of domestic sewage, and identifying potential sources of waste, the Company has established a comprehensive, end-to-end water resource control system, pursuing a win-win outcome between development and ecological protection.
- 7

Resource Management

By implementing energy-saving retrofits and promoting clean energy, the Company has created a green operation model to achieve efficient energy utilization.
- 8

Employee Training and Development

By enhancing skills through tiered and specialized training and establishing five career paths, including management and technical tracks, the Company ensures that employees have broad prospects for career development.



Innovation-Driven

By building a high-level, open platform for scientific and technological innovation and a comprehensive innovation system, the Company conducts technological innovation research and tackles key technologies through methods such as independent R&D and collaborative R&D. This has yielded a number of advanced achievements with independent intellectual property rights, effectively transforming scientific and technological achievements into new quality productive forces.

Employee Rights and Interests Protection

Embracing and accepting employee diversity irrespective of religion, nationality, marital status, gender, or disability status.

Product Safety and Service Quality

The Company implements measures such as tiered eco-friendly packaging for its products, the recovery and reuse of tooling, and standardized loading. These actions facilitate efficient material utilization, ensure safe management, and promote a green circular economy.

Resource Management

Continue to strengthen greenhouse gas emission reductions, actively develop renewable energy, and accelerate the establishment of low-carbon value chains.

Business Ethics

By regulating conduct through internal integrity policies, employee commitments, risk assessments, and anti-corruption clauses for suppliers, the Company fortifies its defenses for business ethics.

Innovation-Driven

Establishing close cooperative relationships with domestic and international partners, universities, and research institutions to jointly promote the sustainable development of the industry.



Solid Foundation through Governance, Right Conduct through Compliance

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Party Building Guidance

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Investor Relations Management and Shareholders' Rights and Interests

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Business Ethics



Party Building Guidance

Organizational Development

Xinqianglian consistently adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implements the general requirements of Party building in the new era and the organizational line of the Party in the new era, deeply integrates the leadership of the Party into all aspects of corporate governance, and embeds it into the entire process of enterprise development. It strengthens the foundation of Party building with high standards and standardized organizational construction, providing solid political and organizational guarantees for the Company to practice the concept of sustainable development and achieve high-quality development. At the same time, the Company continuously improves and perfects its Party building system, focusing on key areas such as the rules for Party organizations to deliberate, the development and education management of Party members, and anti-corruption and integrity building. It refines system provisions, clarifies work standards, and standardizes implementation processes, solidifying the achievements of Party building through institutionalization. This ensures that the leadership role of Party organizations in setting the direction, managing the overall situation, and ensuring implementation' is fully brought into play, promoting the organic integration and coordinated effort of Party building and corporate governance mechanisms. It empowers the Company's development with the soft strength of Party building, providing robust support for its hard infrastructure.



Organizational Chart of the Company's Party Branch

Party Building Practices

During the Reporting Period, the Company's Party branch solidly advanced various Party-building tasks, focusing on integrating theoretical study with practical implementation. It fully implemented the decisions and deployments of higher-level Party organizations, strengthened ideological guidance among Party members through regular study sessions, and enhanced the cohesion and combat effectiveness of the Party organization. In terms of practical activities, the Company effectively promoted the organic integration of Party-building work with production operations and the fulfillment of social responsibilities through a series of Party-building initiatives, injecting red momentum into the Company's sustainable development.

Case Study Party Day Activity with the Theme "Inheriting the Red Gene and Bravely Undertaking the Mission of Development"

On July 4, 2025, the Company's Party branch organized its members to visit the Xi Zhongxun Memorial Museum in Luoyang for a study tour, reflecting on the firm ideals and beliefs, tenacious fighting spirit, and lofty revolutionary sentiments of the older generation of proletarian revolutionaries. At the same time, the company's Party members conducted a thematic study and discussion centered on the important speech delivered by General Secretary Xi Jinping during his inspection in Henan. At the end of the event, all Party members solemnly reaffirmed their admission vows, expressing their loyalty to the Party and their unwavering determination to strive for the cause of communism for life.



Themed Party Building Activity Photo

Corporate Governance

Governance Structure

The Company strictly complies with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Listing Rules of the ChiNext Market of Shenzhen Stock Exchange*, and other relevant regulations. It has formulated the *Articles of Association of Luoyang Xinqianglian Slewing Bearing Co., Ltd.* and other supporting internal control systems to improve its internal corporate governance structure, enhance internal management systems, and standardize corporate conduct. The Company clearly defines the responsibilities and authorities for decision-making, execution, and supervision, and has established a corporate governance framework consisting of the Shareholders' Meeting, the Board of Directors, and the Management, forming a mechanism of clear responsibilities, standardized operations, and mutual checks and balances.

The Company's governance structure designates the Shareholders' Meeting as the highest authority, exercising powers such as electing directors, approving profit distribution, capital increases or reductions, mergers, and divisions. Ordinary resolutions require approval by a majority of voting rights, while special resolutions require approval by two-thirds or more. The Board of Directors serves as the decision-making body, composed of 7 directors (including 1 employee representative director). The Chairman of the Board is elected by a majority of the directors. The Board has established special committees including the Audit Committee, the Strategy and ESG Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. Independent directors are required to maintain independence and exercise special functions and powers. Senior management (General Manager, Deputy General Managers, etc.) are appointed by the Board and are responsible for daily operations and management.

Shareholders' Meeting

The Company's Shareholders' Meetings are classified into annual and extraordinary meetings. The convener shall notify all shareholders by public announcement at least twenty days prior to the annual shareholders' meeting and fifteen days prior to the extraordinary shareholders' meeting. The regulations stipulate that shareholders can vote through on-site and online methods, related shareholders must abstain, and the votes of small and medium investors are counted separately. Ordinary and special resolutions are passed according to the corresponding proportion of voting rights. The meeting requires the engagement of a lawyer to issue a legal opinion. Resolutions and legal opinions are publicly announced promptly after the meeting. Meeting minutes are organized and archived by the Secretary of the Board and must be kept for no less than ten years. This comprehensive system ensures the standardized and efficient operation of the Shareholders' Meeting. During the Reporting Period, the Shareholders' Meeting operated in a standardized manner with efficient decision-making, effectively safeguarding the legitimate rights and interests of shareholders and providing solid decision-making support for the Company's stable development and the implementation of its ESG strategy.



Key Performance

During the Reporting Period, the Company convened **2** Shareholders' Meetings, comprising **1** annual Shareholders' Meeting and **1** extraordinary Shareholders' Meeting. A total of **13** proposals were reviewed and approved at these meetings.

Board of Directors

The Company's Board of Directors strictly adheres to the *Rules of Procedure for Board of Directors* and relevant laws and regulations to ensure standardized operation. As the Company's decision-making body, the Board is composed of seven directors (including one employee representative director and three independent directors). It has one Chairman, who is elected by a majority of all directors. The Board fulfills its decision-making responsibilities through regular meetings and extraordinary meetings, ensuring scientific decision-making for the Company's operational management and strategic development.



Key Performance

During the Reporting Period, the Company convened **7** Board of Directors meetings, at which a total of **39** proposals were reviewed and approved.

Special Committees of the Board of Directors

The Company has established four special committees: the Audit Committee, the Strategy and ESG Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. Corresponding rules of procedure have been formulated for each committee.



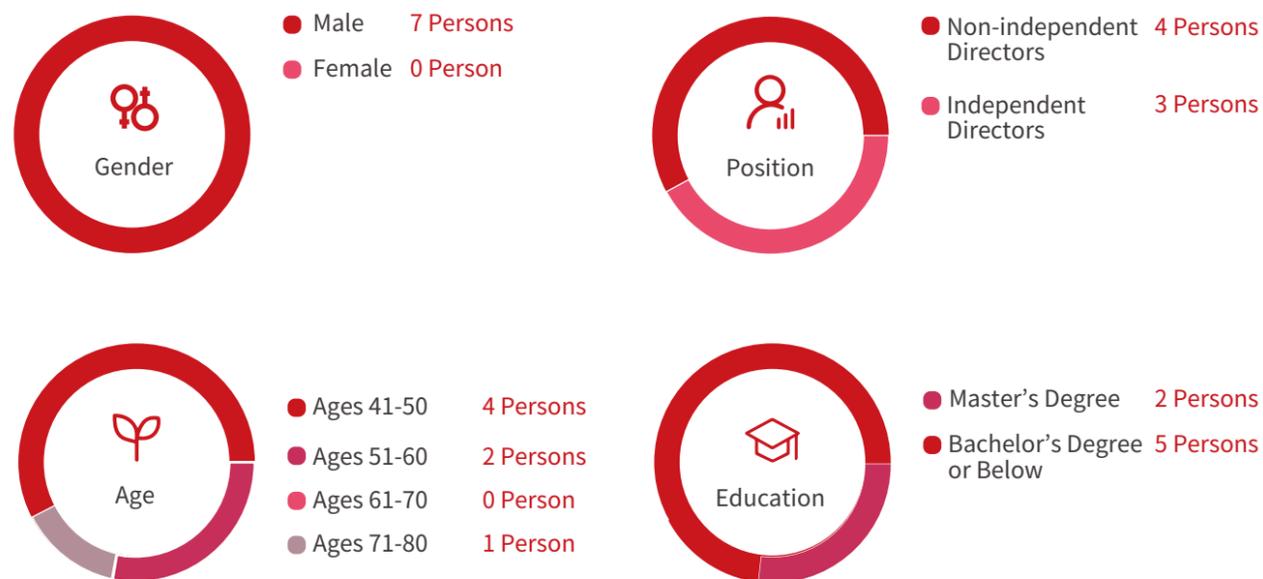
During the Reporting Period, the Company convened **3** Strategy and ESG Committee meetings, at which a total of **6** proposals were reviewed and approved; **6** Audit Committee meetings, at which a total of **19** proposals were reviewed and approved; **1** Nomination Committee meeting, at which a total of **1** proposal was reviewed and approved; and **3** Remuneration and Appraisal Committee meetings, at which a total of **6** proposals were reviewed and approved.

Establishment of Special Committees

Special Committees	Proportion of Independent Directors
Strategy and ESG Committee	Independent directors account for 1/3
Audit Committee	Independent directors account for 2/3 (Chaired by an Independent Director)
Nomination Committee	Independent directors account for 2/3 (Chaired by an Independent Director)
Remuneration and Appraisal Committee	Independent directors account for 2/3 (Chaired by an Independent Director)

Diverse Composition of the Board of Directors

The Company constructs its Board of Directors by taking full account of strategic development needs and the principle of diversified selection. By continuously optimizing the Board's composition across multiple dimensions, including professional backgrounds and age structure, the Company aims to continuously enhance the quality and effectiveness of the Board's decision-making.



Diverse Composition of the Board of Directors

Independence of the Board of Directors

The Company places high importance on the critical role of independent directors in corporate governance. In accordance with laws and regulations such as the *Opinions on the Reform of the Independent Director System for Listed Companies*, the *Administrative Measures for Independent Directors of Listed Companies*, and the *Governance Guidelines for Listed Companies*, the Company has formulated the *Working System for Independent Directors*. Through this institutionalized approach, the Company clarifies the responsibilities, performance methods, and safeguard measures for independent directors, aiming to fully leverage their independence and professional expertise to effectively enhance the corporate governance level and the scientific nature of decision-making.

The Company strictly adheres to independence requirements and qualification standards. As of the end of the Reporting Period, the Board of Directors comprised 3 independent directors, accounting for three-sevenths of the Board. The current independent directors are professionals in the fields of accounting, law, and engineering technology, possessing the necessary knowledge and experience to perform their duties.

During the Reporting Period, the independent directors diligently fulfilled their duties, participating deeply and comprehensively in corporate governance through various means, including attending Board meetings, engaging in the work of special committees, issuing independent opinions, and conducting site visits. Concurrently, independent directors undertake significant responsibilities in the special committees under the Board, such as the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Strategy and ESG Committee. They provide professional oversight and advice, particularly in reviewing financial information, supervising internal controls, selecting directors and senior management, and formulating remuneration policies.

Directors' and Senior Management's Remuneration Management

The Company adheres to a remuneration management philosophy that combines responsibility, rights, and interests, aligns with market conditions, and ties rewards to the Company's long-term interests, continuously optimizing and improving the remuneration management system for directors and senior management. According to regulations such as the *Remuneration Management System for Directors and Senior Management* and the *Rules of Procedure for the Remuneration and Appraisal Committee of the Board* approved by the Board, remuneration plans for directors and senior management are formulated, reviewed, and recommended by the Remuneration and Appraisal Committee. The remuneration plan for non-independent directors and the subsidy standards for independent directors are implemented after review and approval by the Board and the Shareholders' Meeting, while the remuneration plan for senior management is approved by the Board and explained to the Shareholders' Meeting.

Remuneration Management System for Directors and Senior Management

The Company has established a standardized and transparent remuneration management system for directors and senior management, guided by the core principles of "matching the Company's scale and performance, reflecting position value and contribution, maintaining market competitiveness, and aligning with long-term development." According to the *Remuneration Management System for Directors and Senior Management*, remuneration management is coordinated by the Remuneration and Appraisal Committee, which formulates assessment standards and conducts appraisal work, with implementation support from departments such as Human Resources and Finance Center. The remuneration structure focuses on core incentives and safeguards, with remuneration standards adjusted based on the Company's operating results, market salary changes, and strategic adjustments.

Remuneration and Sustainable Development

The Company places high importance on the deep integration of sustainable development with its operational management. In the future, it will continue to promote the alignment of the senior management appraisal system with Environmental, Social, and Governance (ESG) related goals. The Company plans to gradually incorporate more assessment dimensions related to sustainable development into senior management KPIs. Through remuneration incentives, it aims to guide senior management to focus on long-term value creation, encouraging the Company to prioritize ecological environment protection, employee rights and interests protection, and social contribution while pursuing economic benefits.

Investor Relations Management and Shareholders' Rights and Interests

The Company places high importance on investor relations management and the protection of shareholders' rights and interests. Strictly complying with the requirements of relevant laws and regulations such as the *Securities Law of the People's Republic of China* and the *Administrative Measures for Information Disclosure of Listed Companies*, as well as the *Articles of Association of Luoyang Xinqianglian Slewing Bearing Co., Ltd.*, the Company has built a transparent, fair, and efficient investor relations system. This is achieved by improving information disclosure systems, standardizing communication mechanisms, and safeguarding shareholders' participation rights, effectively protecting the legitimate rights and interests of all shareholders, especially small and medium-sized investors.

Information Disclosure

The Company has formulated the *Information Disclosure Affairs Management System*, which clearly stipulates that information disclosure must adhere to the fundamental principles of truthfulness, accuracy, completeness, timeliness, and fairness. It covers the scope and standards for various types of information to be disclosed, including regular reports, major events, and related-party transactions. Regarding the management process, the Board of Directors provides unified leadership for information disclosure work, clarifying the responsibilities of various information disclosure obligors. After major information is approved by Board resolutions or relevant approval procedures, announcements are promptly disclosed through the Shenzhen Stock Exchange website (www.szse.cn) or Cninfo website (www.cninfo.com.cn). Regarding shareholder communication, the Company ensures that shareholders receive timely information about the Company's operations and governance through channels such as information disclosure announcements, Shareholders' Meetings, and investor consultation hotlines, ensuring the standardization and effectiveness of communication.

Capital Market Public Opinion Management

The Company has established a standardized capital market public opinion management mechanism, integrating relevant management requirements into its policy documents such as the *Investor Relations Management System*, the *Market Value Management System* and the *Public Opinion Management Policy*. The Company has formed a Public Opinion Handling Working Group (hereinafter referred to as the "Public Opinion Working Group"), chaired by the Chairman of the Board with the Board Secretary serving as the Deputy Head, to provide unified leadership over the Company's handling of various public opinion matters. The Board Office acts as the executive department, leading daily public opinion monitoring. The information collection scope encompasses various internet information carriers, including the official websites and WeChat official accounts of the Company and its subsidiaries, online media, television, radio, WeChat, Weibo, investor interaction platforms (e.g., Interactive Easy), forums, and stock discussion forums. This enables the timely capture of public opinion dynamics that may impact investor decisions or the Company's stock trading.

The Company categorizes public opinion information into major public opinion incidents and general public opinion incidents. For general incidents, the Board Secretary and the Securities Representative shall handle them flexibly based on specific circumstances. In the event of a major incident the Head of the Public Opinion Working Group shall convene a meeting as appropriate to make decisions and deploy response measures, thereby initiating emergency protocols.

Specific measures include: promptly investigating to ascertain the true facts of the incident; communicating timely with the relevant media to prevent the situation from escalating; strengthening communication with investors, fully leveraging the investor relations interactive platform, and effectively guiding and resolving concerns; and issuing clarification announcements through channels such as Cninfo as necessary. For media that fabricate or disseminate false or misleading information about the Company, the Company will take measures such as issuing Lawyer's Letters and initiating litigation to stop such infringing activities.

Case Study "Public Opinion Management Training Session"

In November 2025, the Company organized and conducted a public opinion management training session. Combining theoretical instruction, case analysis, and practical drills, the session effectively enhanced the team's professional capability in managing public opinion, building a strong public opinion safety barrier to support the Company's high-quality development.



Scene: Public Opinion Management Training Session

Investor Relations Management

The Company has established a comprehensive investor relations management system. Centered on the *Investor Relations Management System*, it clearly defines the principles of compliance, equality, proactiveness, and honesty and trustworthiness for investor relations management. It standardizes end-to-end requirements, including the content and methods of communication, implementation organization, and file management. The system designates the Secretary of the Board as the person responsible for investor relations management. The Board Office, as the executing body, is equipped with dedicated staff to coordinate tasks such as investor communication, demand processing, and channel maintenance. It also requires regular systematic training for relevant personnel to ensure professional competence in performing their duties.

During the Reporting Period, the Company conducted investor communication activities through multiple channels and in various formats.

Key Performance	During the Reporting Period,		
	Number of Investor Reception Activities	Number of Site Visits for Investors	Number of Participants in Site Visits
	15 Times	10 Times	88 Persons
	Exchange Meeting	Investor Calls Received	Questions Answered on the Interactive Easy Platform
	1 Time	520 Calls	44 Responses
	Investor Email Inquiries Replied to		
	64 Inquiries		

Case Study Research Activity for Specified Investors

On October 23, 2025, the Company organized a research and site visit activity for specified investors, combining both offline and online participation. Core management personnel, including the Chairman and the Secretary of the Board, participated in the exchange, providing detailed answers to investors' questions regarding the Company's production capacity, product advantages, and other areas of interest.



Scene from the Research Activity



Shareholder Returns

The Company places high importance on the protection of shareholders' rights and interests and on providing long-term returns. It has established a multi-tiered policy system related to shareholder returns. The *Articles of Association of Luoyang Xinqianglian Slewing Bearing Co., Ltd.* specifies the principles, forms, and decision-making procedures for profit distribution, as well as the conditions and ratio requirements for cash dividends, providing a fundamental institutional guarantee for shareholder returns. The *Implementation Rules for Cumulative Voting System* safeguards the right of small and medium shareholders to participate in corporate governance by standardizing the voting mechanism for director elections. Additionally, the *Articles of Association of Luoyang Xinqianglian Slewing Bearing Co., Ltd.* stipulates the applicable circumstances and decision-making procedures for share repurchases, providing a compliance basis for the Company to reward shareholders through share buybacks.

During the Reporting Period, the Company strictly adhered to relevant policy requirements, consistently rewarding shareholders through cash dividends. The dividend distribution over the past three years is shown in the table below:

Year	Cash Dividend per Share (RMB yuan/share)	Total Cash Dividend (Including Tax) (10 thousand yuan)	Proportion of Net Profit Attributable to Shareholders of the Parent Company in the Consolidated Financial Statements (%)
2023	0.104	3,730.92	9.95
2024	0.092	3,300.45	50.48
2025 (Proposed)	0.295	12,215.53	14.93

Risk Management

The Company has formulated the *Internal Control Evaluation Management Measures*, establishing a systematic risk control system covering the entire business chain, including corporate governance, human resources management, financial management, procurement and sales, production and R&D, as well as safety and environmental protection. It defines four core principles: comprehensiveness, materiality, objectivity, and risk-orientation. The Company has established a risk management organizational structure led by the Board of Directors, supervised by the Audit Committee, executed by the Internal Audit Department, and collaboratively participated in by all units, ensuring that risk control responsibilities are clearly defined and enforced at every level. Internal control evaluation work revolves around five key elements, including the internal environment, risk assessment, and control activities. Through various scientific methods, risks are comprehensively investigated, design and operational deficiencies are accurately identified, and classified according to a three-tier standard: major, important, and general. Concurrently, specific rectification plans are formulated for various types of deficiencies, clarifying responsibilities and timelines, forming a closed-loop management mechanism of "Assessment-Identification-Rectification-Supervision." This continuously optimizes the effectiveness of internal controls, providing a solid guarantee for the Company's compliant operations and sustainable development.

