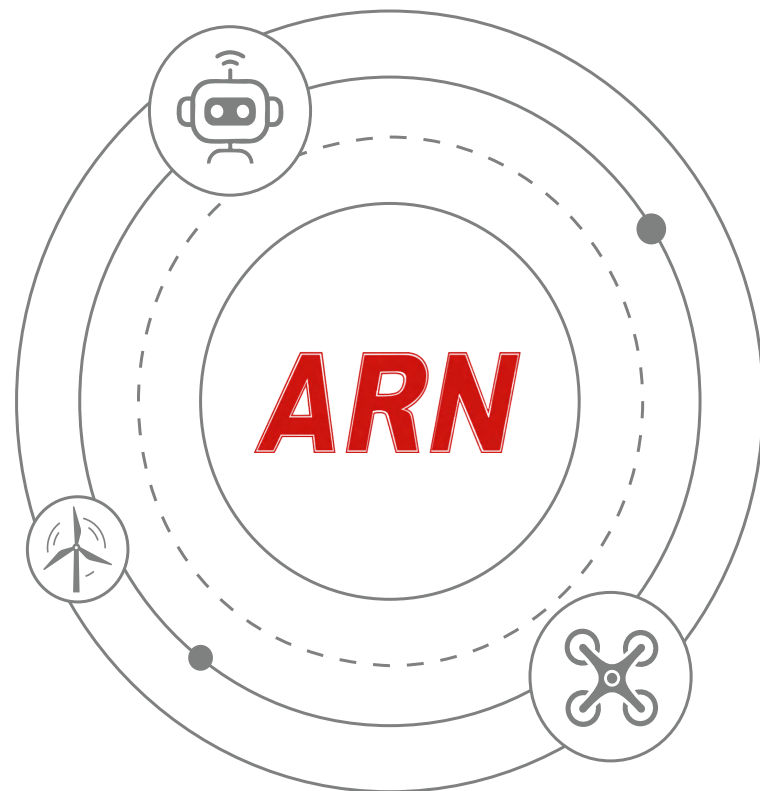


ARNGROUP

2025

Corporate Social Responsibility Report

ARN China · Anhui ARN Group Co. Ltd



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Report Guide

This report is the 10th annual social responsibility report continuously released by Anhui ARN Group Co., Ltd. (ARN) since 2016, mainly disclosing the social responsibility concept, management, practices and achievements of ARN Group in 2025.

Reference Standards

This report is compiled by referring to standards such as "Guidelines for Compiling Chinese Corporate Social Responsibility Reports", "Social Responsibility Guidelines for Chinese Industrial Enterprises and Industrial Associations", and "Social Responsibility Guidelines for Anhui Industrial Enterprises", and combining with the specific social responsibility practices of ARN Group.

Statement of Assurance

The company solemnly promises that there are no false records, misleading statements or material omissions in this report, and is responsible for the authenticity, accuracy and completeness of its content.

Organizational Scope

This report covers Anhui ARN Group and its joint ventures , wholly-owned, and controlled subsidiaries.

Reporting Period & Frequency

The reporting period is from January 1, 2025, to December 31, 2025. To enhance continuity and readability, some information extends beyond this period.

Basis of Data

All the data disclosed in this report are sourced from the public materials, internal official documents, financial statements, statistical reports, etc. of ARN Group. The currency amount involved in this report is denominated in RMB, unless otherwise specified.

Language Note

This report is available in both Chinese and English versions. In case of any ambiguity between the two versions, the Chinese version shall prevail.

Abbreviations

To facilitate concise expression and readability throughout this report, ‘Anhui ARN Group Co., Ltd ’ may be referred to as ‘ARN’, ‘Group’, or ‘Company’. The Group’s major companies are designated as follows:

Full Name	Abbreviation	Full Name	Abbreviation
Anqing TP Goetze Piston Ring Co., Ltd	ATG	Anhui Huanming Precision Control Co., Ltd	AHM
Anqing TP Powder Metallurgy Co., Ltd	ATP	Anqing TP Engine Plastic Co., Ltd	ATEP
Anqing ART TP Piston Co., Ltd	AAT	Samsung SDI-ARN(Xi’ an) Power Battery Co., Ltd	SAPB
Anqing TP Goetze Liner Co., Ltd	ATGL	Federal-Mogul ARN(Anqing) Powder Metallurgy Co., Ltd	FMAP
Anqing TP Goetze Engine Co., Ltd	ATGE	Anhui Tsusho Logistics Co., Ltd	ATL
Anqing Scherdel Automobile Parts Co., Ltd	ASP	Aisin Anqing Automotive Parts Co., Ltd	AAAC
Anqing ARN Auto Trade Investment Co., Ltd	AAI	TPR-ARN(Anhui) New Energy R&D Co., Ltd	TANE
Anqing ARN Auto Parts Co., Ltd	ASC	Anhui ARN Digital Intelligence Co., Ltd	ADI

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Preface

In 2025, the boundaries of the automotive industry are being reshaped. Under the waves of electrification, intelligence, and lightweighting, auto parts have become the core variables defining future vehicles. Building a strong, independent, and sustainable auto parts system is an important force for China's automotive industry to transform from large scale to high quality development, and it is also the mission and responsibility entrusted to ARN by the times.

Having been deeply engaged in the automotive parts field for 57 years, ARN Group has established its leading position in the domestic industry by virtue of its multi-dimensional leadership in technology, quality, and sales volume. Relying on the strong strength as a "National Automotive Parts Export Base Enterprise", its business has covered global markets such as Europe, America, Japan, South Korea, Southeast Asia, and South Africa, etc. It has fulfilled the promise of high-quality development of China's "intelligent manufacturing" with solid steps.

Since the 18th National Congress of the Communist Party of China, General Secretary Xi Jinping has put forward the new development philosophy of innovative, coordinated, green, open, and shared development. Taking this as the action guide, ARN Group deeply integrates the new development concept into its corporate strategy and social responsibility practice. In the process of Chinese modernization, we continuously deepen international cooperation, drive green manufacturing with scientific and technological innovation, boost industrial upgrading through openness and sharing, constantly demonstrate the strength of ARN Group, and make steady progress on the path of sustainable development.

Looking to the future, ARN Group is committed to setting an example of sustainable development for the automotive parts industry. With a sense of responsibility and practical actions, it will work hand in hand with stakeholders to jointly build a new chapter of high-quality development.



ARN

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Chairman's Statement



Pan Yixin Chairman
Anhui ARN Group Co., Ltd

Dear stakeholders,

Thank you for your attention to the 2025 Social Responsibility Report of Anhui ARN Group Co., Ltd. This is the 10th consecutive corporate social responsibility report released by the group, and it is also an important answer sheet for the final year of the 14th Five-Year Plan.

In 2025, ARN Group has always maintained its strategic focus. Taking scientific and technological innovation as the primary driving force, we have deeply promoted quality control and cost improvement. Throughout the year, we achieved sales revenue of RMB13.391 billion and paid RMB 541 million in taxes. Moreover, we have successively won honorary titles such as the National High-tech Enterprise, the National Excellent Intelligent Factory, the National Green Factory, and the National Civilized Unit, etc.

Strengthen the core with independent innovation and expand the ecosystem through open cooperation. We adhere to the development path of "open cooperation and independent innovation". In terms of technological innovation, we "consolidate the foundation and promote innovation". On one hand, we deeply cultivate process improvement, continuously break through key technology fields, and strengthen traditional businesses. On the other hand, we increase R&D investment in emerging industries. By making forward-looking arrangements for future industries, we accelerate the cultivation of new-quality productivity and accumulate internal impetus for sustainable development. In terms of digital transformation, we "cultivate both internally and externally". Internally, we achieve the iterative upgrade of intelligent factories and drive the improvement of manufacturing efficiency with data. Externally, we package digital capabilities into solutions, output experience in vertical industries, and help the upstream and downstream of the industrial chain reduce costs and increase efficiency. In terms of global cooperation, we "integrate and win together". Relying on the global resource network, we promote technological dialogue and industrial collaboration. We not only advance our own international development but also are committed to collaborating with the industrial chain to go global and jointly build a highly resilient global access.

Put people first to gather strength, warm hearts with affection and grow together. People are the most precious asset of ARN and the core force for us to fulfill social responsibilities. We have always believed that treating employees well is the greatest act of kindness for an enterprise. In 2025, we are committed to building a "warm-hearted organization". As a benchmark private enterprise in Anhui Province, we took the lead in fully implementing the enterprise annuity plan, giving employees more confidence in the future. We continuously improved the career development path. Through the "Sailing Plan" and the master-apprentice teaching method, we helped young talents transform from campus to the workplace. We paid particular attention to work safety and employees' physical and mental health. By upgrading the physical examination standards and optimizing the protective facilities, we firmly held the safety red line and achieved "zero occurrence" of major safety accidents. At the same time, we opened our arms to embrace the world. The joining of the first batch of Mexican management trainees made ARN's workplace ecosystem more diverse and dynamic. We firmly believe that only when employees feel at ease and comfortable can the enterprise move forward steadily and far.

Cultivate the fertile soil and shoulder the mission, give back to society and stay true to the original heart. ARN Group always remembers that the value of an enterprise lies far beyond the numbers in the financial report. It also lies in its contribution to social harmony and the well-being of the people. In 2025, we continued to engage in public welfare activities such as donating to education, helping those in need, and voluntary blood donation. We promoted social harmony with stable employment supply and deeply participated in rural revitalization and community environmental governance. The development of an enterprise cannot be separated from the fertile soil of society. Every act of giving back is the perseverance of symbiotic value.

In 2025, guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we will fully implement the new development concept, coordinate development and security, adhere to the dual circulation strategy both domestically and internationally, and embark on a path of high-quality and sustainable development. Based on customer trust and oriented towards win-win value, we are willing to work together with all stakeholders to build a better future of shared responsibility and value.

About us

Anhui ARN Group Co., Ltd. is a group enterprise engaged in the research, development, production and sales of key engine components and three-electric system components for new energy vehicles. It has partnered with well-known global enterprises from countries such as Japan, South Korea, the United States and Germany, established more than 10 Sino-foreign joint ventures, and owns over 20 wholly-owned and holding subsidiaries. The group has built the world's largest production and manufacturing bases for piston ring, cylinder liner and valve seat. Its products are fully matched with mainstream domestic OEMs, and the market share of several products in the domestic market exceeds 50%. At the same time, its thermal management system products have entered the international top-tier new energy vehicle supply chain.

While consolidating its traditional advantages, ARN Group has actively explored new tracks and successfully transformed and upgraded into the new energy vehicle field, with continuously enhanced development momentum. ARN Group is firmly innovation-driven. In the process of cultivating new-quality productivity, it comprehensively promotes high-end, intelligent and green development, driving an overall leap in product quality, technical level and the overall strength of the enterprise. With solid progress, ARN Group has been awarded honorary titles such as “Top 500 Private Manufacturing Enterprises in China”, “Top 30 Auto Parts Enterprises in China”, “Top 500 Machinery Enterprises in China”, “National Intelligent Manufacturing Demonstration Factory”, “National Outstanding Intelligent Factory”, “National Green Factory”, “National Technological Innovation Demonstration Enterprise”, “National Model Enterprise with Harmonious Labor Relations”, “National Civilized Unit”, “Outstanding Innovative Enterprise in Anhui Province”, and “Top 100 Private Enterprises in Anhui Province”, etc.

Production and Trade

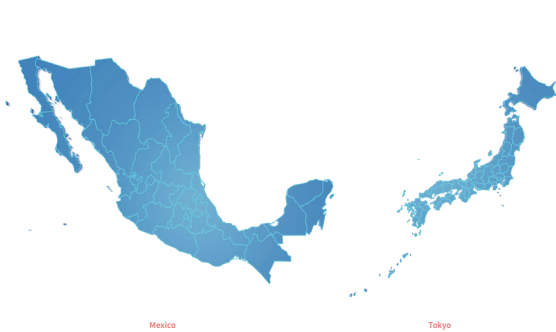
Domestic:



7 production bases and investment-trading companies have been established in domestic cities.

(Hefei and Anqing in Anhui, Dalian in Liaoning, Xi'an in Shaanxi, Langfang in Hebei, Luoyang in Henan, and Hong Kong, China)

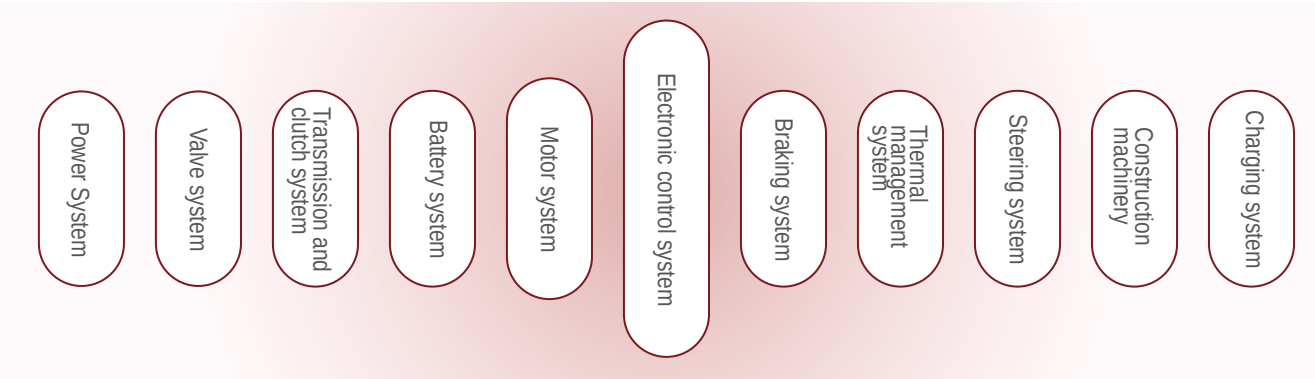
Overseas:



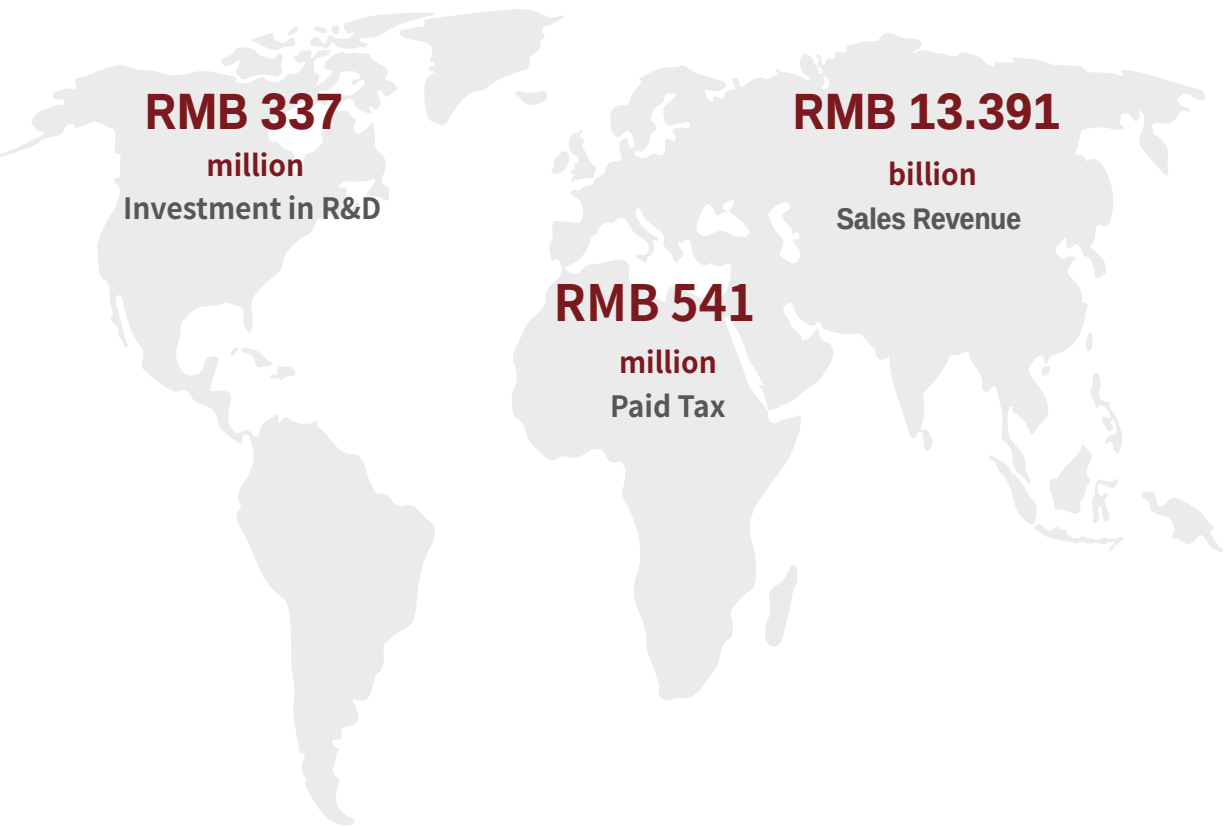
2 production bases and investment-trading companies have been established in overseas cities.

(Mexico and Japan)

Main Products

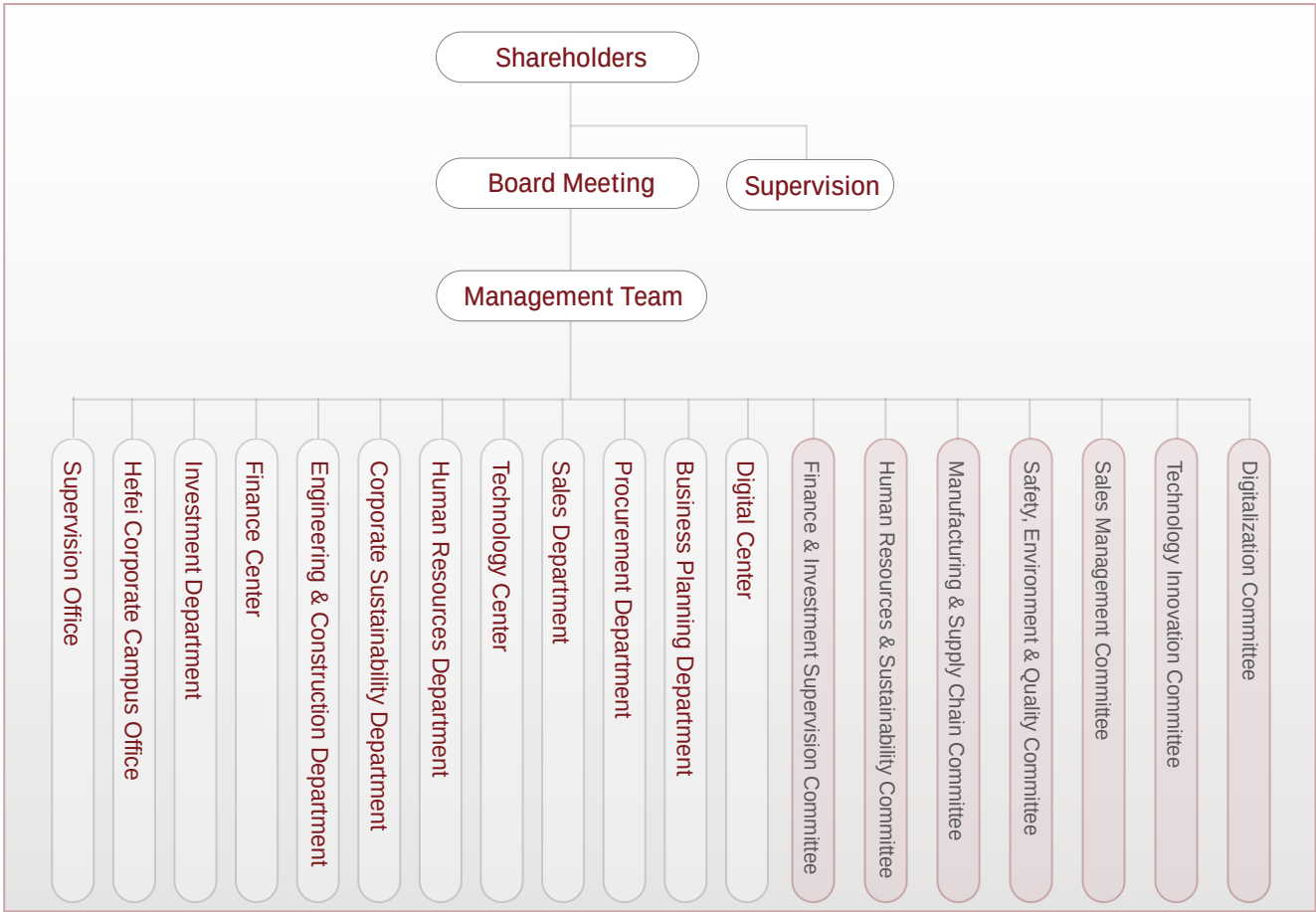


With the vision of "International ARN, Centurial ARN, Hundred-billion ARN", ARN Group deeply implants the concept of "Responsibility and Symbiosis" into the gene of its enterprise development, and is committed to pursuing sustainable value creation, a green development mode and an inclusive growth ecosystem. It will work hand in hand with its partners to contribute to the high-quality development of the industry and a sustainable future of society.



Scan the QR code for more news

Organizational Structure



ARN Group strictly follows the provisions of the Company Law and the Articles of Association, and has established a modern corporate governance system consisting of the shareholders' meeting, the board of directors, the board of supervisors and the management. This structure has clear powers and responsibilities and a well-defined division of labor, forming an operational mechanism of efficient collaboration, scientific decision-making, and mutual checks and balances among the power institution, the decision-making institution, the supervision institution and the executive level, laying a solid foundation for the company's sustainable development.

The shareholders' meeting, as the highest authority of the company, exercises the decision-making power on major matters in accordance with the law, including business policies, investment plans, financing plans and profit distribution, etc., to ensure that the rights and interests of shareholders are fully protected.

The board of directors consists of 9 directors and is responsible for formulating the company's strategies and reviewing major matters, promoting the long term and stable development of the company.

The board of supervisors consists of 3 supervisors (including 1 employee supervisor) and independently performs the supervision duties to safeguard the legitimate rights and interests of the company and all employees.

Party Building Leadership

Strengthen the foundation of the organization

As the tide of the times surges, the original aspiration remains firm. On the new journey of comprehensively building a modern socialist country in China, adhering to the Party's leadership and strengthening Party building are the fundamental guidelines and source of strength for the development of enterprises. In the past year, ARN Group has always integrated Party building work into its development strategy, embedded it in the governance system, and infused it into the cultural bloodstream. It leads the high-quality development of the enterprise with high-quality Party building, demonstrating its mission and responsibility in implementing national strategies, serving people's livelihood, and promoting the progress of the industry.



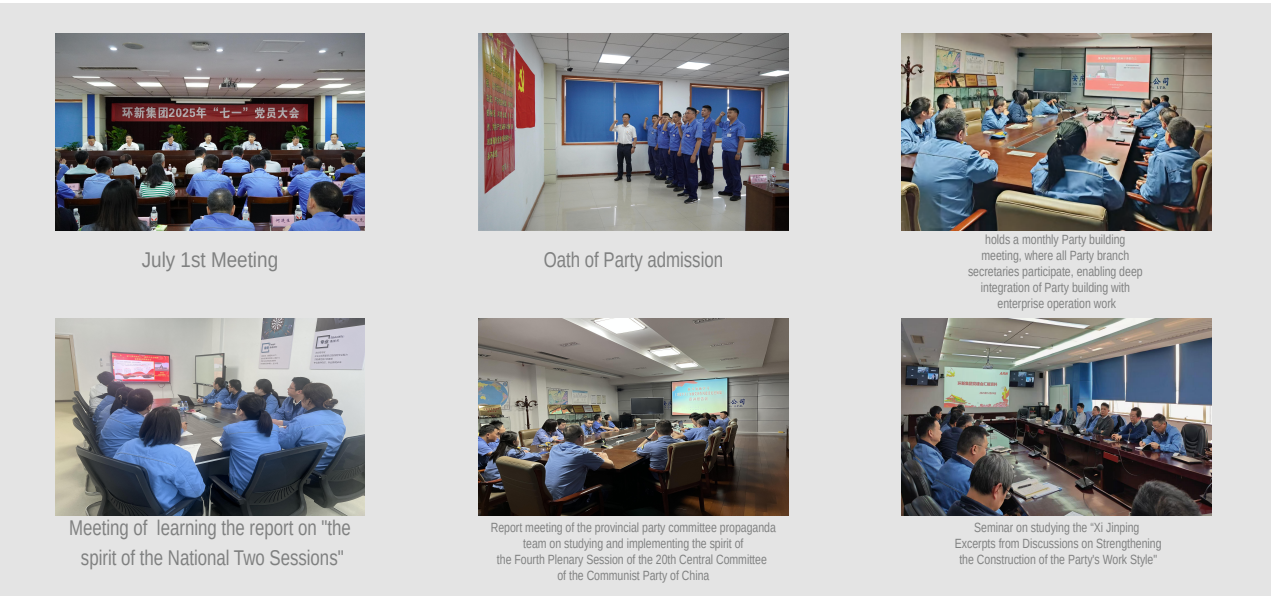
Shape the Soul with Ideas

The "July 1st" Party Member Meeting in 2025

On the occasion of celebrating the 104th anniversary of the founding of the Communist Party of China, the Party committee of the group grandly held the "July 1st" Party member meeting in 2025. Outstanding Party members and advanced Party branches with remarkable performance in the year were commended, setting up excellent learning examples. At the meeting, in a solemn ceremony, 9 new Party members took the oath of joining the Party facing the Party flag, expressing their firm determination to struggle for the communist cause throughout their lives. The meeting inspired all Party members to stay true to their original aspirations, keep their missions in mind, and play a vanguard and exemplary role in their respective positions.

