



2025 Sustainability Report

Environmental, Social and Governance Report

KENGIC Intelligent Technology Co., Ltd.

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About this Report

Organizational scope

This Report is the second Sustainability Report issued by KENGIC Intelligent Technology Co., Ltd. (stock code: 688455.SH). Its disclosure scope covers the Company and its subsidiaries, aligned with the consolidated financial statements. The content focuses on the Company's 2025 initiatives in sustainability principles, environmental practices, social responsibility, and corporate governance, responding to stakeholder expectations.

Reporting period

This Report covers the period from January 1, 2025, to December 31, 2025, with certain content appropriately extended to adjacent years.

Basis of preparation

- Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)
- Guide No.13 for Self-Regulatory Supervision on Listed Companies of the SSE STAR Market – Compilation of Sustainable Development Reports
- Global Reporting Initiative (GRI) Standards issued by Global Sustainability Standards Board (GSSB)
- United Nations Sustainable Development Goals (SDGs)

Data source

All information and data disclosed in this Report are sourced from the Company's statistical reports, official documents, and original operational records. The Company certifies that this Report contains no false statements or misleading representations and assumes full responsibility for the truthfulness, accuracy, and completeness of its content. Financial data are denominated in RMB; in case of discrepancies with the audited financial statements, the latter shall prevail.

Definitions

Full name	Short name
KENGIC Intelligent Technology Co., Ltd.	KENGIC, the Company
Shanghai KENGIC Intelligent Technology Co., Ltd.	Shanghai KENGIC
Qingdao KENGIC Intelligent Equipment Manufacturing Co., Ltd	KENGIC Intelligent Equipment Manufacturing

Report access

The electronic version of this Report is available for download on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>).



Message from the Chairman



To all friends who care about the development of KENGIC:

On the occasion of KENGIC's 10th anniversary, on behalf of the Board of Directors, I extend our sincerest gratitude to investors, customers, partners, all employees, and members of society who have long cared for and supported us. Over the past decade, we have centered on automation, digitalization, and intelligent technologies, committed to becoming a trusted partner for global customers. We understand that an enterprise's long-term value lies not only in commercial success but also in its steadfast commitment to environmental, social, and governance responsibilities.

Strengthening the foundation of governance for steady and long-term growth

We continuously refine our corporate governance structure, having revised 30 core policies—including the Articles of Association—throughout the year to strengthen our compliance foundation. Upholding business ethics, we conducted 253 anti-bribery and anti-corruption training sessions, achieving full coverage of directors, management, and employees. By rigorously investigating fraud and publicly listing reporting channels, we reinforce the defense of "don't dare to be corrupt, can't be corrupt, and don't want to be corrupt." We prioritize investor rights protection, optimize communication channels, host 18 engagement events annually, and proactively respond to ESG investment trends to earn market trust through transparency.

Practicing green operations for harmonious coexistence

We embed green development principles throughout our entire production and operations. Through technological upgrades and refined management, we were designated a national "Green Factory." We actively advance energy conservation and emission reduction, strictly controlling pollutants—with zero environmental violations during the reporting period. On climate action, we have systematically identified related risks and opportunities and begun calculating and disclosing greenhouse gas emissions data to chart our low-carbon transition pathway.