The Company regularly conducts specialized risk management training sessions, covering employees at all levels and positions, to continuously strengthen risk prevention awareness among all staff.

Case Study Special Training on Internal Risk Control

On December 30, 2025, the Company, in collaboration with Dahua Certified Public Accountants, conducted a special training session on internal risk control. The training covered topics including the construction of the internal control system, audit focus areas, and case studies of common deficiencies. This effectively enhanced employees' risk management awareness and laid the foundation for the orderly and efficient execution of the internal control audit work during the Reporting Period.



Internal Risk Control Training Session

Compliant Operations

The Company upholds the bottom line of compliant operations and has established a comprehensive end-to-end compliance management system to ensure that all business activities are conducted in a standardized, legal, and compliant manner. Concurrently, it actively fulfills its industry responsibilities, promoting compliance collaboration across the industrial chain to help foster a healthy business ecosystem.

During the Reporting Period, the Company focused on the core needs of compliance risk prevention and regularly conducted legal training, aiming to enhance employees' and managers' understanding and application ability of legal knowledge.

Case Study Special Training on the Contract Part of the Civil Code

During the Reporting Period, the Company organized legal personnel, contract management staff, procurement and sales personnel, as well as middle and senior managers in key positions to conduct specialized training on the *Contract Section of the Civil Code*. The training adopted a format of "lectures + case analysis + interactive Q&A" to popularize legal knowledge on contracts, helping participants systematically grasp the legal key points in critical stages such as contract formation and performance. This initiative enhanced their ability to prevent and control contract risks and collaborate across departments, laying a solid foundation for the Company's compliant operations.



Legal Training Session

Tax Management

To standardize tax management and prevent tax risks, the Company has formulated the *Tax Management Measures*, defining four key principles: legality, standardization, efficiency, and risk control. It has established a management structure coordinated by the Finance Center and managed by dedicated tax personnel, covering end-to-end control processes including tax registration, tax declaration, and record keeping.

The Company implements several key measures to effectively prevent tax risks, maintain a good tax profile, and ensure a compliant operational stance.

Engaging a professional certified tax agent firm to conduct the annual audit and final settlement of corporate income tax, ensuring the truthfulness and compliance of declaration data.

Regularly organizing financial personnel to participate in internal training and quarterly specialized training provided by the certified tax agent firm to promptly keep up with updates in tax laws and regulations.

Closely monitoring the risk indicator logic of the Golden Tax System Phase IV, improving key control points, and launching the invoice cloud system to achieve full-lifecycle digital and intelligent management of invoices.

Strictly standardizing tax document management, retaining documents such as tax payment certificates and declaration statements in categories as per regulations to ensure records are complete and traceable.

Related Party Transactions

The Company has formulated the *Measures for the Management of Related Party Transactions*, which systematically define the scope of related parties and the types of related party transactions, providing institutional support for standardizing the entire transaction process. The Company strictly implements the abstention voting mechanism for related directors and related shareholders, and has established a hierarchical review and information disclosure process, setting differentiated approval standards for related party transactions of different amounts. Through institutionalized control and end-to-end standardization, the Company ensures that related party transactions between the Company and related parties adhere to the principles of fairness and justice, effectively safeguarding the legitimate rights and interests of all shareholders, particularly small and medium shareholders.

Business Ethics

Anti-Commercial Bribery and Anti-Corruption

Anti-Corruption Management System

To create a clean and upright working environment, build an honest and efficient team, establish a good corporate image, and promote the Company's steady operations, the Company has formulated internal management systems such as the *Ten Provisions on Integrity Management*. The Company has clearly designated the Board of Directors as the leading body for anti-fraud efforts and the Internal Audit Department as the permanent executing body. The systems explicitly prohibit various violations, including using positions to embezzle company property, commercial bribery, accepting bribes, disclosing company secrets, and engaging in fraud. All employees are required to comply with relevant regulations and accept supervision and inspection. Employees in certain key positions are required to sign documents such as the *Anti-Commercial Bribery Commitment Letter*.

Anti-Corruption Risk Management

In accordance with relevant regulations such as the China Securities Regulatory Commission's *Self-Regulatory Guidelines No. 2 for Companies Listed on Shenzhen Stock Exchange—Standardized Operation of Companies Listed on ChiNext*, the Company's *Internal Audit System*, the *Anti-Fraud and Whistleblowing Management Regulations*, and the *Ten Provisions on Integrity Management*, the Internal Audit Department regularly conducts internal anti-corruption risk assessments. During the Reporting Period, the Company was not involved in any major litigation cases or incidents related to corruption, bribery, extortion, or fraud.

Integrity Management of Business Partners

The Company is committed to building a clean supply chain. By stipulating integrity clauses in signed *Supplier Cooperation Agreements* and other measures, it ensures that supplier behavior conforms to business ethics standards, preventing and curbing supplier violations of discipline, regulations, and laws at the source. The Company explicitly requires suppliers to comply with relevant laws and regulations in their business activities and to eliminate any form of bribery and unfair competition.

Anti-Corruption Education

To enhance the business ethics awareness of all employees, the Company conducts multi-level and multi-form training and publicity activities.

Case Study "Upholding Professional Ethics, Preventing Integrity Risks" Anti-Corruption Themed Training

On December 22, 2025, the Human Resources Department of Xinqianglian organized and conducted an anti-corruption themed training titled "Upholding Professional Ethics, Preventing Integrity Risks." The training adopted a theoretical lecture format, with relevant personnel from the Internal Audit Department and the Administration Department serving as instructors. Participants included heads of various subsidiaries, factory managers, department heads, and other interested employees. The training content focused on core modules such as integrity risks and case analysis. This training successfully helped participants establish an awareness of integrity prevention and achieved the expected training objectives.



Integrity Training Session



Key Performance

During the Reporting Period, the Company actively organized anti-corruption training, covering a total of **1,436** employees for a total of **5,744** hours. A total of **8** directors and senior managers of Xinqianglian participated in anti-corruption training, with a total training duration of **8** hours. The Company required over **80** employees in certain key positions to sign integrity-related agreements and other documents concerning business conduct.

Whistleblowing and Whistleblower Protection

Adhering to the principle of "combining prevention with punishment, with emphasis on prevention," the Company has formulated the *Anti-Fraud and Whistleblowing Management Regulations*. It has established a comprehensive end-to-end anti-fraud management system covering organizational structure, fraud definition, prevention and control, whistleblowing investigation, and remedial punishment. The Company defines in detail the specific circumstances of two types of fraudulent behavior: those damaging the Company's economic interests and those seeking improper economic benefits for the Company. It strengthens prevention and control by advocating a corporate culture of integrity, conducting fraud risk assessments, and improving internal control mechanisms.

The Company also maintains unimpeded multi-channel whistleblowing avenues, including hotlines, emails, and letters. It has established a whistleblowing mechanism that prioritizes handling of real-name reports, implements tiered investigations (non-senior management cases reported to the General Manager, senior management cases reported to the Board of Directors), and provides a response on the acceptance status of the report within 15 working days. The Company strictly implements confidentiality and protection measures for whistleblowers, strictly prohibits retaliation, and may offer rewards for verified reports. It clearly defines the managerial and direct responsibilities of those held accountable for fraud, imposing penalties such as warnings, financial sanctions, or termination of labor contracts depending on the severity of the case. Cases suspected of constituting crimes are referred to judicial authorities. Through this comprehensive system design, the Company regulates the professional conduct of all employees, reduces operational risks, safeguards the legitimate rights and interests of the Company and its shareholders, and lays a solid institutional foundation for compliance and integrity building within the Company's ESG governance.

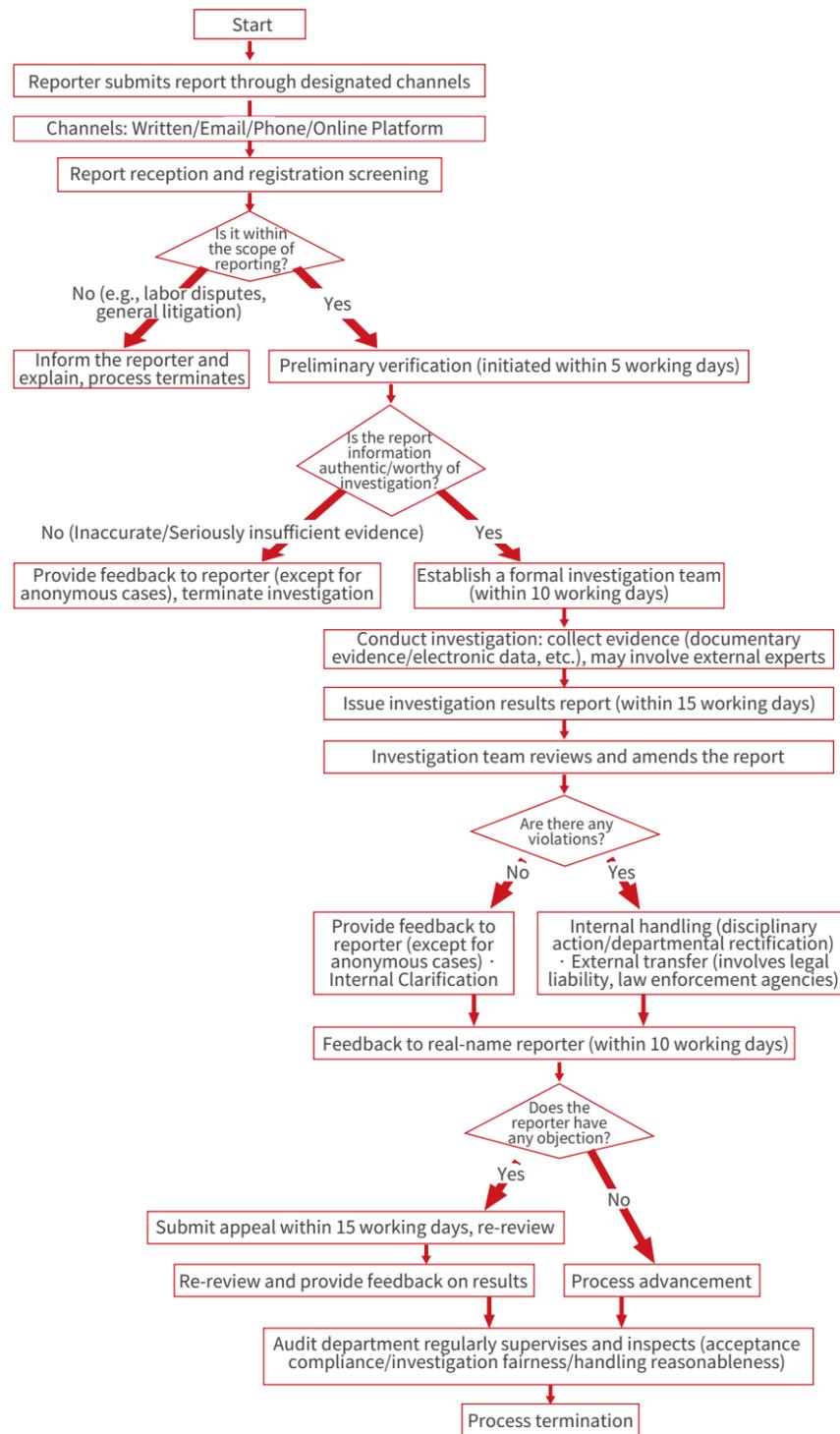
Whistleblowing Hotline	19864721130
Whistleblowing Email	LYXQLSJ@163.com
Mailing Address for Whistleblowing	Internal Audit Department, Office 608, 6/F, Xinqianglian Slewing Bearing Headquarters Building, No. 8 Yingyun Road, Xin'an County, Luoyang City



Anti-Unfair Competition

Xinqianglian strictly complies with the *Anti-Monopoly Law of the People's Republic of China*, the *Guidelines for Business Operators' Competition Compliance*, and relevant laws and regulations in its operating locations. It has formulated relevant systems such as the *Management System for Fair Competition and Anti-Monopoly* and the *Whistleblowing Procedure for Anti-Unfair Competition and Anti-Monopoly*. These systems specify the requirements for fair competition in areas such as product pricing, quality, innovation, advertising, and partnerships. They also define preventive measures against monopolistic behaviors, the obligation to cooperate with anti-monopoly investigations, and the rules for internal and external penalties for violations.

The Company has established an independent internal supervisory body and a feedback mechanism. The whistleblowing procedure focuses on managing reports of anti-unfair competition and anti-monopoly violations, adhering to the principles of legality, confidentiality, fairness, impartiality, and timeliness. An acceptance panel, led by the Administrative Department with participation from the Audit Department, has been formed. It clarifies the scope of whistleblowing, including monopoly agreements, abuse of market dominance, and unfair competition. Multiple reporting channels, such as written submissions, email, telephone, and online platforms, have been opened. The procedure standardizes the entire process of report reception, preliminary verification, formal investigation, result handling, and feedback. Measures to strengthen whistleblower confidentiality and protection are in place, and a whistleblowing reward system has been established. Reporting channels are made public through internal announcements, cooperation agreements, and other means, forming a comprehensive management chain combining "institutional regulation + whistleblowing supervision." During the Reporting Period, the Company was not involved in any major litigation or penalties related to monopoly and unfair competition.



Flowchart of the Whistleblowing Procedure for Anti-Unfair Competition and Anti-Monopoly

Case Study Anti-Monopoly and Anti-Unfair Competition Compliance Training

On December 20, 2025, the Company conducted relevant training focusing on the theme of "Anti-Unfair Competition." Relevant personnel from the Audit Department and the Administration Department served as instructors, delivering the training from perspectives including "National Laws and Regulations (Common Illegal Acts of Enterprises)." This series of training sessions achieved significant results, with an active classroom atmosphere. Post-training random Q&A sessions successfully helped participating employees establish a sense of compliance regarding anti-monopoly and anti-unfair competition, as well as awareness of integrity risk prevention. This effectively achieved the training objectives of standardizing professional conduct and enhancing compliant operation capabilities.



Anti-Monopoly Training Session



Green & Smart Growth for a Low-Carbon Future

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Climate Action

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Environmental Management

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Resource Management

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Ecosystem and Biodiversity Conservation



Climate Action

Xinqianglian deeply practices the concept of green and low-carbon development, integrating climate action into its core strategic layout. Focusing on energy conservation, greenhouse gas emission control, and low-carbon technology innovation, the Company has built a full-chain climate action system. By optimizing production processes, promoting energy-efficient equipment, and strengthening greenhouse gas emission review and management through multiple parallel measures, it continuously reduces its operational carbon footprint, responding to the “dual carbon” goals with concrete actions and contributing to the industry’s green transformation and sustainable development.

Governance

The Company has established a climate action governance system with clear responsibilities and authorities. With the Board’s Strategy and ESG Committee as the core supervisory body, it regularly reviews the effectiveness of climate risk control and related performance progress, ensuring the effective implementation of governance measures. Furthermore, the Company has defined core commitments including greenhouse gas emission reduction, renewable energy application, and low-carbon value chain development. This forms an institutional safeguard covering multiple aspects such as energy management, R&D, and logistics. Concurrently, it has established mechanisms for dynamic policy revision and progress disclosure to ensure the governance system’s adaptability and information transparency, providing solid governance support for preventing climate-related risks.

The Company regularly conducts specialized training on carbon emissions, effectively enriching employees’ knowledge base on carbon emissions and continuously improving the Company’s carbon emission management level.

Case Study Carbon Emissions and Greenhouse Gas Management Training

On March 31, 2025, the Company organized relevant employees to participate in carbon emissions and greenhouse gas management training. The training covered core knowledge including carbon emission policies, the ISO 14064 standard, carbon emission reduction technologies, and carbon footprint specifications. This effectively enhanced employees’ awareness and skills in addressing climate change, laying a solid foundation for standardizing the Company’s carbon emission management and practicing green and sustainable development.



Carbon Management Training Session

Strategy

In response to climate change-related risks and opportunities, the Company has formulated corresponding measures. These include proactively adjusting production processes to reduce carbon emissions and exploring green projects to promote sustainable development.

Category	Specific Type	Description	Potential Financial Impact	Impact Time Horizon	Impact Magnitude	Likelihood of Occurrence	Response Measures
Risk	Technological Risk	Large investments in low-carbon technology R&D with long pay-back periods; insufficient adaptability in implementing key technologies such as energy conservation and carbon capture, which may lead to delays in emission reduction progress; short windows of opportunity for retrofitting traditional production equipment, resulting in significant pressure for technological iteration.	Increase in Operating Costs	Long-term	Medium-High	Medium	<ul style="list-style-type: none"> · Collaborative R&D with scientific research institutions · Introduction of mature low-carbon technologies · Phased promotion of energy-saving retrofitting of equipment
	Market Risk	Implementation of international regulations such as the EU CBAM carbon tariff; increased low-carbon requirements from downstream clients for the supply chain. If the product carbon footprint does not meet standards or lacks green certification, it may result in lost orders or premium competition.	Fluctuation in Operating Revenue / Increase in Costs	Medium-term	Medium-High	High	<ul style="list-style-type: none"> · Apply for green product and factory certifications · Optimize the product life cycle carbon footprint · Align with customers’ low-carbon procurement requirements
	Physical Risk	Risks of extreme weather events in the Luoyang area, such as heavy rain and rapid shifts between drought and flood. These may damage production facilities, disrupt logistics transportation, and trigger secondary disasters affecting production continuity.	Repair costs / Shut-down losses, Increase in Operating Costs	Short to Medium-term	Medium	Medium	<ul style="list-style-type: none"> · Reinforce factory drainage and disaster-resistant facilities · Develop emergency transportation plans for extreme weather · Purchase climate-related property insurance
Opportunity	Technological Innovation	Low-carbon technology innovations such as energy-saving equipment, green power application, and digital energy consumption management can reduce production energy consumption and carbon emissions, enhance the green competitiveness of products, and open up high-end markets.	Operating Cost Savings / Premium Revenue	Long-term	High	Medium	<ul style="list-style-type: none"> · Layout of photovoltaic and energy storage systems in the plant area · R&D of low-carbon production processes · Construction of a digital energy consumption monitoring platform
	Policy Support	The national “dual carbon” policies provide green factory subsidies, technical transformation funds, and other support. Green credit can reduce financing costs. Local supporting policies for low-carbon transition offer multiple benefits for corporate transformation.	Subsidies / Financing Incentives	Short to Medium-term	High	High	<ul style="list-style-type: none"> · Promoting green manufacturing, energy conservation and carbon reduction, and building green, low-carbon factories · Leverage policy dividends for green factories to advance the sustainable development of the company

Note: We define the impact time horizon as Short-term (1-3 years), Medium-term (3-5 years), and Long-term (5+ years). Impact magnitude is defined as High (significant impact on the Company’s production and operations), Medium (moderate impact), and Low (minor impact). Likelihood of occurrence is defined as High (very likely to occur), Medium (reasonably likely to occur), and Low (unlikely to occur). The same definitions apply throughout the report.



Impact, Risk, and Opportunity Management

The Company has established a standardized process to identify, assess, and manage climate change risks, and regularly reviews the effectiveness of the process implementation to ensure that risk response strategies are timely and effective.

Risk Identification	Referring to the recommended disclosure framework of the Task Force on Climate-related Financial Disclosures (TCFD), the Company identifies its risk and opportunity types from three major categories: physical risks, transition risks, and opportunities. Based on national laws, regulations, and policy requirements, domestic and international sustainable development trends, and the Company's actual situation, it defines and describes the risks and opportunities brought to the Company by climate change.
Risk Assessment	For each identified risk and opportunity, the Company identifies the primary climate-related drivers causing that risk or opportunity, as well as their potential major financial impacts, the impact time horizon, and the impact magnitude.
Risk Response	Based on the identification and assessment results, the Company formulates corresponding response measures to ensure it has sufficient capacity and resources to address climate change risks and seize climate change opportunities, forming a closed-loop management mechanism for climate change risks.

Indicators and Objectives

Indicator	Unit	2025
Total Greenhouse Gas (GHG) Emissions	tons of carbon dioxide equivalent (tCO ₂ e)	224,425.90
Direct GHG Emissions (Scope 1)	tCO ₂ e	119,053.61
Indirect GHG Emissions (Scope 2)	tCO ₂ e	105,372.29
GHG Emission Intensity	tCO ₂ e/ million yuan	48.49

Note: GHG emissions data includes Xinqianglian and its subsidiaries: Shengjiu Forging, Haipusen, Haozhi Machinery, and Xinsheng New Energy.