Regular Party-building Learnin

The Party committee of the group always gives top priority to ideological construction, establishes and improves the monthly Party-building regular meeting mechanism. All Party branch secretaries participate in the meeting and conduct centralized research and study, deeply learning the latest theoretical spirit of the Party. It continuously promotes the synchronous resonance and in-depth integration of Party-building work and enterprise operations. By arming the mind with the Party's innovative theories and guiding practice, it truly transforms ideological strength into a strong driving force for the high - quality development of the enterprise.



Activity Empowerment



Red Tourism Practice Activities

In order to deepen patriotic education and continue the red heritage, in 2025, the Party committee of the group organized Party members and backbones of each branch to carry out red tourism practice activities in the revolutionary base areas of Jiangxi, Tongjiang County, Bazhong City, Sichuan Province , and other places. They successively visited revolutionary sacred places such as , the Monument Tower in Bayi Square in Nanchang and the Xiaoping Xiaodao Exhibition Hall. They also made a special trip to visit historical sites such as the Liening Residence. Through on-site teaching, renewing the Party admission oath, and listening to revolutionary stories, they deeply understood the firm ideals, beliefs, and outstanding fighting spirit of the early Communists under extremely difficult conditions.

Activity Empowerment

ARN Group has always adhered to using Party building to guide talent cultivation and attaches great importance to the cultivation and inheritance of the spirit of model workers and entrepreneurs. In 2025, the group leaders successively won important national and provincial-level honors. This is not only a high recognition of the group's high-quality development by the Party and the country, but also a vivid manifestation of the group's responsible practice driven by the spirit of model workers and entrepreneurs.

Cao Lixin, the Party Secretary, Vice Chairman, and General Manager of the Group, has been awarded the honorary title of "National Model Worker". He is the second National Model Worker following Chairman Pan Yixin, representing the inheritance of the enterprise's model worker spirit and embodying the fighting spirit of the new era.

Cai Xiangdong, Deputy Secretary of the Party Committee and Vice General Manager of the Group, has been awarded the "May 1st Labor Medal of Anhui Province". This is not only a recognition of his personal contributions, but also a vivid interpretation of the Group's commitment to the labor spirit in the new era.

Pan Bin, the Deputy General Manager of the Group, has been honored with the title of "Top Ten Private Entrepreneurs of Anqing City in 2025". This recognition not only acknowledges the personal efforts of young entrepreneurs but also vividly demonstrates the effectiveness of the Group's youth leadership talent cultivation program. The emergence of young leaders has injected solid strength into the intergenerational succession and long-term prosperity of the Group. The group will inspire all employees with the power of example, continue to promote the spirit of struggle, lead the industry benchmark for responsibility, and create greater value for society.

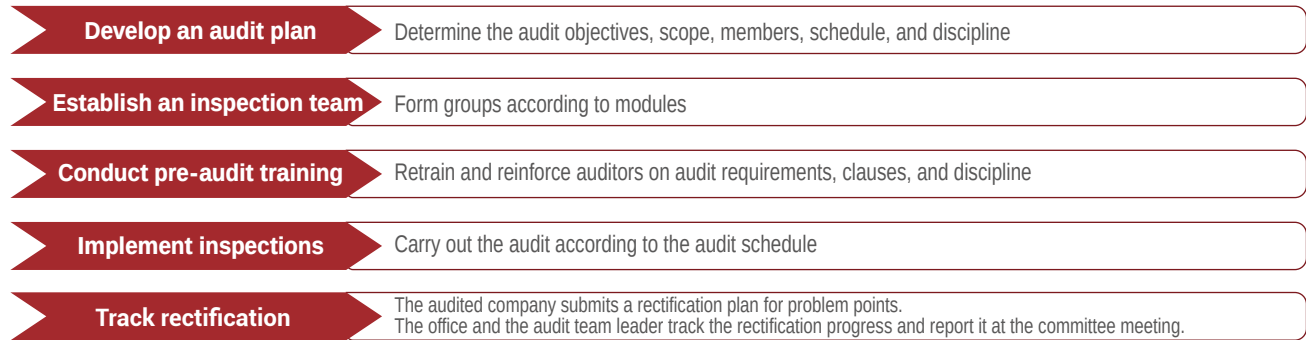


Compliance and Integrity

Stick to the bottom line of integrity Credit rating: Tax Credit Class A enterprise

The company has always adhered to the concept of operating with integrity and regards integrity as the cornerstone of the company's development. In interactions with partners such as customers and suppliers, the company strictly fulfills contractual agreements and is honest and trustworthy. It firmly opposes any form of fraud and unethical behavior and is committed to creating a fair, just, and transparent business environment.

Contract Performance Rate



Deepen Compliance Management

Release of Compliance Code of Conduct

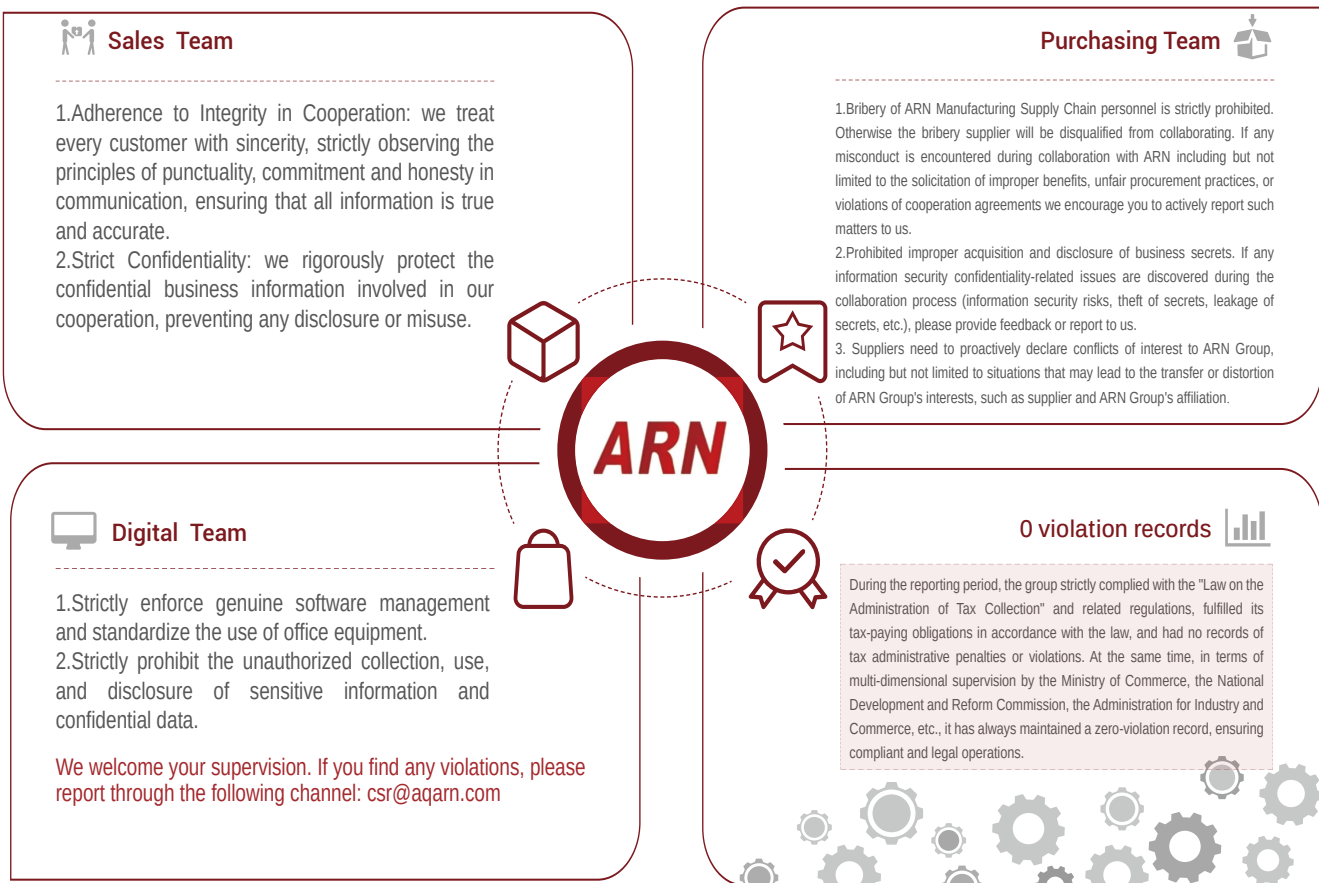
In October 2025, the "Code of Conduct for Compliance" was officially released. The group will continuously promote the publicity, training, implementation of the code, and improve the internal supervision mechanism to ensure that the concept of compliance is integrated into daily operations, providing a solid guarantee for sustainable development.

Whistleblowing Management System

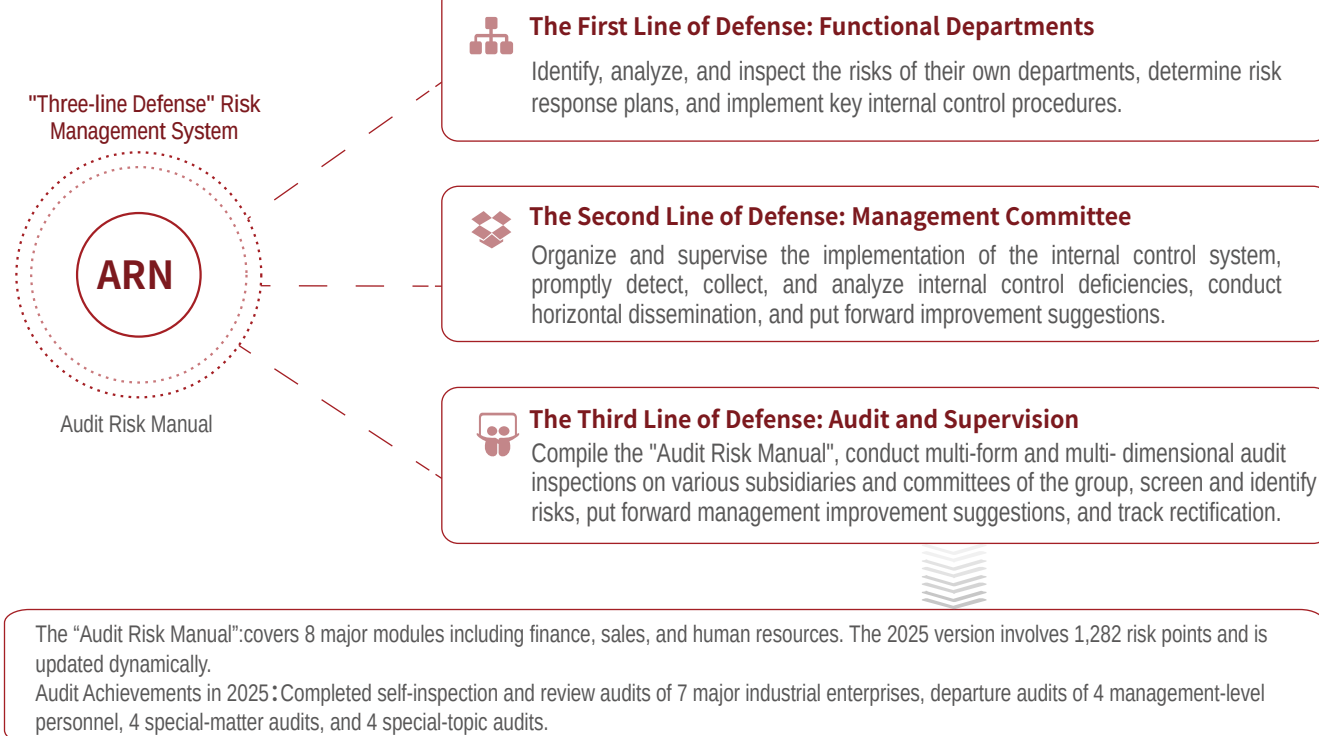
The Group has established a comprehensive and standardized procedural framework that covers the entire process of reporting, verification, handling, and adjudication of misconduct. Strict confidentiality is maintained with regard to both the informant's identity and the content of any reports, and any form of retaliation is strictly prohibited. For real-name reports, the Group ensures prioritized handling and timely feedback, thereby effectively safeguarding the legitimate rights and interests of whistleblowers. In parallel with strengthening its internal oversight mechanisms, the Group has extended integrity and anti-corruption requirements to all personnel in finance, human resources, procurement positions, and to all mid-level and senior management. All employees are required to sign a Code of Integrity Commitment, reinforcing the integrity of key positions through institutionalized safeguards. Furthermore, the Group remains committed to fostering a culture of integrity and clean governance. By placing equal emphasis on institutional constraints and cultural guidance, the Group strives to build a long-term mechanism that ensures individuals dare not, cannot, and do not want to engage in corrupt practices.



External Compliance Commitment



Strengthen Risk Control



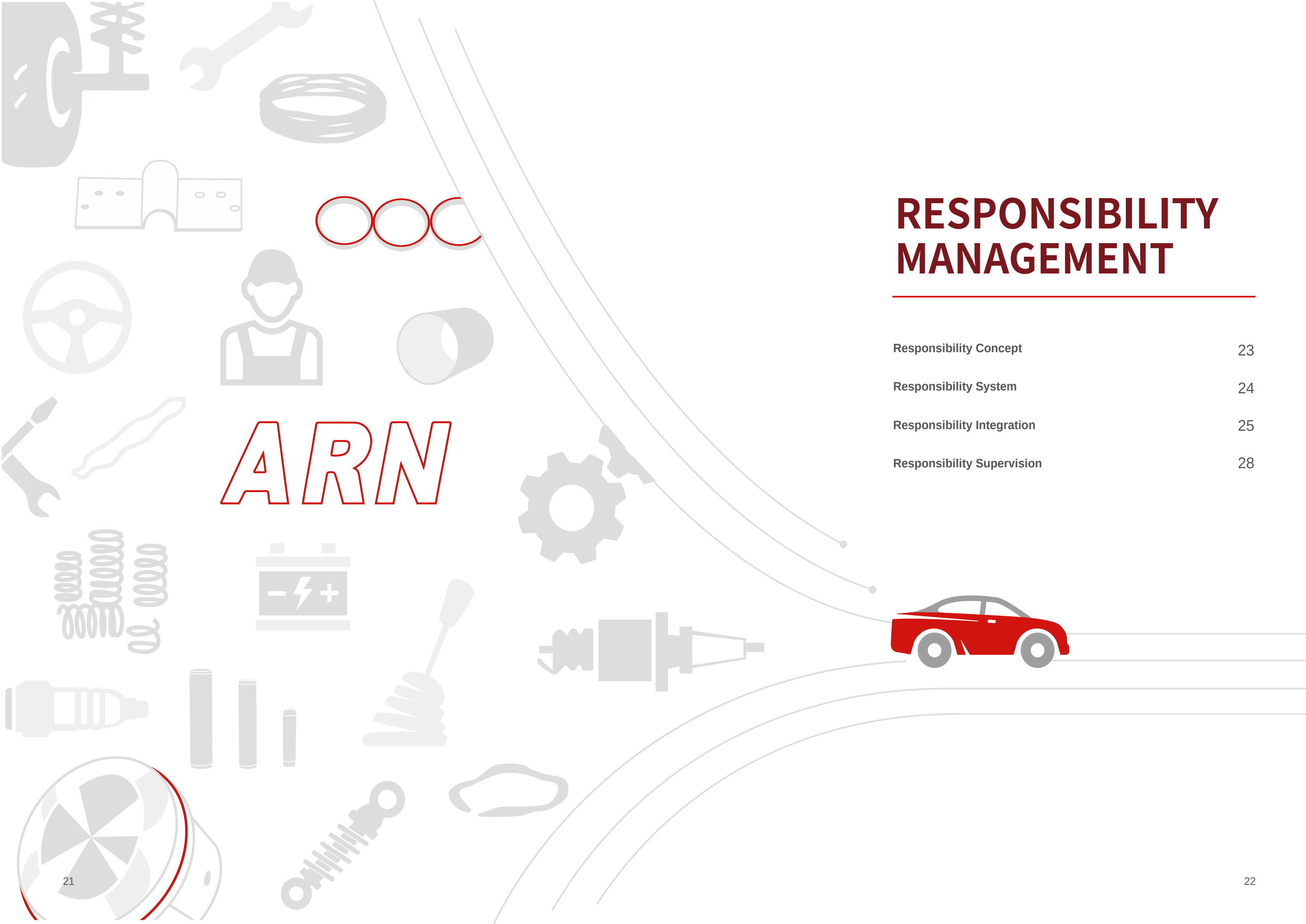


Promote Information Disclosure

The group has established and improved an active information disclosure mechanism. Using the corporate social responsibility report as the main vehicle, it regularly discloses key performance data of the company in areas such as the environment, safety, and governance to stakeholders including the public, investors, and employees. It actively responds to public concerns, consciously accepts public supervision, and continuously improves the transparency and credibility of information disclosure.

Take workplace safety and environmental protection as examples. In terms of safety information disclosure, it regularly releases information such as workplace safety records and progress in major hazard control. Regarding environmental information disclosure, we truthfully disclose key indicators such as energy consumption, carbon reduction achievements, and pollutant emissions, fulfilling our green development commitments with data.





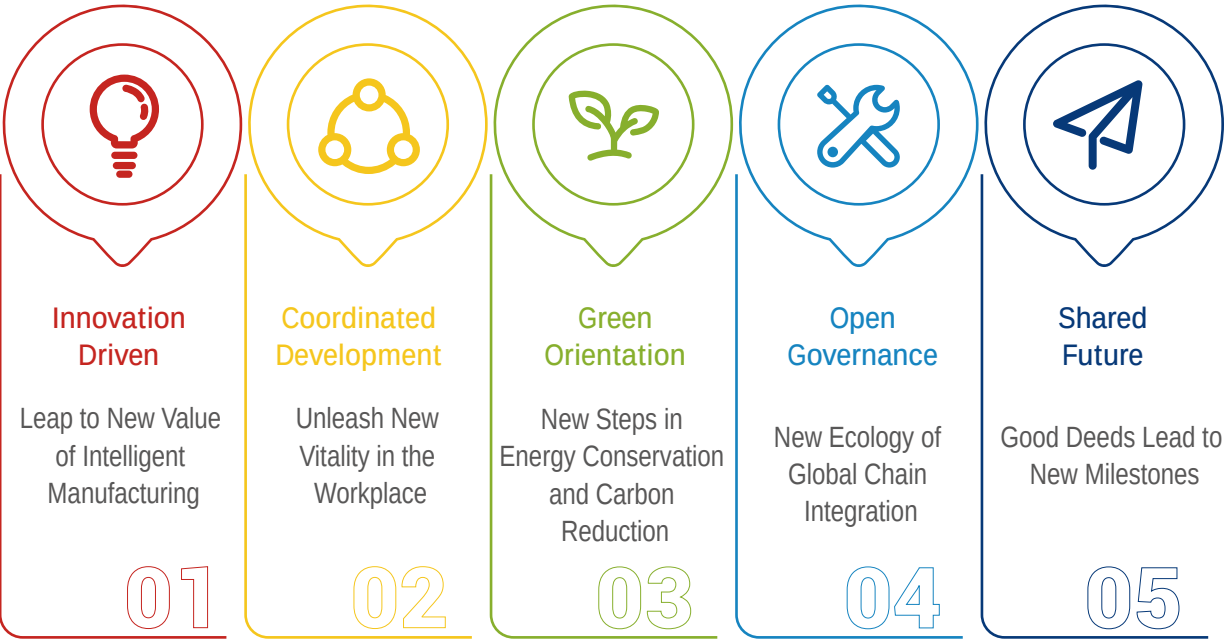
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RESPONSIBILITY MANAGEMENT

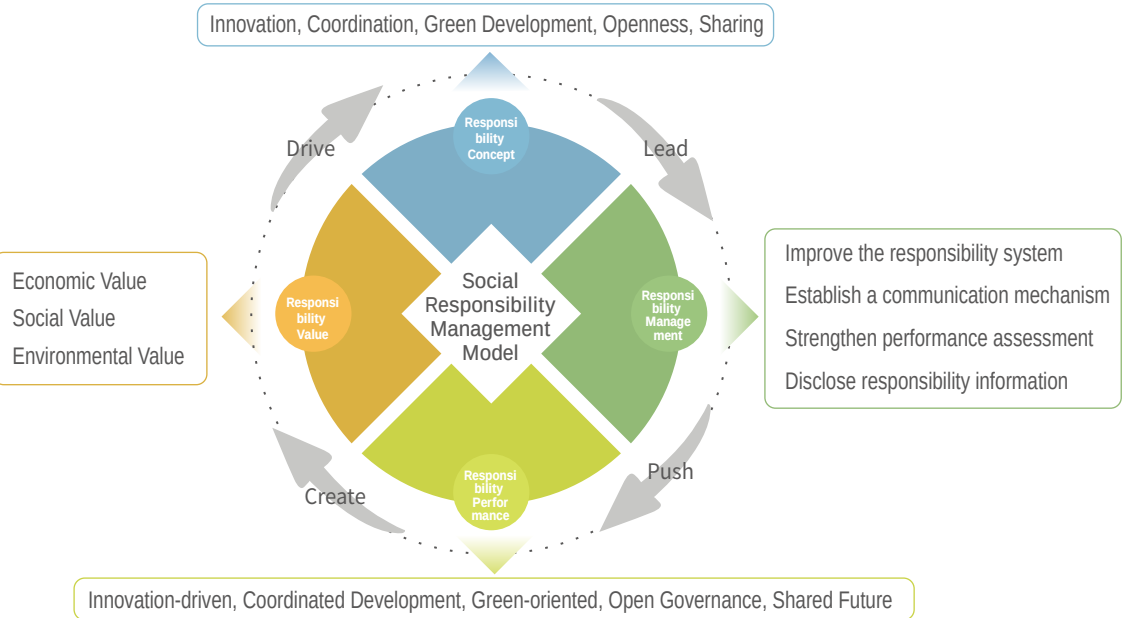
Responsibility Concept

The social responsibility concept of ARN Group is deeply integrated with the five new development concepts advocated by the country: "innovation, coordination, green, openness, and sharing". Through practices and innovations in five key areas- "innovation-driven, coordinated development, green-oriented, open governance, and shared future", the group takes into account the expectations and demands of stakeholders in an all-around way, ensuring that the company's development always keeps pace with the trend of the times.



Responsibility Management Model

With the core concept of "Responsibility Leading Development", it forms a complete management cycle through interrelated links. While pursuing economic value, enterprises create social and environmental values to achieve the ultimate goal of sustainable development. Create a virtuous responsibility management cycle and build a sustainable.



Responsibility System

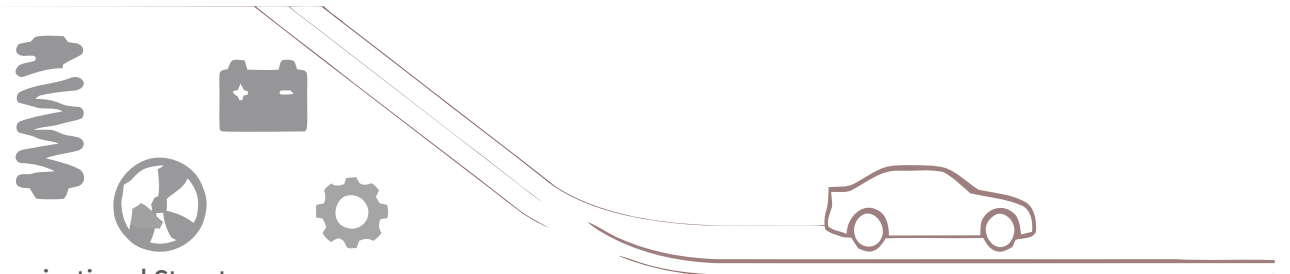
"Decision Management Execution"
Three-tier Social Responsibility Management System

To ensure the effective implementation of the social responsibility concept, we have formed a responsibility management pattern with full-staff participation and comprehensive coverage through institutional design, ensuring seamless connection and efficient operation of the social responsibility strategy from top- level design to grass-roots execution.

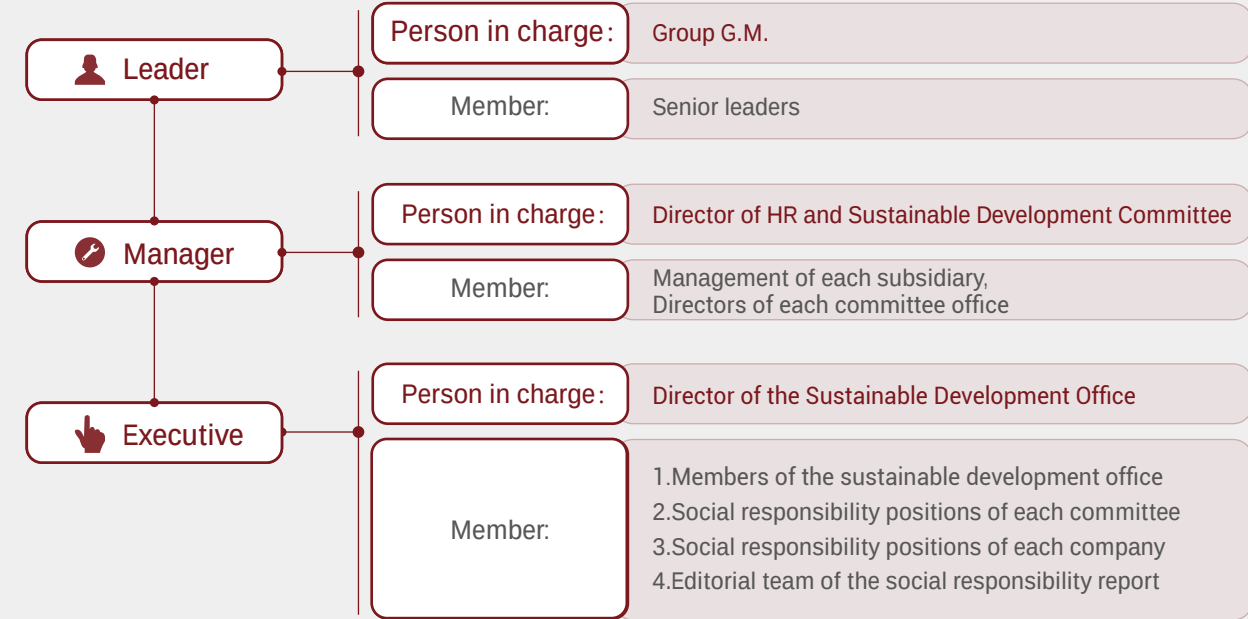
ARN Group has established a scientific and effective sustainable development management framework: the leadership team formulates strategic plans, the management team conducts strategic management and guides the implementation of priority tasks, and the execution team implements specific actions in various business operation groups and reports progress regularly. The linkage operation of the three-tier system further improves management effectiveness.