Contributing to society and shouldering responsibilities of the era

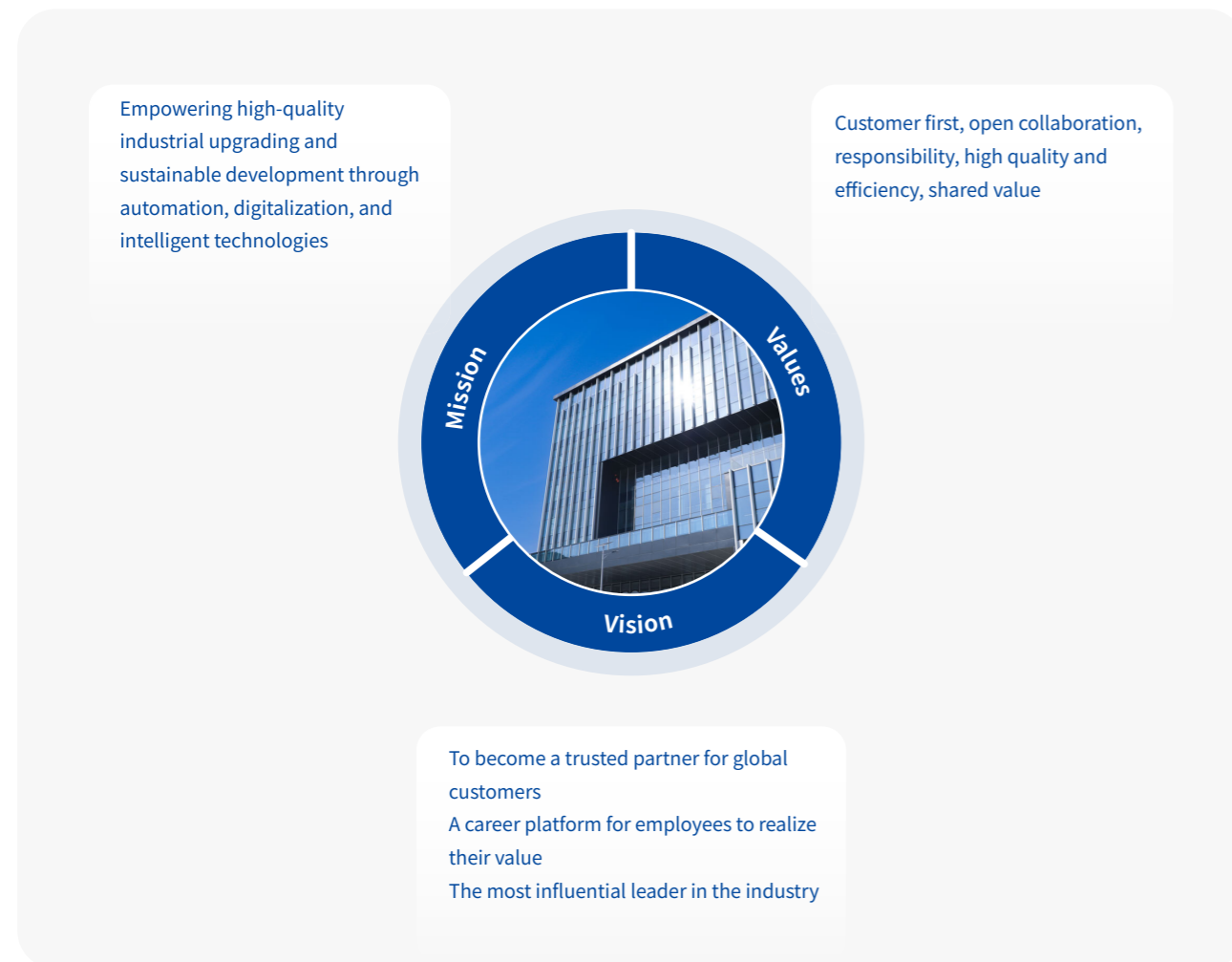
We believe an enterprise's value lies in creating societal well-being. Internally, we regard employees as our greatest asset—protecting their rights, providing training, and establishing long-term mechanisms like equity incentives to share in our success. Externally, we drive industrial progress through innovation: in 2025, R&D investment intensified, yielding 68 new patent applications and approval to establish the "Shandong Key Laboratory of Intelligent Perception and Autonomous Control." Our reliable products and exceptional service earned customer trust, with our after-sales team receiving multiple commendation letters. We actively give back—supporting university talent development via industry-academia collaboration, empowering agricultural product distribution with intelligent logistics systems, and spreading warmth through charitable visits to children's welfare homes.