Guided by the vision of "Green Factory, Caring for the Earth," the Company integrates energy conservation and emission reduction into the entire process of production and operation. It has clearly defined quantitative carbon reduction targets and continuously promotes the efficient use of resources and pollution prevention. The Company focuses on two core areas: electricity and water consumption. Through targeted control measures, it steadily fulfills its emission reduction commitments, contributing to the fight against climate change.

Objective Type	Specific Emission Reduction Target	Core Implementation Pathway
Energy Consumption Reduction	Reduce electricity consumption per 10,000 tons of finished product by 1% annually.	Carry out electricity-saving initiatives; inspect and replace high-power electrical appliances and circuits.

Environmental Management

Xinqianglian places high importance on environmental compliance management and adheres to the environmental policy of "Energy Saving and Consumption Reduction, Pollution Prevention, and Environmental Purification." It integrates environmental responsibility into the entire process of production and operation, establishing a standardized control system covering key areas such as wastewater and exhaust gas. Through institutional regulations, technological prevention and control, and regular monitoring, the Company strengthens environmental risk control and continuously promotes green and compliant operations.

Environmental Compliance Management System

The Company has established a compliant and comprehensive environmental management system, forming an institutional framework centered on the EHS Management Manual and EHS Procedure Documents. This covers the entire process management, including environmental aspect identification, hazard control, emergency response, and compliance evaluation. Organizationally, the General Manager provides overall leadership, and the Management Representative regularly reports to the General Manager on the environmental management system's performance and needs for improvement. Responsibilities are clearly defined for departments such as the Quality Assurance Department, the Safety and Environmental Protection Department, and the Manufacturing Department.



ISO 14001 Environmental Management System Certification

During the Reporting Period, the Company obtained the ISO 14001 Environmental Management System certification.

Indicator	Unit	2025
Incidents of Major Administrative Penalties from Ecology and Environment Authorities or Other Relevant Departments Due to Environmental Incidents	Incidents	0
Amount of Major Administrative Penalties from Ecology and Environment Authorities or Other Relevant Departments Due to Environmental Incidents	10,000 yuan	0



Environmental Training

During the Reporting Period, the Company conducted multiple environmental protection-related training sessions. The training content covered areas such as hazardous waste emergency response and environmental safety requirements. This helped to enhance employees' theoretical knowledge and practical skills in environmental management, laying a solid talent foundation for the efficient implementation of the Company's environmental protection work.

Case Study Special Training on Hazardous Waste Basic Knowledge and Leak Emergency Response

On May 14, 2025, the Company organized employees to participate in a special training session on hazardous waste basic knowledge and leak emergency response. The training covered topics such as environmental regulations, the Company's environmental protection systems, environmental risk sources, and emergency measures. This effectively enhanced employees' capabilities in environmental risk prevention and emergency response, laying a solid foundation for the compliance and safety of the Company's environmental management.



Hazardous Waste Training Session

Case Study Q3 Safety Committee Training on Environmental Protection and Occupational Health Precautions

In October 2025, the Company held a training session on environmental protection and occupational health precautions for the third quarter safety committee. The session addressed issues identified during environmental inspections, such as improper storage of waste oil, uncontained iron scraps, and dust pollution. It also clarified requirements for the operation of environmental protection facilities, hazardous waste management, vehicle control, and key tasks for the fourth quarter. These measures further reinforced environmental responsibilities, helping the Company cope with frequent regulatory inspections and strengthening the foundation for green and compliant production.



Training site

Indicator	Unit	2025
Number of Environmental Training Sessions	Sessions	4
Total Participants in Environmental Training	Person-times	80
Total Hours of Environmental Training	Hours	210

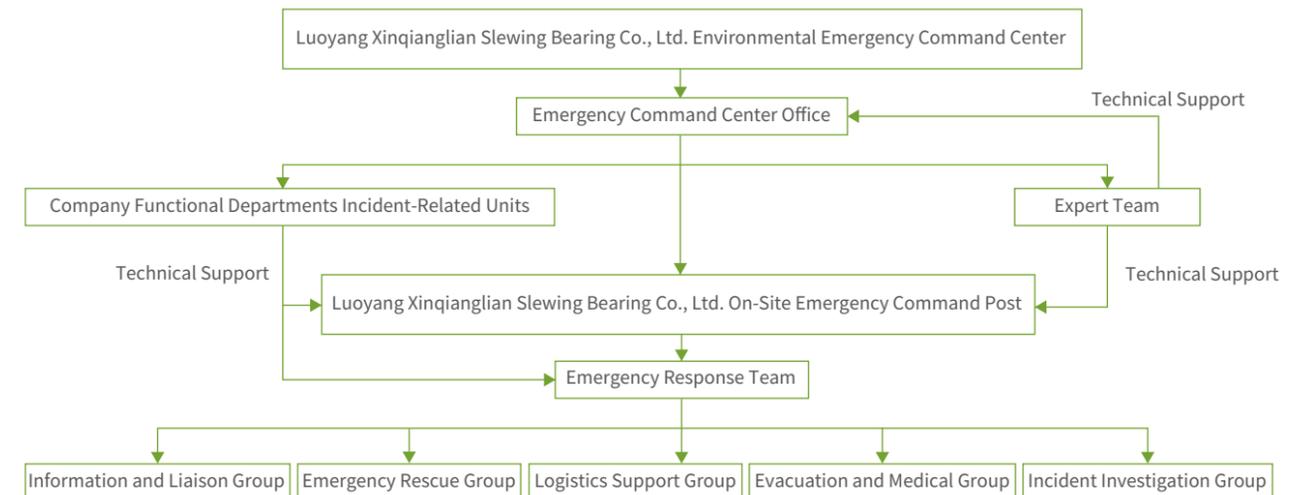
Note: Environmental training data includes Xinqianglian and its subsidiaries: Shengjiu Forging, Haipusen, Haozhi Machinery, and Xinsheng New Energy.

Environmental Risk Management

The Company has established a systematic environmental risk management system, supported by the core document *Procedure for Identification and Evaluation of Environmental Aspects*. Under the overall leadership of the Management Representative, the Quality Assurance Department serves as the centralized management department leading the procedure's formulation and implementation, with all departments collaborating on the identification and evaluation of environmental aspects. The Manufacturing Department is responsible for the specific control of significant environmental aspects. The identification process comprehensively covers three states (normal, abnormal, and emergency) and three time perspectives (past, present, and future), encompassing seven major types including emissions to air, water, and land. Significant environmental aspects are determined using direct judgment methods combined with single-factor and multi-factor comprehensive scoring methods. When changes occur in laws and regulations, production processes, raw materials, etc., the Company promptly updates the environmental aspects register to ensure the dynamic adaptability of the management system. By formulating targeted environmental objectives, targets, and management programs, the Company strengthens the end-to-end control of significant environmental aspects, effectively preventing environmental risks and providing a solid guarantee for the compliance and sustainability of the Company's environmental management.

Emergency Plans and Drills

The Company places high importance on environmental emergency management. It has formulated the *Emergency Plan for Environmental Emergencies*, establishing an environmental emergency management system encompassing "prevention beforehand, emergency preparedness, emergency response, and post-event management." An Emergency Command Center has been established, comprising core personnel from multiple departments including the Safety and Environmental Protection Department, Equipment Management Department, Administration Department, and Human Resources Department. Under the Center, five specialized teams are formed: Information Liaison Team, Accident Rescue Team, Logistics Support Team, Evacuation and Rescue Team, and Accident Investigation Team. These teams cover various potential environmental emergencies such as hazardous waste leaks and excessive wastewater discharge, detailing the end-to-end response mechanism including early warning reporting, on-site disposal, and post-recovery procedures. Through system improvement, practical drills, and continuous optimization, the Company's environmental emergency response capabilities are steadily enhanced, effectively preventing the risk of environmental emergencies and building a solid barrier for ecological and environmental safety.



Emergency Organizational Structure Chart for Environmental Emergencies

The Company regularly conducts environmental emergency drills, simulating real accident scenarios to test the feasibility of plans and team coordination capabilities. Simultaneously, it continuously improves the stockpile of emergency supplies and equipment maintenance.

Case Study Hazardous Waste Leak Emergency Response Drill

On May 14, 2025, the Company organized employees to participate in a hazardous waste leak emergency response drill. On-site, the drill followed standardized procedures including containment, collection, and cleaning to complete the disposal of leaked waste oil. This effectively enhanced employees' emergency response and coordinated handling capabilities for environmental incidents, further improving the Company's hazardous waste management emergency plan and providing practical support for strengthening environmental safety defenses.



Containment and clean-up of leaked lubricating oil



Inspection of stormwater and sewage inspection wells

Collection and clean-up of settled oily waste



Hazard Identification and Rectification

The Company conducts monthly inspections for wastewater, exhaust gas, dust, and hazardous waste. When hazards are identified, workshops are required to rectify them immediately. For issues that cannot be rectified on the spot, rectification is required within a specified timeframe, effectively consolidate the safety defense line for the ecological environment and fully lay a solid foundation for green production and operation.

Green Operations

Green Transportation

The Company promotes the construction of a green transportation chain by optimizing processes and upgrading hardware to effectively reduce energy consumption and carbon emissions in the transportation phase. By scientifically planning transportation routes based on cargo characteristics and traffic conditions, it avoids circuitous and duplicate transportation. Concurrently, it promotes the consolidation of shipments with compatible attributes and similar destinations, significantly improving vehicle load rates and reducing empty-load rates. Regarding vehicle selection, the Company strictly uses vehicles meeting China V emission standards or higher and prioritizes the deployment of new energy vehicles, fully complying with national environmental requirements.

Green Office

The Company deeply integrates the concept of a green office into its ESG practices, building a comprehensive low-carbon office system covering energy conservation and consumption reduction, resource recycling, green procurement, and culture cultivation. Through equipment upgrades, behavioral norms, process optimization, and full employee participation, it continuously reduces energy consumption and the environmental footprint of office activities, striving to create an environmentally friendly and efficient office atmosphere.

Practice Area	Key Initiatives
Energy Saving and Consumption Reduction	Fully utilize LED lighting and energy-efficient office equipment. Air conditioners are operated with standards of $\geq 26^{\circ}\text{C}$ in summer and $\leq 20^{\circ}\text{C}$ in winter. Implement the policy of “turn off lights when leaving, turn off devices when away.” Encourage taking stairs for floors within three levels.
Resource Conservation and Recycling	Set double-sided printing as default; promote digital office. Install water-saving devices and post water-saving labels. Set up waste sorting facilities for three categories; cooperate with organizations to recycle used electronics, consumables, etc.
Green Procurement	Prioritize procurement of office supplies with environmental certifications and refillable stationery. Select office furniture made of durable and recyclable materials.
Green Culture and Employee Engagement	Disseminate green office knowledge through Office Automation System and WeChat groups. Decorate the office with green plants and encourage employees to adopt green commuting methods such as cycling and using public transportation.

Cleaner Production

The Company deeply practices the concept of cleaner production, integrating green and low-carbon requirements into the entire production process. Through technological upgrades, process optimization, and resource recycling, it continuously reduces energy consumption and pollutant emissions during production. Focusing on the core goals of energy conservation, consumption reduction, and emission reduction with increased efficiency, the Company constantly improves its cleaner production management system, promoting the green transformation of industrial production with concrete actions and contributing to sustainable development.

Three Wastes Management

Exhaust Gas Management

To reduce environmental pollution from exhaust gas and strengthen emission management, the Company has formulated the *Exhaust Gas Management System*, establishing an end-to-end management system of “source control-classified collection-precise treatment-compliant discharge.” During the process design and equipment selection stages, low-pollution technologies are prioritized to minimize exhaust gas generation at the source. Dedicated treatment facilities are equipped for different types of exhaust gas to ensure comprehensive collection and efficient treatment. Concurrently, mechanisms for the simultaneous operation of exhaust gas treatment facilities, regular inspections and maintenance, and fault emergency response are established to ensure the treatment system operates stably and meets standards, effectively controlling various exhaust gas emissions and contributing to green production.

Exhaust Gas Type	Core Treatment Process
Acid Mist Exhaust	Equipped with an acid mist spray absorption tower to treat acid mist emitted from the pickling line.
Alkali Mist Exhaust	Equipped with a dilute sulfuric acid spray absorption tower to treat alkali mist emitted from the blackening line.
Volatile Organic Compounds (VOCs) Exhaust	The paint mixing room, spray painting room, and drying room are enclosed for collection. Emissions are treated by a dry-type three-stage filter + activated carbon adsorption/desorption + catalytic combustion unit.
Natural Gas Exhaust	Natural gas heating furnaces are equipped with low-nitrogen combustion devices.
Dust-Laden Gas	Dust from enclosed zinc spraying/sandblasting rooms is collected and treated by a double cyclone + cartridge dust collector.
Oil Mist Exhaust	Oil mist generated from gearbox oil quenching and tempering is treated by a wet-type demisting + oil fume purification system.

Wastewater Management

To control sewage discharge and promote water reuse and recycling, the Company has formulated the *Wastewater Management System*. Wastewater is classified into two categories: industrial wastewater and domestic sewage. The Company strictly implements source control requirements, prohibiting the direct dumping of waste oil and waste materials into drains, as well as the discharge of wastewater into the stormwater pipe network. Industrial wastewater primarily consists of low-concentration acid and alkali rinsing water from the pickling line, which is treated through multi-stage processes to meet discharge standards before release. Domestic sewage is pretreated in septic tanks before being connected to the municipal sewage pipeline network. Additionally, through dedicated personnel management, daily inspections, regular monitoring, and log record-keeping, the Company ensures the stable operation of wastewater treatment facilities, achieving standardized water resource management and pollution control.

Wastewater Type	Source	Core Treatment Process	Discharge Requirements
Industrial Wastewater	Low-concentration acid and alkali rinsing water from the pickling line (discharged and replaced approximately every 4 months)	Collection Tank → pH Adjustment Tank → Iron-Carbon Reaction Tank → pH Readjustment Tank → Flocculation Sedimentation Tank → Hydrolytic Acidification Tank → Buffer Tank → Aerobic Tank → Secondary Sedimentation Tank	Treated clean water discharged up to standard; main pollutants (pH, COD, $\text{NH}_3\text{-N}$, SS) comply with national standards
Domestic Sewage	Generated from daily office activities and employee living quarters on site	Pretreated in existing septic tanks	Discharged via the main outlet of the plant to the Luoxin Industrial Park Wastewater Treatment Plant, Xin'an County Economic and Technological Development Zone, Luoyang City.

Solid Waste Management

To more effectively control waste generation during production and promote reasonable recycling, the Company has formulated the *Hazardous Waste Management System*. This system clearly defines the division of responsibilities among departments such as the Safety and Environmental Protection Department, the Administration Department, and the Logistics Department, forming a closed-loop management process from source reduction, classified storage, and recycling disposal to logbook statistics.

Non-Hazardous Waste: This category includes materials such as waste packaging and waste paper from office scenarios, as well as scrap metal shavings and waste equipment parts from production scenarios. These are stored in designated areas by each department according to classification. The Manufacturing Department regularly cleans up metal scraps, while the Logistics Department and Administration Department are responsible for classified centralized recycling. Recyclable materials like metal scraps shavings are sold uniformly to achieve resource reuse.

Hazardous Waste: This category includes waste oil and contaminated materials from production, as well as waste lamps, batteries, printer cartridges, etc., from office activities. These are stored in dedicated sealed containers with clear classification labels. The Safety and Environmental Protection Department coordinates the recycling of waste oil, entrusting it to qualified third-party professional organizations. Office hazardous waste is recycled through coordination by the Procurement Department with relevant units. Transfer records and registration logs are maintained throughout the process to ensure compliant disposal.

Environmental Objective Planning

The Company has established environmental management objectives covering areas such as noise discharge, waste discharge, and environmental training. During the Reporting Period, all of the Company's environmental management objectives were achieved.

Indicator	Objective
Noise Discharge	Meeting national standards
Solid Waste Classification, Recycling and Disposal Rate	100Percent
Wastewater Discharge	Compliant discharge
Iron Scrap Recovery Rate	100Percent
Conservation of Water, Electricity, and Paper	No wastage of water, electricity, or paper
Integrity Rate of Stored Chemical Items	100Percent
Environmental Knowledge and Awareness Training Rate	100Percent

Resource Management

Xinqianglian has established a management and control system centered on materials, energy, and water resources. Supported by specific policies, the Company implements multiple measures including standardized operations, energy-saving retrofits, and recycling to create a green operation model, achieving efficient utilization and circular development of various resources.

Material Utilization

The Company has formulated the *Warehouse Management System* and the *Management Measures for Raw Material Warehousing* to ensure that materials issued from the warehouse meet specified requirements. Warehouse management adheres to the principles of first-in, first-out (FIFO) and daily settlement. Warehouse keepers are responsible for daily management and inventory counts, inspectors oversee material quality, and various departments collaborate to submit requisitions and handle relevant procedures. Concurrently, the systems specify special storage requirements for various types of materials, strengthen safety prevention and control, and define the handling of non-forming products.

Case Study Material Packaging Management

The Company implements tiered packaging for its products based on power rating: products rated below 5.5MW are packaged using a combination of three layers of plastic film and kraft paper, while products rated above 5.5MW use blue woven bags for the outer layer, ensuring adequate protection. Packaging materials are selected from environmentally friendly sources. Tooling such as transport pallets is returned to the factory for recovery and reuse through communication with customers. During loading, materials are stacked by type, supported with nylon or wooden blocks, and securely fastened with ropes. This ensures loss-free material transport while adhering to the principle of green circular economy.



Example of Wrapping with Blue Plastic Film



Clearly Marked Lifting Information

Energy Utilization

The Company has formulated the Energy Management System, comprehensively covering the management and control of water, electricity, and gas. The Equipment Management Department is responsible for overall coordination and end-to-end management. Regarding water usage, energy-saving requirements such as turning off water when leaving are clearly defined, and water supply pipelines, valves, and other facilities are regularly maintained to ensure stable water supply. Regarding electricity usage, standards for power supply and distribution are strictly implemented, and power distribution equipment and main power supply cables in the plant area are regularly inspected and repaired. Regarding gas usage, gas leakage and waste are strictly controlled, with clear operating procedures requiring timely valve closure during prolonged shutdowns. The Equipment Management Department concurrently conducts regular cleaning and maintenance of various energy facilities, achieving effective energy conservation through standardized end-to-end control.

During the Reporting Period, the Company obtained ISO 50001 Energy Management System certification and regularly undergoes audits and assessments by third-party organizations.



ISO 50001 Energy Management System Certification

Case Study Energy-Saving Retrofit of Refrigeration Equipment

During the Reporting Period, addressing issues such as inadequate cooling performance of the original system (e.g., quenching machine temperature/pressure alarms being easily triggered, unstable air conditioning performance), the Company implemented three retrofit measures: First, enlarged the chilled water storage tank to increase cooling capacity. Second, retrofitted the chilled water supply pumps with variable frequency drives while simultaneously elevating the tanks, reducing the number of pumps in operation and their load, achieving daily electricity savings of approximately 2,880 kWh. Third, relocated the cooling towers to a well-ventilated area to resolve heat short-circuit issues, improving refrigeration efficiency by approximately 4%.

Case Study Energy Conservation and Climate Action Training

On March 10, 2025, the Company organized relevant employees to participate in energy conservation and climate action training. The training covered topics including industry policies, energy efficiency standards, energy-saving technologies, green management, digital transformation, and circular economy practices. It achieved comprehensive coverage of knowledge related to energy conservation and carbon reduction, deepening employees' understanding of energy-saving technologies.

Indicator	Unit	2025
Natural Gas	10,000 cubic meters	5,471.23
Gasoline	tons	24.59
Diesel	tons	220.73
Total Purchased Electricity	kWh	195,314,710.29
Fossil Fuel Consumption	tons of standard coal equivalent (tce)	73,125.17
Total Direct Energy Consumption	tce	73,125.17
Total Indirect Energy Consumption	tce	24,004.18
Total Consumption	tce	104,332.00

Note: Energy consumption data includes Xinqianglian and its subsidiaries: Shengjiu Forging, Haipusen, Haozhi Machinery, and Xinsheng New Energy.