In 2024, the Corporate Development Department was established, with full-time staff responsible for work related to corporate social responsibility management. The person in charge of this department is Dr. Li Qian, who holds a DPS degree from a joint program between Peking University and Fordham University in the United States. Her research focuses on corporate social responsibility and corporate culture, injecting profound professional strength into the group's sustainable development work and ensuring the systematic and professional operation of the department.

In the future, the Corporate Development Department will continue to play a professional leading role, deepen the responsibility management mechanism, and help the group explore a more resilient and valuable sustainable development path.



Organizational Structure



To ensure the deep integration of social responsibility into various business areas, ARN Group has set up seven professional committees, which are responsible for guiding responsibility practices in specific fields, achieving professional and meticulous management.

Collaborative Progress · All-round Responsibility Governance

Financial Investment Inspection and Management Committee	Responsible for financial strategic planning, working capital, risk and compliance, investment and mergers & acquisitions, tax management, etc.
Science and Technology Innovation Committee	Responsible for science and technology innovation strategic planning, technological innovation development, transformation of innovation achievements, etc.
Digital Committee	Overall planning of the digital transformation path, responsible for implementing intelligent management, etc.
Manufacturing Supply Chain Management Committee	Responsible for supply chain management functions such as supplier development, procurement, import and export management, etc.
Sales Management Committee	Responsible for the complete sales service chain including sales, delivery, after-sales, formulating and implementing sales strategies, customer maintenance, etc.
Human Resources and Sustainable Development Management Committee	Responsible for human resources strategic planning, harmonious labor relations, corporate culture, public welfare activities, caring for vulnerable groups and other human resources work.
Safety, Environment and Quality Management Committee	Responsible for green and harmonious development, optimizing the energy structure, managing production safety; quality management, product quality control, product demand guarantee and stable supply, etc.

Responsibility Integration

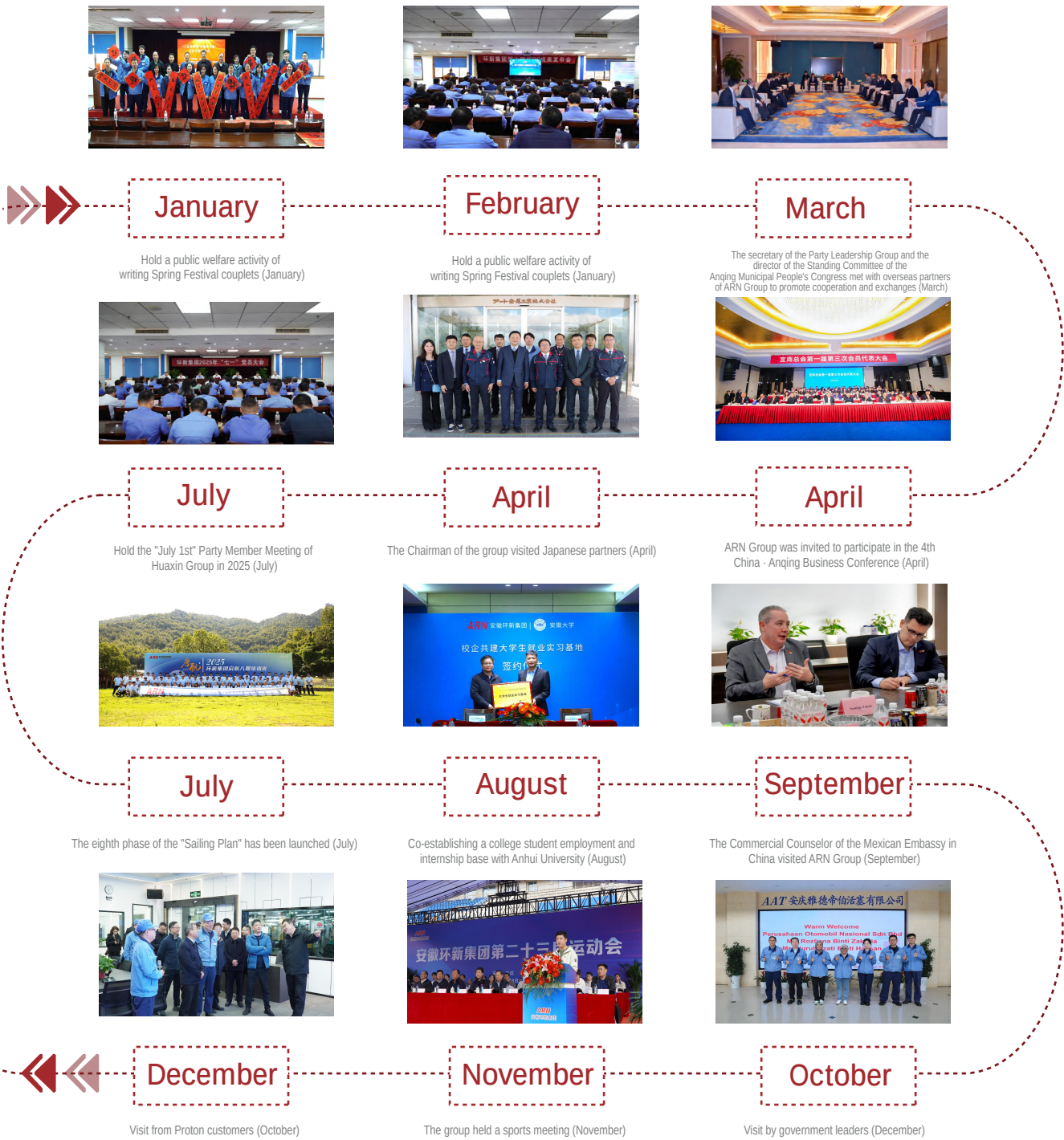
Build a Multi-win Stakeholder Communication Mechanism

We firmly believe that effective communication and cooperation with stakeholders are the cornerstone of achieving sustainable development. We are committed to establishing an open, transparent, and mutually-trusted communication platform to listen to the voices of all parties, respond to their concerns, and jointly create long-term value.

Stakeholder Communication and Issue Identification:

Government and Regulatory Agencies	Customer Groups	Internal Employees	Investors & Strategic Partners
Areas of Concern - Honest and compliant operation - Adhere to innovation-driven development - Workplace safety - Support the local social and economic development Communication Methods and Channels - Government-enterprise exchanges - Work reports - Regular information disclosure	Areas of Concern - Product safety and quality - Product price and service - Product technology and innovation - Stable supply Communication Methods and Channels - High-level mutual visits - Customer relationship management - Customer satisfaction surveys - Technical exchange meetings - Organize/participate in exhibitions	Areas of Concern - Occupational Health and Safety - Safeguard Employees' Rights and Interests - Education, Training and Career Development - Work-life balance Communication Methods and Channels - Employee Satisfaction Survey - Employee Symposium - Employee Appeal Channels	Areas of Concern - Standardized Corporate Governance - Strengthen Risk Control - Preserve and Increase Asset Value, Improve Profitability - Overseas Development Communication Methods and Channels - Shareholders Meeting - Board Meeting - Annual/Semi-annual Reports - Sustainable Development Report
Suppliers	Industry Associations	Media and the Public	
Areas of Concern - Government-enterprise exchanges - Work reports - Regular information disclosure Communication Methods and Channels - Supplier Conference - Exchange Visits	Areas of Concern - Promote Industry Development - Product Technology and Innovation Communication Methods and Channels - Peer Experience Exchange Meeting - Industry Reports - Sharing Activities of Classic Industry Cases	Areas of Concern - Practice Public Welfare Activities - Charitable Donations - Serve Community Construction - Environmental Protection - Industry Trends and Corporate Development Communication Methods and Channels - Communication with Community Residents - Publicity and Reports on Company Website and New Media Platforms - News Media Interviews	ARN Group attaches great importance to communicating with stakeholders to build trust and confidence.

Examples of important communication activities
(From January to December 2025)



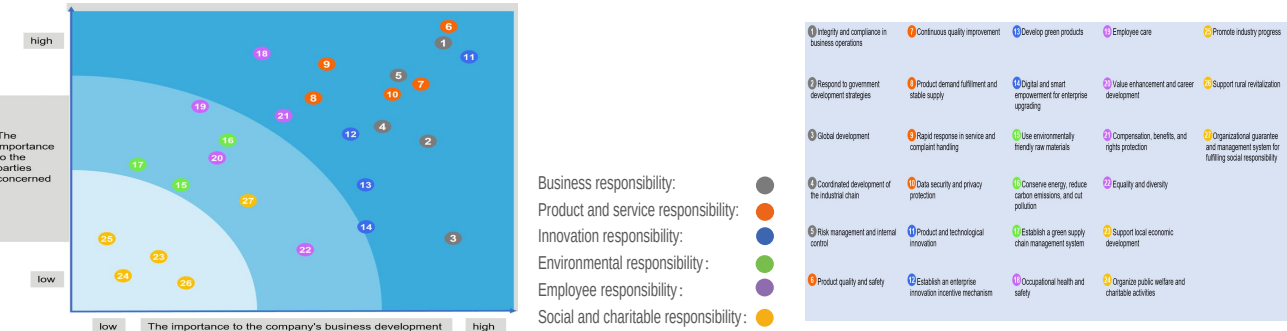
Identification of Key Issues

ARN Group attaches great importance to the issues and suggestions raised by various stakeholders, and integrates the core demands of stakeholders into the whole process of corporate decision-making, operation and management, so as to accurately grasp the direction of the company's sustainable development.

In the early stage of the report-compilation work, in order to further enhance the objectivity and materiality of the report, we combined relevant indicators from "Guidelines for Chinese Corporate Social Responsibility Report Preparation", "Social Responsibility Guidelines for Chinese Industrial Enterprises and Industrial Associations", and "Social Responsibility Guidelines for Anhui Industrial Enterprises" to develop a materiality issue questionnaire, and invited stakeholders from various departments to fill it out.

Based on 4,979 questionnaires from a wide range of stakeholders including the government, customers, investors, distributors, suppliers, and the general public, among which 3,597 were valid questionnaires, 27 important issues were screened out.

The company will focus on and regularly disclose major issues to ensure that stakeholders can understand the company's core affairs and key decisions in a timely and comprehensive manner. And with the continuous advancement of corporate sustainable development, the company will continuously identify and update these issues to continuously improve its responsibility-fulfilling capabilities.



Main Issues and Classifications of Social Responsibility



Responsibility Supervision

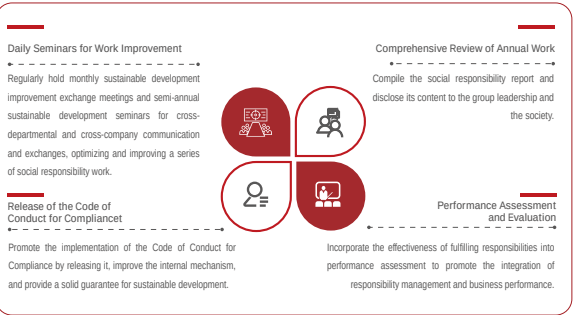
Ensure the Implementation of Responsibility Commitments

A complete management system not only requires clear concepts and structures, but also a strong implementation and supervision mechanism to ensure its effective operation. Ensure that social responsibility work forms a closed-loop management to achieve sustainable optimization and improvement.

Responsibility Implementation:

ARN Group attaches great importance to the construction of social responsibility capabilities:

Through a regular meeting mechanism and special seminars, the level of fulfilling responsibilities is continuously improved. Monthly sustainable development improvement exchange meetings are held to organize cross-departmental and cross-company communication, aiming at optimizing and improving specific work. Semi-annual sustainable development seminars are held, inviting the management of each subsidiary and the directors of each committee office to jointly discuss important issues and explore the direction of advancement. At the same time, the group has compiled and disclosed the social responsibility report for ten consecutive years, reporting the progress of fulfilling responsibilities to the leadership and the public. Through these mechanisms, the group has gradually established a complete social responsibility indicator system to promote the implementation of the responsibility culture.



Drive Continuous Progress · Demonstrate Responsibility and Duty



To ensure the effective implementation of the responsibility system, the group has established a long-term supervision and disclosure mechanism and has released the "Social Responsibility Report" to the public for ten consecutive years. This report is not only a written manifestation of the enterprise's fulfillment of social commitments but also a systematic review and public supervision of its implementation of responsibilities in aspects such as the environment, employees, and sustainable governance



Daily Seminars for Improvement:

Relying on regular sustainable development improvement meetings, various functional departments and subsidiaries are coordinated. Based on summarizing previous achievements, optimization measures are jointly discussed to promote closed-loop management and continuous improvement of social responsibility work.

深化可持续发展，夯实人才基石
——环新集团8月可持续发展改善例会

环新集团8月可持续发展改善例会，围绕“深化可持续发展，夯实人才基石”主题，由集团人力资源部、可持续发展部联合主办。会议旨在总结前期工作成果，分析当前挑战，部署下一阶段重点任务。会上，各部门负责人就各自负责的可持续发展领域进行了汇报，并就如何进一步提升员工素质、优化管理流程、加强技术创新等方面进行了深入讨论。会议还强调了人才在推动企业可持续发展中的关键作用，要求各部门切实落实人才发展战略，为集团的长期发展奠定坚实基础。



Release of the Code of Conduct for Compliance:

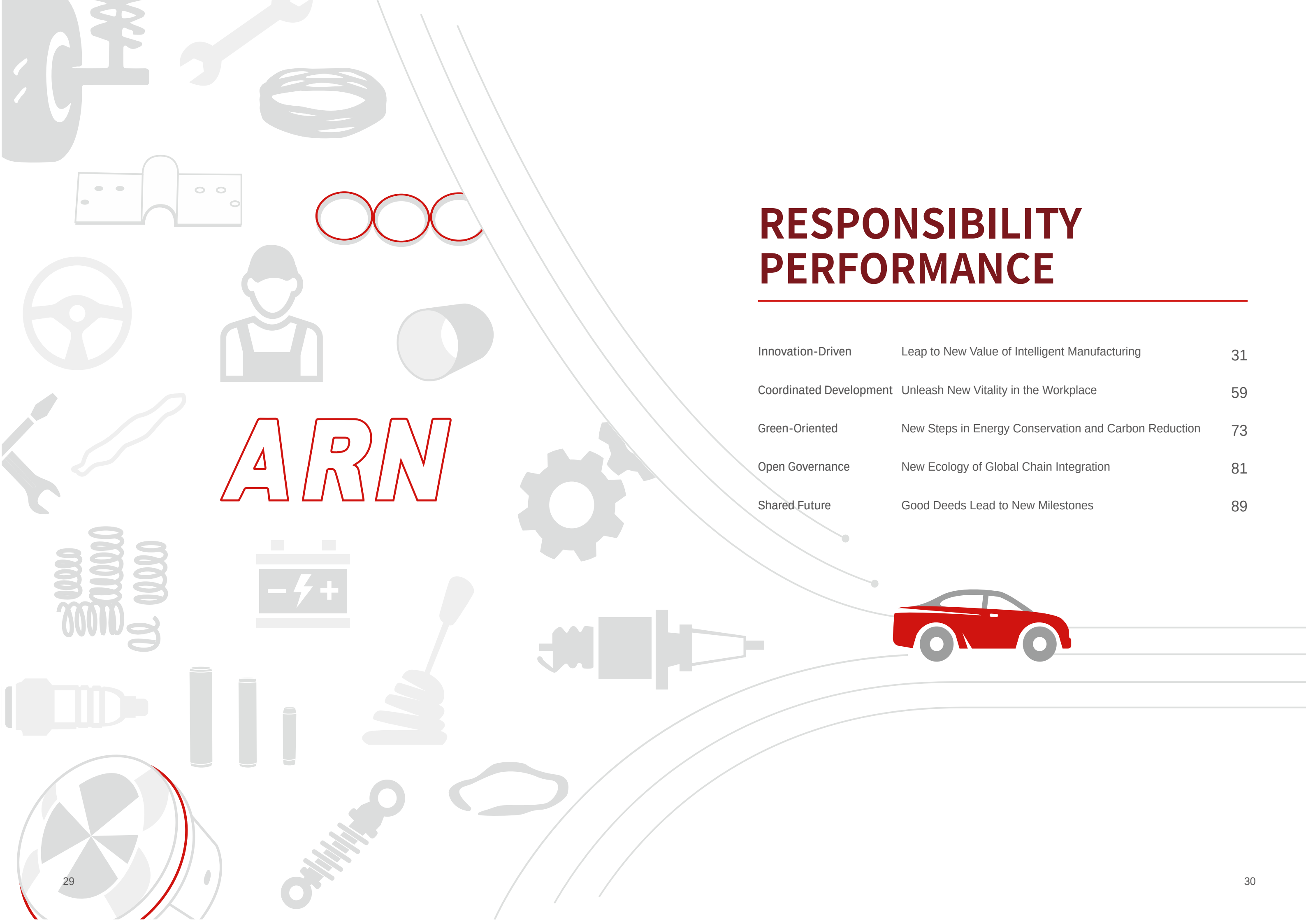
The "Code of Conduct for Compliance" was officially released in October 2025. The group will continuously promote the publicity, training, and implementation of the code, improve the internal supervision mechanism, ensure that the concept of compliance is integrated into daily operations, and provide a solid guarantee for sustainable development.



Performance Assessment and Evaluation:

To enhance employees' enthusiasm for fulfilling responsibilities, the group has formulated and implemented relevant assessment plans. It supervises and assesses the implementation of sustainable development practices by various departments and employees. It also conducts activities to select outstanding individuals and departments based on the assessment results.





RESPONSIBILITY PERFORMANCE

Innovation-Driven	Leap to New Value of Intelligent Manufacturing	31
Coordinated Development	Unleash New Vitality in the Workplace	59
Green-Oriented	New Steps in Energy Conservation and Carbon Reduction	73
Open Governance	New Ecology of Global Chain Integration	81
Shared Future	Good Deeds Lead to New Milestones	89

RESPONSIBILITY PERFORMANCE

→ **Innovation-Driven**
Leap to New Value of Intelligent Manufacturing

Key Indicators in 2025

Total Investment
RMB 976 million

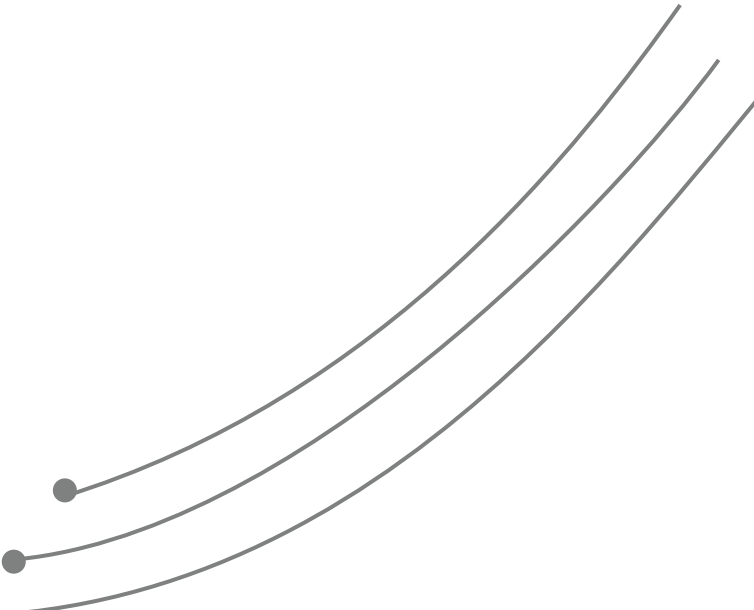
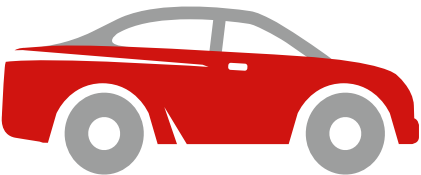
Investment in NEV field
RMB 821 million

Proportion of total investment
84.12%



Strengthen with Technology
Empower with Innovation

Science and Technology Innovation Development Plan	35
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Leading with Standards in Industry - University Research Application Collaboration	38



Strengthen with Technology, Empower with Innovation

Science and Technology Innovation Development Plan

Reinforce second-curve capabilities and take the lead in the third curve.

The Group keeps strengthening its second-curve technologies, iteratively enhancing core capabilities to build its competitive barriers. At the same time, with a forward-looking perspective on the future, it keenly captures cutting-edge trends, seizes opportunities in emerging third-curve technologies, and achieves long-term success through innovation-driven development.

Three-electric System

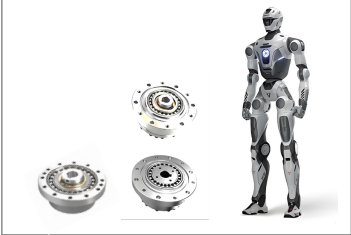


Chassis field



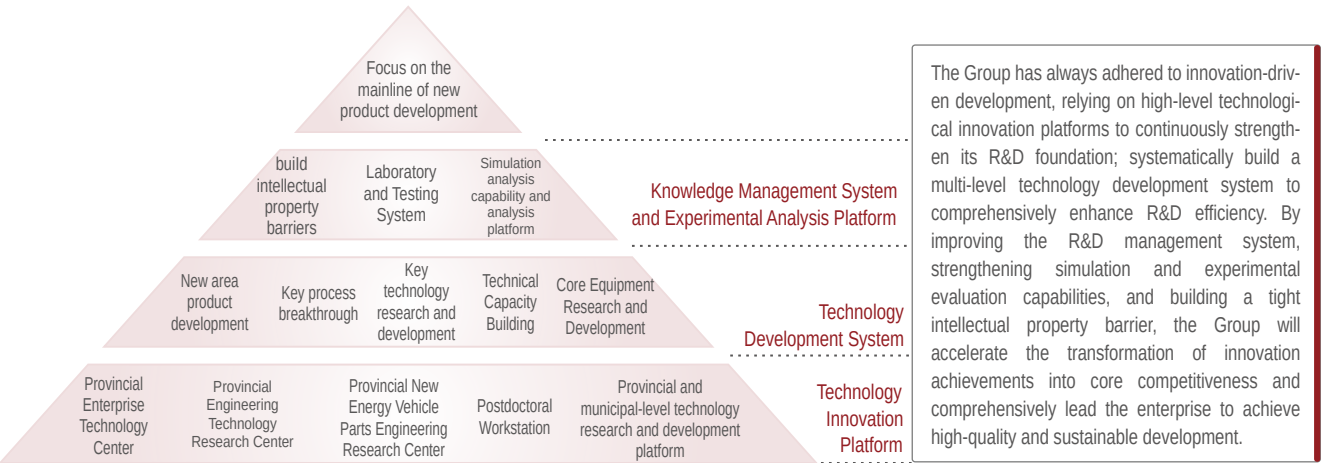


Second Curve



Third Curve

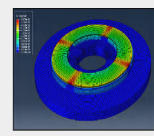
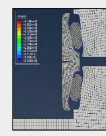
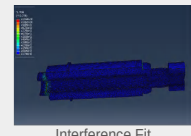
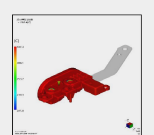
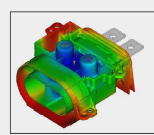
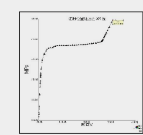
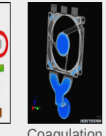
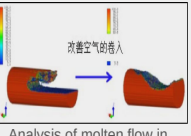
Research and development innovation system



Science and Technology Innovation Capability Building

Intelligent manufacturing simulation technology capability layout

The Group has built multi-physics collaborative simulation capabilities covering structural strength, injection molding and die-casting processes, deeply integrating computer-aided engineering and digital verification technologies to accurately predict mechanical properties and manufacturing defects in the product design stage, optimize molding process parameters, and fully empower product development and process optimization with digital technology to provide a solid guarantee for the realization of high-quality products.

Simulation software	Current implementation status		
Mechanical simulation Abaqus			
Mold flow simulation Moldflow			
Die Casting simulation ADSTEFAN			

Reliability laboratory construction

The group has built a test platform system covering multiple professional fields such as mechanics, thermal management, motor shaft, and valve performance. It has the ability to conduct full-process, multi-dimensional product performance testing and comprehensive evaluation. This core driver provides solid test support for product development, quality control, and performance optimization, ensuring reliable product quality.