Looking ahead, the reshaping of global supply chains and the advancement of "dual carbon" goals present both challenges and immense opportunities in intelligent logistics and smart manufacturing. KENGIC will remain steadfast in our values—"Customer First, Open Collaboration, Responsibility, High Quality and Efficiency, and Shared Value"—and leverage ESG management as a key driver of core competitiveness and long-term value creation. We are committed to partnering with all stakeholders to advance the intelligent and green transformation of our industry and contribute greater Kengic wisdom and strength to sustainable social development.

About KENGIC

Company overview

KENGIC Intelligent Technology Co., Ltd. (stock code: 688455) is a provider of intelligent logistics and smart manufacturing system solutions with proprietary core technologies and products. Focusing on intelligent logistics, intelligent factories, and new energy businesses, the Company delivers end-to-end solutions by integrating advanced technologies and equipment to help clients reduce costs, enhance efficiency, and achieve high-quality development. With an 86,000-square-meter digital industrial park and a global sales and service network, the Company holds multiple international certifications—including ISO 9001, ISO 14001, and ISO 45001—and over 300 patents, enabling stable collaboration with numerous industry leaders through robust technical and service capabilities to empower intelligent industrial transformation.



2025 milestones

January–February

The Intelligent Logistics Business Unit's after-sales team received banners and "Annual Outstanding Equipment Supplier" awards from JD.com Logistics' Jiangsu, Guangdong, and other regional operations.

May

Awarded the "2024–2025 Golden Ant Award for Most Popular Logistics Equipment among Users."

June

The new overhead shuttle robot system successfully passed functional testing—all technical specifications met targets, with multiple parameters exceeding set standards; key indicators such as lifting speed and travel speed surpassed industry averages.

Zeng Zanrong, Secretary of the CPC Qingdao Municipal Committee, led a delegation to inspect KENGIC's headquarters, affirming the Company's achievements in intelligent equipment and new quality productive forces.

Hosted the "Smart Manufacturing Global · Win-Win Together" salon, bringing together government, associations, and enterprises to explore pathways for Chinese manufacturing globalization and leveraging its role as an industry platform.

October

Won multiple industry awards at CeMAT ASIA 2025, including the "2025 Top 10 Well-known Logistics Brands".

March

The Company held a grand 10th anniversary celebration in Qingdao, gathering nearly 1,000 employees globally to reflect on its journey, unveil future strategies, and recognize outstanding employees and teams of the year, as well as those marking five and ten years of service.

Received JD.com, Inc.'s "Best Partner" Award for 2024, the "Best Support Award" at Guangzhou APAC's Outstanding Supplier Commendation Conference, and Fujian Mobile's 2024 Silver Partner for Government & Enterprise DICT title.

July

The Shanghai UV laboratory was successfully completed and officially commissioned.

Launched the 2025 "I Am a Shareholder" visit to listed companies initiative.

November

Approved by the Department of Science & Technology of Shandong Province, the Company was formally authorized to establish the "Shandong Key Laboratory of Intelligent Perception and Autonomous Control," receiving authoritative recognition of its innovation and R&D capabilities.

The Intelligent Logistics Business Unit received a commendation letter from Sercomm Philippines Inc. for its professional performance in overseas project delivery. The New Energy Business Unit's project team repeatedly earned client banners and commendation letters for high-quality delivery.

April

The first hanging-basket EMS trolley completed stable test runs, laying a solid foundation for the Company's further expansion in the tire industry.

A delegation from CATL, a global new energy leader, visited for inspection and to explore smart manufacturing collaboration.

August

Hosted the "Exchange for Wisdom, Cooperation for a Shared Vision – About KENGIC" event.

December

Participated in the 13th Global Intelligent Logistics Industry Development Conference & Global Logistics Equipment Entrepreneurs Annual Conference 2025, winning two major awards.