Indicators and Targets

The Company was guided by national strategic frameworks such as the *Green Factory Project Implementation Guide* and *Made in China 2025*, and centered around the Company's green development vision of "Controlling Energy, Saving Resources, Utilizing Clean Energy, and Creating New Energy," the following energy management targets and plans have been established:

Energy Management Indicators and Plans	
Specific Indicator	Planned Direction
Management System Development	To improve the energy management system, complete system certification, and establish an energy efficiency control and metering monitoring model covering production and office scenarios, achieving end-to-end traceability and controllability of energy consumption.
Energy Efficiency Improvement	Implement energy-saving measures such as refined control of central air conditioning and green commuting for official vehicles to reduce energy usage at the source, continuously improve energy utilization efficiency, and promote the development of a circular economy.
Promotion of Clean Energy	Promote the application of renewable energy sources such as solar power in plant areas and office buildings, advance the implementation of photovoltaic power generation projects, and gradually expand the scale of clean energy usage, achieving a leap from self-consumption to industrialized and scaled development.
Supply Chain Collaboration	Implement green supplier management, embedding energy conservation requirements throughout the entire chain of raw material procurement, production processing, and packaging transportation, to promote the collaborative utilization of green energy within the supply chain.

Clean Energy

The Company deeply implements the strategy of green, low-carbon transformation and energy substitution, with photovoltaic power generation projects as the core carrier, deepening the scenario-based application of renewable energy, achieving significant breakthroughs in energy structure optimization and carbon reduction effectiveness. The specific implementation paths and phased results are as follows:

Indicator	Unit	2025
Photovoltaic (PV) Power Generation	kWh	58,605,801.59
Renewable Energy Consumption	tce	7,202.65
Total Clean Energy Consumption	tce	7,202.65
Proportion of Renewable Energy Consumption	Percent	6.90

Note: Energy consumption data includes Xinqianglian and its subsidiaries: Shengjiu Forging, Haipusen, Haozhi Machinery, and Xinsheng New Energy.

Water Resource Utilization

The Company has formulated the *Water Resource Management System*, focusing on water resource protection and sustainable utilization, and establishing an end-to-end management and control system. In the production process, a circulating cooling water system is implemented, where water is reused after sedimentation and filtration. Concurrently, cleaning solutions are recovered through multi-step cleaning processes, reducing fresh water consumption and wastewater discharge. Domestic sewage is managed in accordance with the *Integrated Wastewater Discharge Standard*, with regular testing to ensure compliant discharge, thereby contributing to a win-win outcome between corporate development and ecological protection.

Case Study Procurement of Pure Water Equipment

During the Reporting Period, the Company installed 4 sets of pure water equipment and customized 2T/H industrial-grade reverse osmosis (RO) pure water machines. Compared to ordinary pure water machines with the same output, this equipment offers superior water-saving performance. Its core advantages include controllable recovery rates and a mature, comprehensive plan for recycling concentrated water, raising the comprehensive water utilization rate to 70%-80%, significantly higher than the 50%-60% level of ordinary pure water machines.

Ecosystem and Biodiversity Conservation

Xinqianglian has always adhered to the development philosophy of synergizing commercial value with social responsibility, guided by the requirements of relevant documents such as the *United Nations Sustainable Development Goals* and the *Convention on Biological Diversity*. Upholding the principles of green development and innovation leadership, the Company leverages its business advantages to steadily advance towards strategic goals related to green development, contributing to the realization of the 2030 Sustainable Development Goals and the 2050 vision of 'Harmonious Coexistence between Humans and Nature.'

Core Ecological Protection Policies	
Natural Resource Conservation	Strictly complying with forest protection laws and regulations, prohibiting operations in sensitive areas such as forested regions and nature reserves, and actively advocating for afforestation, green space protection, and the restoration of degraded forest ecosystems.
Ecological Management of the Supply Chain	Requiring suppliers to avoid key biodiversity areas; conducting biodiversity due diligence for new projects of the Company itself and within its supply chain, ensuring the completeness of relevant documents such as Environmental Impact Assessment (EIA) reports and environmental permits; and encouraging suppliers to participate in public welfare projects such as biodiversity conservation through incentive mechanisms.
Minimizing Environmental Impact	Conducting operations in compliance with regulations, integrating biodiversity considerations into assessments during the project planning phase and selecting sites to avoid sensitive areas; strictly controlling noise pollution during the construction phase by optimizing machinery layout and working hours; and promptly carrying out the restoration of surface, soil, and vegetation after project completion.

Quality & Efficiency, Synergy & Win-Win

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Innovation-Driven

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Product Safety and
Service Quality

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Data Security and Customer
Privacy Protection

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Responsible Supply
Chain



Innovation-Driven

Governance

Xinqianglian has established an innovation governance system centered on the *Management Measures for Technology Projects* and the *Financial Management Measures for Technology Project Funds*. Organizational structures are reasonably set up in line with the Company's product R&D characteristics. The Finance Center is responsible for budget review and accounting, the Audit Department supervises the use of funds, and the project responsible units and leaders undertake specific execution duties. Technology projects are managed on a project basis, covering models such as independent R&D and industry-university-research collaboration. Standardized processes like expert reviews and bidding/negotiation ensure the compliance and effectiveness of R&D activities, forming an innovation governance structure with clear responsibilities and closed-loop processes.

Leveraging technological innovation platforms such as the provincial high-tech enterprise, the provincial enterprise technology center, and the CNAS-accredited laboratory, the Company has built a high-level, open platform for scientific and technological innovation and a comprehensive innovation system. Through methods such as independent R&D and collaborative R&D, the Company conducts technological innovation research and tackles key technologies, yielding a number of advanced achievements with independent intellectual property rights. These achievements are effectively transformed into new quality productive forces, continuously contributing to the development of the industry.



National High-tech Enterprise Certificate



Laboratory Accreditation Certificate

Strategy

Risk / Opportunity	Category	Description	Potential Financial Impact	Impact Time Horizon	Impact Magnitude	Likelihood of Occurrence	Response Measures
Risk	Technological Risk	R&D progress for main shaft and shield machine main bearings is below expectations; risk of substitution by sliding bearing technology	Decrease in operating revenue, decrease in gross profit margin	Medium-term	Medium-High	Medium	<ul style="list-style-type: none"> Increase R&D investment in 20MW+ bearings, and collaborate with external institutions to accelerate breakthroughs in material technology Establish a strategic presence in the field of precision bearings and their core components.
	Supply Chain Risk	Wind power/TBM bearings are significantly affected by fluctuations in raw material prices.	Fluctuations in raw material prices, increase in production costs	Short-term	High	High	<ul style="list-style-type: none"> Further strengthen vertical integration of the industry chain and continuously optimize cost control. Formulate an annual procurement plan for raw materials, make scheduled purchases in advance, and mitigate the risks of short-term price fluctuations.

Risk / Opportunity	Category	Description	Potential Financial Impact	Impact Time Horizon	Impact Magnitude	Likelihood of Occurrence	Response Measures
Opportunity	Import Substitution	Domestic policies support the localization of high-end equipment. As a "bottleneck" area, wind power bearings and TBM bearings currently have significant potential for import substitution, offering a broad market space for the Company's products.	Increase in operating revenue	Long-term	High	High	<ul style="list-style-type: none"> Accelerate the expansion of market share for wind power bearings and shield tunneling machine bearings Participate in formulating industry standards to consolidate technological advantage
	Technology Upgrade & Carbon Reduction Synergy	Under the "dual carbon" goals, the installed capacity of wind power is increasing, leading to higher demand for wind power bearings. Core customers' demand for carbon reduction is also increasing.	Increase in operating revenue	Medium-term	Medium	High	<ul style="list-style-type: none"> Expand market share for wind power bearings and increase production capacity to meet customer carbon reduction needs. Align with market demands, strengthen product technology and process optimization, and promote green development in the industry

Impact, Risk, and Opportunity Management

The Company ensures effective response to potential risks during the R&D and innovation process through risk identification, assessment, monitoring, and management, thereby promoting technological innovation and enhancing market competitiveness.

- Risk Identification**

Comprehensively conduct regular risk identification, with special attention paid to technical risks, policy risks, and market competition risks in fields such as wind power bearings and their components and new energy projects, to ensure better identification of potential threats during the innovation process.
- Risk Assessment**

Assess the specific financial and operational impacts of various identified risks. For example, technological risks may lead to increased R&D expenses without rapid conversion into revenue, among other potential outcomes. The results of the risk assessment will be used for priority ranking and strategic adjustments.
- Risk Monitoring**

Establish a dynamic risk monitoring system to regularly analyze policy changes, market trends, and competitor activities, especially in the areas of wind power bearings and their components and green projects, in order to timely adjust corporate strategy and prevent risks from materializing into actual losses.
- Risk Management**

Establish targeted risk management plans to ensure effective control and diversification of risks when implementing technological innovation and market expansion. For example, by cooperating with scientific research institutions and communicating with industry associations, the Company ensures that new products and services meet market demands and regulatory requirements.

Indicators and Objectives

Indicator	Unit	2025
R&D Investment	10,000 yuan	27,959.35
R&D Investment as a Percentage of Revenue from Main Operations	percent	6.04
Cumulative Number of Authorized Patents	Patents	161
Cumulative Number of Authorized Invention Patents	Patents	33
Cumulative Number of Authorized Utility Model Patents	Patents	128
Cumulative Number of Authorized Design Patents	Patents	0
Specialized and Sophisticated Enterprises that Produce Novel and Unique Products	Items	2
National High-tech Enterprises	Items	4

Innovation-Driven Measures

Innovation R&D Incentives

The Company has formulated the *Measures for Rewards and Punishments for Technology Projects* to standardize the implementation of technology projects. These measures clearly define the responsibilities and authorities of project leaders for the entire project process, including team member allocation, assessment, and the distribution of rewards and penalties. The Project Office is responsible for organizing the assessment and implementation of rewards and penalties. Incentives include awards for patents and papers, project acceptance and appraisal awards, achievement transformation and promotion awards, and matching awards for provincial, municipal, and national prizes. The specific amounts, accounting standards, and distribution rules for each type of award are clearly defined. Concurrently, work requirements for activities such as convening meetings, submitting materials, and maintaining logbooks are established, with corresponding penalty standards for relevant personnel who fail to comply.

Innovation Team Talent Development

The Company places high importance on internal talent cultivation, focusing on building a highly skilled and innovative R&D team to provide strong support for the Company's technological breakthroughs and the transformation of innovation achievements.

R&D Team Structure

Indicator	Unit	2025
Total Number of R&D Personnel	Persons	362
Proportion of R&D Personnel in Total Employees	Percent	15.22

By Educational Background		
Master's Degree	Persons	7
Bachelor's Degree	Persons	78
By Age Group		
Under 30 Years Old	Persons	130
Ages 30-40	Persons	176
Over 40 Years Old	Persons	56

The Company conducts specialized training in areas such as process optimization, product development, and innovative methods, laying a solid talent foundation for maintaining its technological leadership in the industry and enhancing its core competitiveness.

Innovation Achievements Showcase

The Company has been continuously deepening its focus on core business areas. Leveraging its comprehensive strengths in technological R&D, resource integration, and R&D platforms, it concentrates on tackling key industry technologies and green development needs. Through these efforts, the Company has achieved fruitful R&D results spanning multiple dimensions, including technology patents, process optimization, and product upgrades. This has further strengthened the market competitiveness and industry influence of its core businesses, laying a solid technological foundation for the Company's sustainable and high-quality development.

Business Area	Project/Achievement Name	Project/Achievement Introduction (including but not limited to features, key technologies, application scenarios, etc.)	Honors and Awards
Main Shaft Bearings for Large Wind Turbines	R&D and Application of Key Technologies for Main Shaft Bearings of Large Wind Turbines	Targeting the localization of 2MW-5MW wind turbine main shaft bearings, overcoming technical bottlenecks in high precision and high reliability. Utilizing domestically produced materials to replace imports, reducing costs by 30%. Optimizing heat treatment processes, increasing fatigue life by 35%.	
Materials and Heat Treatment Technology for Extra-Large Bearings	R&D and Application of Materials and Heat Treatment Technology for Extra-Large Bearings	Systematically innovating material properties and heat treatment processes for extra-large bearings (diameter ≥ 2000mm), breaking through the bottlenecks of traditional materials in strength and wear resistance. Achieving an extension of bearing life by over 30% and hardness uniformity ≥ HRC60±2.	
Offshore Wind Power Bearings	R&D of an Anti-Typhoon 5MW Direct-Drive Wind Turbine Three-Row Cylindrical Roller Main Shaft Bearing	Specifically designed for high offshore wind speeds and high salt spray environments. Utilizing a three-row cylindrical roller structure to enhance load capacity (single-row load capacity increased by 40%) and improve anti-typhoon stability.	

Business Area	Project/Achievement Name	Project/Achievement Introduction (including but not limited to features, key technologies, application scenarios, etc.)	Honors and Awards
High-Power Offshore Wind Power Bearings	R&D and Industrialization of Key Technologies for High-Power Offshore Wind Power Main Shaft Bearings	Focusing on 10MW+ high-power offshore wind power main shaft bearings, addressing core issues of high load, long life, and low failure rates. Implementing intelligent manufacturing processes (automated production lines achieving precision error $\leq 0.005\text{mm}$) and achieving localization of main shaft bearing materials.	
Extra-Large Turntable Bearings	R&D and Industrialization of Key Generic Technologies for Extra-Large Turntable Bearings	Overcoming generic technical difficulties of extra-large turntable bearings (diameter $\geq 3000\text{mm}$) to achieve design standardization and large-scale manufacturing.	

Industry-University-Research Cooperation

The Company highly values industry-university-research collaboration with universities and research institutions, and is committed to transforming cutting-edge scientific and technological achievements into practical productivity to promote technological progress in the industry. The Company has established long-term industry-university-research cooperation relationships with Henan University of Science and Technology, and has signed industry-university-research cooperation agreements with Luoyang Vocational College of Science and Technology and Luoyang Institute of Science and Technology, forming a school-enterprise alliance. The collaboration includes multi-level cooperation in key technology research, transformation of scientific and technological achievements, joint establishment of talent training bases, co-construction and sharing of laboratories, and sharing of results. Leveraging the advantages of universities in talent cultivation and basic research, the Company aims to promote the development of industry-university-research applications.

Case Study Development and In-Situ Manufacturing of MEMS-Based Multi-Sensor Fusion Intelligent Rollers for Wind Turbine Main Bearings

This project is jointly implemented by the Company, Henan University of Science and Technology, and Luoyang LYC Bearing Co., Ltd. It addresses key industry pain points including inadequate intelligentization of wind turbine main bearings, poor compatibility between sensing elements and curved roller substrates, susceptibility to aging and failure of patch-type sensors, and low diagnostic accuracy caused by imbalanced fault samples, to develop an MEMS-based intelligent roller with multi-sensor fusion. The project focuses on achieving breakthroughs in three core technologies: the integrated design of multi-modal sensors, in-situ manufacturing of sensing elements on curved substrates via electrohydrodynamic jet printing, and multi-modal memory-enhanced deep intelligent fault diagnosis. These technologies enable real-time monitoring of multiple physical quantities (load, temperature and vibration) of wind turbine main bearings, as well as accurate full-life cycle fault diagnosis. The project will ultimately realize the industrialization and commercial application of the intelligent roller, and effectively advance the domestic substitution and intelligent upgrading of wind turbine main bearings in China.



Intellectual Property Protection

Intellectual Property Management System

Xinqianglian places high importance on the management and protection of intellectual property, having established a comprehensive policy system and governance structure to safeguard its innovation achievements. At the policy level, core documents such as the *Intellectual Property Manual* and *Intellectual Property Procedure Documents* have been formulated, covering the entire process of intellectual property acquisition, maintenance, utilization, and risk management. These strictly comply with laws and regulations such as the *Patent Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*, as well as the requirements of the GB/T 29490-2023 standard. In terms of governance structure, the top manager is clearly designated as the primary responsible person. A management representative is appointed to coordinate the operation of the system. The Quality Assurance Department leads the formulation of policies and compliance reviews, the Technology Center is responsible for the entire process management of intellectual property, and various departments implement related responsibilities according to their functions, forming a management structure with clear responsibilities and authorities. The Company has currently obtained certification for the Intellectual Property Compliance Management System.



Certificate of Intellectual Property Compliance Management System Certification

As of the end of the Reporting Period, the Company has accumulated 160 authorized patents. Multiple core products and technologies developed independently have passed scientific and technological achievement appraisals, reaching internationally advanced levels and filling domestic gaps. The conversion rate of intellectual property implementation and operational achievements is steadily increasing. Patented technologies are widely applied in core products such as wind power main shaft bearings and TBM main bearings, contributing to import substitution and enhancing core competitiveness. In the future, the Company will continue to advance its intellectual property strategy, striving to accumulate over 200 intellectual property rights within 10 years, maintaining an average annual IP application volume of at least 5 items, and further enhancing IP quality and conversion efficiency.

Intellectual Property Protection Measures

The Company has established multi-level intellectual property protection management measures, integrating intellectual property into all aspects of daily operations. In terms of personnel management, the ownership of intellectual property rights, confidentiality obligations, and non-compete restrictions are stipulated through labor contracts. For personnel involved in confidential matters, the Company implements background checks upon hiring, confidentiality training during employment, and confidentiality management upon resignation. Concurrently, regular intellectual property training is provided to all employees, covering intellectual property laws and regulations, application processes, and risk prevention, to enhance their awareness and professional capabilities in intellectual property protection. In terms of risk prevention and control, an intellectual property risk identification and monitoring mechanism has been established. Intellectual property search analysis and risk assessments are conducted during project initiation, R&D, procurement, and sales stages to prevent infringement risks. Dispute handling procedures are formulated, clarifying the processes and measures for responding to disputes to safeguard legitimate rights and interests. Simultaneously, a supporting intellectual property reward and punishment mechanism is in place, providing special rewards for achievements such as patent applications and paper publications, and implementing penalties for violations. This comprehensively stimulates the enthusiasm of all employees for innovation and protection.

Scientific and Technological Ethics

As an innovative leading enterprise in the field of high-end bearing manufacturing, Xinqianglian's main business focuses on the R&D, production, and sales of core components such as large slewing bearings, wind power bearings, and TBM bearings, serving key industries including wind power generation, marine engineering equipment, and construction machinery. The nature of its business has no direct connection with cutting-edge scientific and technological fields such as artificial intelligence or genetic technology. Therefore, at the current stage, the Company is not involved in issues related to scientific and technological ethics review. The Company consistently and strictly complies with national laws, regulations, and industry norms, continuously improving its technology R&D and application risk assessment mechanisms. It maintains prudent management over aspects such as manufacturing and technology transformation, resolutely preventing risks associated with improper technology application, and ensuring that business operations are conducted in compliance and an orderly manner.

Product Safety and Service Quality

Governance

The Company strictly complies with laws and regulations such as the *Product Quality Law*, implements the GB/T19001-2016 and CCSR9001-2011 quality management system requirements, and adheres to the quality policy of “Customer satisfaction is the eternal pursuit of Xinqianglian.” It has established a quality management system centered on the *Quality Manual* and supported by specialized management procedures, clarifying the quality responsibilities of each department: The Quality Department, as the designated management department for non-conforming product control, is responsible for the judgment, confirmation, identification, isolation, statistical analysis, and supervision of quality improvement execution for non-conforming products. The Technical Department authorizes engineers to review non-conforming items (key items require approval by the director of the Technical Center or the general manager, and scrapped products must be approved by the general manager). The Purchasing Department and Manufacturing Department are respectively responsible for managing non-conforming purchased materials and waste products during production. The Testing Center is responsible for the weekly inspection of testing equipment and the verification of product testing. The Human Resources Department ensures 100% completion of training plans to enhance personnel quality control capabilities.



ISO 9001 Quality Management System Certification

Concurrently, the Company has established a non-conforming product control process covering all scenarios, including raw materials, the production process, warehouses, and after-sales service, specifying requirements for identification, segregation, review, disposal, and traceability throughout the entire chain.

During the Reporting Period, the Company obtained ISO 9001:2015 Quality Management System certification.