 Thermal Management Performance Laboratory: Safety Performance Environmental Testing



 Motor Shaft Performance Laboratory: Mechanical Properties Environmental Testing



 Valve Performance Laboratory: Mechanical Properties Safety Performance Environmental Testing



Implementation of Science and Technology Innovation Achievements

Hollow Shaft Series



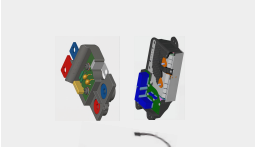
Busbar Series



Housing Series



Filter Assembly



Explosion-proof Valve Series



Split Caliper Series



⚡ Motor Field ⚙️ Electronic Control Field 🔋 Battery Pack Field 🚗 Chassis Field

1.Hollow shaft series products development
2.Motor housing die-casting development
3.Battery pack explosion-proof valve series product development
4.Lost foam integrated caliper product development
5.C3 class busbar series product development

The Group continues to deepen its strategic layout of new energy technologies, focusing on the three-electric systems and intelligent chassis fields. Relying on technological iteration and resource integration, it continuously expands the breadth and depth of its product portfolio, consolidating its core technological advantages in new energy with more competitive systematic solutions.

Enhanced technical capabilities

The group has completed the transition from basic layout to technological iteration and intelligent upgrade across stamping, die casting, injection molding, and welding, constantly overcoming technical bottlenecks. By scaling individual breakthroughs into enterprise-wide capabilities and strengthening the technological foundation, it has accumulated strong momentum for the group's leapfrog development.



Multi-Station Drawing and Stamping Technology



High Vacuum Die Casting Technology

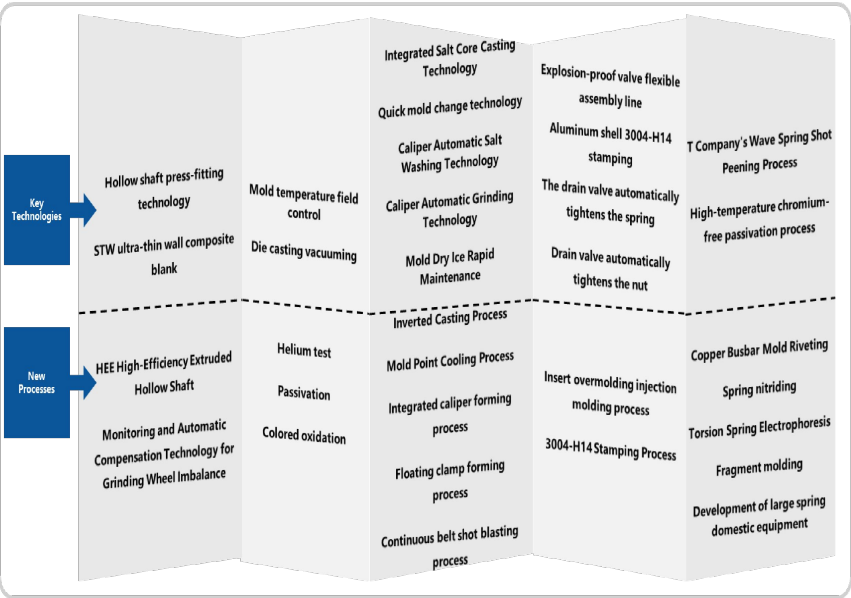


Precision Injection Molding Technology



Ring Laser Welding Technology

Centering on the demands of industrial development, the group focuses on tackling key core technologies, vigorously promoting independent research and development and technology transfer, comprehensively enhancing product performance and production efficiency, continuously consolidating core competitive advantages, and driving industrial upgrading through technological innovation.



Patent Risk Investigation Process	
Investigation Object	Specific Product Technology
Investigation Process	Sorting out product technical points, screening risk patents related to product technology
Assessment and Analysis	Conducting status assessment of risk patents
Risk Determination	Determining whether the product has patent infringement risks and clarifying the degree of risk
Countermeasures	Taking design-around measures; for highly relevant patents under examination, continuously monitor or file public opinions to intervene in the grant; for valid patents, conduct patent invalidity searches

Patent achievements

The group achieved remarkable results in innovation-driven development, with 23 new authorized invention patents, 49 utility model patents, and 14 software Copyrights during the reporting period. The rich intellectual property achievements have further strengthened the patent moat and injected strong impetus into the company's product iteration and market expansion.



Leading with Standards in Industry

University collaboration

The group actively deepens all-round, multi-level strategic cooperation with top domestic research institutes, universities, and teams of academicians and experts. Focusing on key core technologies and "bottleneck" problems in the industry, it jointly conducts 35 technical research projects, cultivates professional talents, transforms scientific research achievements, and builds a full integration chain from basic frontier research and key technology development to application innovation and industrialization of achievements, thereby creating an open, collaborative ecosystem for technological innovation that achieves deep integration of industry, academia, research, and application while maximizing innovation value.

Number	Project
1	New thin-walled cylinder liners and arc spraying production equipment developing
2	Aluminum alloy for integrated die-casting of new energy vehicles, no heat treatment required
3	Piston Pin Visual Inspection Project
4	Optimization Design CAE Analysis of Motor Shaft
5	Project supporting the improvement of the heat resistance of diamond-like carbon coatings
6	Development of Cyanide-Free Copper Plating Process for Powder Metallurgy
7	Development of Thermal Runaway Smoke Guide Liquid Cooling Plate for New Energy Vehicle Batteries
8	Development of Lightweight Hollow Shaft Technology for High-Speed Motors in New Energy Vehicles



Driven by innovation to accelerate industrial upgrading, the Group has bravely undertaken major national research tasks, demonstrating its sense of responsibility as an enterprise in the new era. As of the end of the reporting period, the Group had led the development of 38 national and industry standards, established 1 postdoctoral research workstations, and undertaken 4 major provincial projects. Its core technological strength and sustainable development capabilities have improved in tandem.

38 items
Led or participated in national (GB) and industry standards

Leading high-quality industry development through standardization

1 unit
Postdoctoral research workstation

Deep integration of industry, academia, and research accelerates the transformation of scientific and technological achievements

4 projects
Undertook major provincial projects

Overcoming key industrial core technologies

Improvement of technology capability

The group deepens collaborative innovation among industry, academia, and research, builds joint laboratories and technology R&D centers with multiple universities, and establishes a cooperative mechanism of complementary advantages, shared resources, and efficient collaboration. It has achieved a number of key technological breakthroughs and the successful transformation of innovation outcomes, and has successively won important awards at the provincial, ministerial, and industry levels. Its technological innovation capabilities and industry influence have continued to improve.



Enhancing the Efficiency of Intellectual Property Management

The Group adheres to the principles of "feasibility, effectiveness, systematicness, accuracy, and conciseness", formulates the Intellectual Property Management Regulations, clarifies the intellectual property objectives, and implements the intellectual property management work efficiently.

Intellectual Property Goals

Long-term goals of intellectual property

- 1.Become an industry-leading enterprise in the creation,utilization, protection, and management of intellectual property
- 2.Improve the intellectual property environment, and enhance the levels of creation, utilization, and protection.

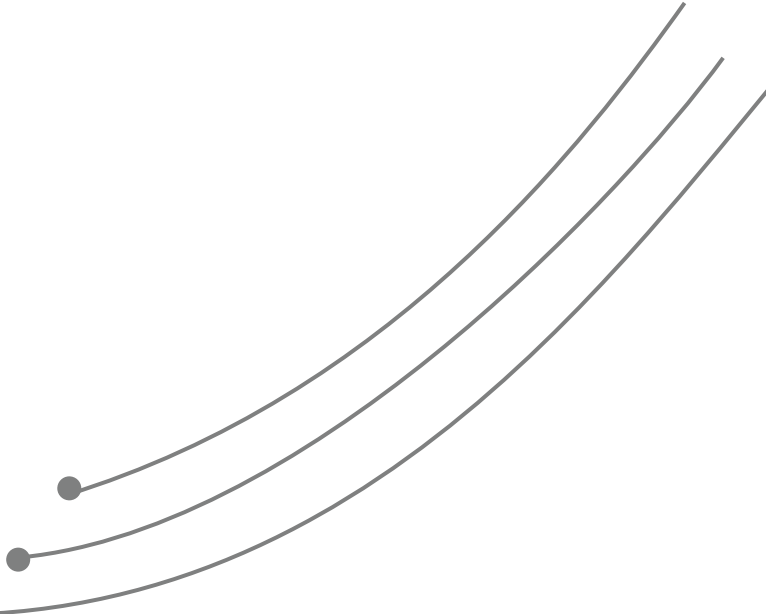
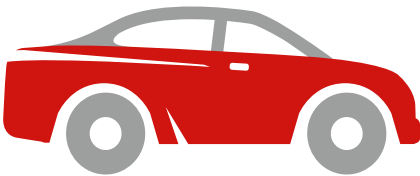
Independent intellectual property strongly supports development, and the effectiveness of the system is fully unleashed

Intellectual Property Phase Objectives

- 1.Improve the quality of invention patents and cultivate high-value invention patents;
- 2.strengthen professional teams and cultivate full-time key personnel;
- 3.prevent intellectual property infringement disputes;
- 4.increase the implementation rate of the company's authorized patents.

Drive with Digitalization & Integration,
Advance with Intelligence & Convenience

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Digital Intelligence Empowerment Output	44



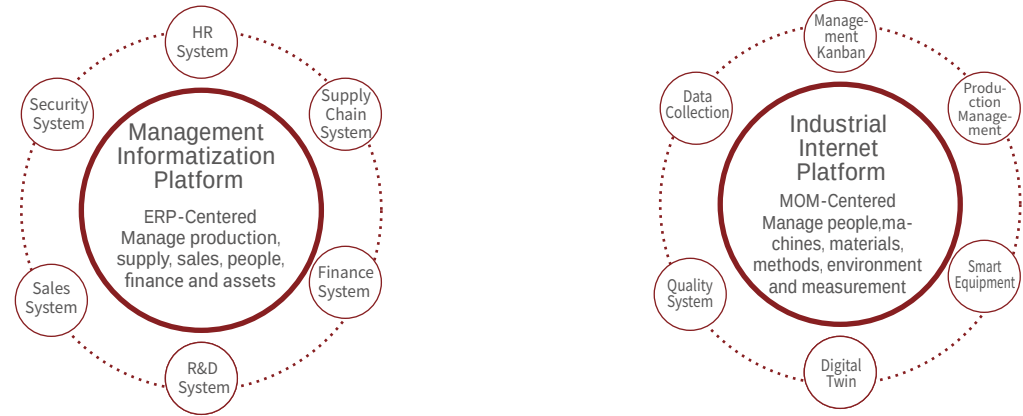
Drive with Digitalization & Integration, Advance with Intelligence & Convenience Digital Intelligence Action Plan

One Blueprint, Leading action



Group-Wide Platform Management Blueprint (2025 Milestone: Finance, Security & R&D Modules)

Two Platforms, Step-by-Step Deployment



Two-platform deployment is progressing; horizontal rollout completed in 2025

Three Modes, Orderly Progress



Process assembly construction completed in 2025

Smart Factory Demonstration

In 2025, the Group integrated production, supply, and sales to build a new digital-smart factory paradigm.

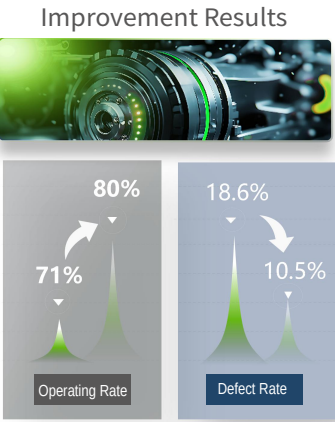


1. One Digital Factory

- Digitalization
Bidirectional Traceability /
Single-Piece Locking
170 items Quality Factors
- Automation
Production Automation 100%
Inspection Automation 100%
Monitoring Automation 100%
- Systematization
Customer to Procurement
System Integration 100%
Company Operations to Process
Production Kanban Coverage 100%



In 2025, customized technical solutions for pain points in overseas plantsImprove delivery and remote management, creating an industry benchmark case



2. Two Benchmark Workshops:

DI Digital Benchmark Workshop

100% Automated Production Automated Inspection

Digitalization

Through on-site data collection, visual kanban and mold management Achieve full-process monitoring and rapid response to ensure delivery

Automation

Online monitoring of key process parameters to ensure product consistency Continue to increase automation coverage

3. Three Digital-Smart Production Lines



In 2025, self-developed data collection enabled low-cost equipment data access and rapid replication, breaking through traditional manufacturing barriers with real-time key production and process data and using visual kanban to support exception response and decision-making.

Smart Manufacturing Achievements

2025 Performance		
39 items Manufacturing Automation Projects Savings 387 people	15 items Inspection & Packaging Projects Savings 39 people	22 items Smart Manufacturing Efficiency Projects Improvement of RMB27.8 million

Benchmark Case:
ATG PVD Furnace Technology Upgrade
(Cost Reduction & Efficiency Improvement)
Modify Electrode and Magnetic Field
Expand Discharge Area
Improve Deposition Speed and Target Utilization

RMB 6.64 million
Improvement Amount
53%
Efficiency Improvement



↓ 2.5 %—1.5 %
Defect Rate Reduction
↑ 20 %
Furnace Load Increa
↓ 16 H—12.5 H
Processing Time per Furnace Run
↑ 54.5 %—70 %
Raw Material Utilization

Benchmark Case:
ATGL Gasoline Engine Cylinder Liner
Full-Process Collaborative Optimization
(Cost Reduction & Efficiency Improvement)
Shortened cycle times for casting and NC lathe operations
Extended casting mold life

RMB 7.14 million
Improvement Amount
12%
Efficiency Improvement



↓ 38 s-32 s
Casting Cycle Time Improvement
↓ 22 s-19 s
Machining Cycle Time Improvement
↓ 9.7 s/pc-8.2 s/pc
Aluminum Spraying Cycle Time Improvement

Benchmark Case:
AAACOxidation Line Efficiency Improvement
(Cost Reduction & Efficiency Improvement)
Program optimization, reduced material handling, exception handling, and shortened drain cycle time

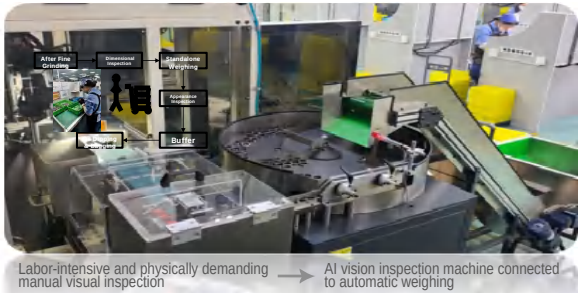
RMB 4.49 million
Improvement Amount
13.3%
Efficiency Improvement



↓ 310 k pcs/month
Output across 15 lines increased
↓ RMB 6.26 million
Saved investment in 2 oxidation lines

Benchmark Case:
AAACAI Visual Inspection Machine for Seat Rings
(Cost Reduction & Efficiency Improvement)
Breakthrough in as-cast AI visual inspection technology, enabling horizontal deployment of AI visual inspection for seat rings

RMB 1.08 million
Improvement Amount
9people
Labor-Saving Results



↓ 42 people
Manual Operations
↓ 33 people
AI Visual Automatic Inspection
↓ 15 people
Future plan to invest in 6 units

Benchmark Case:
AAACEnergy Management Improvement
(Cost Reduction & Efficiency Improvement)
Real-time equipment energy monitoring via data collection, reducing idle-time energy consumption

RMB 1.2 million
Improvement Amount
618.8 tCO2
Carbon Emissions



↓ 69
Monitoring Points
↓ 70 %
Non-Operating-Time Energy Consumption
↓ RMB 100 k
Average Monthly Cost Savings

Honors and Achievements

Provincial Level (7projects)

Anhui Advanced Smart Factory	Affiliate Company
Anhui Manufacturing Single Champion Cultivation Enterprise	ATG
Anhui Manufacturing Digital Transformation Service Provider	ADI
Chairman Unit, Smart Manufacturing System Solution Supplier Alliance	ARN
Anhui Digital Leader Enterprise	ASP
Anhui Innovative SME	FMAP Affiliate Company
Anhui Manufacturing Digital Transformation Demonstration Project	ASP

National Level (3 projects)

National Specialized and Innovative "Little Giant" Enterprise	Affiliate Company
"Guanghua Cup" Application Innovation Competition National First Prize	ARN
National Key Specialized and Innovative "Little Giant" Enterprise	AAT

The Group received **3** national-level honors and **7** provincial-level

Digital-Intelligent Empowerment Output

ADI Technology Co., Ltd.

A national smart manufacturing demonstration enterprise incubated by Anhui ARN's nearly 30 years of industrial expertise



MAC Digitalization



KHN Informatization



DSU Intelligentization

Focusing on industrial Internet platform R&D and industrialization, the Group in 2025 targeted automotive, equipment manufacturing, and other verticals, providing full-scenario digital transformation solutions and building a dual-wheel ecosystem driven by 'Industrial Connectivity + Data Intelligence.



ADI
Digital-Intelligent Reconfiguration:
The Future Order

Digital-Intelligent Empowerment Output

External Empowerment: Case Introduction



Real-Time Data Collection

Covers equipment status, production parameters, and environmental indicators with millisecond



Deep Data Analysis

Mines key insights on equipment health, energy efficiency optimization, and process improvement from massive data



Management Decision Recommendations

AI models give early fault warnings, reducing unplanned downtime by more than 30%.

• **Over 700** Data Collection Points

• **over 1024** Quality Factors

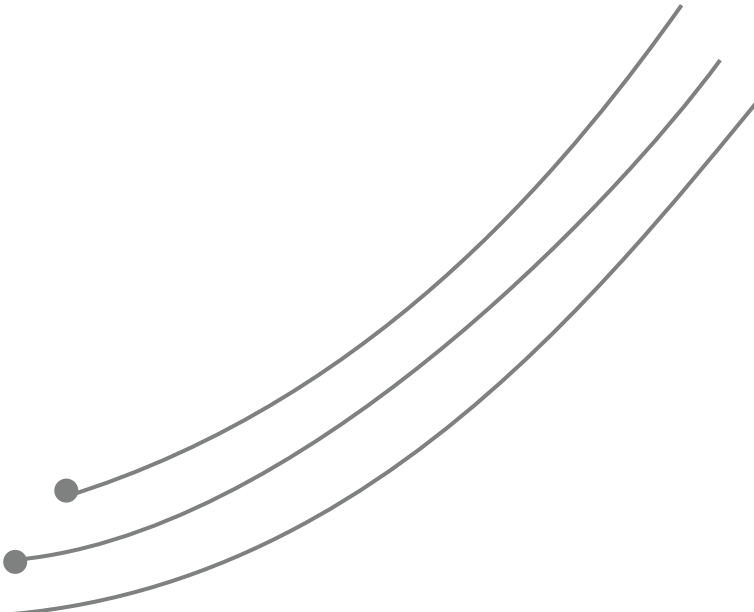
• **82 CNC-controlled production lines**
Full coverage, zero blind spots

• **10 Shop floor dashboards**
Real-time analytics for management decisions



Establish Reputation by Quality,
Stand Firm by Standards

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Establish Reputation by Quality, Stand Firm by Standards

Quality Management System

Since its founding, ARN Group has pursued a “Top One in China, Top Rank in World” strategy with the quality goal of “Zero Defects, Zero Complaints,” focusing on customer satisfaction and QMS improvement. We drive quality enhancement via systematic, proactive, and reactive measures.

In 2010, we established a Quality Management Committee and an independent department, building a full-process quality control system spanning R&D and design, supplier management, incoming material inspection, production process control, finished product testing, and after-sales tracking.

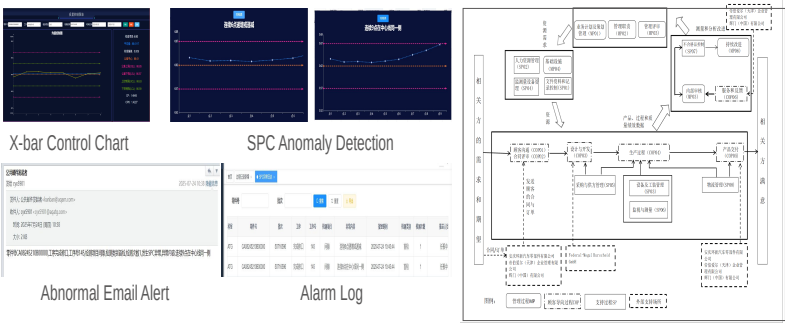
Our dedicated quality team uses a three-level inspection mechanism: self-inspection, cross-process inspection, and special sampling, supported by QC teams, process optimization, and Six Sigma.

We comply with national (GB), industry, and customer standards; some products exceed international norms (e.g., CE, UL).

We develop and strictly enforce internal procedures including Product Quality Planning, Risk Analysis, and Emergency Control, clarifying quality responsibilities at all stages.

The Group implements the STAR Evaluation System with a “one-vote veto” on quality and safety, prioritizing quality over short-term gains. Since 2012, five subsidiaries of ARN have successively won the Municipal Government Quality Award.

Tiered supplier management is adopted. Incoming materials are tested for chemical composition, strength, dimensions and other key indicators, with third-party verification when necessary. The incoming material pass rate reached 100% in 2025.



ARN integrates core values into quality management systems. Supported by quality manuals and procedural documents, it conducts management reviews and internal audits, and implements KPI-based target management and performance appraisal.

ARN advances total quality management and adopts the PDCA cycle. The robust, effective quality system lays a solid foundation for quality assurance (See the figure on the right).

To strengthen supply chain risk management and enhance operational stability and security, the Group has fully introduced product liability insurance since 2023.

Certification-Driven Quality Improvement and Empowerment

Quality management is the core of corporate operation. Since the late 1990s, ARN manufacturing subsidiaries have adopted third-party certification to verify the compliance and effectiveness of management systems. Integrated systems including quality, environment, occupational health, information security, and measurement have been implemented, covering ISO9001, ISO14000, VDA6.1, QS9000, OHSAS18000, ISO27001, ISO10012, IATF16949, ISO 4500, and others.

ARN acquired CNAS laboratory accreditation in 2020.

With the advancement of digital transformation, ARN was certified to ISO/IEC 27001 in 2023



Continuous Improvement – Quality Training

ARN regards quality training as essential for product safety, customer satisfaction, and sustainable development. It improves all staff's quality awareness and capabilities via systematic training that adopts an online-offline hybrid mode, including internal lectures, third-party certified courses, practical drills, and case discussions.

Tailored training materials are developed in-house. Diversified forms such as PPTs, manuals, and videos are applied to guarantee training effectiveness.

To strengthen the quality team, experts and automotive professionals deliver hybrid training to managers and frontline key staff. Over 150 person-times of quality training were completed in 2025.



Continuous Improvement – QC Group Activities

Driven by continuous improvement mechanisms, quality levels achieve spiral upgrading.

A quality cost accounting system is established to conduct refined calculation and analysis on prevention costs, appraisal costs, internal loss costs, and external loss costs, so as to facilitate data-based quality improvement decisions.

QC activities are advanced on a cyclic and sustained basis to cultivate ARN's quality culture, strengthen quality awareness, and build a value-added quality culture with ARN features.

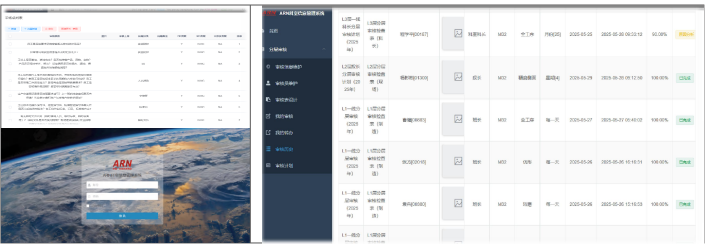
Since 2012, 15 cycles of QC group activities have been launched, covering cost, efficiency, and quality improvement. Relevant achievements have been presented at provincial, national, customer, and overseas parent company events. Subsidiaries have been awarded titles such as National Excellent Enterprise of Machinery Industry QC Group Activities and Anhui Excellent Enterprise for Quality Management Group Activities, gaining wide recognition from customers.

Since the rollout of QC activities, marked progress has been achieved in operational effectiveness, personnel competence, and innovative results. The cumulative benefit of 15 years of continuous improvements totals RMB175.75 million.

2025
improve
the amount
RMB 34.12 million

A comprehensive product traceability system has been established to enable full traceability from raw materials to end users, ensuring precise positioning and rapid response in case of issues.

Historical data can be quickly traced via batch number, process, part number and other info.

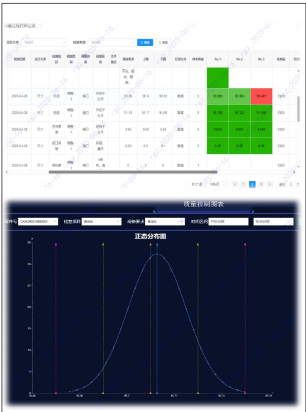


Based on full participation and scientific evaluation, the Group conducts regular audits of the system, products, processes, and quality to verify the effectiveness of the QMS. Since 2023, ARN has independently developed layered audit software to standardize the corrective action process, replacing manual offline tracking with an online system. The software validates root cause analysis and improvement measures, consolidates similar issues, and generates analysis reports with one click, enabling timely improvement and full PDCA implementation.

System Error Prevention:

Out-of-spec monitoring: The system verifies measured values in real time. Any out-of-range data triggers immediate alarms and red alerts.

Process capability monitoring: Background data calculation evaluates process capability. Once beyond the threshold, automatic email alerts will be sent to relevant personnel.



In production and manufacturing, we continuously deploy new technologies, equipment, and tools. Cooperating with suppliers such as Huawei, we implement workshop management systems to boost production automation and digitalization, ensuring stable and consistent process quality.

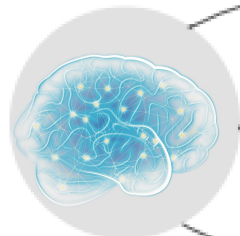
We advance intelligent, data-driven quality control and expand online data collection and analysis. Supported by QMS, automatic data acquisition, traceability systems, and visual dashboards, we enhance full-process quality supervision. Real-time monitoring, alert, and analysis enable early risk identification and resolution, while data insights drive root-cause improvement and lower quality control costs.