Received the "Golden Ant Award" – Lean Implementation Benchmark Award.

Entered into a strategic partnership with ROBOTERA to co-develop integrated humanoid robot solutions for logistics scenarios, positioning the Company at the forefront of industrial technology.

Honors and awards



2025 CFLP Annual Cooperative Brand



Intelligent Logistics Branch of China Association of Warehousing and Distribution Vice president unit



2024-2025 Golden Ant Award for Most Popular Logistics Equipment among Users



Machinery Industry Leading Award - Innovative Product Award



Machinery Industry Leading Award - Intelligent Solution Award



2025 Intelligent Logistics Industry Excellent Brand Award



2025 Top 10 Well-known Logistics Brands (Logistics System Integration)




2025 Digital and Intelligent Logistics Innovation and Application "Golden Ant Award"—Lean Implementation Benchmark Award



2025 Green Factory



ESG key performance



Governance performance

Total number of directors on the Board:	Percentage of female directors:	Director training coverage rate:
9	33.33%	100%
Anti-commercial bribery and anti-corruption training sessions:	Training coverage rate for directors, management, and employees:	
253 times	100%	
Investor communication events of various types:	Interactive inquiry response rate:	
18 sessions	100%	



Social performance

Total R&D expenditure RMB	Proportion of operating revenue:	New patent applications:
103.5624 million	4.53%	68
Certified as a	Number of product recalls:	Customer feedback response rate:
National-level Green Factory	0	100%
Customer satisfaction survey result:	Supplier ESG compliance assessment coverage rate:	
93.6	100%	



Environmental performance

Total environmental investment: RMB	No violations of environmental laws and regulations throughout the year	Clean energy consumption:	Accounting for
10.86 million		1.841 million kWh	20.08%
GHG emission intensity: 102.95 tonnes of CO ₂ equivalent/RMB 100 million			