Strategy

Based on industry development trends, market competition landscape, and its own operational realities, the Company systematically identified risks and opportunities related to its products and services. In accordance with the requirements of the ISO 9001 quality management system, it conducted risk/opportunity assessments and formulated targeted response measures. The specific list is as follows:

Risk /Opportunity	Category	Description	Potential Financial Impact	Impact Time Horizon	Impact Magnitude	Likelihood of Occurrence	Response Measures
Risk	Risk of Cost Competition Pressure	With the phase-out of wind power subsidies, the company faces increased cost pressures and must reduce costs to maintain market competitiveness.	Gross profit decrease	Medium-term	Significant	High	<ul style="list-style-type: none"> Enhance R&D capabilities to lower development costs Improve the product industry chain to reduce procurement and manufacturing costs
	Quality Benchmarking and Localization Challenge	The demand for localized bearings is increasing. In terms of product design and manufacturing quality, the Company faces challenges in improving technology and quality.	Decrease in operating revenue	Medium to Long-term	Significant	Medium	<ul style="list-style-type: none"> Further leverage the existing quality performance of products and the advantages of advanced processing equipment capabilities to consolidate existing customers Continue to improve bearing product quality, reduce costs and increase efficiency, and develop new customers

Risk /Opportunity	Category	Description	Potential Financial Impact	Impact Time Horizon	Impact Magnitude	Likelihood of Occurrence	Response Measures
Risk	Management Efficiency and Intelligence	Internal management requires continuous improvement, and the pace of the production workshop's entry into the field of intelligent equipment needs to be accelerated.	Increase in operating costs	Long-term	Medium	Medium	<ul style="list-style-type: none"> Strengthen employee quality awareness training and technical team building Introduce more advanced equipment and management technologies Further improve management systems such as ISO 9001 and information systems to promote intelligent and paperless management
Opportunity	Market and Policy Dividend Opportunity	The “15th Five-Year Plan” for renewable energy development and subsequent policies will promote continuous growth in wind power installed capacity, leading to strong market demand for wind power bearings.	Increase in operating revenue	Medium-term	Significant	High	Leverage national policy opportunities, fully utilize the Company's advantages in advanced manufacturing equipment and its listed company financing platform to develop advanced productive forces, expand production capacity, and grow and strengthen the enterprise
	Product Upgrade and Import Substitution Opportunity	Demand for high-quality bearings in large-scale equipment is growing, and the trend towards localization of gearbox bearings and key components is clear.	Increase in operating revenue	Medium to Long-term	Significant	High	<ul style="list-style-type: none"> Optimize product process technology and procedures to enhance product competitiveness and promote industrial upgrading Actively develop new products such as gearbox bearings and key components to expand product variety and market share
	Market Expansion Opportunity	Amid multiple opportunities such as external policy stimuli, the Company can leverage its deep technological expertise and market foundation in its three core business segments: wind power bearings, TBM bearings, and marine engineering equipment, to achieve comprehensive growth.	Increase in the Company's operating revenue and profit scale	Medium to Long-term	Significant	High	<ul style="list-style-type: none"> For existing core customers in the three business segments, deeply explore their needs and develop new business areas. While serving existing customers well, actively expand new customers within the three segments and promote high-value-added new products. Continue to invest in R&D to consolidate technological advantages; accelerate the progress of production equipment and process transformation to ensure high-volume delivery capabilities and improved quality consistency for products.

Impact, Risk, and Opportunity Management

The Company has established and operates a product and service safety risk management process that is deeply integrated with its quality management system. This process follows a systematic approach, covering all aspects of risk identification, assessment, monitoring, and management. It aims to prevent and control risks that may affect product quality, delivery, and customer satisfaction, ensuring the continuous effectiveness of the management system.

Management Process	Management Measures
Risk Identification	Company risk identification runs through all stages of product design and development, procurement, production, delivery, and after-sales service, combining internal process analysis and historical quality data review to identify risks. At the same time, cross-departmental teams are organized to use tools such as SWOT analysis to identify potential risk points, forming and dynamically updating a risk register.
Risk Assessment	The Company employs mature assessment tools such as risk matrices to conduct multi-dimensional evaluations of identified quality risks. Based on their impact severity and probability of occurrence, risk levels are categorized, thereby clearly defining key control risks and general attention risks to achieve differentiated risk classification management. Simultaneously, opportunities related to quality improvement are systematically assessed, analyzing their potential value, implementation pathways, and feasibility to provide a scientific basis for subsequent resource allocation and action plans.
Risk Monitoring	The Company sets Key Risk Indicators (KRIs) and dynamically monitors the risk status through multiple channels, such as tracking daily operational data, collecting customer feedback, and conducting process quality inspections. Concurrently, combined with regularly conducted internal audits, it continuously verifies changes in risks and the actual effectiveness of related control measures, forming a normalized closed-loop risk monitoring system.
Risk Management	The Company formulates differentiated response strategies for risks of different priorities. For high-priority risks, measures such as avoidance and mitigation are adopted; emergency plans are established for low-priority risks. Concurrently, responsible departments and persons are designated for each risk. Through management reviews, the implementation of various measures is promoted, forming a closed-loop risk management process of "Identification-Assessment-Response-Monitoring-Improvement."

Indicators and Objectives

The Company places customer needs and expectations first. Integrating its strategic development direction in fields such as slewing bearings, along with high industry standards, it has systematically established a multi-level quality target system covering the Company, departments, and key processes. These targets aim to guide all employees in continuously focusing on product and service quality, driving the effective operation and continuous improvement of the quality management system.

The Company's quality targets are divided into core targets at the Company level and specific targets at the departmental level: At the Company level, core requirements are defined: Customer Satisfaction Rate $\geq 95\%$, First-pass yield of parts $\geq 96\%$, First-pass yield of finished wind power bearings $\geq 98\%$, Scrap rate $\leq 0.2\%$, and After-sales PPM for wind power bearings ≤ 1000 . At the departmental level, key processes such as design and development, manufacturing, procurement and supply, and after-sales service, specific targets have been formulated: New Product Development Completion Rate 100%, Production Task Completion Rate 100%, Supplier Product Qualification Rate $\geq 98\%$, and On-time/Intact Delivery Rate for shipment transportation quality 100%.

Indicator	Unit	2025
Product Release Qualification Rate	Percent	99.74
Number of Quality Internal Audits Conducted	Times	18
Number of Products Recalled	Units	0
Quantity of Sold (or Shipped) Products Requiring Recall	Units	0
Quantity of Products Requiring Recall Due to Health or Safety Reasons	Units	0
Product Recall Rate	Percent	0
Percentage of Products Requiring Recall Due to Health or Safety Reasons	Percent	0

Product Quality Control

The Company regards product quality as the cornerstone of its corporate development and has established a systematic quality control system throughout the entire product life cycle. Using the ISO 9001 quality management system as a framework, the Company implements standardized management of the product realization process through documented procedures such as the *Non-Conforming Product Control Procedure* and the *Production Order Management Process*. Concurrently, it sets multi-level quality objectives and drives continuous improvement through internal audits, management reviews, and data analysis, ensuring that every stage, from product design and development to after-sales service, is under effective control, thereby providing a solid guarantee for the high reliability of its products.

Product Quality Full Lifecycle Management and Control

The Company has established a quality management system covering the entire product lifecycle, including design, procurement, manufacturing, inspection, delivery, and after-sales service, with procedures and control specifications for key processes. At each stage, specific quality control measures are deployed: At the incoming material stage, inspect externally procured materials such as steel and seals. During the production process, each process must be operated in accordance with drawings and process documents, with self-inspection by operators and special inspections by inspectors, with the inspection results recorded to ensure traceability. For non-conforming products returned after sale, they are reviewed and disposed of according to the *Non-Conforming Product Control Procedure*.

Product Recall

The Company has formulated the *After-Sales Service Control Procedure*, which defines the classification standards for quality issues occurring at the customer's site (classified into levels A, B, and C for main engine manufacturers, and levels S, A, B, and C for wind farms), and defines "major issues" and "batch issues." When a quality event meeting the definition of a major issue or batch issue occurs, the after-sales procedure is initiated. The procedure requires that for customer complaints above Level B, problems must be solved using the 8D methodology, an improvement plan must be formulated, and the report must be communicated to the customer and internally within the Company. This process forms a complete closed loop, from receiving the customer complaint, rapid response, problem investigation, solution formulation, customer confirmation, to implementing improvements. Its core lies in "correction" and "prevention," aiming to eliminate the root cause of problems and prevent recurrence. During the Reporting Period, the Company had no product recalls.

Quality Culture Development

The Company regards the cultivation of a quality culture as a systematic and long-term strategic project. It is committed to internalizing the quality policy—"Customer Satisfaction is Xinqianglian's Eternal Pursuit"—into the behavioral norms and conscious actions of every employee through continuous education and advocacy, systematic training empowerment, active atmosphere creation, and effective incentive guidance. This aims to build a strong endogenous driving force for quality within the organization, characterized by prevention first, continuous improvement, and the pursuit of zero defects.

Case Study "BIQ Quality Management Training"

On June 13, 2025, the Company organized a "BIQ Quality Management Training" for its quality, R&D, and process personnel. The training enhanced participants' product quality control capabilities and team collaboration efficiency.



Quality Training Session

Case Study FMEA Training

On July 14, 2025, the Company held an “FMEA Training” for management and key personnel from the quality, R&D, process, and manufacturing departments. The training enabled trainees to master the use of this risk prevention tool, aiming to identify and assess potential risks in product design and manufacturing at an early stage.



FMEA Training Session

Case Study Practical Training on Full-Process Quality Control and Supplier Quality Management

From November 20 to November 21, 2025, the Company organized a “Practical Training on Full-Process Quality Control and Supplier Quality Management.” Participants included personnel from various departments such as quality management, technology, procurement, and production. The training focused on the practical application of quality tools, promoting the application of learned skills by trainees in their actual work, with the aim of enhancing the Company’s product quality stability, supplier reliability, and customer satisfaction.



Supplier Quality Management Training Session



During the Reporting Period, the Company conducted **20** quality training sessions, with a total of **491** participants, and the total training hours reached **16,589.5** hours.

Improving Product Accessibility

The Company is committed to continuously improving the market accessibility of its products through a combination of optimizing internal operational processes and expanding external market channels. On one hand, optimizing internal operational processes provides a foundational guarantee for improving product accessibility. By leveraging digital information systems, the Company optimizes production orders, material planning, and manufacturing execution processes, enhancing production and delivery efficiency to ensure products can respond to market demands on time and with guaranteed quality. On the other hand, the Company is actively formulating and implementing overseas marketing and branding strategies to address trade barriers, explore diversified international markets, and increase its overseas market share. Concurrently, by deepening strategic cooperation with domestic and international main engine manufacturers, and relying on its position and technological advantages in the field of wind power bearing localization, the Company continues to expand its supply share to key customers, effectively improving the penetration rate and availability of its core products in the mainstream domestic market. In the future, the Company will continue to explore innovative business models and service network development, further enhancing the coverage breadth and delivery agility of its products and services, striving to become a more accessible and reliable partner for global customers.

Environmentally Friendly Green Products

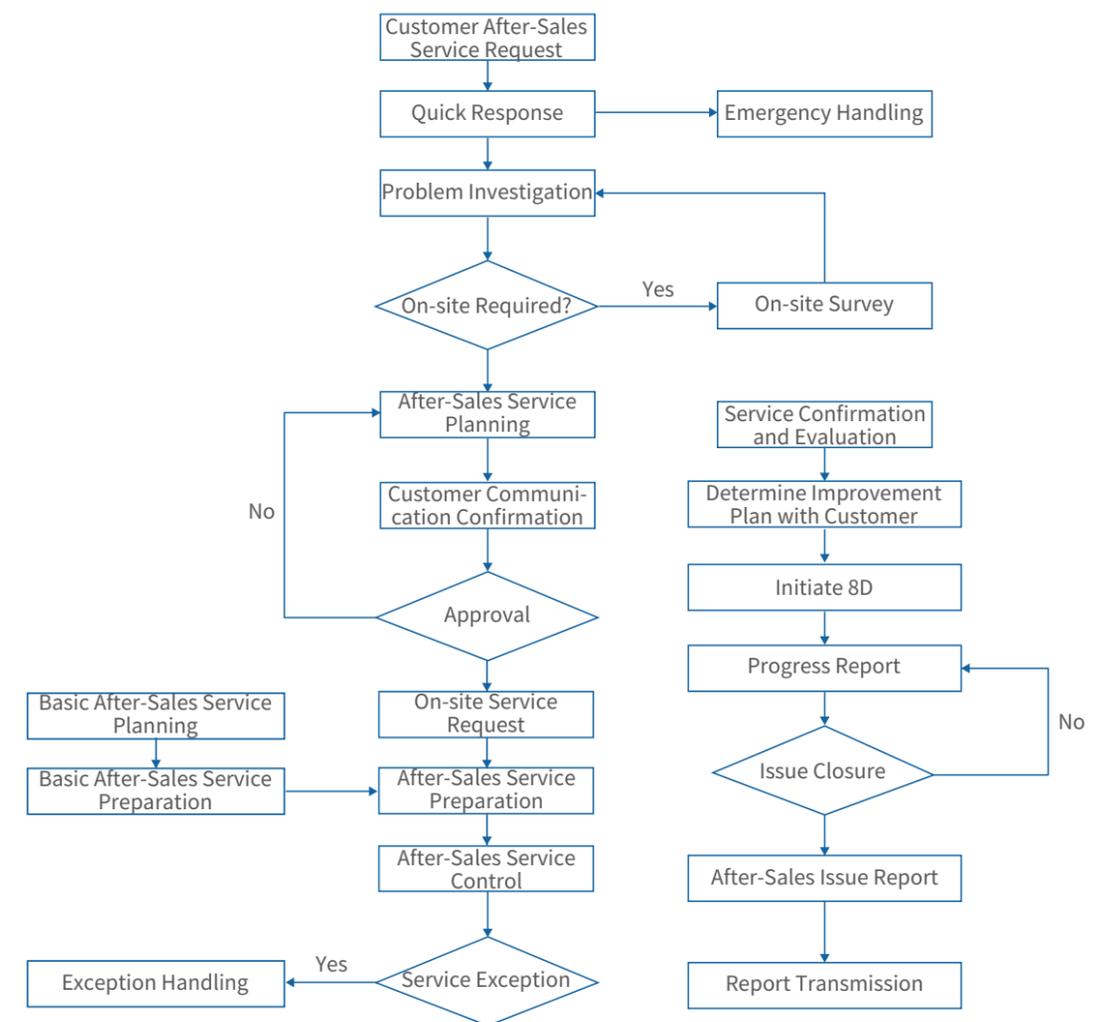
The Company deeply recognizes that, as a supplier of core components for high-end equipment, its products are key vehicles for driving the green transformation of downstream industries. The Company is committed to providing “products that solve environmental problems.” Concurrently, it systematically implements the concept of “green design.” Through the application of core technologies such as “soft-skin-free induction hardening,” it significantly enhances the wear resistance and fatigue strength of its products under extreme operating conditions, reducing resource consumption and replacement frequency throughout the entire lifecycle. In the future, Xinqianglian will continue to deepen its R&D in lightweighting, long life, and low-carbon processes, contributing solid product strength to the low-carbon development of the industrial chain.

Customer Service Assurance

The Company consistently regards customer service as a vital pillar of its corporate development. It is committed to protecting customer rights and enhancing customer experience through a systematic and standardized service system, and continuously optimizes service processes and quality to create long-term value for customers.

Customer Service Management

The Company has established a clear governance structure and policy system for customer service. It designates the Sales Department as the primary responsible department for after-sales service management, responsible for the entire after-sales service process, control, and communication and coordination with customers. Institutional documents such as the *After-Sales Service Control Procedure* have been formulated to standardize the entire process management from service planning, execution, to evaluation and improvement, ensuring orderly service response and clear responsibilities.



After-Sales Service Control Flow Chart

Customer Complaint Management

The Company has established a customer complaint handling mechanism with tiered response and closed-loop management. For after-sales issues, the Sales Department responds to general issues within 24 hours and major issues within 12 hours. Problem investigations utilize the 5W2H method, with on-site inspections conducted when necessary. For customer complaints above Level B, an 8D analysis is initiated, an improvement plan is formulated, and reports are communicated to the customer and internally to ensure the problem is thoroughly resolved.

Customer Satisfaction Survey

The Company conducts an annual customer satisfaction survey covering ten dimensions: product installation, operation, packaging, transportation, personnel service, after-sales problem resolution, delivery, pricing, after-sales service, and technical service. In 2025, the overall customer satisfaction score was 96.79 points, demonstrating a high level of customer recognition of the Company's products and services.

Customer Service Training

The Company consistently upholds the "customer first" service philosophy and places high importance on the professional competence and comprehensive quality development of its service team. To this end, the Company has established a regular training mechanism aimed at continuously strengthening the professional skills, safety awareness, and customer communication abilities of service personnel through diversified learning and development programs. This ensures the ability to provide efficient, professional, and safe service experiences to customers and continuously earn their trust.

Case Study Customer Service Training

From November 25 to 28, 2025, the Company's after-sales personnel participated in GWO training organized by Envision Energy. The training covered practical safety skills such as working at heights, fire safety, first aid, and manual handling. This effectively enhanced the safety assurance capabilities of on-site services and reduced safety hazards during service operations.



Training site

Responsible Marketing

The Company upholds the principle of integrity in its operations and is committed to conducting responsible market publicity and customer communication. Through internal training and review mechanisms, we ensure that all external publicity content is truthful and accurate, avoiding misleading customers and safeguarding the Company's reputation and customer trust.

Data Security and Customer Privacy Protection

Xinqianglian places high importance on data security and customer privacy protection, strictly complying with relevant laws and regulations such as the *Cybersecurity Law of the People's Republic of China* and the *Data Security Law of the People's Republic of China*. By establishing strict protection mechanisms and management systems, the Company continuously strengthens its information security capabilities, effectively safeguarding customer rights and the Company's information asset security.

Data Security Management

To continuously improve its data security and customer privacy protection management system, the Company has formulated systematic information management policies covering areas such as the *Computer Management System* and the *Network Security Management Measures*. The Information Department is clearly designated as the centralized management department, responsible for the overall operation, maintenance, and security assurance of information systems and related infrastructure. The Company further defines the responsibilities and division of labor for key positions such as system administrators, network administrators, and data center duty officers, ensuring that data security management responsibilities are effectively implemented. During the Reporting Period, the Company experienced no data security or customer information leakage incidents.

Data Security Risk Management

The Company regularly conducts data security risk identification, screening for potential risks in various business segments and information systems. Through methods such as equipment inspections, operational monitoring, routine maintenance, vulnerability scanning, and security analysis, it detects the security status of its information systems, identifies weak links, and promptly implements remediation. Additionally, the Company conducts at least one network security risk assessment annually to proactively identify system vulnerabilities, providing a basis for risk assessment and subsequent rectification.

To ensure the stable operation of core infrastructure and information systems, the Company implements a graded response mechanism for system disaster events based on the *Data Backup and Disaster Recovery Management System* and the *System Disaster Recovery Emergency Plan*. It has defined emergency response procedures and personnel responsibilities and regularly organizes specialized drills.

Case Study IT Audit

In January 2025, the Company commissioned Dahua Certified Public Accountants to conduct a special IT audit, which identified a total of 12 risks and hidden dangers within the software systems and information infrastructure. The Company has promptly formulated and implemented corresponding corrective measures based on the audit results.



Key Performance

During the Reporting Period,

the Company conducted **1** information security drill, with a total of **50** employees participating, and the average training duration per person was **1** hour.

Data Security Practices

The Company has established a security system covering network isolation, intrusion prevention, data backup, access control, and data center management and protection, comprehensively safeguarding data security from both technical and physical aspects. This ensures that the Company's data and customer privacy data are effectively protected.

System Protection Measures	Network Zoning and Access Control	<ul style="list-style-type: none"> The Company's network is divided into zones: office area, server/storage area, and security management area. Access permissions between different departments in the office area are controlled via ACL configuration. High-availability network firewalls are deployed at the front end of the server/storage area and security management area. Firewall or VLAN technology is used for logical isolation between different services within the internal network, adhering to the "principle of least privilege."
	Security Equipment and System Deployment	Equipment and systems such as bastion hosts, vulnerability scanners, log audit systems, database audit systems, Web Application Firewalls (WAF), and situational awareness platforms are deployed in the network security management area.
	System Architecture and Data Migration	The server/storage system adopts a UIS hyper-converged architecture, supporting business migration without interruption and reducing the impact of hardware failures on business operations.
	Data Backup and Disaster Recovery	<ul style="list-style-type: none"> Critical data is backed up offline and via intra-city disaster recovery. An intra-city disaster recovery backup data center is established in a remote plant area, equipped with data backup machines, and application servers are backed up multiple times daily. The data backup strategy includes full daily backups of core data, stored locally, in the off-site disaster recovery center, and in offline storage.
	System Permissions and Account Management	<ul style="list-style-type: none"> Users of each system have independent accounts and passwords; sharing is prohibited. Applications, cancellations, and changes to system accounts require approval. Allocation, changes, and revocation of user permissions require approval. High requirements for password complexity are enforced.
	Data Encryption and Secure Transmission	<ul style="list-style-type: none"> Financial data must be encrypted, and the scope of access strictly controlled. Transmitting sensitive information in plain text is prohibited; methods such as data encryption must be used for control.
	Monitoring and Auditing	Information security is ensured through network monitoring, vulnerability scanning, annual risk assessments, and system audits.
Physical Protection Measures	Change Management	System configuration, network adjustments, and data maintenance all require approval; configuration files are backed up before and after changes.
	Data Center Access Control	Access control systems, entry/exit registration, and visitor escorts are implemented.
	Equipment and Environmental Management	Regular equipment inspections, cable organization, and data center environmental controls ensure the equipment operating environment.
	Security and Monitoring	Surveillance cameras, locking consoles when personnel leave, and closing doors and windows are standard.
Power and Fire Safety Management	<ul style="list-style-type: none"> UPS systems and precision air conditioners are deployed. Fire safety equipment is regularly inspected; open flames and smoking are prohibited. 	