The first-pass yield of delivered products remains at 100%. Customer complaint PPM has dropped for ten consecutive years, ranking among the industry's best.

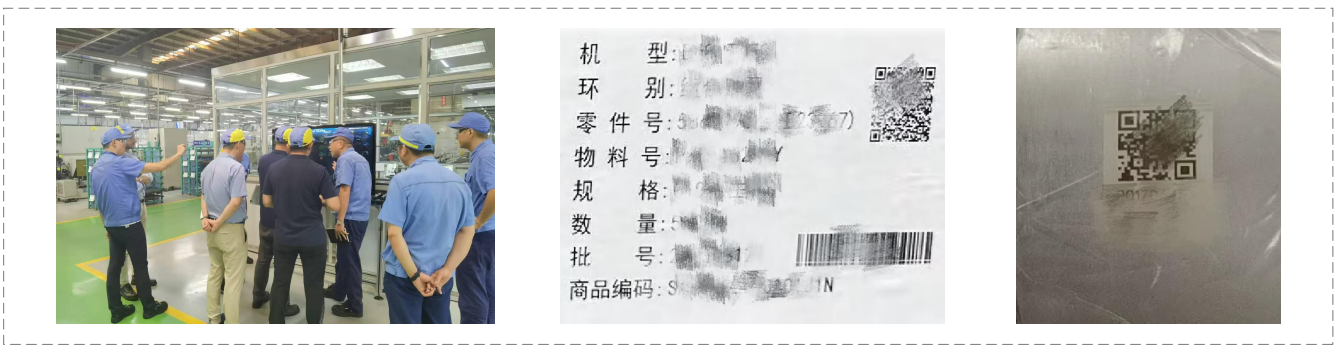


Transparent Information Disclosure

The right to know underpins fair consumption. We provide consumers with complete product information in a clear, accurate and transparent manner.



- A professional project management team complies with APQP requirements and adopts management tools. We maintain full communication with clients throughout technical briefing, quotation, bidding, design, production, sales, and after-sales services. Full transparency across product planning, delivery, and aftercare builds customer understanding and trust.
- Key information including product name, specifications, applicable standards, production date, and manufacturer details is clearly marked on product packaging.
- QR codes printed on packages or products enable access to digital product credentials for traceable and transparent information.



Safety Usage Guidelines

The Group organizes the compilation and continuous update of the Customer Service Manual, specifying parts packaging, storage, installation, operation, and maintenance. It clarifies applicable scenarios and potential risks caused by improper use.

It conducts regular on-site operational training for customers, covering parts storage, installation, troubleshooting, and maintenance, and demonstrates the risks of improper use.

The team communicates face-to-face with customers to identify demands and operational issues, delivering on-site solutions to resolve problems promptly.

The Group releases regular safety guidelines through multiple channels to enhance users' awareness of proper product operation.





In 2025, the Group set up 252 QC groups with a staff coverage rate of 27%. A total of 264 projects were completed, generating an annual improvement benefit of RMB 34.12 million.

Efficient Quality Service

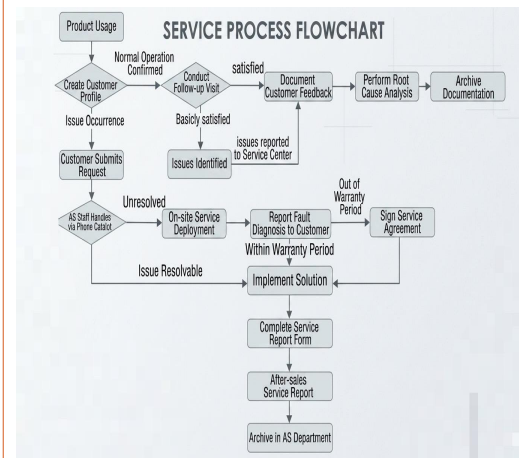
The Company builds solid customer partnerships through official portals, WeChat platforms, service hotlines, questionnaires, and regular on-site visits.

A professional key account team manages technology upgrading, product development, quality control, pricing, and complaint handling. The CRM system supports standardized, systematic, professional, and digital key account services to boost customer satisfaction.

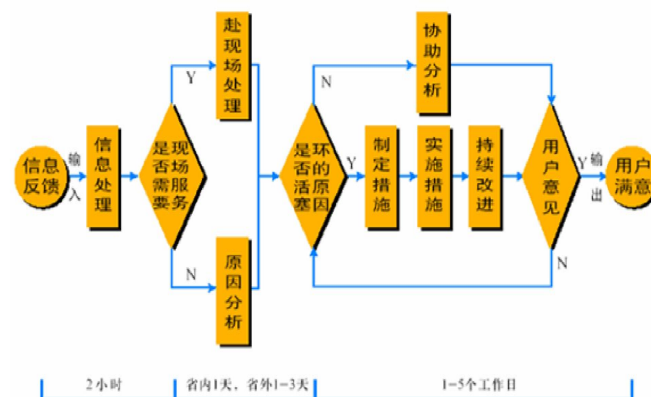
Annual satisfaction surveys are carried out, with analysis results included in annual management reviews. Staff track customer online information and promote internal implementation of improvement measures.

A complete after-sales system and a dedicated customer service team, supported by standardized processes, ensure timely resolution of customer problems.

In line with national automotive warranty and recall regulations, the Company optimizes product traceability, conducts recall drills, and audits key suppliers. As of December 31, 2025, no recall incidents had occurred. All customer complaints were settled through negotiation, with steady warranty and recall management.



Service Process Flow Chart



Complaint Response Flow

A complete customer complaint mechanism and dedicated department are in place. In accordance with relevant management rules, customer complaints and suggestions are handled under standardized procedures for timely and effective resolution.

All customer feedback is hierarchically tracked in the CRM system with rapid response and cross-team coordination. A customer information and complaint database is established to archive on-site and in-transit handling records. 8D and 5 principle methods are adopted for problem analysis and resolution, ensuring timely and transparent information, fair compensation, and full protection of customer rights.

Customer experience serves as the ultimate measure of work performance. A multi-dimensional satisfaction monitoring system is implemented to assess products, services, delivery, and cost.

High-quality after-sales services are provided to uphold the customer-oriented tenet and meet comprehensive user demands. Multi-channel communication mechanisms and customer files are established, with effective interaction maintained via phone, online platforms, emails and on-site visits.

A dedicated complaint hotline ensures timely problem resolution. Regular satisfaction surveys cover quality, delivery, service, and cost performance to identify internal deficiencies in production and service. Targeted improvements are made to optimize customer support. Customer satisfaction remains above 90%, with multiple top-level quality awards obtained.

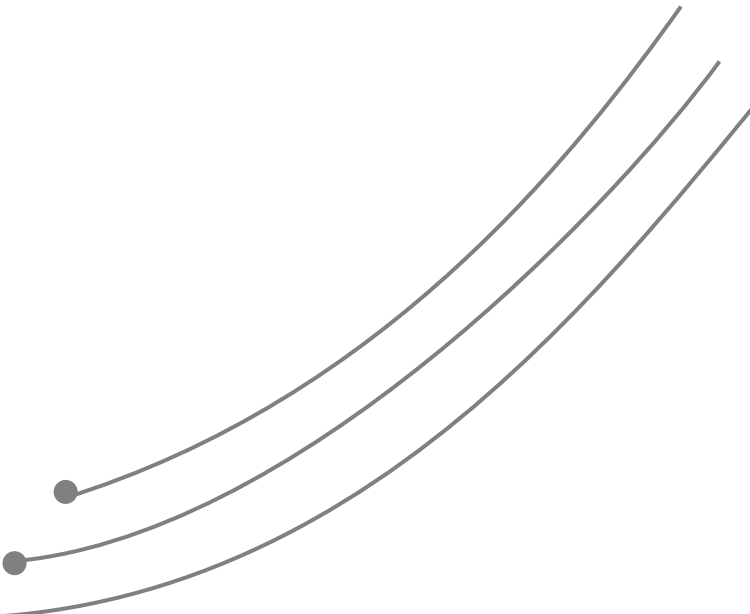


Satisfaction Survey



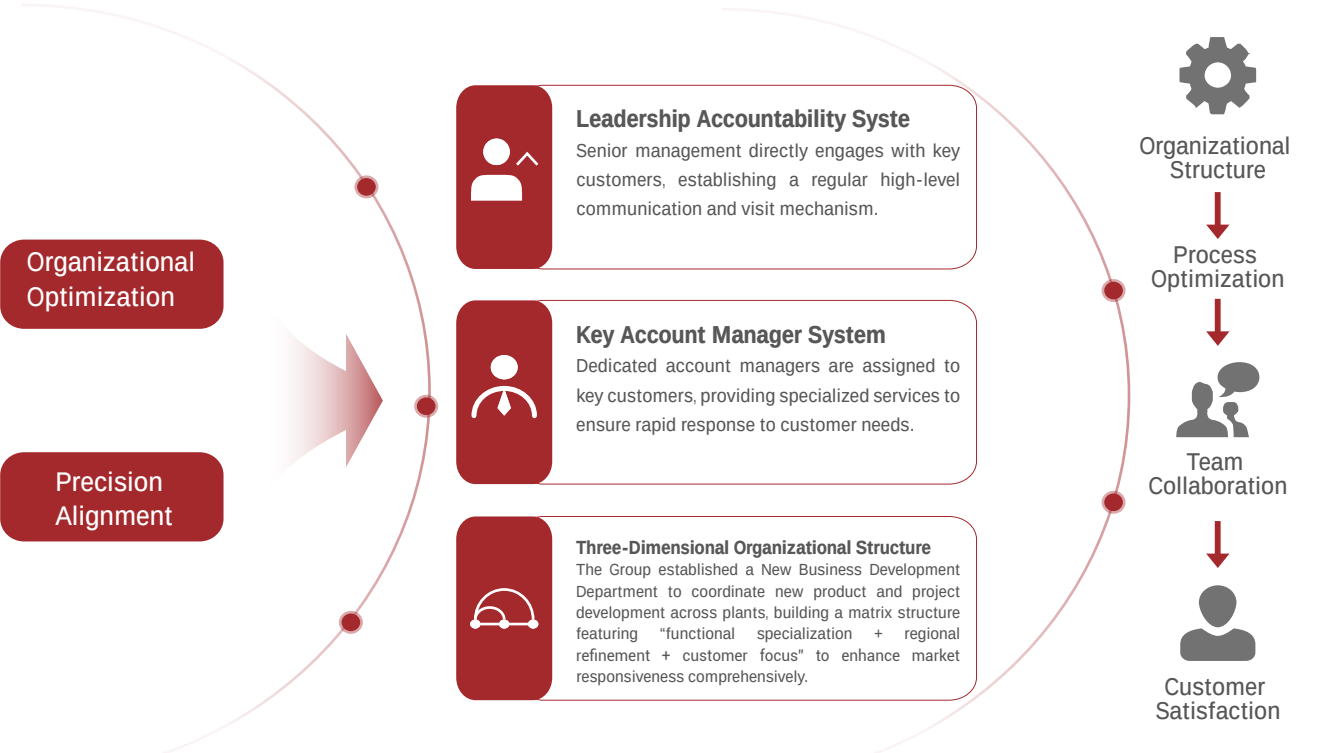
Customer as Base, Symbiosis with Trust

Insight-Driven Needs, Co-Created Technology	55
Reliable Performance Guarantee and Timely Response	56
Strengthening Trust-Based Partnerships for Mutual Benefit	57



Customer as Base, Symbiosis with Trust

Insight-Driven Needs, Co-Created Technology



Executive Engagement: Regular executive-level visits are conducted to establish efficient communication channels, strengthen alignment between decision-making teams, and respond quickly to customer needs.

Strategic Alignment: The Group gains deep insights into customers' development plans and strategic objectives, building stable and mutually trusted strategic partnerships.

Win-win Cooperation: Focusing on long-term collaboration with customers, the Group continuously expands cooperation areas to achieve shared value and mutual business success.

Customized Testing
Based on customers' actual needs, we provide customized test benches and professional technical support to enhance product performance and accelerate product iteration.

Collaboration in Cutting-edge Fields
Focusing on cutting-edge areas such as new energy and lightweight technologies, we collaborate with customers on R&D to jointly overcome technical challenges and seize industry technology leadership.

Cost Optimization Collaboration
Continuously promoting product cost optimization and working with customers to explore cost reduction pathways, enabling stronger cost competitiveness and increased market share.

Concept Promotion: Actively promote low-carbon and environmentally friendly development concepts to customers, establish a shared green vision, and integrate sustainability awareness into bilateral cooperation.

Green Products: Strictly control carbon emissions from the design stage and promote high-efficiency, low-emission green solutions to support customers in achieving cleaner production processes.

Shared Responsibility: Break through corporate boundaries and establish deep collaboration mechanisms with customers to jointly fulfill green missions and promote the overall low-carbon transformation of the upstream and downstream supply chain.

Technology Co-Creation, Value Upfront

GM Cao led a team visit to Geely

GM Cao led a team visit to Huawei

Deputy GM Kai led a team visit to SERES

Deputy GM Kai led a team visit to Changan

Reliable Performance Guarantee and Timely Response

Enhance Product Share Management

By strengthening group-level product share management, the Group improves decision-making efficiency and market responsiveness, providing organizational support for strategic implementation and business expansion. This enables simultaneous growth in overall product market share and proprietary brand market share.

Overall Market Share: 44.2%

Proprietary Brand Market Share: 48.0%

Strengthen Customer Supply Assurance

Continuously optimize planning and shipment center functions, increasing overall order planning accuracy to above 80%, while fully utilizing idle factory capacity as strategic inventory to ensure supply flexibility. Integrate group-wide warehousing and logistics resources to achieve 100% delivery according to customer requirements and realize the goal of "zero complaints" in logistics services. Enhance efficiency throughout the entire process from order to delivery, supporting the smooth operation of the automotive industry supply chain.

Production Schedule Accuracy: 80%

By 2025, the Group will have basically completed the construction of its sales platform, achieving integration of core CRM and SCRM functions and laying the foundation for full interconnectivity in 2026. Digitalization empowers end-to-end sales process management. While realizing efficient business collaboration, it also strengthens compliance management and risk identification capabilities, achieving cost reduction and efficiency improvement.

A. Compliance & Risk Control: Enable traceability and monitoring of sales activities, strengthen compliance management, accurately identify potential risks such as customer credit and contract performance, and ensure stable business operations.

B. Resource Allocation Optimization: Accurately match customer demand with production capacity resources, reduce ineffective communication and duplicated investment, lower waste in manpower and logistics resources, and improve operational efficiency.

C. Decision-making Efficiency Improvement: Through the digital sales platform, display real-time sales dynamics of subsidiaries, products, and customers, supporting management in quickly formulating strategies and optimizing resource allocation.

Business Platform · Interconnectivity
Optimizes the Business Chain

Sales Management Cockpit · Visualization
Empowering Strategic Planning

Fast-Track Channel

A rapid-response channel for customer complaints has been established, with clear handling procedures and response time standards to ensure issues are addressed immediately.

Improve Quality and Efficiency

The Group has comprehensively optimized its internal workflows to significantly improve the speed and quality of responses to customer requests.

Closed-Loop Supervision

Implement strict time management and closed-loop supervision mechanisms to ensure customer issues are resolved promptly and effectively, eliminating follow-up concerns.

Complaint Lose Amount

24year

25year

Down 58% Year-on-Year

Strengthening Trust-Based Partnerships for Mutual Benefit



Sales Conduct Standards:Strictly adhere to business ethics and integrity standards, eliminate unfair competition practices, and maintain a healthy and orderly market environment.



Customer Information Protection:Implement customer information confidentiality measures throughout the entire process. Through data encryption, access control, and dedicated data management, strictly prevent information leakage and safeguard customers' business security.



Compliance Risk Management and Control:Establish a comprehensive supervision mechanism covering the entire sales process, strengthen business compliance and risk identification, and build a mutually trusting and win-win partnership ecosystem with customers through transparent and standardized operations.



Regular Follow-ups

Establish a regular customer follow-up mechanism, proactively communicate with customers, and collect comprehensive, real-time feedback on product experience and service quality to ensure smooth communication channels.



Accurate Analysis and Organization

Scientifically categorize and accurately organize large volumes of collected feedback, eliminate irrelevant information, identify core customer needs, and define clear directions for product and service improvement.



Continuous Optimization

Use customer feedback as guidance to respond quickly and formulate improvement plans, continuously refine product features and service details, create a positive closed loop, and steadily enhance customer satisfaction.

Jointly Addressing Market Challenges
Building Competitive Advantages Together

Facing fierce market competition, we fully understand the importance of cost control for our customers' business development. To this end, we continuously drive company-wide product cost optimization across all processes, relentlessly exploring the potential of technological innovation and process improvement. While always putting quality first, we are committed to maximizing product cost efficiency and proactively sharing the results of our cost reduction and efficiency improvement efforts with our customers, passing on the benefits. We firmly believe that this is not merely a cost optimization initiative, but an important part of deepening our strategic partnership and jointly maximizing business value.

Continuously advancing product cost optimization and improvement to help customers reduce costs and increase efficiency.
—— A partnership commitment centered on value



Forward-Looking Strategy, Leading Industry Development

We not only meet customers' current needs, but also focus on the future of the industry. By increasing R&D investment and strategically focusing on cutting-edge fields such as robotics and energy storage systems, we are committed to providing future-oriented solutions for our customers, leading China's automotive industry toward higher quality and greater intelligence.



Global Expansion, Supporting Automakers Going Global

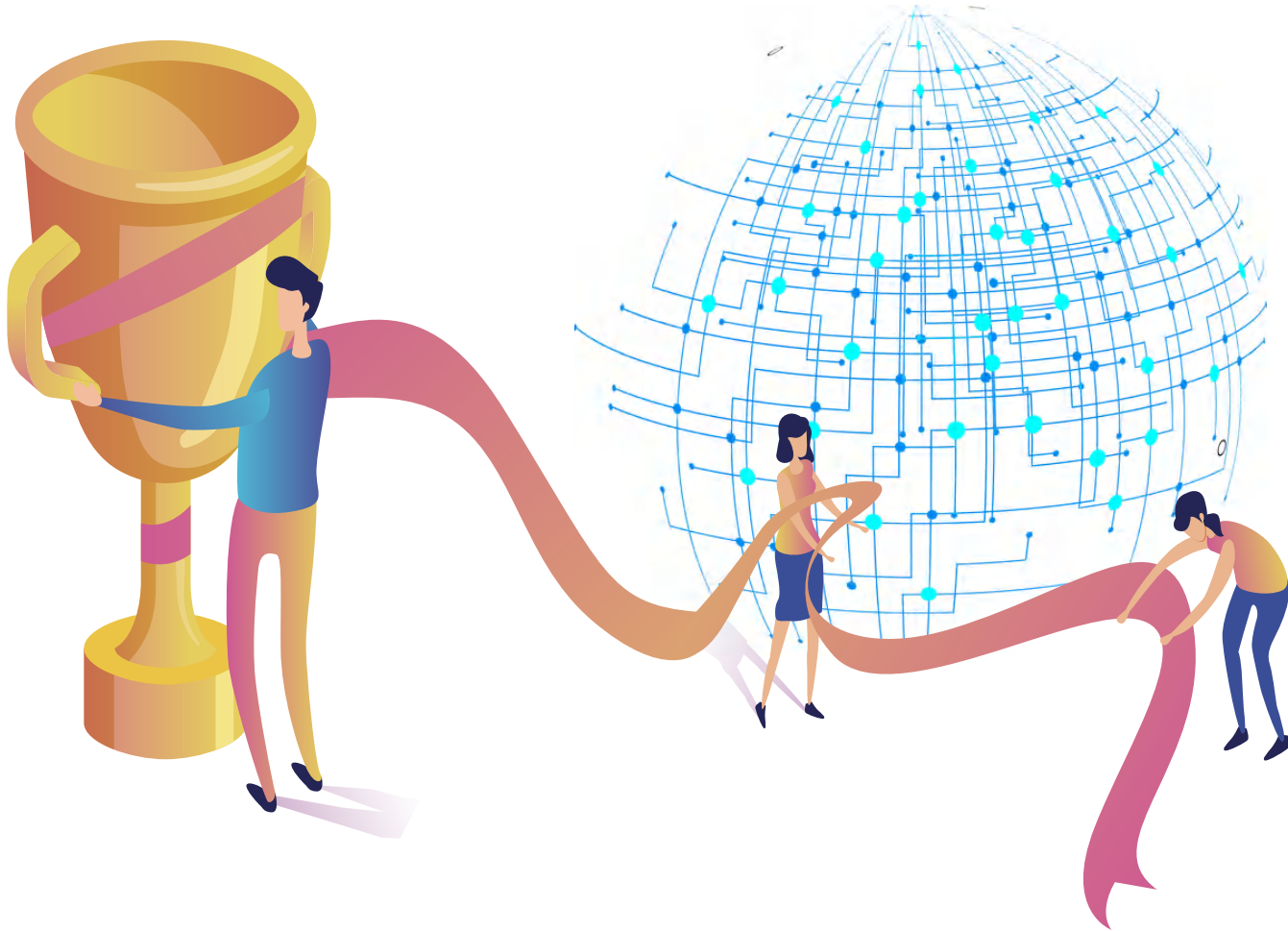
We closely follow the globalization pace of Chinese automakers while also aligning with our own international development trends. Leveraging the synergistic advantages with our joint venture partners, we work together to build a global sales and service network. By integrating resources from both sides and aligning with international standards, we provide localized technical support and supply chain solutions, striving to become a solid partner for Chinese automakers as they expand into global markets.

Reputation Earned, Strength Proven

14 Awards Prestigious Industry Honors



With excellent product strength and thoughtful full-process service, over the past 25 years we have won high recognition from numerous mainstream automotive OEM customers, and have received 14 important awards including FAW "Value Co-Creation Award" and Great Wall "True Partner Award". These honors are not only recognition of our past work, but also a source of motivation for us to continuously improve and create even greater value for our customers.



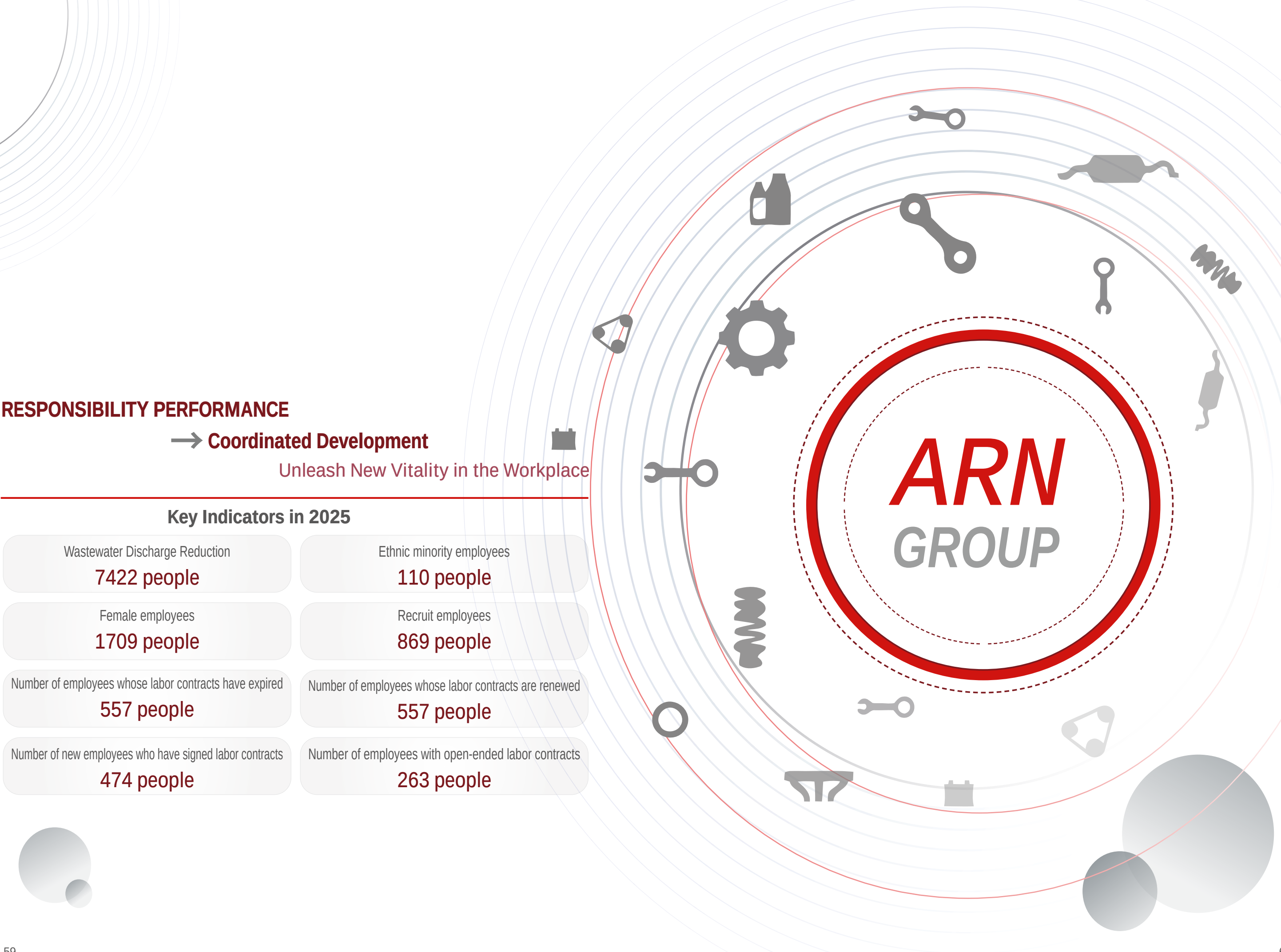
RESPONSIBILITY PERFORMANCE

→ Coordinated Development

Unleash New Vitality in the Workplace

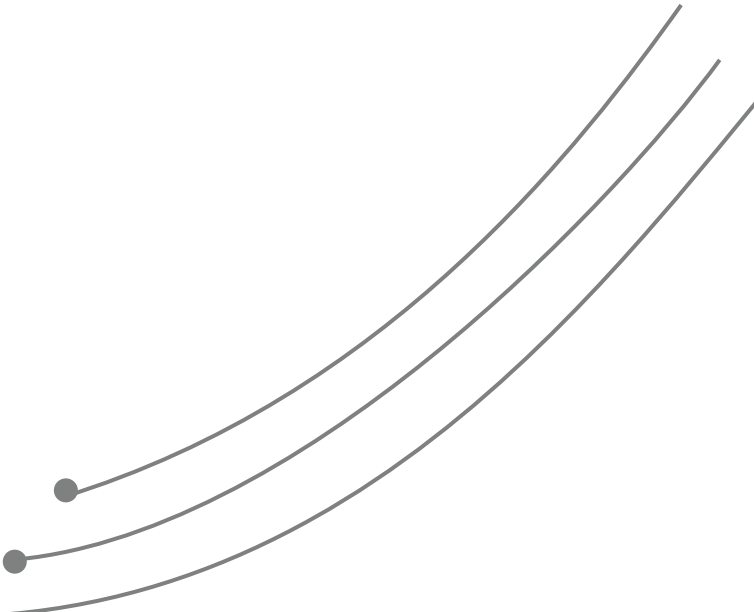
Key Indicators in 2025

Wastewater Discharge Reduction 7422 people	Ethnic minority employees 110 people
Female employees 1709 people	Recruit employees 869 people
Number of employees whose labor contracts have expired 557 people	Number of employees whose labor contracts are renewed 557 people
Number of new employees who have signed labor contracts 474 people	Number of employees with open-ended labor contracts 263 people



Unleash New Vitality in the Workplace

Build Foundation with Compliance, Move Forward with Diversity	63
Consolidate with Rights, Enhance with Annuity	64
Care for Body and Mind, Accompany with Health and Safety	65
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Unleash New Vitality in the Workplace

Build Foundation with Compliance, Move Forward with Diversity

Strictly abide by relevant laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and the Labor Dispute Mediation and Arbitration Law of the People's Republic of China. Comply with relevant regulations regarding employee hiring, dismissal, working hours and holidays, equal pay for equal work, and provide equal employment opportunities for candidates. Adhere to the principle of equal and fair employment, and resolutely oppose forced labor and the employment of child labor.