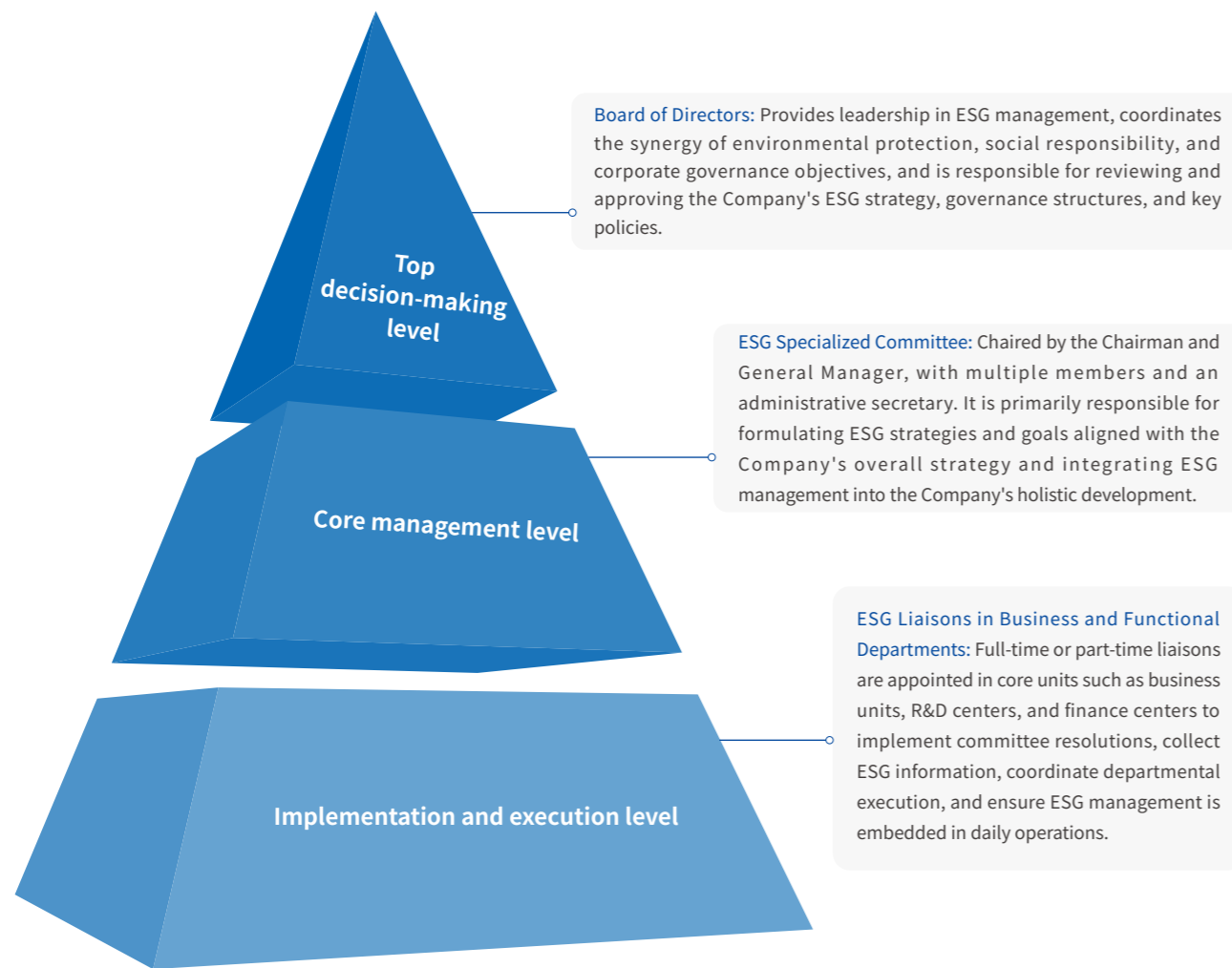
Employee performance

Total number of employees with disabilities hired:	Employee training sessions conducted:	Total investment in work safety:
13	162 sessions	RMB 700,000
Total duration of safety training:	Occupational health examination coverage rate:	New cases of occupational diseases:
15,000 hours	100%	0 cases