Case Study Data Security and Information Protection Training

On July 15, 2025, the Company conducted data security and information protection training for key production personnel. The training covered the importance of information privacy protection, data security risks in production positions, data security and privacy protection measures, and awareness enhancement. This training effectively reduced the Company's data security risks and laid a solid foundation for compliant operations.



Data Security Training Session

Responsible Supply Chain

Xinqianglian is committed to building a sustainable supply chain system based on value co-creation and fostering responsible partnerships. By continuously optimizing its procurement mechanisms and management practices, the Company collaborates with upstream and downstream partners to jointly promote the sustainable development of the industrial chain.

Governance

The Company has formulated the *Supplier Management Control Procedure*, which defines the structure of supplier management and the responsibilities of various departments. It implements controls over products and services provided by suppliers to ensure the introduction of suppliers with standardized production management, reliable quality, and good reputation, thereby promoting high-quality development in the safety and stability of the supply chain.

Supply Chain Management Structure	
Department	Responsibilities
Procurement Department	Manages the Company's suppliers.
Quality Assurance Department	Conducts quality inspection of products supplied by suppliers.
Procurement Department, Quality Assurance Department, Technology Center, Quality Department	The Procurement Department organizes relevant departments to inspect and evaluate suppliers' delivery capabilities and quality assurance capabilities.

To continuously improve supplier quality, the Company has formulated and implemented the *Supplier Performance Evaluation Method*. A comprehensive evaluation of suppliers is conducted monthly based on four dimensions: product quality, delivery, price, and service. The Procurement Department calculates the total score and ranks suppliers accordingly, forming the basis for an annual comprehensive score. Based on the annual score results, suppliers are classified into three tiers: A, B, and C. Tier C suppliers must cease supply and complete rectification.

Supplier Tier	Supplier Score
Tier A: Excellent Supplier	Score ≥ 90
Tier B: Qualified Supplier	75 ≤ Score < 90
Tier C: Supplier Needing Improvement	Score < 75

Strategy

The Company regards the supply chain as a key component of its core competitiveness. It actively assesses risks and opportunities across all supply chain segments, and through continuous analysis of market trends, technological evolution, and external environments, it strategically plans development paths and resource allocation to drive high-quality and sustainable growth.

Risk / Opportunity	Category	Description	Potential Financial Impact	Impact Time Horizon	Impact Magnitude	Likelihood of Occurrence	Response Measures
Risk	Fluctuation in Raw Material Prices	Price fluctuations of major raw materials	Increase in raw material costs, pressure on profits	Short-term	Medium	High	<ul style="list-style-type: none"> Actively sign long-term agreements with suppliers Improve the inventory warning mechanism and optimize procurement strategies
	Supply Chain Management Risk	As business scale expands, the complexity of supply chain management increases, potentially leading to fluctuations in delivery timeliness and quality.	Increase in operating costs	Medium-term	Medium	Medium	<ul style="list-style-type: none"> Advance digital supply chain management Strengthen supplier evaluation
Opportunity	Supplier Diversification and Localization	Actively develop new raw material suppliers and diversify the supplier base.	Enhance bargaining power and reduce risks of supply chain fluctuations	Short-term	Medium	High	<ul style="list-style-type: none"> Increase efforts to cultivate high-quality local suppliers Actively explore international suppliers
	Supply Chain Digitalization Management	Deepen the construction of digital systems to achieve data connectivity across procurement, production, and inventory.	Increase in inventory turnover rate; reduction in operating costs	Medium-term	Medium	Medium	<ul style="list-style-type: none"> Increase IT investment Train digital talent

Impact, Risk, and Opportunity Management

The Company values the stability and security of its supply chain. By conducting supplier qualifications audits, identifying and assessing potential risks in each link, and adopting corresponding prevention and control measures, it continuously optimizes its supply chain management mechanisms to adapt to business development needs and ensure the smooth operation of the supply chain.

Risk Identification	Conduct a detailed analysis of the supply chain to identify potential risk points.
Risk Assessment	Analyze in depth the formation mechanisms, modes of action, influencing factors, and potential impacts of relevant risks, and prioritize them accordingly.
Risk Control and Prevention	Formulate different strategies for different risks, develop emergency plans, and conduct drills.
Risk Monitoring	Monitor the status of supply chain operations, dynamically track changes in risk points, and continuously optimize and adjust risk control strategies.

Indicators and Objectives

Indicator	Unit	2025
Total suppliers	Suppliers	78
Number of Suppliers with Quality Management System Certification	Suppliers	52
Number of Suppliers with Environmental Management System Certification	Suppliers	41
Number of Suppliers with Occupational Health and Safety Management System Certification	Suppliers	40
Proportion of Procurement Expenditure Spent on Local Suppliers	Percent	21.48
ESG Training Sessions Conducted for Suppliers	Times	2
Total Hours of ESG Training Conducted for Suppliers	Hours	8

Note: Supply chain data scope mainly covers major suppliers of 1-2 categories of raw materials and its subsidiaries: Xinqianglian, Shengjiu Forging, Haipusen, Haozhi Machinery, and Xinsheng New Energy.

Supplier Full Lifecycle Management

In accordance with the *Supplier Management Control Procedure*, the Company has established a supplier full lifecycle management system covering access, review, tiered evaluation, exit, and change management. It monitors the product quality of suppliers, defines clear evaluation standards and exit procedures, ensuring that suppliers who fail to meet requirements or ignore quality issues are promptly removed from the supply chain. Additionally, the Company actively promotes the development of a digital supplier management system. Functions such as intelligent price comparison, procurement platforms, and supplier collaboration have now been integrated into the Supplier Relationship Management system.

Supplier Access	The Company has formulated the <i>Supplier Investigation and Evaluation Form</i> . The Procurement Department conducts due diligence on manufacturers, selecting those with standardized production management, reliable quality, and good reputation as potential suppliers. When a new supplier is needed, the Procurement Department completes the evaluation form and submits it to the General Manager for approval.
Supplier Audit	The Company audits suppliers' business qualifications and their quality, environmental, and occupational health and safety system certification certificates. A comprehensive score is assigned based on the <i>Scoring Standard for Quality Assurance Capability of New Supplier Access</i> . Suppliers that pass the audit or pass conditionally may proceed with small-batch trial supply. After the Quality Assurance Department inspects and confirms the products are qualified, and upon approval by the Head of the Procurement Department, the supplier is added to the <i>Qualified Supplier List</i> .
Supplier Tiering	At the beginning of each year, the Procurement Department formulates the <i>Annual Supplier Audit Plan</i> . All cooperating suppliers undergo a quality assurance re-audit and are rated into three tiers: Excellent, Mediocre, and Supply Suspended. Suppliers classified as Supply Suspended must complete rectification and achieve a rating of Mediocre or above before supply can be resumed. Excellent suppliers are given priority for procurement volume.
Supplier Evaluation	In accordance with the <i>Supplier Performance Evaluation Method</i> , the Company regularly assesses existing suppliers. A comprehensive evaluation is conducted based on four dimensions: product quality, delivery, price, and service. Suppliers failing to meet performance standards are subject to supply suspension measures.
Supplier Exit	When a supplier meets the exit conditions, the Procurement Department issues a written notice to the supplier. Concurrently, the annual <i>Qualified Supplier List</i> is updated, canceling the qualification of the relevant supplier. Business cooperation with them will not be resumed for two years.

Case Study SA8000 Internal Auditor Training

On May 29, 2025, the Company conducted a two-day SA8000 internal auditor training program for heads of social responsibility departments, system managers, HR managers, supply chain managers, and EHS managers. The training covered an overview of the social responsibility system, interpretation of its requirements, health, safety, and hygiene (HSE) standards, and relevant labor laws and regulations. Through this training, participants gained expertise in system development, internal audit, and continuous improvement methods, laying a solid foundation for advancing supplier social responsibility management.



SA8000 Internal Auditor Training

Case Study Comprehensive Quality Control and Internal Supplier Training

On November 22, 2025, the Procurement Department staff participated in the Company's training program on comprehensive quality control and internal supplier management. The training covered key topics including the definition of "internal customers," process quality accountability, and supplier performance evaluation with incentive mechanisms. Through this training, employees gained systematic knowledge of internal supplier management and provided optimization suggestions, laying a solid foundation for future supplier management improvements.



Total Quality Control and Internal Supplier Quality Management Training

Supplier ESG Management

The Company is committed to integrating sustainability into its business strategy and daily operations. Through the *Supplier Cooperation Agreement*, it explicitly requires suppliers to adhere to ethical conduct and ESG-related clauses. For suppliers who violate these regulations, the Company reserves the right to terminate contracts, ensuring all partners comply with its ten principles in human rights, labor, environmental protection, and anti-corruption.

An Ethical and Transparent Supply Chain

To foster an honest, transparent, and fair environment for supply chain cooperation, the Company has incorporated integrity and compliance as core requirements in its supplier management. It explicitly requires all suppliers to eliminate any form of improper benefit transfer, prevent conflicts of interest, and fulfill internal supervision responsibilities. Any conduct involving dishonesty, violations of laws or regulations should be reported to the Company's Audit department through designated channels.

Green Supply Chain

Adhering to the principle of sustainable development, the Company has formulated the *Procurement Control Procedure*. It prioritizes the selection of suppliers and products that utilize recycled materials, have high energy efficiency ratings, and demonstrate good environmental performance, continuously encouraging and urging suppliers to enhance their environmental management capabilities. The Company requires that suppliers do not provide raw and auxiliary materials containing toxic and hazardous substances prohibited or restricted by domestic and international regulations, such as those banned under the RoHS and REACH directives. Furthermore, the Company actively encourages suppliers to establish and maintain environmental management systems such as ISO 14001, and pays attention to their specific practices in areas like environmental permit compliance, eco-design, pollution prevention, and resource conservation.

Responsible Supply Chain

The Company places high importance on human rights and ethical responsibilities within its supply chain. Through the *Supplier Cooperation Agreement*, it requires suppliers to trace the origin of metals contained in their products, such as tin, tantalum, tungsten, and gold, and commits to not procuring metals originating from the Democratic Republic of the Congo (DRC) or its adjoining conflict regions, particularly from mines controlled by armed forces. Concurrently, it ensures that the extraction, smelting, and processing of such metals do not involve the aforementioned areas. If a supplier cannot prove their compliance, the Company reserves the right to suspend or terminate the cooperation, thereby promoting transparency and ethical standards in the supply chain and diligently fulfilling its corporate social responsibility within the global supply chain.

Equal Treatment of Small and Medium Enterprises (SMEs)

During the Reporting Period, Xinqianglian consistently adhered to the principles of fairness and justice, focusing on the equal treatment of small and medium enterprises. In supply chain management, contract performance, and business cooperation, the Company strictly complied with the requirements of regulations such as the *Regulation on Ensuring Payment for Small and Medium Enterprises*. By establishing an open and transparent supplier evaluation system, the Company ensured the equal participation of SMEs in procurement competition and their fair access to business opportunities. The Company did not have any accounts payable (including notes payable) balance exceeding 30 billion yuan or accounting for more than 50% of total assets.



People-Oriented, Empowering Symbiosis

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Employee Rights and Interests Protection

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Employee Training and Development

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Occupational Health and Safety

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Community Welfare

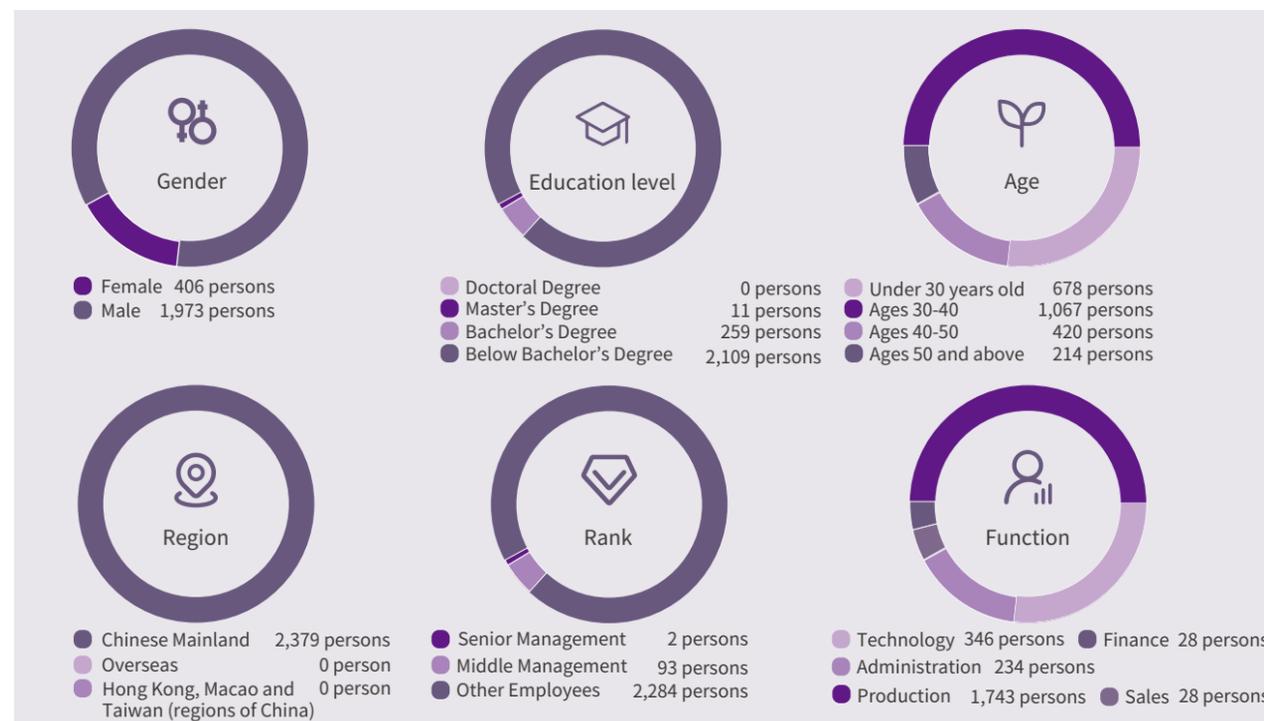
Employee Rights and Interests Protection

The Company consistently regards its employees as its most valuable asset and is committed to building a harmonious, equal, and respectful working environment, protecting the legitimate rights and interests of employees, and promoting the common growth of employees and the Company. We strictly comply with national labor laws and regulations, continuously improve the human resources management system, and provide all employees with fair employment opportunities, competitive compensation and benefits, and comprehensive social security.

Labor Relation Management

The Company adheres to labor standards and strictly complies with laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*. It has formulated and implemented systems such as the *Recruitment Management Measures* and the *Management Measures for Labor Contracts and Personnel Files* to standardize and orderly implement the recruitment process. The professional ability and technical level of applicants are taken as the core criteria for employment, ensuring that any applicant meeting the job requirements has an equal opportunity for an interview. The Company attracts talents globally through various channels such as media, headhunters, and job fairs, and provides employees with wages commensurate with their positions, reasonable working hours, and benefits, offering them good working conditions. In 2025, the Company had no incidents of illegal or non-compliant employment.

Indicator	Unit	2025
Total number of employees	Persons	2,379
Number of disabled employees	Persons	28
retired military personnel	Persons	57
Number of ethnic minority employees	Persons	6
minority staff percentage	Percent	0.25



Case Study Henan Polytechnic University 2025 Spring Campus Job Fair

On October 23, 2025, Xin Qiang Lian visited Henan University of Science and Technology to participate in the 2026 Graduates Autumn (Offline) Job Fair. The Company engaged in face-to-face exchanges with students, providing detailed introductions to its development platform and talent requirements, aiming to attract outstanding young talents.



2026 Fall Double Selection Fair of Henan University of Science and Technology (Offline)

Staff turnover

Indicator	Unit	2025
Total Number of New Hires	Persons	830
Total Number of Employee Departures	Persons	200
Total Employee Turnover Rate	Percent	10

Equality and Diversity

The Company is committed to building a diverse, equal, and inclusive workplace environment, advocating respect for individual differences and uniqueness, and ensuring every employee can realize their personal value in a fair and just atmosphere. We strictly adhere to international standards such as the *Universal Declaration of Human Rights*, and have established and implemented internal policies including the *Anti-Discrimination and Harassment Policy* and *Labor Employment Management Procedures*. We strictly prohibit discrimination against employees based on race, gender, religion, region, or physical condition in areas such as recruitment, compensation, promotion, training, and benefits. Additionally, the Company actively responds to government initiatives by establishing stable working relationships with institutions such as the County Disabled Persons' Federation and the County Veterans Affairs Bureau. We regularly post job openings, receive and screen recommended candidates, and take concrete actions to fulfill corporate social responsibility.

Case Study New Strong Alliance's Anti-Employment Discrimination

Xin qianglian uses its official WeChat account to educate employees and the public about lawful and compliant recruitment practices, preventing employment discrimination from the interview stage onward, and promoting the Company's values of equality and respect in the workplace.



Anti Employment Discrimination Campaign

Anti-Child Labor and Anti-Forced Labor

Furthermore, the Company places high importance on the protection of minors' rights and interests. It has established and implements the *Procedure for the Prohibition of Child Labor and Control Measures for Child Labor Remediation* and the *Policy on Non-Forced Labor and Non-Use of Child Labor*. The Company firmly opposes any form of forced or compulsory labor and ensures that all employees are employed under the principles of voluntariness and fairness. During the recruitment process, identity information is strictly verified to prohibit the employment of child laborers under the age of 16. The Company also conducts child labor risk surveys on suppliers through the Procurement Department and terminates cooperation with any violators to prevent related risks. In the event that child labor is discovered, the Company will proactively implement remedial measures, including health checks, covering medical and educational expenses, and arranging for their safe return home.

Protection of Female Employees' Rights and Interests

To safeguard the legitimate rights and interests of female employees, and to reduce and resolve the special difficulties faced by women in the workplace due to their physiological characteristics, the Company has formulated the *Management Procedure for the Protection of Female Employees* and the *Risk Assessment Procedure for New Mothers*. All departments are strictly prohibited from treating female employees unfairly based on their marital or maternal status. In terms of employee career development, the Company firmly prohibits gender discrimination and is committed to providing female employees with an equal pay system and fair career development channels, supporting them in achieving both personal and professional growth.

Case Study On International Women's Day

On International Women's Day, Xinqianglian organized a special celebration for female employees and distributed holiday gifts, demonstrating respect and care for them through concrete actions.



March 8th Women's Day Activities

Indicator	Unit	2025
Number of Female Employees in Management	Persons	20
Proportion of Female Employees in Management	Percent	21.51
Total Number of Employees Entitled to Parental Leave	Persons	16
Total Number of Employees Who Took Parental Leave	Persons	9
Return-to-Work Rate of Employees After Parental Leave	Percent	100

Compensation and Benefits Management

To meet the needs of corporate development, the Company strictly complies with relevant laws and regulations and has formulated policies such as the *Compensation and Benefits Management System* and the *Performance Management System*. It has built a scientific, reasonable, efficient, and orderly compensation management and performance management system. Performance management implements a differentiated assessment mechanism. If employees have objections to the assessment results, they can appeal to their superiors according to procedures or formally submit their appeal to the Human Resources Department. The Compensation and Performance Appraisal Management Committee holds the final decision-making authority. Concurrently, the Company ensures smooth internal and external communication through channels such as suggestion boxes and discussion meetings, ensuring that the compensation system does not discriminate based on factors such as employee gender, religion, political affiliation, or marital status.

Furthermore, the Company has established a systematic benefits protection mechanism. It pays social insurance contributions for all employees in accordance with the law and provides a variety of benefit programs, including strictly implementing the paid leave system, providing meal allowances, and organizing health check-ups. The Company is committed to enhancing employees' sense of belonging and well-being, achieving shared growth between the enterprise and its employees.