In 2025, we completed the following major related projects:

Fairness and Equity

Standardized Processes

Clear Criteria



"Code of Compliance Conduct"

Provide clear behavioral guidelines for enterprise operations and employee performance, and safeguard the high-quality and sustainable development of The Group through institutionalized means.



"Guide to Recruitment for Second-tier Positions"

Ensure fair competition opportunities for every job seeker through standardized standards and processes.



"Incentive Measures for Newly Introduced Talents in the Group"

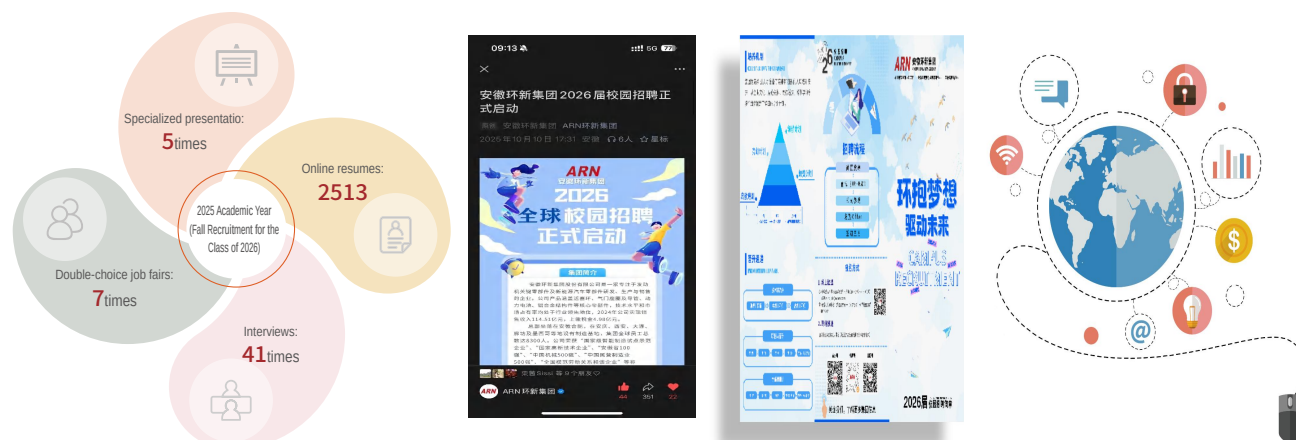
Establish a unified and transparent salary standard that balances internal fairness and external competitiveness of starting salaries, achieving a mutual win-win situation for both the enterprise and talents.

Talent Integration

We have established multiple recruitment channels, including campus recruitment and social recruitment, to attract various talents and provide them with ample room for growth, enabling them to find their own development paths.

In 2025, the Group also launched international talent recruitment, recognizing the diverse value brought by cultural differences.

—Provide more opportunities for outstanding young talents, stimulate organizational vitality, and accelerate the integration of cross-cultural teams to form a comprehensive talent team system



University-enterprise Cooperation

The Group continues to deepen cooperation between schools and enterprises, building a practical bridge for college students from campus to the professional world, facilitating the progress of young talents through industry-education integration, and actively fulfilling its social responsibility of promoting employment

In October 2025, ARN Group entered into a university-enterprise collaboration with Anhui University and was awarded the title of University-Enterprise Joint Student Employment and Internship Base.

In December 2025, ARN Group was awarded the title of Best Employment and Talent Introduction Unit of Anhui University for 2025.

In December 2025, Pan Bin, the Deputy General Manager of the Group, was awarded the title of Best Employment Recommender for 2025 Graduates of Anhui University.

Li Qian, the Director of ARN Enterprise Development Dept, was awarded the title of Exemplary Individual for Talent Recruitment and Introduction in Anqing City for the year 2025.



Overseas Recruitment

To support the Group's globalization strategy, international background talents recruitment was launched in 2025:

Two foreign (Mexican) talents were introduced: Ian Jetro (Master's degree from Peking University) and Estefania (Bachelor's degree from Northwestern Polytechnical University).

Through the Management Trainee Program, high-potential foreign talents are strategically attracted, accelerating cross-cultural team integration and building a diverse and inclusive development ecosystem.



Consolidate with Rights, Enhance with Annuity

The Group acknowledges the efforts and contributions of its employees and shares the benefits of the Group's development with them. Following the principle of "strengthening guidance and effective incentives", we have established an attractive and fair compensation, performance, and welfare system.

Our performance evaluation system aims to fairly and objectively measure employee performance and departmental collaboration. We have also implemented a comprehensive feedback mechanism. If employees have objections to the assessment results, they can lodge an appeal through email or other means

The Group has established a democratic management system and set up multi-channel communication methods. It regularly convenes collective wage negotiation meetings to discuss annual salary increase programs with union representatives and enterprise representatives.

Enhance the professional level of labor relations, regularly hold employee symposiums, staff congresses, and other forms of meetings, listen to employees' voices, solve practical difficulties, and enhance employees' sense of identity and belonging to the enterprise, thereby reducing turnover rates.



Consolidate with Rights, Enhance with Annuity

Government subsidies: 100% qualified application rate

Talent is the cornerstone of enterprise development. The Group has always actively responded to the implementation of government talent policies, focusing on cultivating talent and improving the talent security system. It has continuously strengthened the construction of the talent team in Anqing city, providing strong talent support for the high-quality economic and social development of Anqing Economic Development Zone.

Living Allowance

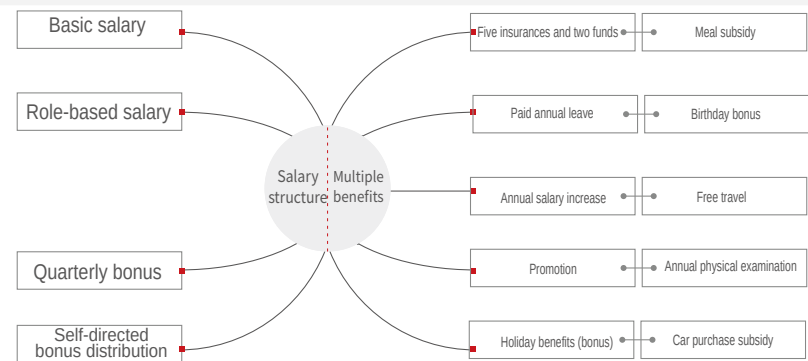
By 2025, the Group had provided living allowances to 407 individuals, with a total amount of RMB 14.382 million

Housing Purchase Subsidy

By 2025, the Group had processed 21 applications for housing purchasing subsidies, with a total application amount of RMB 973,600.

Corporate Compensation and Benefits

The Group boasts a comprehensive compensation and welfare system. It not only strictly adheres to the statutory benefits provided by local laws, regulations, and policies, but also offers additional employee benefits. These benefits encompass all aspects of employees' lives, aiming to alleviate their economic pressure, enhance their physical and mental health, and boost family happiness, thereby enabling employees to better balance work and life



Upgrade welfare guarantee

In 2025, The Group successfully promoted and implemented the enterprise annuity program, laying a solid foundation for enhancing employee pension security, strengthening employee sense of belonging, and attracting corporate talent.



Employees' individual compensation packages will increase, leading to higher post-retirement pension income

The portion of an individual's contributory wage that does not exceed 4% of the tax base shall be deducted from the individual's current taxable income

This reflects the Company's care for employees' current welfare and future retirement security, enhancing their sense of gain and satisfaction



"Behind every number lies our responsibility and care for every employee."

40 people Number of retired military personnel recruited and resettled in 2025	Over 100 people Number of disabled and seriously ill employees resettled in 2025	RMB 130,000 Undergraduate scholarship amount for employees' children in 2025	RMB 185,000 Total amount of financial aid given to employees in need in 2025
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Care for Body and Mind, Accompany with Health and Safety

Total safety investment: RMB 45 million
Annual special investment to ensure company safety

Days of safe production 365 days
Achieve uninterrupted safe production throughout the year

ARN Group has always adhered to its safety policy: "Working together with employees to create a safe and healthy working environment, continuously progressing toward the goal of zero safety accidents, and steadily enhancing disaster prevention, mitigation, and relief capabilities." The Group always puts safety first, resolutely implements the production safety responsibility system, and continuously strengthens the dual prevention mechanism system. By increasing investment in production safety and improving the quality of safety training and education, it comprehensively enhances the safety awareness and capabilities of each employee.

Occupational Health protection

Policy Guarantee:

Based on our occupational health policy, we are committed to achieving the goal of zero injuries and zero occupational diseases.

Health Care:

Providing protective equipment, optimizing the human-machine environment, and offering regular health check-ups and psychological care.

Health Care:

We have implemented a suggestion system and a near-miss reporting mechanism with full employee participation. In 2025, we recorded 365 days without any major safety incidents.

A robust occupational health and safety management system has been established and continuously refined, supported by adequate personal protective equipment and optimized ergonomic conditions. Through sustained safety education, training, and the cultivation of a participatory safety culture, the Group is committed to embedding safety as a natural habit for each employee.

Safety Awareness Building

Health Care:

Experience firsthand the instantaneous sensation of being pulled in, squeezed, and crushed, thereby developing an instinctive awe towards operating machinery and equipment.

Health Care:

The perceivable "trigger-response" process allows employees to experience firsthand that as long as the safety device is in place, dangerous actions cannot be carried out.

Health Care:

Experience the discomfort of numbness, pain, and muscle contraction at the moment of electric shock, thus developing an instinctive awe towards "electricity"

Through immersive sensory training programs involving mechanical injuries, electric shocks, safety equipment, and more, employees experience firsthand the immediate dangers and severe consequences of various workplace accidents. This shifts them from passive instruction to active perception, fostering a genuine sense of respect for safety risks and effectively strengthening their safety awareness.

Red Cross First Aid Training

The Company has strengthened occupational disease prevention, provided adequate PPE, and regularly conducted OHS training. It also arranges bi-annual health examinations for special-position employees and exit medicals for departing staff. Occupational health records are maintained to identify restricted positions and facilitate timely job transfers based on employees' health conditions



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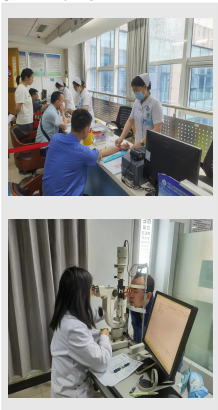
职业病发生率 0%

Health Check-up for all Employees

The Group hires health consultants and assigns full-time factory doctors. It conducts regular physical examinations for all employees, occupational disease health examinations, and post-employment physical examinations for resigned personnel every year, and continuously tracks and manages employees' health status throughout the entire process

The physical examination rate of on-the-job employees is 100%

Every year, all employees are arranged to participate in physical examinations. Health consultants analyze and interpret the examination results, and apply the analysis to staffing, diet, meal arrangements, and work environment improvement. Employees with abnormal physical examination indicators are arranged for follow-up examinations and hospitalization.



Health consultants delivering a special lecture on health knowledge

The Group engaged a health professor from Anhui Medical University to conduct a detailed analysis of the Company's 2024 health examination results and provide scientific early warnings on potential health risks. Based on the findings, the professor recommended systematic interventions in both diet and exercise, aiming to effectively improve the meal structure across all company canteens and promote a healthy lifestyle



100% health examination coverage for retired employees

To safeguard the health of retired employees and improve their quality of life in their later years, the Company arranges annual health check-ups for all retired employees, with customized examination plans specifically designed for them by health consultants



Mental Health Care

We firmly believe that the best psychological counseling lies in daily listening and companionship. The Group effectively responds to employees' emotional needs and career expectations through institutionalized and normalized care mechanisms

- Build a communication platform to promptly alleviate psychological stress**
The Group has established a multi-dimensional communication mechanism centered around employee forums, using them as "outposts" to gain insights into employees' psychological states. In a relaxed and equal communication atmosphere, the mechanism acutely captures employees' hidden troubles related to work pressure, job burnout, interpersonal communication, and other aspects, promptly identifying potential mental health risks, ensuring early detection, early attention, and early intervention. Through regular communication and interaction, employees feel the warmth of being "seen and valued", thereby addressing psychological risks at their source
- Driven by the goal of enhancing satisfaction, we continuously optimize psychological experiences**
The Group regards employee satisfaction as one of the core indicators to measure organizational health. We not only focus on employees' satisfaction with their work, but also delve deeper into their underlying psychological needs, accurately translating the research results into a "happiness checklist" to improve the workplace ecology. The continuous improvement in satisfaction (the overall satisfaction score of the Group in 2025 increased by 6 points compared to the previous year) not only reflects employees' recognition of the work environment and management methods, but also demonstrates the Group's practical achievements in mental health care - enabling employees to gain a sense of value, security, and belonging in their work

The maintenance of employees' mental health cannot be separated from unobstructed channels of expression. The Group has established a diversified communication and feedback mechanism to ensure that every employee can freely and safely express their opinions and demands, allowing potential psychological stress to be released in a timely manner

- Employee suggestion box;
- System of workers' congress;
- Regularly hold employee symposiums;
- Announce the complaint channel for individual assessment;
- Release an anonymous questionnaire survey;
- Feedback via email: csr@aqarn.com



Caring for Supplier Health and Safety

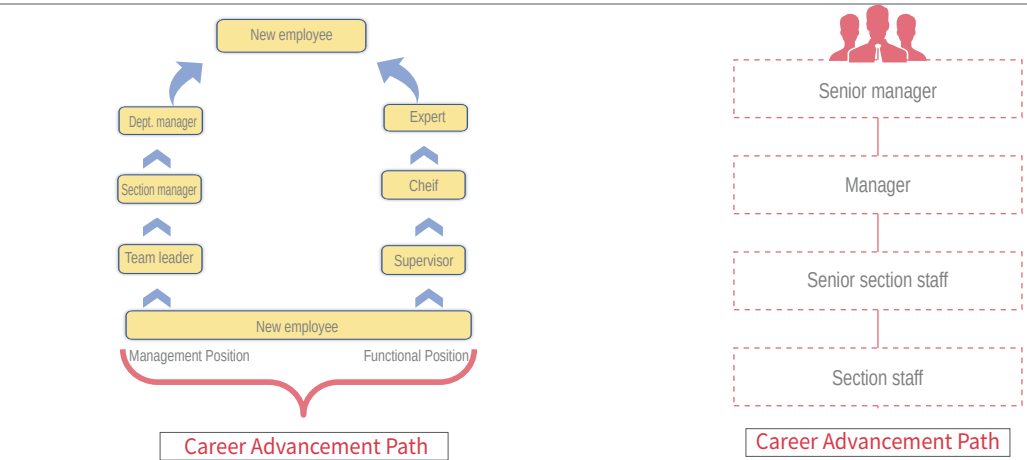
The Group has continuously organized and conducted safety training for external suppliers. In 2025, external supplier operations achieved "zero accidents and zero disasters."



[Outsourced supplier training]

Empower in Tiers, Inherit in Continuity
Talent Development System Building

The Group adheres to the strategy of strengthening the enterprise through talent, attaches great importance to employee development, provides multiple career development paths, coordinates and promotes all aspects of talent cultivation, and establishes a sound graded and classified training system that covers all levels from new employees to senior management.



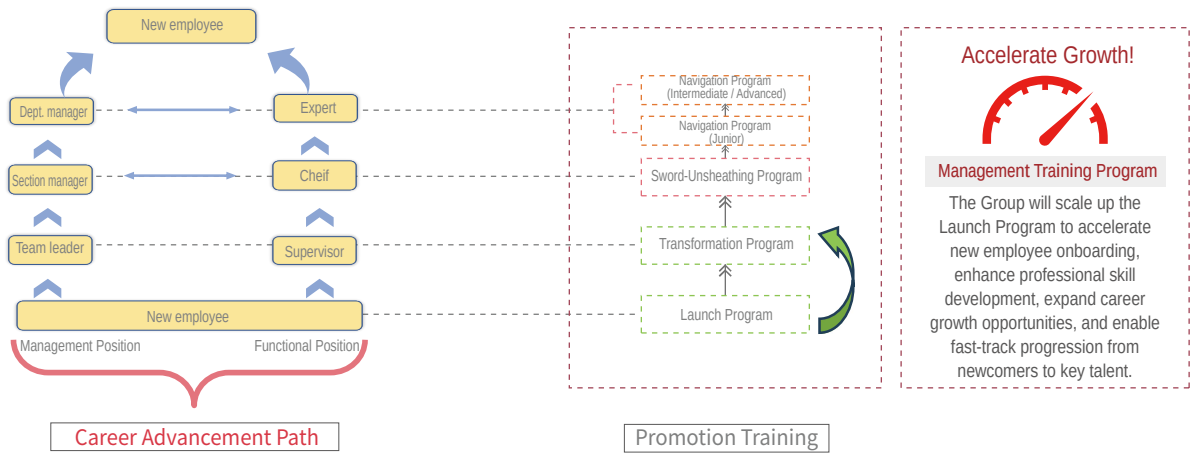
Talent Selection Mechanism Guarantee

To ensure fairness and objectivity in talent selection, the Group has established a supporting talent selection mechanism based on its talent development system. In terms of process, each company collaborates with the committees, while the human resources dept. leverages talent profiling to conduct precise identification, providing multidimensional evaluation criteria for promotions. Additionally, individuals promoted to middle management positions must undergo interview assessments, and a democratic evaluation process is added for the promotion of full-time management personnel.

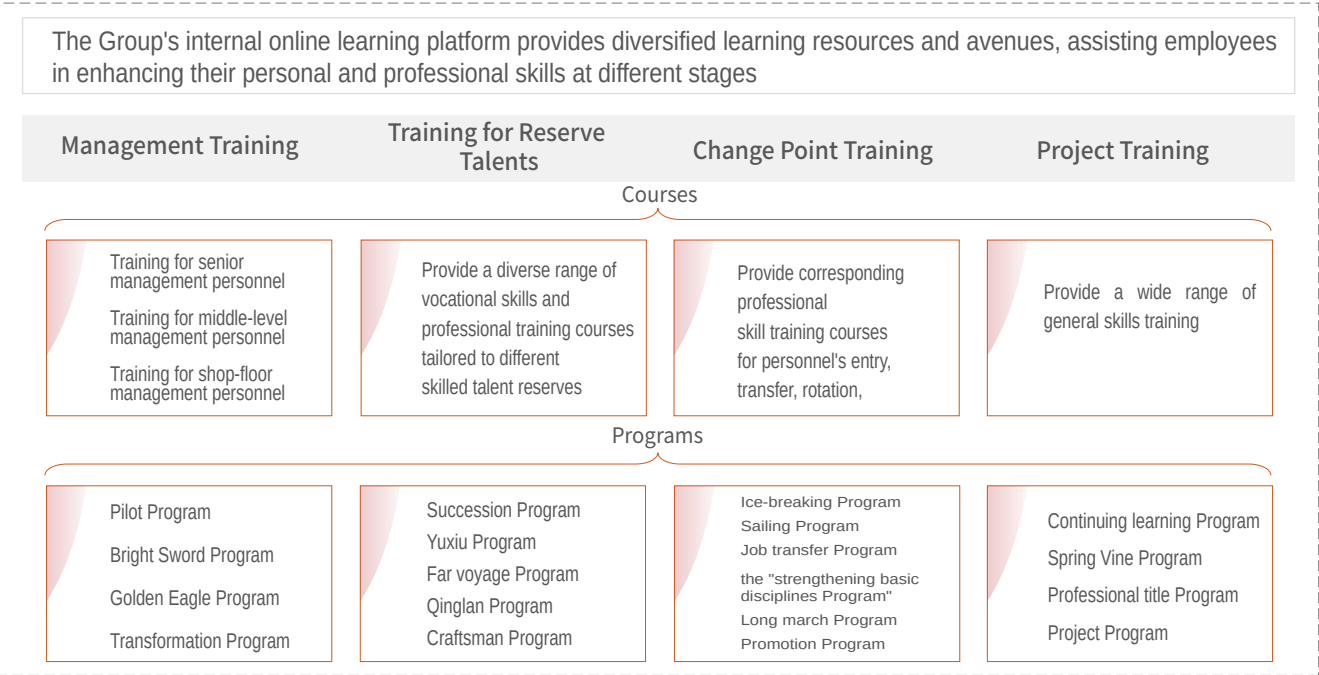
Talent Profile (The "Four Pillars")			
Talent pipeline development	Knowledge-Driven Transformation	Specialization	Internationalization
Focus on building a talent pipeline and cultivating young core staff.	Raise the baseline of educational qualifications and optimize workforce quality.	Deepen professional capabilities and promote the integration of learning and practice.	Build global competence and take on the new mission of going global.

Talent Growth Path Planning

Intensify the efforts in talent cultivation for the Sailing program, assist new employees in quickly integrating into the team, accelerate their professional skill enhancement, broaden their career development paths, and facilitate their rapid growth from newcomers to key personnel.



Diverse Learning Resources



Sailing Program



Onboarding ceremony and participation in group training

Phase 8, Sailing Program : Kick Off the Innovative Mentorship Program in 2025

2025 Campus Recruitment New Employee Group Photo

Outdoor team-building activity of Navigation Program in August 2025

The eighth apprenticeship ceremony in July 2025

E-questionnaire

Relying on monthly peer evaluations between mentors and apprentices. Carry out dynamic management

Subjective Evaluation: Focus on cultivation and improvement. Through bidirectional evaluation between mentors and apprentices, provide timely feedback on the cultivation progress, make targeted adjustments to the mentoring Program, and facilitate the growth of newcomers.

Objective Scoring: Relying on data tracking: dynamically collecting evaluation results as an objective basis for probation-to-permanent employee assessment.

Probationary Period Evaluation: Comprehensive assessment of probationary qualification: Coordinate subjective and objective evaluation results, conduct a review, provide opinions on probationary qualification, and scientifically determine the probationary period.

Hosting the Enterprise Development Contribution Award Ceremony and the Closing Ceremony of the 8th Sailing Program

Training achievements
Lowest New Employee Turnover Rate on Record: 6.9%

Group photo of award recipients

On the basis of general competency development, we also provide targeted resource support and development platforms for employees across various professional fields, helping them grow into experts in their respective domains

"Professional Title Program" independent professional title evaluation

"Craftsman Program"

In order to thoroughly implement the national and provincial decisions and deployments to deepen the reform of the professional title system and further improve the professional title evaluation mechanism for enterprise talents, our Group has been approved to establish an intermediate professional title evaluation committee for the engineering series, becoming one of the first enterprises in Anqing authorized to carry out independent professional title evaluation work. By 2025, 48 employees with outstanding work performance have successfully passed the intermediate and senior professional title evaluations for the engineering series, marking two consecutive years of such achievements

We were honored to receive the title of "Excellent Organizing Unit" at the second "Dream Fulfillment Cup" employee skills competition in Anqing City, with a total of six employees participating and winning awards. The engineering series, marking two consecutive years of such achievements.