ESG management

ESG management structure

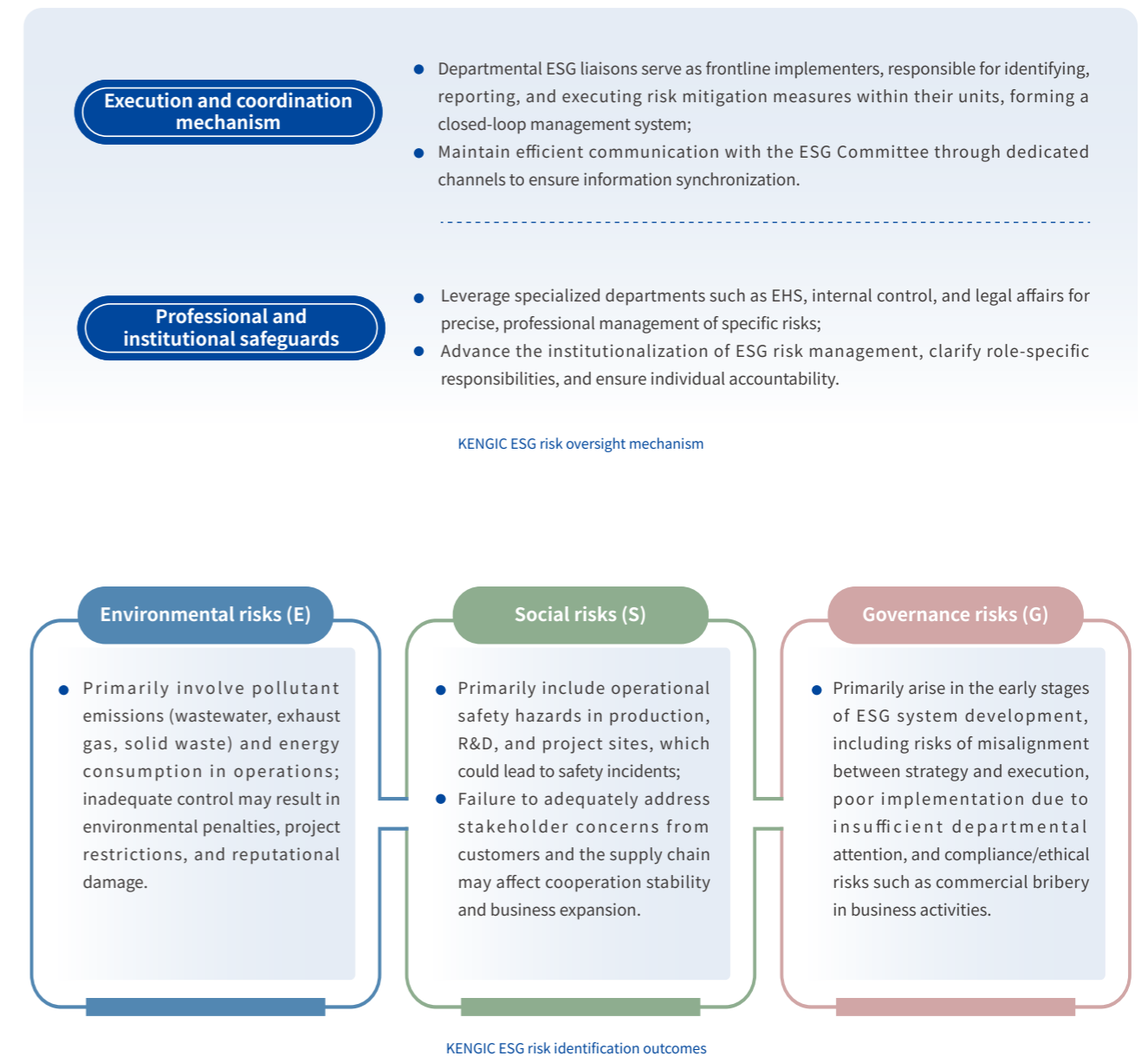
The Company has established a clear, hierarchical ESG management and execution structure with top-down linkage, coordinated by the Board of Directors, managed by the ESG Specialized Committee as the core body, and supported by ESG liaisons across all business and functional departments.



KENGIC ESG management organizational structure

ESG risk and opportunity management

The Company has established an ESG risk management framework comprehensively coordinated by the ESG Specialized Committee, approved by the Board of Directors, and executed by departmental ESG liaisons, instituting a sound ESG risk oversight mechanism.



Communications with stakeholders

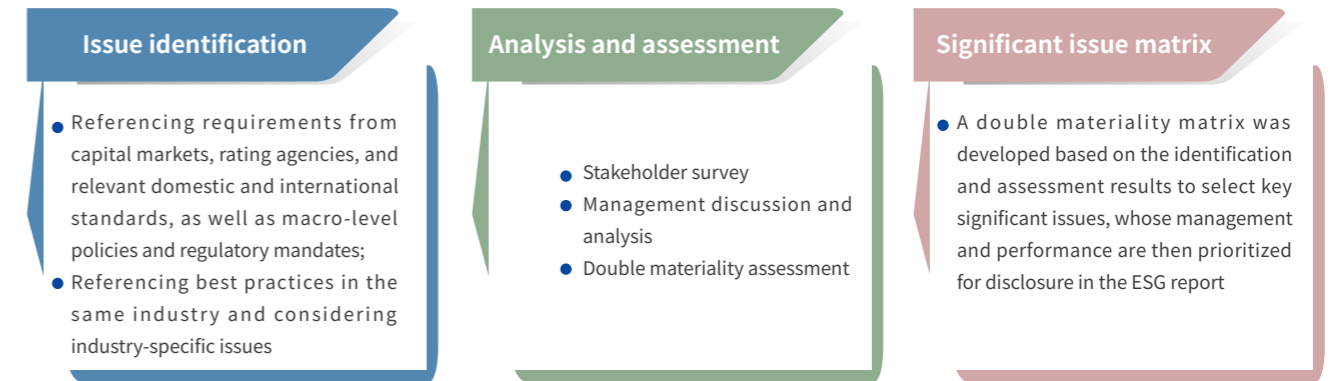
The Company places great importance on communication with investors and broader stakeholders, establishing a transparent, two-way, and standardized communication mechanism to enhance understanding and trust. We maintain regular interactions with investors, analysts, media, and regulatory agencies through multiple channels.