Indicator	Unit	2025
Number of Employees Receiving Regular Performance and Career Development Reviews	Persons	1,581
Proportion of Employees Receiving Regular Performance and Career Development Reviews	Percent	66

Employee Management

To build a harmonious and stable labor relationship, the Company has formulated the *Implementation Measures for the Employees' Congress* and established a sound democratic management mechanism. The Company's Trade Union Committee serves as the working body of the Employees' Congress, responsible for its daily operations, safeguarding employees' rights to information, participation, and supervision. By distributing satisfaction survey questionnaires and care questionnaires for new employees, the Company actively listens to employees' voices, soliciting opinions on departmental coordination, processes and systems, compensation and benefits, and the working environment. The survey results are used to improve company and departmental management, enhance employee well-being, further strengthen their sense of belonging, and promote positive interaction between the Company and its employees. During the Reporting Period, employee satisfaction was 90%.



Key Performance

During the Reporting Period, the Company's staff congress approved **3** items, while the trade union reviewed and approved **3** items. The trade union has **562** members, accounting for **24%** of the total active workforce.

Employee Care

The Company places high importance on employee physical and mental health and the building of team cohesion. It is committed to creating a warm, harmonious, positive, and uplifting working atmosphere. Through diverse employee activities, it supports the comprehensive development of employees and enhances corporate cohesion. During the Reporting Period, the Company organized a variety of rich and diverse employee activities, covering team building activities, health education sessions, and festival-themed events, comprehensively meeting the spiritual, cultural, and social needs of employees.

Case Study "Summer Cooling Care Activity"

On July 16, the Company treated its employees to refreshing ice cream, showing thoughtful care during the sweltering summer heat.



Summer Cooling Care Activity

"Health Together, Building the Future" Joint Health Culture Construction Event

On October 16, the Company collaborated with the Supply Chain and Health Team of Goldwind Science & Technology to organize a joint cultural health construction event themed "Health Together, Building the Future." Focusing on common cervical and lumbar discomfort and suboptimal health issues among employees, the event provided practical health management knowledge to staff.



Jointly Building a Healthy Culture: "Health Together, Building the Future"

Large-scale Team Building Event in Zhangjiajie

To strengthen team cohesion and energize employees, the Company organized a large-scale team-building activity in Zhangjiajie, Hunan during the Reporting Period. Employees explored natural wonders and participated in collaborative projects, rejuvenating their minds and bodies amidst the scenic beauty while deepening teamwork through interactive exchanges. This initiative not only demonstrated the Company's commitment to employees' spiritual and cultural well-being but also reinforced team spirit and corporate belonging, injecting humanistic vitality into the Company's ongoing development.



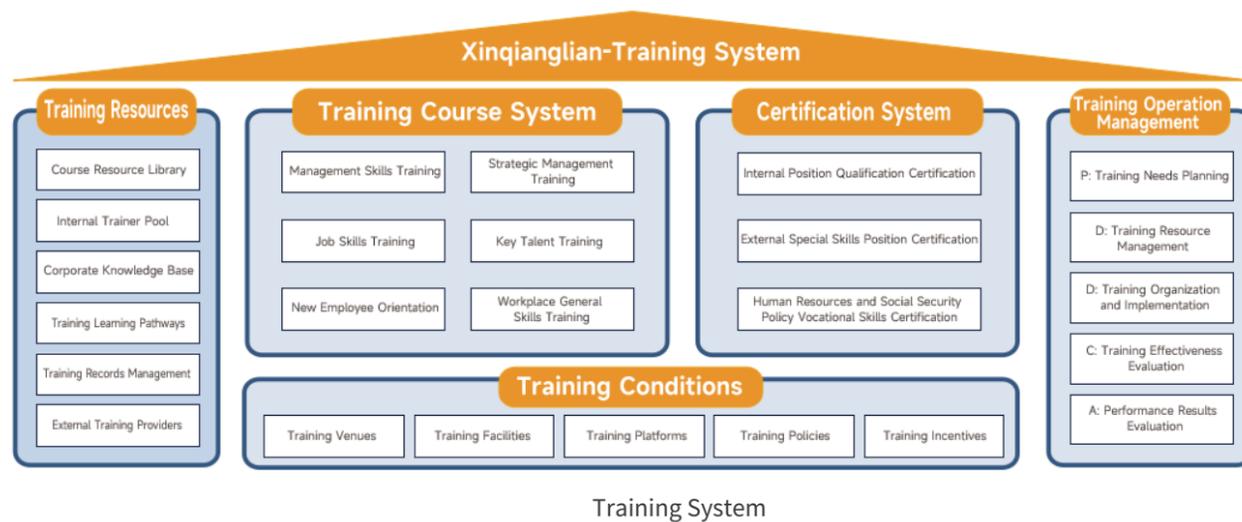
Zhangjiajie Team Building Activities

Employee Training and Development

The Company regards its talent team as a key force driving the enterprise forward and shaping future competitiveness. It earnestly promotes talent development efforts by establishing a comprehensive, multi-level employee training system and constructing dual career development paths in management and professional tracks. This supports employees in realizing their personal value alongside the Company's development, jointly writing a beautiful chapter of progress and shared success.

Employee Training

Guided by strategic development and employee growth, the Company has established the *Employee Training Management Measures* and *Internal Trainer Management Measures*, forming an internal trainer team. Through a combination of online and offline approaches, the Company delivers tiered training programs covering onboarding, on-the-job, vocational skills, and management capabilities. These programs cater to the diverse needs of employees at different levels and positions, enhancing their professional skills and overall competence to support career success. As of the Reporting Period, the internal trainer team comprised 22 instructors.



Key Performance

During the Reporting Period, the Company conducted **59** new employee training sessions, organized **27** management training sessions, and held **36** training sessions on quality, environmental, and safety system standards. It also issued vocational skill level certificates to **317** individuals. Additionally, **101** employees participated in external training and obtained relevant professional certifications.

Case Study External Certification - Non-Destructive Testing Training

From September 11 to 20, 2025, the Company organized non-destructive testing personnel to participate in professional skills training conducted by a third-party institution. The training covered four methods: magnetic particle testing, ultrasonic testing, penetrant testing, and visual inspection, with instruction delivered at two levels. Through a "theory + practice" integrated approach, participants significantly enhanced their professional skills and job application capabilities. A total of 31 trainees passed the assessment and obtained professional qualification certificates, further strengthening the Company's talent foundation in quality inspection.



Nondestructive Testing Training

Case Study Management Training on Labor Law Risks

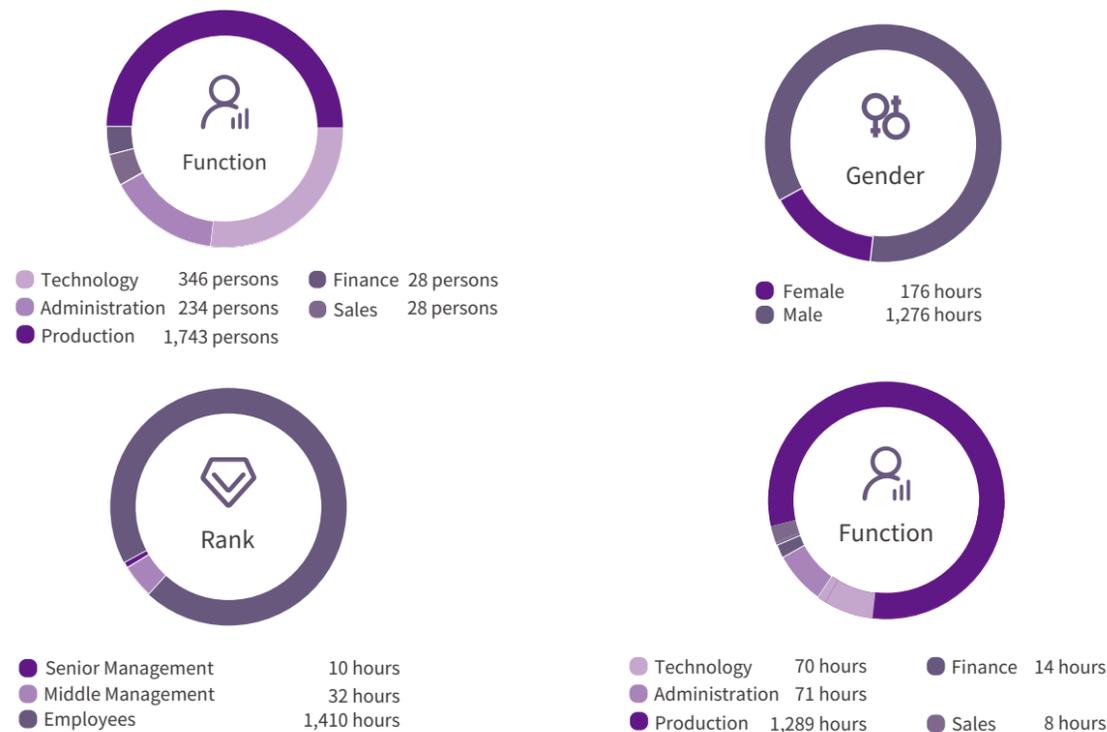
On January 17, 2025, the Company conducted a specialized training session titled "Management Training on Labor Law Risks: Prevention and Handling of Work-Related Injury Risks" for its management team. The training covered scenarios for work-related injury recognition, compensation standards, and accident response plans. This initiative effectively enhanced managers' understanding of work injury laws and regulations, as well as their risk prevention capabilities, thereby safeguarding the legitimate rights and interests of both employees and the Company.



Management Labor Legal Risk Training

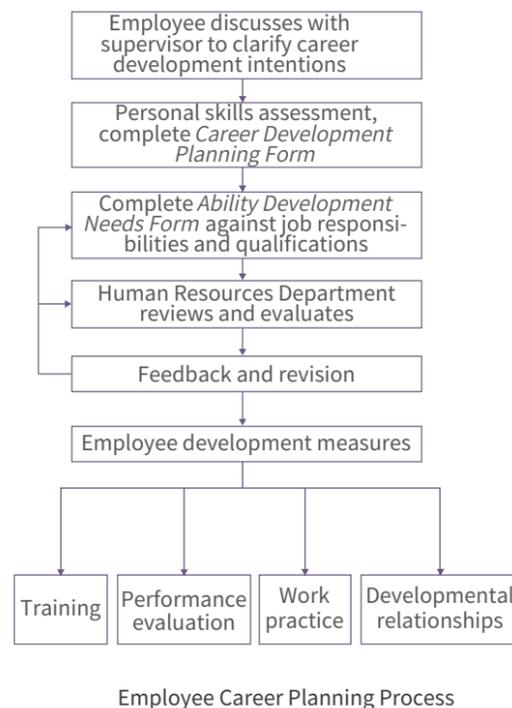
Key Performance		
Indicator	Unit	2025
Employee Training Investment	10,000 yuan	85.10
Number of Employee Training Sessions	Sessions	137
Total Number of Trained Employees	Persons	1,601
Total Participants in Training	Persons	13,670
Employee Training Coverage Rate	Percent	67
Total Training Hours	Hours	1,452
Average Training Hours per Employee per Year	Hours/Persons	0.61





Vocational Development

To achieve the organic integration of employee growth and corporate strategic development, the Company has established the *Employee Career Planning Management System*. By creating five major career tracks—management, marketing, technology, functional roles, and production—diverse advancement pathways and equal career opportunities are provided for different talent types. Through career interest assessments, performance evaluations, practical work experience, and mentorship programs, employees are guided to clarify their career directions and develop personalized development plans. The HR department regularly conducts career assessments using the *Competency Development Needs Form* and *Career Development Plan Form* to provide systematic support. Additionally, the Company has implemented an internal promotion review mechanism. Through transparent and fair evaluation procedures, outstanding talents are guaranteed career advancement opportunities based on performance and capability enhancement, fostering a virtuous cycle of talent echelon development.



Occupational Health and Safety

Xinqianglian consistently prioritizes employee health and safety as the core mission of its safety management. Adhering to the fundamental principles of “safety as the foundation, prevention before occurrence, and systematic measures,” the Company pursues a safety vision of “zero occupational diseases, zero safety incidents, and zero personal injuries.” It continuously improves its occupational health and safety management system, strengthens the accountability for production safety at all levels, enhances the prevention and systematic governance of occupational diseases, and comprehensively safeguards the health and safety of its employees.

Governance

The Company has established a comprehensive occupational health and safety governance system, including specialized regulations such as the EHS Management Manual and the *Compilation of Safety Production Management Systems*. Dedicated departments like the Safety and Environmental Protection Department have been set up to clarify the four-tier responsibility framework (company-department-team-position). Safety risks are mitigated through measures including risk classification, closed-loop hazard management, and special operation permits. Additionally, the Company conducts occupational health examinations, provides personal protective equipment, and enhances safety training for all employees. Emergency response plans are established and regularly practiced. Guided by the principle of “safety production with full participation,” the Company strives to achieve zero major accidents and other occupational safety objectives.



During the Reporting Period, the Company obtained ISO 45001 certification for its occupational health and safety management system.

ISO 45001 Occupational Health and Safety Management System Certification

Strategy

The Company consistently prioritizes employee occupational health and safety as its strategic cornerstone. Through systematic risk assessment and opportunity identification across all operational processes, it implements closed-loop response strategies based on established management systems and accountability frameworks. By preventing occupational injuries and accidents at their source, the Company establishes a solid safety foundation for its high-quality and sustainable development.

Risk /Oppor- Category	Description	Potential Financial Impact	Impact Time Horizon	Impact Magnitude	Likelihood of Occurrence	Response Measures	
Risk	Occupational Injury Risk	Some work involves high-risk activities such as machining and hot work. High-load operation of slewing bearing equipment may pose risks of wear and failure. Untimely hazard identification can easily lead to accidents.	Increase in equipment repair costs, partial production shutdown losses	Short-term	Significant	Medium	<ul style="list-style-type: none"> Implement a tiered control system of “Work Permit + Dual Supervision” for high-risk operations such as hot work and confined space work. Establish a three-level maintenance checklist for slewing bearing equipment: “Daily Spot Checks, Weekly Inspections, Monthly Maintenance,” and simultaneously record fault warning data. Conduct quarterly emergency drills for high-risk operation scenarios (e.g., mechanical injury first aid, equipment shutdown handling).

Risk/Opportunity	Category	Description	Potential Financial Impact	Impact Time Horizon	Impact Magnitude	Likelihood of Occurrence	Response Measures
Risk	Risk of Collaborative Management with Relevant Parties	When external personnel such as contractors/suppliers are working on site, there may be inconsistencies in safety standard understanding and inadequate implementation of work permits, increasing the difficulty of managing cross-operations.	Accident compensation costs, reputation repair costs	Short-term	Medium	Medium	<ul style="list-style-type: none"> Relevant parties must pass a safety knowledge assessment and sign a "Safety Responsibility Agreement for Cross-Operations" before site entry. Full-time safety supervisors conduct on-site supervision throughout the entire operation of external personnel, confirming daily operational compliance. Conduct quarterly safety standard synchronization training for cooperating relevant parties.
Opportunity	Occupational Safety Standardization Opportunity	Improvement of the policy system enhances compliance and brand value: Relying on closed-loop systems such as the <i>EHS Management Manual</i> and <i>Responsibility Target Letters</i> , the Company strengthens the assessment of the "dual responsibility for one position" and improves compliance performance.	Reduction in accident occurrence, loss reduction, enhanced brand value	Long-term	Significant	High	<ul style="list-style-type: none"> Update the EHS Management Handbook continuously, linking safety responsibility assessment with departmental performance and employee compensation. Disclose safety indicators separately in the ESG report (e.g., hazard rectification rate, training coverage rate). Participate in industry safety standard discussions and share enterprise practice cases to enhance industry influence.
	Digital Safety Management Opportunity	Digital upgrades empower safety management efficiency improvement: Relying on the existing foundation, introduce digital tools to achieve dynamic risk monitoring and digital management of training.	Reduction in manual control costs, reduction in accident losses	Medium to Long-term	Medium	Medium	<ul style="list-style-type: none"> Build a digital platform for safety training, configure position-specific courses, and automatically archive learning data. Pilot the networking of equipment operation data to visualize and control high-risk equipment through a risk heat map.

Impact, Risk, and Opportunity Management

The Company has formulated the *Hazard Identification and Risk Assessment Control Procedure*, establishing a comprehensive risk management process. This covers occupational health and safety hazards related to production processes and facility operations. Targeted control measures are implemented to prevent safety risks, and hazard information is promptly updated in response to changes in internal and external conditions.

Hazard Identification	A professional evaluation team was established to conduct a comprehensive inspection through nine diversified methods, covering six categories of activities including workplaces and production processes. The assessment integrated three temporal states, three operational statuses, and seven types of hazardous factors, ultimately resulting in the <i>Hazard Identification and Evaluation Record Form</i> and the <i>Preliminary Hazard List</i> .
Risk Assessment	The dual-track approach of "qualitative + quantitative" is adopted, where special cases are directly classified as critical hazards, while routine cases undergo risk assessment via the LEC formula. Risk levels are then determined against established criteria, generating a tiered classification list to provide a scientific basis for differentiated control measures.
Risk Management	General hazard sources shall have their elimination/reduction measures established by the respective departments. Critical hazard sources require the development of specialized emergency response plans, which must be filed and supervised by the Safety and Environmental Protection Department throughout the implementation process to ensure effective measures are implemented, with complete operational records maintained.
Updating Maintenance	When changes occur in seven categories including policies, activities, and regulations, the department will conduct a reassessment. After consolidation by the Safety and Environmental Protection Department and approval by the management representative, the <i>List of Critical Hazards</i> will be revised to enable dynamic risk management.

Indicators and Objectives

The Company has established the *ES Target Assessment Record Sheet* to conduct occupational safety performance assessments for different departments.

Key Indicator	Target Value	Achievement status
Major Casualty Accident	0	Achieved
Electric Shock Accident in the Factory Area	0	Achieved
Fire and Explosion Accident	0	Achieved
Traffic Accident	0	Achieved
Occupational Health Examination	Once per year	Achieved
Major Equipment Accident	0	Achieved
Periodic Inspection Rate of Special Equipment	100 Percent	Achieved
Minor Injury Rate in the Factory	0.3 Percent	Achieved

Indicator	Unit	2025	
Workplace Safety			
Number of Safety Emergency Drills Conducted	Sessions	11	
Workplace Safety Investment	10,000 yuan	1685.16	
Workplace Safety Investment as a Percentage of Operating Revenue	Percent	0.36	
Safety Education and Training			
Total Investment in Safety Training	10,000 yuan	20.52	
Safety Training Sessions	sessions	71	
Number of Participants in Safety Training	Persons	4,559	
Number of Participants in Safety Training	Persons	2,278	
Total Safety Training Duration	Hours	16,435	
Average Safety Training Hours per Person	Hours	7.21	
Safety Training Employee Coverage	Percent	95.75	
Occupational Health			
Number of Certified Special Operation Personnel	Persons	86	
Total Number of Personnel Holding Special Operation Certificates for Special Operations	Persons	86	
Certification Rate of Special Operation Personnel	Percent	100	

Note: Workplace safety data includes Xinqianglian and its subsidiaries: Shengjiu Forging, Haipusen, Haozhi Machinery, and Xinsheng New Energy.

Workplace Safety Measures

Emergency Management and Drills

The Company has formulated the *Emergency Plan for Workplace Safety Accidents*, establishing a three-tier emergency management system comprising the “Comprehensive Emergency Plan + Specific Emergency Plans + On-site Disposal Plans.” The Comprehensive Emergency Plan, serving as the master document, defines the emergency organization structure (coordinated by a leading command group, under which four specialized disposal working groups are established), establishes graded emergency response standards, and standardizes key processes throughout the entire chain, including information reporting, emergency response, and post-event support.

During the Reporting Period, the Company conducted regular emergency drills to strengthen employees’ safety awareness and emergency response skills, thereby reinforcing the emergency preparedness for production safety and continuously enhancing the Company’s overall self-protection and self-rescue capabilities.

Case Study “Fire Prevention for All, Life First” Fire Drill

On November 7, 2025, the Company conducted a practical evacuation and fire extinguishing drill simulating a chemical leak-induced fire scenario in the workshop. The exercise enhanced employees’ emergency response capabilities for fires while exposing issues such as inadequate maintenance of fire protection facilities and unskilled use of fire extinguishers. Subsequent measures included improving facility maintenance, strengthening equipment operation training, implementing observation-based learning, and requiring corrective actions.



Chemical leakage in simulation workshop



Fire Fighting Training



Evacuation and Escape Drill



Heatstroke Emergency Response Drill

On July 25, 2025, the Company organized a full-staff live drill for high-temperature working scenarios during summer. The core procedure simulated the management of heatstroke cases in employees working under extreme heat, following the protocol of call for help and report—transfer to a shaded area—physical cooling—administration of saline and heatstroke prevention medications—follow-up observation. The drill validated the effectiveness of the emergency response.