Elite school training
Fudan, Zhejiang University, USTC

Overseas Research and Training
Japan, Germany, Mexico

Training in famous enterprises
iFLYTEK, Toyota, Huawei

Expert Lecture

Vibrant Workplace, Colorful Life

The Group has always regarded enhancing the well-being of the employees as a crucial responsibility, providing a solid foundation for the sustained development of the enterprise and the vitality of the team.

Encourage employees to actively participate in cultural and sports activities, continuously enrich their spiritual and cultural needs through collective activities, strengthen their sense of identity, and enhance team cohesion

- The proportion of employees joining the labor union is 100%
- The Group fully allocates funds for the labor union to carry out employee cultural and sports activities, care activities, assistance for needy employees, and other related work. (Display of various activities)

Recreational and Sports Activities

2025 7th Fishing contest

Fishing Competition Highlights

2025 ARN & BOC Badminton Friendly Contest

2025 19th ARN Table Tennis Contest



2025 12th ARN Table Tennis Contest



2025 12th ARN Basketball Contest



The first Guan Dan competition in the 2025 New Year's Celebration



2025 ARN & Anqing Normal University Socializing and friendship activity



2025 ARN Dual-career Commemoration Day Event



2025 ARN Outstanding Employees Overseas Trip



ARN 23rd Annual Sports Games 2025



2025 3rd ARN Lake-side running activity

In 2025, ARN Group's "Golden Autumn Student Aid" program supported a total of 65 children of employees who had been admitted to undergraduate or higher-level institutions, with total funding of RMB 130,000. Since 2018, the Group has cumulatively sponsored 335 outstanding children of its employees, distributing a total of RMB 670,000 in financial aid. Through these concrete actions, ARN Group has helped these students set sail and pursue their dreams for the future

Children's education assistance



To care for employees in need and extend the warmth of the trade union, the Group's trade union provides targeted support each year, including assistance for families of employees facing difficulties and condolence payments for employees who have passed away. In 2025, 120 employees received hardship support totaling RMB 185,000. Since 2020, the Group has provided hardship support to a total of 674 employees, with cumulative support amounting to RMB 1.023 million

Care and Support for Employees in Difficult Circumstances



Care for Female Employees



Each year, the Group selects "March 8th Red Banner Pacesetters" representing 1.5% of its female workforce, recognizing outstanding female employees who have demonstrated excellent performance in their roles



"Mother and Baby Rooms" have been set up in all factory areas



Training Seminars on Etiquette and Family Harmony for Female Employees



2025 "International Women's Day" event in Huangshan

RESPONSIBILITY PERFORMANCE

→ **Green-Orientation**

New Steps in Energy Conservation and Carbon Reduction

Key Indicators in 2025

Total Environmental Protection Investment

RMB 25 million

Total Energy Investment

RMB18 million

Carbon Reduction

9,600 tons

Electricity Savings

5.13 million kWh

Wastewater Discharge Reduction

193,000 tons

COD Emission Reduction

6.8 tons

Nitrogen Oxide Reduction

4.63 tons

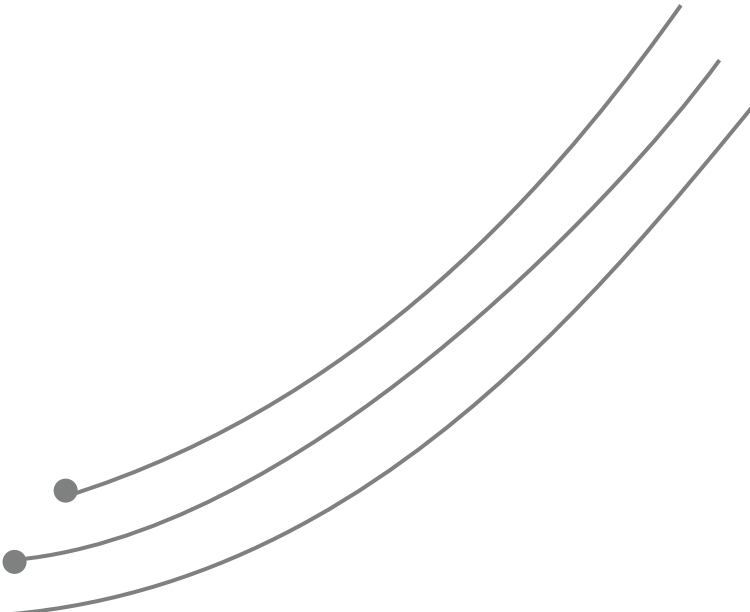
Hazardous Waste Reduction

75 tons



**New Steps in Energy Conservation
and Carbon Reduction**

Smart Manufacturing Innovation, Green Production Empowerment	77
Pollution and Carbon Reduction, Circular Symbiosis	78
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New Steps in Energy Conservation and Carbon Reduction

Smart Manufacturing Innovation, Green Production Empowerment

Smart Safety and Environment

Moving away from the traditional reactive approach, and with technological innovation as the core driver, the Group is building an intrinsic safety and smart environmental protection system. This enables measurable, visible, and controllable risk management across the entire production process, shifting from post-incident response to proactive prevention, and comprehensively improving the efficiency of safety and environmental management.

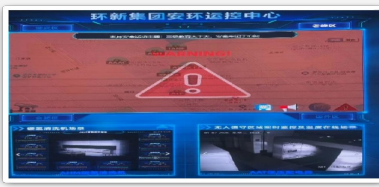


Smart EHS Management Platform Integration



Green Process Substitution

Deploy sensors for online monitoring of gas leaks, equipment temperature, flow rates, and wastewater discharge to establish end-to-end data connectivity.



Big data + AI Early Warning

Establish an operations control center to enable real-time risk monitoring and automatic anomaly alerts.



Digital Closed-Loop Management

Digitize the approval process for special operations and implement closed-loop management for hazard identification and rectification. In 2025, the hazard rectification rate reached 100%, with zero major accidents.

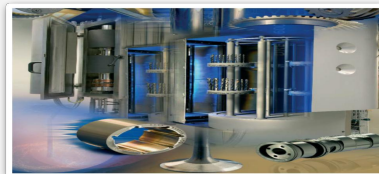
Process and Equipment Green Upgrading

Promote technological and equipment upgrades: In both new projects and existing renovations, priority is given to green, low-carbon processes that offer higher intrinsic safety and generate less waste (wastewater, exhaust gas, and solid waste)



Green Process Substitution

Laser Welding (30% energy savings) replacing traditional welding (affiliated companies), and water-based environmentally friendly coatings replacing traditional solvent-based coatings, achieving energy savings and emission reductions, and reducing pollution at the source.



Electroplating Innovation

Adopt advanced processes such as DLC, PVD, and ARBOR to replace traditional electroplating technologies, eliminating wastewater, exhaust gas, and solid waste issues, and achieving zero discharge of heavy metals.



Intrinsic Safety

In new projects, priority is given to equipment with low pollution, low energy consumption, high automation, and high safety, achieving intrinsic safety.

Environmental protection technology research and development and product application



Resource Regeneration

Research and develop low-carbon and environmental protection technologies to regenerate waste solvent (hydrocarbons, cutting fluids) resources.



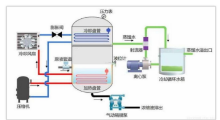
Green Products

Completed carbon footprint assessment, passed SVHC, heavy metal detection.



Full Chain Empowerment

Promote the sustainable development of the entire value chain of the automotive industry chain.



Waste Solvent Low-Temperature Distillation



Carbon Footprint Report



Hazardous Substance Test Report

Leveraging the Group's R&D center, we have increased investment in the research and development of recycling technologies and energy-saving and carbon-reduction solutions. This not only reduces the carbon footprint of our own operations, but also enables us to provide green products and services to upstream and downstream partners across the industrial chain, driving sustainable development across the entire value chain through technological innovation.

Pollution and Carbon Reduction Circular Symbiosis

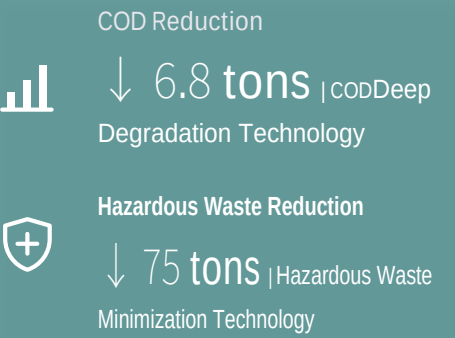


COD Deep Degradation Technology



Hazardous Waste Minimization Technology

Achieved throughout the year



The Group continues to increase its environmental protection investment, upgrading treatment facilities for exhaust gas, wastewater, and solid waste to ensure stable compliance with emission standards, while actively exploring near-zero emission technologies. It also promotes clean production audits to control resource consumption and pollutant generation at the source during production processes

By integrating ecological civilization into the very fabric of corporate development, upholding the principle that "lucid waters and lush mountains are invaluable assets," scientifically charting the path toward carbon peaking and carbon neutrality, deepening pollution prevention, promoting the circular economy, and systematically advancing the green and low-carbon transition



Scientifically Charting the "Dual Carbon" Action Pathway: Actively responding to the national goals of carbon peaking and carbon neutrality, we have set clear emission reduction targets for each stage, established a carbon emission accounting system, vigorously promoted the use of clean energy (such as photovoltaic and green electricity), continuously improved energy efficiency, explored participation in the carbon trading market, and steadily advanced toward low-carbon operations.



T Plan First

In line with national carbon peaking and carbon neutrality targets, the Group has established a group-level carbon emission accounting system and incorporated its overall carbon plan into the Group's 15th Five-Year Plan.



Clean Energy

Photovoltaic power plants generate an average of 3,069,200 kWh annually, saving RMB 368,500 in electricity costs per year.



Smart Energy Management

The energy management platform saves 5.138 million kWh of electricity and reduces carbon emissions by 9,600 tons per year.

The Group invites environmental organizations, industry experts, research institutions, and community members to participate in activities such as safety and environmental risk assessments for major projects, emergency response drills, and open days at environmental protection facilities. Through ongoing dialogue and collaboration, we enhance mutual understanding, build consensus, and jointly seek optimal solutions.



Multi-Stakeholder Collaboration

Invite experts, residents, and students to participate in corporate risk assessments, emergency drills, and environmental open day activities, while engaging with government and community partners.



Themed Joint Activities

Carry out June 5th Environment Day activities and Work Safety Month campaigns.



Ongoing Communication

Enhance mutual understanding and build consensus on green development.



Deep Promotion of the Circular Economy Model

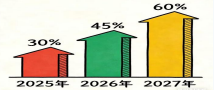
- 90% Recycling rate**
Committed to significantly improving the recycling rate of waste materials, striving to reach industry-leading levels and maximize resource utilization.
- Establishment of a Waste Treatment and Recovery System**
Establish and improve a classified recycling system to ensure accurate source separation, reduce mixed collection and transportation, and ensure that materials are put to their best use.
- Application of New Resourceization Technologies**
Actively adopt oil sludge pressing technology and sludge drying technology to achieve resource recovery and volume reduction of hazardous waste.



Through product eco-design, resource utilization of by-products, and waste recycling and regeneration, the Group strives to build a closed-loop flow model of "resources-products renewable resources," minimizing resource consumption and environmental impact.

Green Access

We continuously strengthen the green supplier access mechanism and require that the proportion of new suppliers certified to the ISO 14001 environmental management system reach 60% within the next three years



Collaborative Empowerment

We promote advanced safety and environmental concepts among our suppliers, driving the overall improvement of safety and environmental performance across the upstream and downstream supply chain.



The Group has integrated safety and environmental requirements into its supply chain management. Through strict access assessments and ongoing performance reviews, it prioritizes partners with strong environmental and social track records. Training and technical exchanges are provided to help suppliers strengthen their safety and environmental management, working together to build a green, responsible supply chain

Green Action Across the Whole Chain Ecological Co-construction

- Full Employee Participation**
Through environmental protection theme activities, green production becomes a conscious practice
- Systematic Integration**
Based on the three major systems, conduct company-wide ecological training.
- Ecological Integration into Operations**
Incorporate biodiversity conservation into project site selection and operation



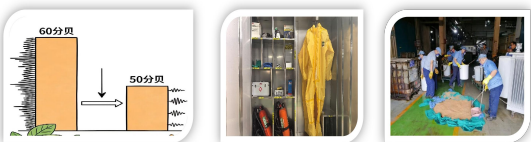
The Group integrates biodiversity protection into project siting and operational considerations to avoid damage to important ecosystems. It also organizes environmental protection public welfare campaigns and other activities to cultivate ecological ethics and a sense of responsibility among all employees.

Green development cannot be achieved by one party alone. It requires the collective efforts of society, government, and the supply chain to build a transparent and collaborative system. At the same time, we benchmark against international best practices to promote coordinated green development across the industrial chain.



Empowering Community Resilience Building

- Impact Management:**
Proactively manage noise through optimized production scheduling and technological upgrades, achieving a reduction in nighttime noise from 60dB to 50dB to safeguard the living environment of community residents
- Resource Sharing:**
Open up emergency equipment and resources within the plant to support community disaster prevention and mitigation efforts.
- Emergency Response:**
Actively participate in rescue operations during community environmental emergencies and natural disasters.]]



The Group proactively identifies and manages the potential impacts of its operations on surrounding communities (such as noise and emissions). It supports community capacity-building for disaster prevention and mitigation, shares corporate emergency resources (including experts and equipment), and actively participates in rescue and recovery efforts in the event of environmental emergencies or natural disasters

Unity of Knowledge and Action, Delivering Tangible Green Results

- ISO 45001 Occupational Health and Safety**
Identify, assess, and control workplace risks, protect the life safety and health of employees, and build a safe working environment.
- ISO 14001 Environmental Management System**
Manage and control environmental factors in activities, reduce environmental impact, promote green production, and achieve the company's sustainable development
- ISO 50001 Energy Management System**
Identify key areas of energy consumption and set goals to continuously improve energy performance, improve operational efficiency, and reduce energy costs.

Through a range of safety and environmental initiatives, the Group has received numerous official awards and produced a green development performance that reflects both strength and public acknowledgment



Three Major International Certifications

Benchmarking Against Three Major International Certifications:
Actively participate in international industry organizations and initiatives (such as the UN Global Compact), learn from globally leading safety and environmental management standards, technologies, and practices, and continuously improve the Group's governance level and international competitiveness

RESPONSIBILITY PERFORMANCE

→ Open Governance

New Ecology of Global Chain Integration

Key Indicators in 2025

Global Core Partners
11

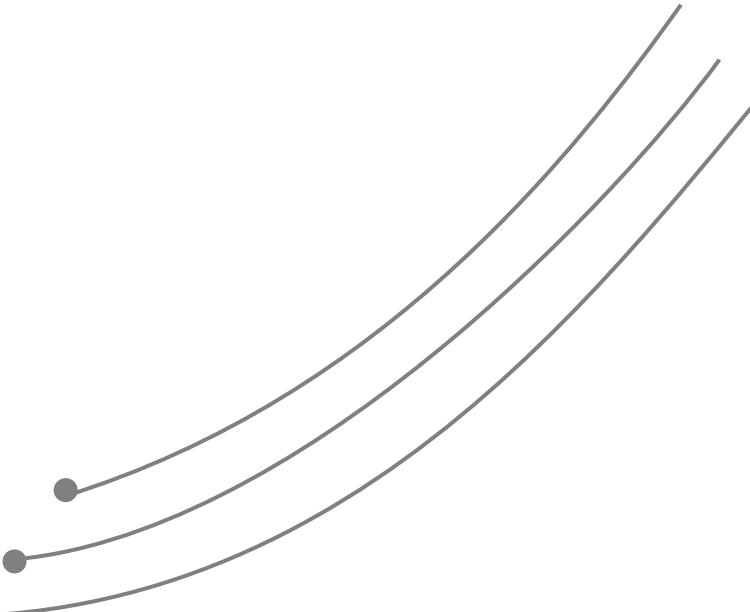
Major Sino-Foreign Joint Ventures
16

Overseas Factories / Offices
5



New Ecology of Global Chain Integration

Diverse Integration, Mutual Cultural Learning	85
Open-up New Frontier,Collaborate to Go Global	87



Open Governance

Diverse Integration, Mutual Cultural Learning Partners

Japan South Korea the United States Germany

There are 11 core partners, among which 3 are Fortune Global 500: Samsung, Aisin, and Toyota Tsusho.



Diverse Integration, Mutual Cultural Learning

Visit to Japan to Meet Partners:

In April 2025, Mr. Pan Yixin, Chairman of the Group, visited Japan in person for the first time in six years to meet with key joint venture partners: ART Metal Industry Co., Ltd., TPR Co., Ltd., Aisin Corporation, and Toyota Tsusho Corporation. The visit was aimed at renewing the spirit of cooperation and embarking on a new journey of development together. Through on-site inspections, technical exchanges, and business meetings, the Group further consolidated the foundation of mutual trust, explored collaborative innovation paths along the industrial chain, and sought deeper cooperation in the context of the evolving global market landscape.



Visit to ART Metal Industry Co., Ltd.



"Visit to TPR Co., Ltd. in Japan"



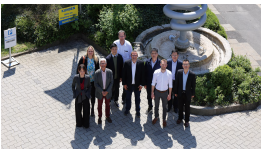
A delegation of Group leaders visited the United States for inspection and exchange.



Visit to Aisin Corporation (Japan)



Visit to Toyota Tsusho Corporation (Japan)



A delegation of Group leaders visited Germany to attend the ASP Board of Directors meeting.

The Group's Chairman led a delegation to visit partners in Japan.

Study Tour and Exchange in Houston:

Group leaders led a delegation to Houston, USA, for an inspection and exchange visit. The team conducted in-depth research on the local industrial ecosystem and cutting-edge technological innovations, broadening their international perspective and promoting cross-cultural dialogue and resource alignment.

Attendance at Board Meeting in Germany:

Group leaders traveled to Germany to attend the ASP Board of Directors meeting. Through regular high-level exchanges, the visit strengthened mutual trust and collaboration between the Chinese and German teams, bringing diverse insights to the Group's global governance.



Contributing to the Independence Day celebration at the embassy of Mexico in China:

The group actively serves as a sponsor of the Independence Day celebration at the Embassy of Mexico in China. Through practical actions, it supports cultural exchanges and people-to-people friendly interactions between China and Mexico. By deeply participating in this cultural event of significant diplomatic importance, it showcases the open and inclusive international image of Chinese enterprises.



Group representatives attended the Independence Day celebration at the Embassy of Mexico in China.



The group served as a sponsor of the Independence Day celebration at the Embassy of Mexico in China.

Receiving the visit of the commercial counselor of the embassy of Mexico in China:

In-depth exchanges on economic and trade cooperation were carried out to build a friendly platform between China and Mexico. The group uses commercial power to connect the cultures of the two countries, contributing to promoting friendly interactions and common prosperity between China and Mexico.



The Commercial Counselor of the Embassy of Mexico in China visited ARN Group



Foreign experts from ARN Group were invited to attend the awarding ceremony of the Anhui Province Translation Contest

Facilitating the integration of foreign experts into local life:

Resident technical experts actively integrate into the local community. While carrying out mutual learning and exchanges of professional technologies, they have been invited to participate in cultural exchange activities organized by the government, such as "Explore the World Together" and "Tell the Story of Beautiful Anqing". Through practical actions, they promote Anqing and tell the Anqing chapter of Chinese stories well, making positive contributions to promoting friendly exchanges and cooperation with foreign countries.

Caring for Japanese Partners (Resident Staff):

We pay attention to and respect the cultural sense of belonging of every cross-border worker. For Japanese resident staff, we provide Japanese bento carefully prepared by the group-organized Japanese restaurant, delivering cross-cultural care with authentic flavors and practicing the concept of multi-cultural integration in daily details.



The Japanese restaurant within the group

Introducing talent of foreign management trainees:

Two foreign talents, Estefania and Ian Jetro, were introduced. Through the management trainee program, high-potential foreign talents are attracted in a targeted manner to accelerate the integration of cross-cultural teams.



Foreign management trainee participated in the group sports meeting and won the first place in the men's 1500-meter race

The internal publication of the group has been continuously issued for 28 years since its inception, with a total of 23 issues released in 2025.

To practice the concept of green office and adapt to the new reading trend, the group conducted a research on the information dissemination effect. Based on a full assessment, it optimized the publication distribution plan: the printing volume per issue was adjusted from 1,900 copies to 1,027 copies, with an average monthly reduction of 873 copies, a decrease of approximately 46%. At the same time, the group simultaneously launched an official new media platform to expand online communication channels and promote the transformation of the corporate culture communication method to new media.

Service Account: Started from Feb. 2018



Totally Published: 183
Total Users: 19021
ARN 环新集团

Official Account: Started from Mar. 2025



Totally Published: 465
Total Users: 3694
ARN 环新人ARNers

Video Account: Started from Jul. 2025



Totally Published: 28
Total Users: 1757
ARN 环新集团

Enhance the timeliness of news and expand brand influence:

Define the "Strategy of Priority for New Media", the community account maintains high-quality daily updates, and the number of fans continues to grow steadily. Establish a video account, making the corporate culture "visible, audible, and tangible", and more infectious.

Incentive policies: "The Method of Adjusting the Incentives for Content Creation on the Group's Communication Platform" establishes an incentive mechanism to stimulate content productivity.



Outstanding Correspondent

Cultural and Creative Affiliates:

Balancing Corporate Culture and Practicality:

Design cultural and creative affiliates to subtly integrate corporate culture into daily life.

Cooperating with Relevant Theme Activities:

Review the group's development history, inherit the corporate spiritual culture, and enhance team cohesion.



Open-up New Frontier, Collaborate to Go Global

Bringing In: Joint Ventures and Partnerships

1996

- **Initial Stage**
Formed JVs with global partners;
Introduced advanced management and technology.
- **Key Achievements**
Added core technologies: piston rings, valve seat inserts, aluminum-clad cylinder liners. Built leading JV brands.
Built leading JV brands.
Achieved top domestic market share in core products.

Going Global: Worldwide Footprint

2008

- **2008 - Entry into Japan**
Established XIN-AN Trading Company, LTD.

2021

- **2021-Hong Kong Hub**
Established ARN International (Hong Kong) Limited

2016

- **2016 - Expanded Presence**
Established ARN Japan Co., Ltd.

2024

- **2024 - Entry into North America**
Established TPR ARN Manufacturing Mexico, S. de R.L. de C.V.
Established ARN International Mexico, S. de R.L. de C.V.

2025

- **2025 - Deepening Local Roots**
Strengthening localized operations
Enhancing global technology synergy and supply chain collaboration

Moving Upward: Outcomes and Outlook

2025+

- **Current Achievements**
Established an international market network spanning Asia and North America. Accumulated extensive localized operational expertise; brand influence continues to grow.
- **2025 Core Strategy**
Deepen synergies, enhance service excellence, and reinforce market position.
- **Future Direction**
Established an international market network spanning Asia and North America. Accumulated extensive localized operational expertise; brand influence continues to grow. liners.
Deepen synergies, enhance service excellence, and reinforce market position.
Uphold the principle of "Technology as the Cornerstone." Explore emerging market opportunities.

ARN embraces the global market with an open mind, demonstrating the responsibility of Chinese enterprises in international layout and governance.

Deeply Cultivate Overseas Markets and Expand the International Map: The group has successively established trading companies and invested in factories in Japan and Mexico, achieving a strategic upgrade from international layout to overseas local operation. Through the coordinated linkage of trade and manufacturing, the group continuously improves its responsiveness to overseas markets and promotes "ARN Manufacturing" to the world.

Deepen Industrial Synergy and Build a Global Ecosystem: Relying on its overseas companies, the group strengthens in-depth cooperation with international partners in areas such as technology, production capacity, and market, promotes the collaborative development of the upstream and downstream of the industrial chain, and builds a win-win global industrial cooperation ecosystem.