Stakeholders	Topics of concern	Communication mechanism
Government and regulatory agencies	Corporate governance Anti-commercial bribery and anti-corruption Environmental compliance management Pollutant emissions	Routine communication Policy implementation
Shareholders and investors	Corporate governance Anti-commercial bribery and anti-corruption Anti-unfair competition Innovation-driven development	Information disclosure Shareholders' Meeting Investor hotline Earnings call
Customers	Safety and quality of products and services Data security and customer privacy protection	Customer service and complaints Customer satisfaction survey
Employees	Occupational health and work safety Employees Anti-commercial bribery and anti-corruption	All-staff meeting Complaint and feedback mailbox
Community	Waste disposal Pollutant emissions Contributions to the society Rural revitalization	External announcements and disclosures Interviews and communication

Stakeholder communication mechanism

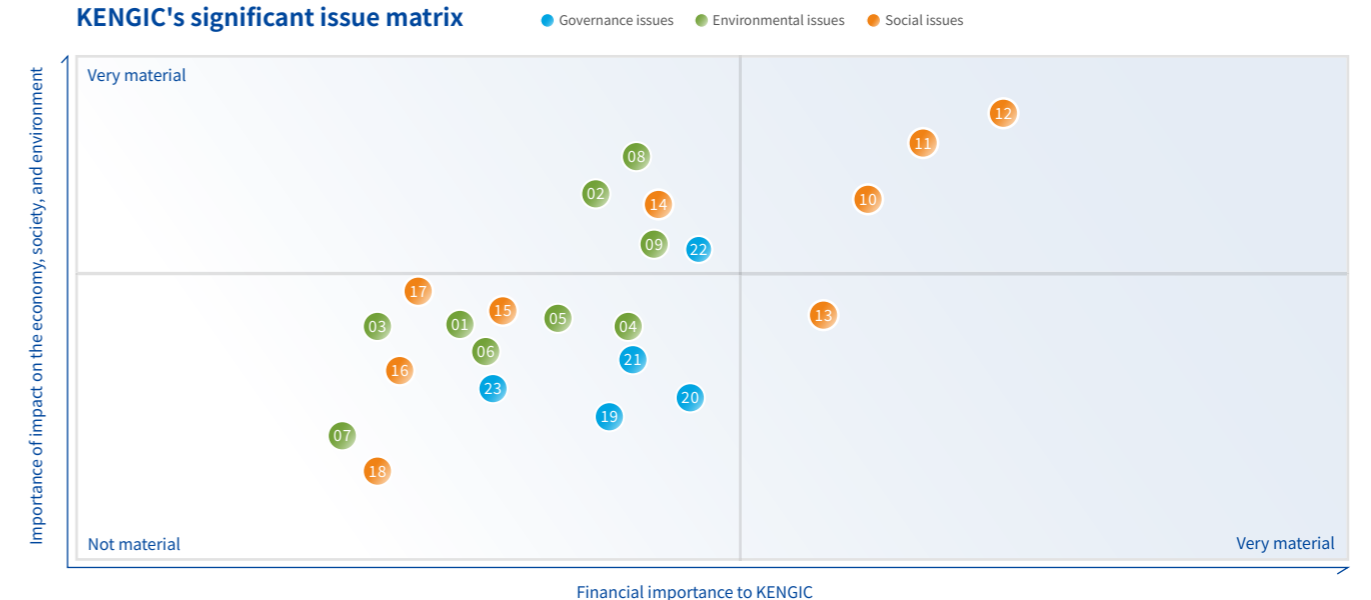
Materiality assessment of significant issues