Emergency Treatment Drill of Heat Stroke in Simulation Workshop



Occupational Health and Safety Training

In strict accordance with laws and regulations such as the *Workplace Safety Law of the People’s Republic of China* and the *Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases*, and taking into account the risk scenarios of production operations and the characteristics of different positions, the Company has formulated detailed safety training and occupational health training plans covering both company employees and relevant parties.

Case Study Occupational Health Training

On April 21, 2025, the company invited a professional occupational health examination institution to conduct occupational health knowledge training for employees. Participants included occupational health management personnel, section chiefs, team leaders, as well as employees working in high-temperature, noise-exposed, dust-exposed, and electrical roles. The training covered the importance of occupational health, types of occupational diseases and their prevention, mental health education, and demonstrations of first aid methods. It aimed to disseminate health knowledge, focus on employees’ physical and mental well-being, and enhance their self-protection awareness and capabilities.



Training Venue

Training on Safety Risk Management and Hazard Identification

On June 11, 2025, the Company conducted a training program on safety risk management and hazard identification for frontline section leaders and full-time/part-time safety officers. The training covered the fundamentals of risk control, hazard identification and assessment, control measures, team-based hazard inspection methods, and reporting mechanisms, supplemented by accident case analyses to highlight key preventive measures. Participants gained practical skills in risk classification and hazard management, while deepening their understanding of the entire process from hazard identification to remediation and reporting.



Training venue



key performance

During the Reporting Period, the Company conducted **58** safety training sessions for new employees.

Safety Management of Relevant Parties

The Company has formulated the *Management System for Relevant Parties*, in accordance with regulations such as the *Workplace Safety Law* and the Company’s safety management systems. It aims to standardize the safety management of relevant parties operating within the Company’s premises, clarify the responsibilities of all parties, and prevent workplace safety accidents.

This system applies to all relevant parties, including contractors, suppliers, service providers, and visitors. It adheres to principles such as “Safety First, Site-Based Management, and End-to-End Control,” covering the entire process from access, operations, supervision, emergency response, to exit. It clearly defines the division of responsibilities among the Safety and Environmental Protection Department, the competent business departments, the territorial management departments, and the relevant parties themselves, with a focus on controlling various major hazardous and harmful factors such as mechanical injury and electric shock.

Case Study Stakeholder On-site Training

The Company conducted on-site training for two contractors on October 14 and December 13, 2025 respectively.



Training Venue

Hazardous Chemicals Management

The Company has formulated the *Regulation on the Safety Management of Hazardous Chemicals* and the *Emergency Plan for Hazardous Chemical Leaks*. These focus on the core aspects of safety control for hazardous chemicals and explosive precursors, covering all key stages of their lifecycle—from procurement, transportation, and storage to usage. This achieves standardized end-to-end control and reinforces safety defenses.

Stage	Management Measures
Procurement	1. Procure from legally operating and qualified units; obtain a purchase permit for hazardous chemicals as required by national regulations. 2. Specify chemical requirements clearly when signing procurement contracts, and request the Material Safety Data Sheet (MSDS) and precautions for use. 3. Warehouse keepers submit procurement plans based on inventory levels and production needs.
Transportation	1. Strictly comply with the <i>Regulations on the Safety Management of Hazardous Chemicals</i> . Handle with care, preventing impact and dragging; do not mix with incompatible goods or mix with passengers. 2. Require relevant parties or internal transport personnel to comply with regulations. Non-compliance can be corrected through contract terms or by terminating cooperation.
Acceptance	1. Inspect chemicals for conformity with quantity and specification requirements, ensure packaging is intact, and labeling is complete. 2. Handle non-conforming items through exchange or return; maintain acceptance records.
Storage	1. Store in dedicated areas, classified and labeled in Chinese. Maintain a safe distance between chemicals that may react with each other. 2. Equip with ventilation, fire-fighting facilities, and MSDS. 3. Designate specific personnel for hazardous chemicals management; implement double-person management for explosive precursors. Management personnel must be trained and qualified.
Issuance, Use & Return	1. Implement approval and supervision procedures for requisition and use according to relevant regulations. 2. Strictly follow usage instructions and operating procedures; reseal opened but unused containers for storage. 3. Promptly return unused chemicals to the warehouse.
Leak Emergency Response	1. Immediately evacuate personnel, cordon off the scene, and prevent unauthorized entry. 2. Control leaks by patching containers, transferring remaining chemicals, and diking to contain. 3. For small leaks, collect with non-combustible absorbents like sand; for large leaks, divert to a safe area, and use suppressants to inhibit evaporation if necessary. 4. If response capacity is exceeded, contact external professional agencies and report to relevant authorities if needed.

Occupational Health Assurance

The Company places high importance on occupational health assurance, having established a comprehensive end-to-end management system covering “institutional regulation + hazard prevention and control + protective equipment guarantee + health monitoring.” In terms of hazard prevention and control, occupational disease hazard testing is conducted to accurately identify risk factors such as dust, zinc and its compounds, hydrochloric acid, and noise, with targeted measures implemented accordingly. Concurrently, in the form of a *Notification of Occupational Disease Hazards*, the hazard factors, occupational contraindications, and protective measures for each position are clearly defined and truthfully communicated to employees when signing their labor contracts, safeguarding employees’ right to know.



The dust is collected by the gas collection system and then directed to the dual cyclone + cartridge dust collector.



Wet demisting and oil fume purification system with quenching and tempering



Gas furnace waste gas collection facility



black line alkali fog collection system

The Company strictly implements the occupational health examination system, conducting standardized health examinations for employees before, during, and upon leaving their posts, and establishing occupational health records. Additionally, the Company has formulated the *Personal Protective Equipment Management System*, providing comprehensive protective facilities such as dust-proof, anti-toxic, and heat-resistant equipment for employees in various positions. This strengthens occupational health management at the workplace, ensuring comprehensive protection of employees’ occupational health and life safety.

During the Reporting Period,

The Company conducted on-the-job occupational health examinations for **581** workers exposed to occupational hazards on February 11, 2025. Tailored to different hazard types such as dust, noise, and acid mist, 11 targeted physical examination packages were provided, covering risk-specific tests including pulmonary function tests, pure-tone audiometry, and electrocardiograms (ECG).



Key Performance

Community Welfare

Xinqianglian upholds its original aspiration of “established for the people, serving the people,” putting social responsibility into practice through concrete actions: In the field of rural revitalization, the Company takes industrial support as its core focus, injecting development momentum through pragmatic measures such as resource connection and demand matching, thereby helping to improve the quality and efficiency of the rural economy. At the level of social services, it takes tangible actions to lay a solid foundation for social harmony, stability, and sustainable development, demonstrating the responsibility and warmth of the Company’s brand.

Rural Revitalization

As an enterprise deeply rooted in the local community, the Company consistently stays grounded in its native soil and strengthens its development foundation. It takes employment support as its core focus, empowering rural employment revitalization through precise and diversified measures. This not only helps the rural workforce achieve stable income growth but also injects lasting momentum into regional development.

Case Study Returning to Start Businesses Unites Strengths, Establishing Local Employment Platform.

The Company established a local employment platform, which employed 85 key groups including veterans and disabled individuals in the first half of 2025.

Diversified Training Enhances Skills, Flexible Employment Warms Hearts.

The Company has established a “Theoretical + Practical” skills training system, offering training for five core occupations and implementing school-enterprise cooperative classes. By adopting flexible employment models, it has facilitated stable employment for over 400 individuals in the county, achieving the goal of “working near home while balancing family and career.”

The industrial support

The Company supports local specialty industries by purchasing agricultural products such as cherries from Xin’an County’s Tianxing Ecological Park and Xincheng Tian Tan Supermarket in May 2025, thereby boosting the development of local industries through tangible procurement.

Social Contribution

The Company actively engages in social contribution initiatives, demonstrating corporate social responsibility through concrete actions to support the development of local sports and advance social welfare programs.



Key Performance

During the Reporting Period,

the Company donated **50,000** yuan to the 15th Luoyang City Games and **30,000** yuan to the Luoyang Charity Federation.

Appendix

Indicator Index

Level 1 Heading	Level 2 Heading	Level 3 Heading	Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)	(GRI Standards)	China Corporate Social Responsibility Reporting Guidelines (CASS-ESG 6.0)
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Anti-Unfair Competition		Anti-Unfair Competition	/	G2.2.1/G2.2.2/G2.2.3	
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		Impact, Risk, and Opportunity Management	201-2	E1.1.3/E1.1.6	
		Indicators and Objectives	305-1/305-2/305-4	E1.1.4/E1.1.7/E1.1.8/E1.1.15	

Level 1 Heading	Level 2 Heading	Level 3 Heading	Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)	(GRI Standards)	China Corporate Social Responsibility Reporting Guidelines (CASS-ESG 6.0)	
Green & Smart Growth for a Low-Carbon Future	Environmental Management	Environmental Compliance Management System	Environmental Compliance Management	/	E2.1.1	
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		Three Wastes Management	Pollutant Emission/Disposal	303-2/305-7	E1.1.13/E2.1.2/E2.1.5/E2.1.6/E2.2.1/E2.2.3/E2.2.5/E2.2.6	
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		Strategy		/	/	
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		Product Quality Control		/	S3.3.5	
Customer Service Assurance	/	S3.3.4/S3.3.6				
Data Security and Customer Privacy Protection	Data Security Management	Data Security and Customer Privacy Protection	/	S3.4.1/S3.4.3		
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	Data Security Practices		/	/		

Level 1 Heading	Level 2 Heading	Level 3 Heading	Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)	(GRI Standards) GRI Standards	China Corporate Social Responsibility Reporting Guidelines (CASS-ESG 6.0)	
Quality & Efficiency, Synergy & Win-Win	Responsible Supply Chain	Governance	Supply Chain Security	2-6	S3.1.2	
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		Impact, Risk, and Opportunity Management		/	E2.4.1/E2.4.2	
		Indicators and Objectives		2-6/204-1	/	
		Supplier Full Lifecycle Management	/	/	S3.1.3	
		Supplier ESG Management	/	308-1/414-1	S3.1.4	
		Equal Treatment of Small and Medium Enterprises(SMEs)	Equal Treatment of Small and Medium Enterprises(SMEs)	/	/	
People-Oriented, Empowering Symbiosis	Employee Rights and Interests Protection	Labor Relations Management	Employee	2-7/2-8/401-1/401-3/ 405-1/408-1/409-1	S4.1.1/S4.1.3/S4.1.4/ S4.1.6/S4.1.9/S4.1.11	
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		Employee Care		/	/	
	Employee Training and Development	Employee Training		404-1	S4.3.1/S4.3.3/S4.3.4/ S4.3.6	
		Vocational Development		404-2	S4.3.2	
	Occupational Health and Safety	Governance		403-1	S4.2.2/S4.2.3	
		Strategy		/	/	
		Impact, Risk, and Opportunity Management		403-2	S4.2.1	
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	Community Welfare	Rural Revitalization		Rural Revitalization	/	S1.1.2/S1.1.4
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Key Performance Indicator (KPI)

Indicator	Unit	2025
Governance Dimension Indicators		
Operating Revenue	10,000 yuan	462,783.93
Net Profit	10,000 yuan	81,815.92
Total Tax Payment	10,000 yuan	30,984.72
Total Number of Shareholders' Meetings Held	Times	2
Total Number of Annual Shareholders' Meetings Held	Times	1
Total Number of Extraordinary Shareholders' Meetings Held	Times	1
Items Reviewed and Approved	Items	13
Number of Board Members	Persons	7
Number of Board Meetings Held	Times	7
Items Reviewed and Approved	Items	39
Board Specialized Committees		
Strategy and ESG Committee Meetings Held	Times	3
Proposals Reviewed and Approved	Items	6
Audit Committee Meetings	Times	6
Proposals Reviewed and Approved	Items	19
Nomination Committee Meetings	Times	1
Proposals Reviewed and Approved	Items	1
Compensation and Evaluation Committee Meetings	Times	3
Proposals Reviewed and Approved	Items	6
Number of Investor Reception Activities	Times	15
Number of Site Visits For Investors	Times	10
Number of Participants In Site Visits	Person-Time	88
Exchange Meeting	Times	1
Investor Calls Received	Calls	520
Questions Answered on the Interactive Easy Platform	Times	44
Investor Email Inquiries Replied to	Percent	64
Cash Dividend Per Share(Proposed)	yuan/Share	0.295
Total Cash Dividend (Including Tax)	10,000 yuan	12,215.53
Percentage of Net Profit In Consolidated Financial Statements	Percent	14.93

Indicator	Unit	2025
Total Number of Participants In Anti-Commercial Bribery and Anti-Corruption Training	Persons	1,436
Total Duration of Anti-Commercial Bribery and Anti-Corruption Training Provided	Hours	5,744
Total Number of Directors and Senior Management Personnel Trained	Persons	8
Total Training Duration For Directors and Senior Management Personnel	Hours	8
Number of People Who Signed Integrity Agreements and Other Commercial Conduct Documents	Persons	82
Environmental Dimension Indicators		
Penalty Incidents of Major Administrative Penalties Imposed By Ecological Environment and Other Relevant Departments Due To Environmental Incidents	Items	0
Penalty Amount of Major Administrative Penalties Imposed By Ecological Environment and Other Relevant Departments Due To Environmental Incidents	10,000 yuan	0
Total Greenhouse Gas Emissions	Tons of Co ₂ Equivalent	224,425.90
Direct Greenhouse Gas Emissions (Scope 1)	Tonnes of Co ₂ Equivalent	119,053.61
Indirect Greenhouse Gas Emissions (Scope 2)	Tonnes of Co ₂ Equivalent	105,372.29
Greenhouse Gas Emission Intensity	Tonnes of Co ₂ Equivalent/Million yuan	48.49
Number of Environmental Protection Training Sessions	Times	4
Number of Participants In Environmental Protection Training	Person-Time	80
Duration of Environmental Protection Training	Hours	210
Natural Gas	10,000 cubic meters	5,471.23
Gasoline	tons	24.59
Diesel	tons	220.73
Total Purchased Electricity	kWh	195,314,710.29
Fossil Fuel Consumption	tons of standard coal equivalent (tce)	73,125.17
Total Direct Energy Consumption	tce	73,125.17
Total Indirect Energy Consumption	tce	24,004.18
Total Consumption	tce	104,332.00
Photovoltaic Power Generation	Kilowatt-Hour	58,605,801.59
Renewable Energy Consumption	Ton of Standard Coal	7,202.65
Total Clean Energy Usage	Ton of Standard Coal	7,202.65
Proportion of Renewable Energy Consumption	Percent	6.90

Indicator	Unit	2025
Social Dimension Indicators		
r&d Investment	10,000 yuan	27,959.35
r&d Investment As a Percentage of Revenue From Main Operations	Percent	6.04
Cumulative Number of Authorized Patents	Patents	161
Cumulative Number of Authorized Invention Patents	Patents	33
Cumulative Number of Authorized Utility Model Patents	Patents	128
Cumulative Number of Authorized Design Patents	Items	0
Specialized and Sophisticated Enterprises That Produce Novel and Unique Products	Items	2
National High-Tech Enterprises	Items	4
Total Number of r&d Personnel	Persons	362
Proportion of r&d Personnel To Total Employees	Percent	15.22
By Educational Background		
Master's Degree	Persons	7
Bachelor's Degree	Persons	78
By Age Group		
Under 30 Years Old	Persons	130
Ages 30-40	Persons	176
Over 40 Years Old	Persons	56
Product Release Qualification Rate	Percent	99.74
Number of Quality Internal Audits Conducted	Times	18
Number of Products Recalled	Units	0
Number of Sold (Or Shipped) Products Requiring Recall	Units	0
Including: Number of Products Recalled Due To Health Or Safety Reasons	Units	0
Product Recall Rate	Percent	0
Including: Percentage of Products Recall Due To Health Or Safety Reasons	Percent	0
Number of Quality Training Sessions Held	Times	20
Number of Participants	Persons	491
Total Training Hours	Hours	16,589.5
Number of Information Security Drills Held	Times	1
Number of Participants	Persons	50
Average Training Hours Per Employee	Hours	1

Indicator	Unit	2025
Total Suppliers	Suppliers	78
Number of Suppliers With Quality Management System Certification	Suppliers	52
Number of Suppliers With Environmental Management System Certification	Suppliers	41
Number of Suppliers With Occupational Health and Safety Management System Certification	Suppliers	40
Ratio of Procurement Expenditure To Local Suppliers	Percent	21.48
Esg Training Conducted For Suppliers	Times	2
Duration of Esg Training Conducted For Suppliers	Hours	8
Total Number of Employees	Persons	2,379
Number of Disabled Employees	Persons	28
Retired Military Personnel	Persons	57
Number of Ethnic Minority Employees	Persons	6
Percentage of Ethnic Minority Employees	Percent	0.25
Total Number of New Employees	Persons	830
Total Number of Employee Departures	Persons	200
Overall Employee Turnover Rate	Percent	10
Number of Female Managers	Persons	20
Proportion of Female Managers	Percent	21.51
Total Number of Employees Eligible For Parental Leave	Persons	16
Total Number of Employees Taking Parental Leave	Persons	9
Return-To-Work Rate of Employees After Parental Leave	Percent	100
Cumulative Number of Items Approved By the Staff Congress	Items	3
Number of Items Approved By the Labor Union	Items	3
Number of Labor Union Members	Persons	562
Proportion of Active Employees	Percent	24
Number of Employees Regularly Evaluated For Performance and Career Development	Persons	1,581
Proportion of Employees Regularly Evaluated For Performance and Career Development	Percent	66
Investment In Employee Training	10,000 yuan	85.10
Number of Employee Training Sessions	Sessions	137
Number of New Employee Training Sessions	Sessions	59
Total Number of Employees Trained	Persons	1,601

Indicator	Unit	2025
Total Number of Training Attendances	Person-Time	13,670
Employee Training Coverage Rate	Percent	67
Total Training Hours	Hour	1,452
Average Training Hours Per Employee Per Year	Hours/Person	0.61
Number of Safety Emergency Drills Conducted	Sessions	11
Investment In Work Safety	10,000 yuan	1685.16
Workplace Safety Investment As a Percentage of Operating Revenue	Percent	0.36
Total Investment In Safety Training	10,000 yuan	20.52
Number of Safety Training Sessions	Session	71
Number of Safety Training Sessions For New Employees	Session	58
Number of Participants In Safety Training	Person-Time	4,559
Number of Participants In Safety Training	Persons	2,278
Total Safety Training Duration	Hours	16,435
Average Safety Training Hours Per Person	Hours	7.21
Safety Training Employee Coverage	Percent	95.75
Number of Certified Special Operation Personnel	Persons	86
Total Number of Personnel Holding Special Operation Certificates For Special Operations	Persons	86
Certification Rate of Special Operation Personnel	Percent	100

Feedback Form

Thank you for reading the *2025 Sustainability Report of Luoyang Xinqianglian Slewing Bearing Co., Ltd.* To improve Xinqianglian’s work in environmental, social and governance aspects, further enhance the Company’s capacity and level of sustainable development, and strengthen communication with all sectors of society, we sincerely hope you can take time from your busy schedule to provide valuable comments and suggestions on our work and this report, and share them with us through the following channels.

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 Company website: www.lyxqlbearing.com.cn
 Company email: xql@lyxql.com.cn
 Contact address: No.8 Yingyun Road, Luoxin Park, Economic and Technological Development Zone, Xin’an County, Luoyang City, Henan Province

Your information

Name: _____ Contact Number: _____

Organization: _____ Email: _____

Multiple Choice (Please tick in the appropriate position)

1. Your overall evaluation of Xinqianglian's 2025 Environmental, Social, and Governance (ESG) Report:

Good Average Needs Improvement Not Familiar

2. How do you think Xinqianglian performs in customer service?

Good Average Needs Improvement Not Familiar

3. How do you think Xinqianglian performs in technological innovation?

Good Average Needs Improvement Not Familiar

4. How do you think Xinqianglian performs in corporate governance?

Good Average Needs Improvement Not Familiar

5. How do you think Xinqianglian performs in employee team building?

Good Average Needs Improvement Not Familiar

6. How do you think Xinqianglian performs in social welfare?

Good Average Needs Improvement Not Familiar

7. How do you think Xinqianglian performs in sustainable supply chains?

Good Average Needs Improvement Not Familiar

8. Any other opinions on Xinqianglian's environmental, social, and governance (ESG) efforts?