RESPONSIBILITY PERFORMANCE

→ Shared Future

Good Deeds Lead to New Milestones

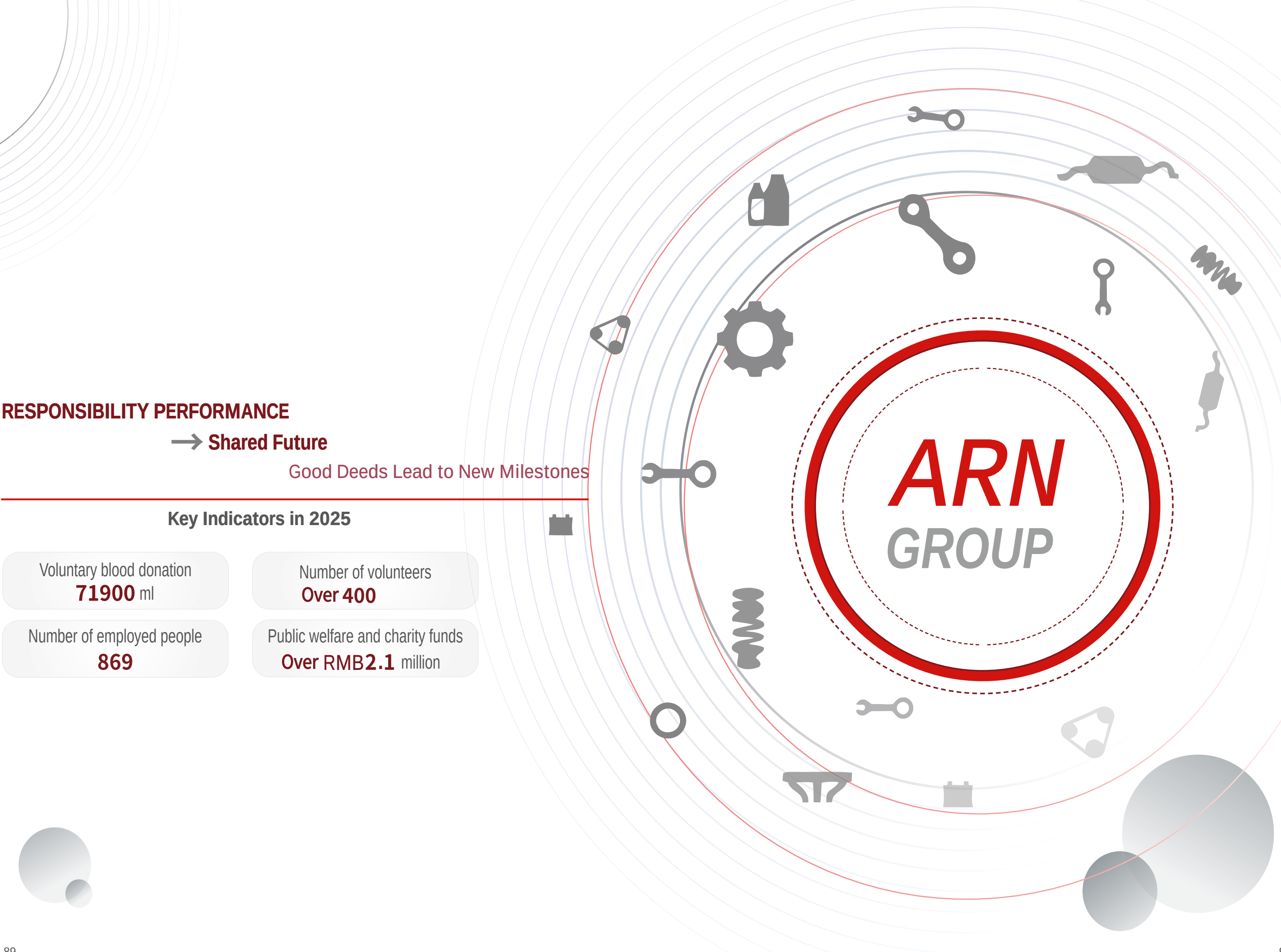
Key Indicators in 2025

Voluntary blood donation
71900 ml

Number of volunteers
Over 400

Number of employed people
869

Public welfare and charity funds
Over RMB2.1 million



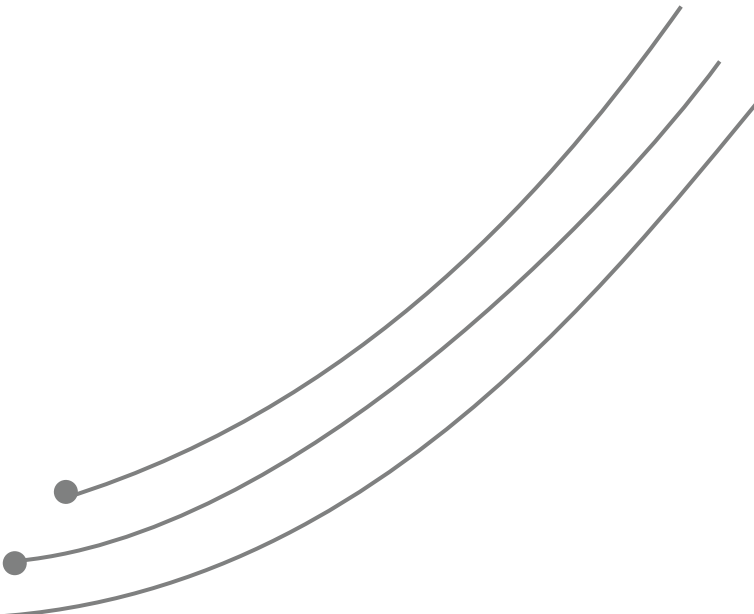
Good Deeds Lead to New Milestones

Job Stability and Industry Expansion,
Chain-driven Mutual Benefits

93

Charitable Acts and Good Deeds,
Give Back to Society

94



Good Deeds Lead to New Milestone

Job Stability and Industry Expansion, Chain-driven Mutual Benefits

Stabilize Jobs, Expand Business, and Guide the Future

Through the development of enterprise scale and the release of newly built production capacity, ARN Group actively fulfills its social responsibility of stabilizing employment and recruits talents through multiple channels. The group, targeting graduates from universities and colleges as well as special talent groups, has established a multi-level employment system covering front-line employees, professional and technical talents, and management positions, providing diverse employment opportunities for workers with different professional backgrounds and skill levels.

In 2025, a total of 869 people were recruited, among which 69 were fresh university graduates for management positions. ARN Group strongly supports the employment of retired military personnel, maintains close and long-term communication with relevant departments at all levels responsible for the work of retired military personnel. It serves as an executive director unit and an outstanding member unit of the Anhui Provincial Patriotic Association for Supporting the Army, and is also an incubation base for the employment and entrepreneurship of retired military personnel in Anqing City. In 2025, 40 new retired military personnel were recruited.



Recruited in 2025 **869** people

Recruitment of Fresh University Graduates **69** people

Newly Recruited Retired Military Personnel **40** people

Empowering Others Chain-driven Mutual Benefits

In the wave of scientific and technological innovation, as the main body of innovation, enterprises not only need to pursue their own development but also shoulder the responsibility of promoting social progress. Over the years, ARN Group has actively carried out industry - university - research cooperation with universities and research institutions. It has invited supply chain enterprises to the group for technical exchanges irregularly, and organized professional teams to go out of the enterprise to conduct technical publicity for customers and distributors. In 2025, there were more than 600 related technical exchanges and publicity activities.

In 2025, as the executive president unit of the "Anqing General Chamber of Commerce", ARN Group actively hosted the Industry Chain Interconnection and Product Supply-demand Matchmaking Conference for Member Enterprises (Anqing Station). The aim was to build an accurate matchmaking platform, deepen local industry chain collaboration, and jointly seek new development opportunities. At the conference, ARN Group showcased a number of products and technologies. With an open attitude, it promoted industry progress, empowered social development, and conveyed trust. The results of this matchmaking conference exceeded expectations. It facilitated 30 effective negotiation sessions and reached an intended cooperation amount of RMB 320 million.



Annual technical exchanges with supply chain partners **Over 600** times

Facilitate effective negotiations at the matchmaking conference **30** times

Reach the intended cooperation amount at the matchmaking conference **RMB 320M**

Empowering Others - Digital Diagnosis for Surrounding Enterprises

ADI, a company under the group, provides digital diagnosis and transformation services to surrounding enterprises, enabling regional industrial upgrading with its digital capabilities.

Case: Achievements after the digital transformation of a surrounding enterprise:

- ① Equipment Networking: Realize automatic collection of production data, eliminating errors in manual recording.
- ② System Upgrade: Deploy MES/WMS systems, increasing production efficiency by more than 30%.
- ③ Intelligent Management and Control: Establish a quality traceability system, improving the abnormal response speed by 50%.
- ④ Cost Optimization: Save RMB 140,000 in annual operating costs, with an investment payback period of 5 years.



Charitable Acts and Good Deeds, Give Back to Society

Rural Revitalization: Taking Responsibility and Acting with Goodwill

Under the leadership of the Anqing Municipal Party Committee and the Municipal Government, in 2025, the Party committee of the group visited and consoled Taici Town, Wangjiang County, conducted in-depth research on rural revitalization and the construction of high-quality demonstration villages, and learned in detail about the difficulties encountered by resident cadres in their work and the living conditions of villagers. On-site donations of RMB 200,000 each were made to Cihu Village, Taoling Village, and Hezhuang Village, totaling RMB 600,000.

At the same time, ARN Group conducts consumption-based assistance. Through mechanisms such as priority procurement and high-price feedback, it broadens the sales channels for rural products. In 2025, a total of RMB 760,000 was spent on purchasing agricultural and sideline products such as poultry, vegetables, dried goods, and rapeseed oil from the surrounding areas.

ARN Group pays attention to the difficulties encountered by employees and the general public in society, and regularly conducts assistance work. Through financial donations and material assistance, it effectively helps the disadvantaged groups solve their problems. In 2025, a total of RMB 213,000 was used for assistance to those in need.

ARN Group will continue to focus on the issue of rural revitalization, constantly explore and innovate more effective methods and approaches, and contribute to rural development with practical actions, enabling rural areas to radiate more new vitality and vigor.



RMB 600K
Donations for rural revitalization



RMB 760K
Purchase of agricultural and sideline products for assistance purposes



RMB 213K
Relief funds for people in need

Donating to Assist Education and Empowering Growth

The company puts people first and extends its care to employees' families. In 2025, to encourage employees' children to study hard and make progress, help young people grow into talents, and relieve employees' family education burden, the company issued special educational rewards to 65 employees whose children were admitted to undergraduate or above-level institutions within the year. The amount of assistance in 2025 was RMB 130,000. Since the educational assistance activity was launched in 2018, a total of 322 employees' children have been assisted, with a cumulative assistance amount of RMB 644,000.

The company actively builds a school-enterprise communication platform, takes the initiative to invite college students to visit and study in the enterprise, and provides young students with opportunities for on-site observation, practical communication. Through on-site explanations, experience sharing, and scene displays, it directly shows the industry development, operation management, and corporate culture, helping students broaden their horizons, understand the workplace, and enhance their practical understanding. In 2025, 150 students from 7 universities such as Hefei University of Technology, Anhui University, and Jiangnan University participated in this activity, and the enterprise specially invested more than RMB 60,000.

ARN Group focuses on local talent cultivation and is enthusiastic about educational public welfare. Throughout history, the schools and projects funded and built by ARN Group include:



Representatives of employees' children participated in the Golden Autumn Educational Donation Ceremony in 2025.

190K RMB
Special funds for college students' activities in 2025



Invite college students to visit and study in the enterprise.

150 people
Number of students participating in the special activity of visiting and studying

Yangling Hope Primary School in Yixiu District
Jiangjun Village Hope Primary School in Yingjiang District
Yutan Township Hope Primary School in Zongzhang County
Xieshan Primary School in Gaohu Town, Huaining County
Kunlun Village Hope Primary School in Qianshan County
Tangda Hope Primary School in Taihu County
Xiangguo Town Hope Primary School in Tongcheng City
Changling Town Hope Primary School in Wangjiang County
Jugu Township Central Primary School in Susong County
Wangcheng Village Hope Primary School in Yuexi County
Chu Village Primary School in Wangjiang County
Electronic Digital Library in Anqing No.1 Middle School
Physics Laboratory in Anqing Normal University
Scholarship of Anqing Vocational and Technical College
Scholarship for Hefei University of Technology

Boundless Love, Volunteer Escort

Voluntary Blood Donation: ARN Group organizes its employees to participate in unpaid blood donation activities every year, contributing to the social medical cause. Through extensive publicity and mobilization, employees are encouraged to actively sign up and support the public welfare of unpaid blood donation with practical actions. In 2025, a total of 287 employees participated in blood donation, donating a total of 71,900 ml of blood, ranking first in Anqing City in terms of blood donation volume! This has made an important contribution to clinical blood use. Since 1999, the cumulative blood donation volume has exceeded 1.38 million milliliters. ARN Group has been rated as an "Advanced Unit in Unpaid Blood Donation Work" in Anqing City for many consecutive years.

Voluntary Tree-planting: To accelerate the high-quality development of national afforestation and promote the harmonious coexistence of humanity and nature, in March 2025, the Anqing City Greening Committee organized a tree-planting activity with the theme of "Fulfill the Obligation of Tree-planting and Build a Beautiful China" throughout the city. ARN Group actively responded to the call and organized employee volunteers to come to the Nangeng Forest Farm in Haikou Town, Daguan District. Together with other municipal units, they planted more than 2,100 saplings, practically building a green ecological barrier and jointly building a beautiful homeland.

Gathering Military Strength: ARN Group currently has 246 retired military personnel as employees and regularly organizes special training sessions to help all retired military personnel maintain their military nature and carry forward their fine traditions. In May 2025, ARN Group organized some retired military personnel employees to go to the People's Armed Forces Department of Taihu County, Anqing City to participate in special training, tempering their emergency rescue skills and strengthening their practical abilities in social assistance. With practical actions, it demonstrates the enterprise's sentiment of supporting the military and its public welfare mission.

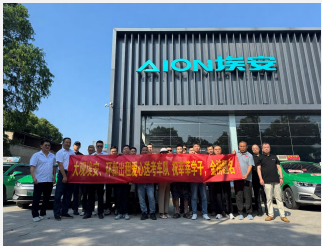


* In 2025, the amount of blood donated ranked first in Anqing City **71,900ml**

* The cumulative amount of blood donated since 1999 **1.38** million ml

* In 2025, the number of jointly planted saplings **Over 2100** trees

Highlights of Other Public Welfare Activities in 2025



Formed a loving exam-escort fleet to participate in the 21st (2025) "Green Ribbon" Loving Exam-escort Activity in Anqing City



Joined hands with the Municipal Traffic Police Brigade to enter vocational colleges to carry out the 2025 traffic safety publicity and education activity



ARN Group sponsored and named the "ARN Group Cup" the 2025 Table Tennis Tournament for Faculty and Staff at Hefei University of Technology



At the 2025 Symposium on the Digital Transformation of Automobile and Equipment Manufacturing Enterprises in Anqing City, actively shared experiences to jointly promote industrial progress



Jointly organized the 2025 "Building Magpie Bridge, Gathering Good Marriages" Youth Staff Friendship Activity with Anqing Normal University



Hosted the "2025 Public Welfare Spring Festival Couplets Writing Activity in Anqing City"

Looking through ARN Group's "public welfare record", over the past two decades, it has donated a total of more than RMB 22 million to issues such as poverty alleviation, rural revitalization, donating to assist education, and public welfare and charity. In the face of natural disasters, it donated RMB 1 million during the Wenchuan earthquake in Sichuan in 2008, RMB 1 million during the Yushu earthquake in Qinghai in 2010, 1.05 million yuan for flood-fighting and disaster-relief during the summer floods in 2016, and RMB 1.35 million to combat COVID-19 in 2020.

Behind these strings of numbers are filled with passion and convey true feelings. In the future, ARN Group will continue to uphold this public-welfare sentiment, walk hand in hand with all sectors of society, write a new chapter of corporate social responsibility in the new era with more solid steps and more powerful actions, let kindness continue to grow, and let warmth be passed on forever.





RESPONSIBILITY OUTLOOK

2026 Outlook



Outlook 2026

The year 2026 marks the beginning of the 15th Five-Year Plan period, which is also a crucial time for laying a solid foundation for modernization and making comprehensive efforts. Since the 18th National Congress of the Communist Party of China, General Secretary Xi Jinping has always been concerned about the development of the manufacturing industry, leading the construction of a powerful manufacturing nation. His important statement that "China cannot afford to lose its manufacturing industry at any time" has pointed out the direction for building a powerful manufacturing nation and endowed us with a mission of our times.

Standing at a new historical starting point, ARN Group will continue to actively respond to the call of the Party Central Committee, guided by the Xi Jinping socialist ideology with Chinese characteristics for a new era, and thoroughly implement the new development concept of "innovation, coordination, green, openness, and sharing". The Group will take practical actions to respond to the call of the times and it will remain true to its original aspiration, base itself in China, serve the world, and strive to set a high-quality development model for the industry with excellent products and a sense of responsibility, contributing greater ARN strength to the common prosperity of society.

Guided by customer needs, strive for excellence in crafting every product, win trust with superior manufacturing quality and reliable delivery capabilities, and make "ARN Manufacturing" a quality business card that customers can most trust.

Continue to increase R & D investment in emerging industries such as new energy and lightweight materials, make forward-looking arrangements for future industries such as key robot components and low-altitude economy, seize the technological commanding heights, forge the core competitiveness of the enterprise, and achieve ARN's acceleration on emerging tracks.

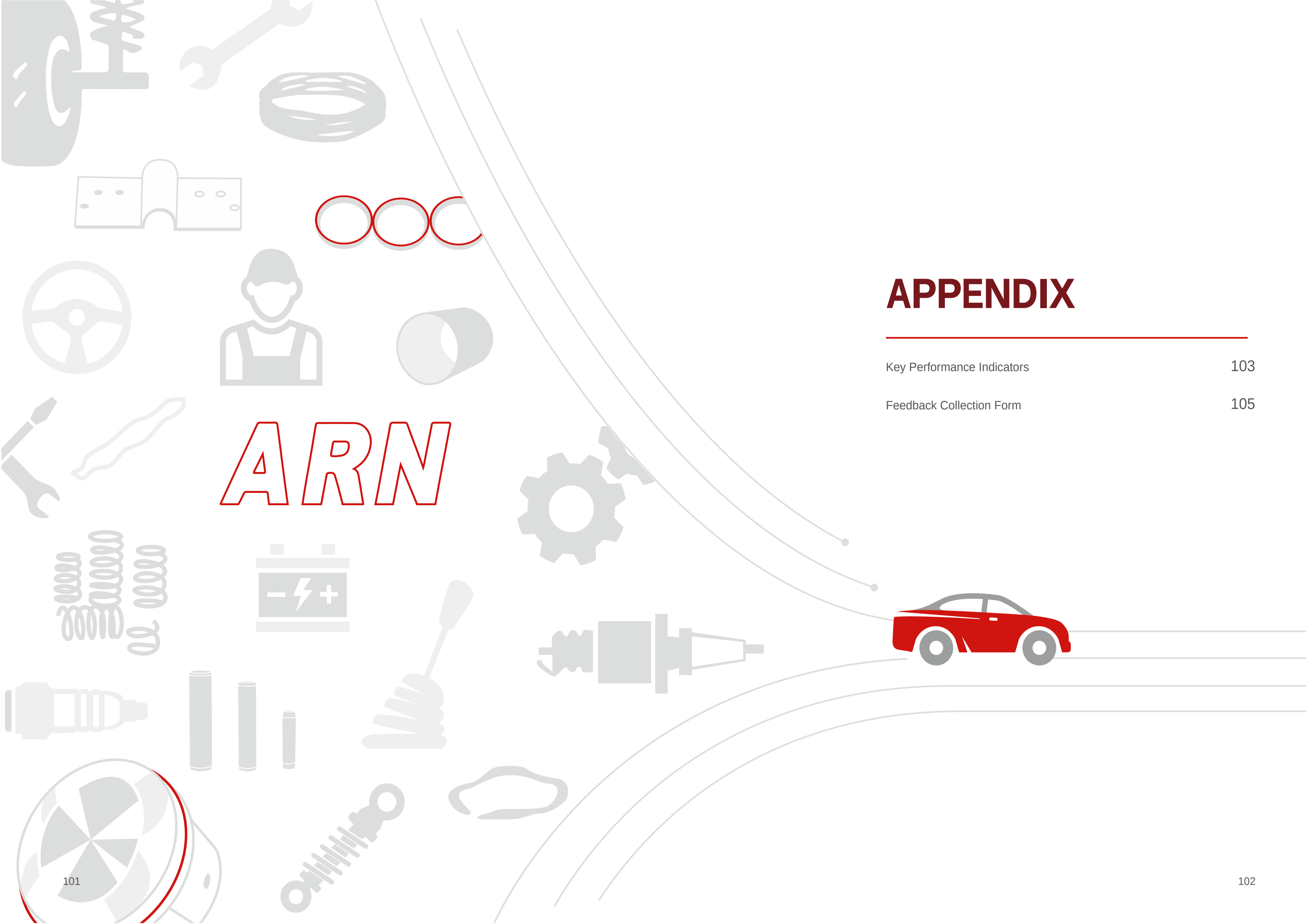


Steadily promote the global strategic layout, adhere to compliant operations, and cultivate an organizational ecosystem with cross-cultural integration. At the same time, pay attention to the inheritance of the enterprise spirit and values, so that the cultural foundation of the enterprise can radiate lasting vitality in the new era.

Accelerate the in-depth application of digital AI scenarios, drive intelligent knowledge management and decision-making with "AI + Enterprise Knowledge Base"; integrate data across the entire chain and build an industry-leading industrial Internet platform to unleash new momentum for high-quality development through digital and intelligent transformation.

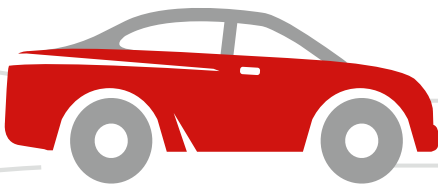
Firmly implement the "dual carbon" strategy, comprehensively deepen the construction of a green manufacturing supply chain system from green design, clean production to recycling, integrate the low-carbon concept into the entire product life cycle, and contribute the enterprise's strength to climate change response and ecological protection.





APPENDIX

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Key Performance Indicators (KPI) Table

Indicator Name	Unit	2025year	2024year	2023year
Sales Revenue	CNY 10,000	1,339,054	1,145,050	1,368,857
Taxes Paid	CNY 10,000	54,064	49,801	61,258
Industrial Sales Revenue	CNY 10,000	922,862	848,350	1,101,966
New Product Sales Revenue	CNY 10,000	520,290	489,922	578,532
New Product Sales Ratio	%	56.38%	57.75%	52.50%
New Product Profits & Taxes	CNY 10,000	101,457	95,535	114,549
Total Assets	CNY 10,000	1,463,341	1,340,606	1,462,783
Net Assets	CNY 10,000	915,048	912,767	926,580
Equity Ratio	%	62.53%	68.09%	63.34%
R&D Investment	CNY 10,000	33,684	30,541	28,761
R&D as % of Sales	%	3.7%	3.6%	2.6%
R&D Projects Initiated	Units	289	293	172
New Technologies, Processes & Products Developed	Units	407	390	191
Total Employees	Persons	7422	7302	7429
Male Employees	Persons	5713	5571	5650
Female Employeeess	Persons	1709	1731	1779
Foreign Employees	Persons	38	47	52
New Jobs Created	Units	694	611	903
Labor Contract Signing Rate	%	100%	100%	100%
Social Insurance Coverage Rate	%	100%	100%	100%
Union Coverage Rate	%	100%	100%	100%
Female Management Ratio	(Female:Male)	17%	14%	15%
Skilled Personnel Training	Person-times	3975	869	3184
New Employee Training	Person-times	1934	578	885
Management Training	Person-times	14434	5706	687
Professional & Technical Training	Person-times	3140	431	1213
Employment Rate of People with Disabilities	%	0.56%	0.52%	0.81%
Employee Health Check-up Coverage	%	100%	100%	100%
Customer Information Leakage Incidents	Cases	0	0	0

Indicator Name	Unit	2025year	2024year	2023year
Occupational Disease Incidence Rate	%	0%	0%	0%
Labor Law Violations	Cases	0	0	0
Total Employee Training Investment	CNY 10,000	221	292.67	248.34
Employee Training Coverage Rate	%	100%	100%	100%
Average Training Hours per Employee	Hours	127.7	100	106
Employee Satisfaction Score	Points	88.8	85.7	89.8
Employee Turnover Rate	%	6.1%	7.5%	7.99%
Volunteer Service Participants	Person-times	490	490	500
Cumulative Social Welfare Donations	CNY 10,000	2200	1936	1864.5
Work Safety Investment	CNY 10,000	2300	3405	3389
Major Safety Accidents (with Serious Injuries or Fatalities)	Cases	0	0	0
Total Environmental Protection Investment	CNY 10,000	2500	436	410
Energy Consumption per Unit of Output Value	tce/CNY 10,000	0.14	0.15	0.15
Water Consumption per Unit of Output Value	tons/CNY 10,000	4.052	4.076	4.089
Energy Saved per Unit of Output Value	tce/CNY 10,000	0.02	0.02	0.02
Water Consumption per Unit	m³/CNY 10,000	18.7	18.75	19.04
Electricity Consumption per Unit	kWh/10,000 pieces	4.32	4.36	4.42
Hazardous Waste Disposal per Unit	kg/10,000 pieces	32.25	32.26	32.31
COD Emissions	Tons	70.58	70.82	71.01
Solid Waste Recycling Rate	Tons	0.65	0.65	0.65
Wastewater Recycling Rate	Tons	0.58	0.58	0.58
Total Number of CategoryA & B Material Suppliers	Units	532	464	409
Proportion of Suppliers with 10+ Years of Cooperation	%	26%	20%	19%
Number of Strategic Alliances	Units	55	52	44
Contract Fulfillment Rate	%	100%	100%	100%
Corruption or Bribery Cases in the Year	Cases	0	0	0
Internal System Audit Rate	%	100%	100%	100%
Product Qualification Rate	%	100%	100%	100%
Customer Complaint Resolution Rate	%	100%	100%	100%
Quality Training Participation Rate	%	100%	100%	100%

Feedback Collection Form

Dear Reader :
Hello! Thank you for taking the time to read the "2025 Social Responsibility Report of Anhui ARN Group Co., Ltd."!
In order to continuously improve the management of the social responsibility report, we particularly hope to hear your opinions and suggestions. Please fill it out and send it to our email: csr@aqarn.com.

● Selective questions: (Please mark "√" in the corresponding position)

☐ This report comprehensively and accurately reflects the significant impact of ARN Group on the economy, society, and environment.	☐ Very Good ☐ Good ☐ Average ☐ Poor ☐ Very Poor
☐ This report responds to and discloses the issues of concern to stakeholders.	☐ Very Good ☐ Good ☐ Average ☐ Poor ☐ Very Poor
☐ The data disclosed in this report is clear, accurate, and complete.	☐ Very Good ☐ Good ☐ Average ☐ Poor ☐ Very Poor
☐ The readability of this report, that is, the logical main line, content coverage, text and layout design of the report.	☐ Very Good ☐ Good ☐ Average ☐ Poor ☐ Very Poor

● Open-ended questions:

1. What aspect of this report do you think satisfies you the most?

2. What information do you think you need to know that is not reflected in this report?

3. What suggestions do you have for our future social responsibility reports?

● If it is convenient, please tell us about yourself :

Name:_____ Phone: _____ E-mail: _____

Workplace:_____ Position: _____