Building on its historical work, the Company identified 23 significant ESG issues by integrating business operations with internal and external environmental changes, referencing the latest policies, regulations, and industry standards, and incorporating stakeholder input.



KENGIC's significant issue assessment process

KENGIC's significant issue matrix



Environment

- 01 Climate change tackling
- 02 Waste management
- 03 Usage of water resources
- 04 Circular economy
- 05 Energy utilization
- 06 Environmental compliance management
- 07 Ecosystem and biodiversity conservation
- 08 Pollutant emissions
- 09 Green production and operation

Society

- 10 Supply chain security
- 11 Data security and customer privacy protection
- 12 Safety and quality of products and services
- 13 Innovation-driven development
- 14 Employees
- 15 Occupational health and work safety
- 16 Rural revitalization
- 17 Contributions to society
- 18 Equal treatment to small and medium-sized enterprises

Corporate governance

- 19 Corporate governance
- 20 Anti-commercial bribery and anti-corruption
- 21 Anti-unfair competition
- 22 Communications with stakeholders
- 23 Due diligence

KENGIC's list of significant issues

Governance section

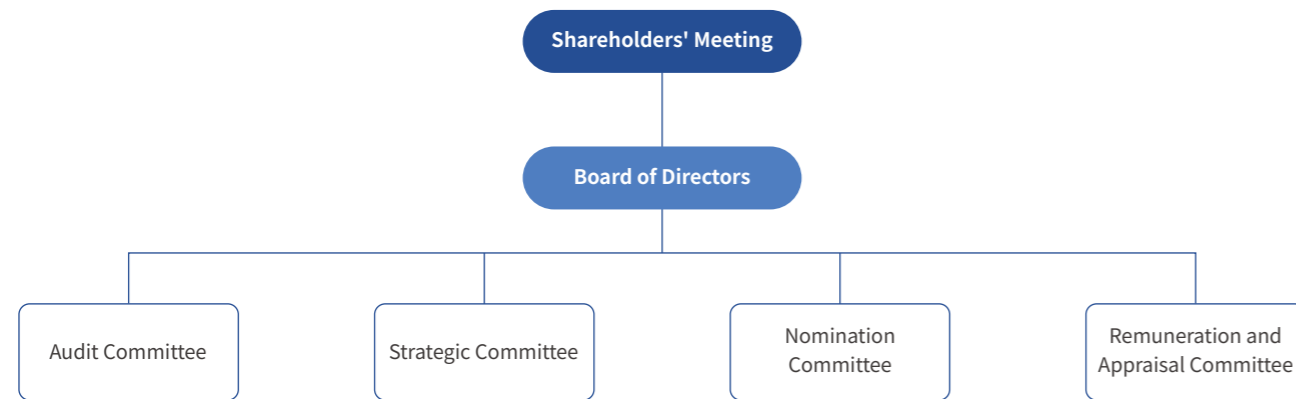
Solid foundation,
compliance for long-term
development

- ▶ Corporate governance
- ▶ Party building leadership
- ▶ Business ethics
- ▶ Anti-unfair competition
- ▶ Risk and compliance
- ▶ Investor rights and interests



Corporate governance

KENGIC strictly complies with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and other applicable laws and regulations. The Company continuously refines its governance structure and effectively leverages the synergistic governance functions of the Board of Directors, the Shareholders' Meeting, and senior management. Through a robust decision-making and execution mechanism, it comprehensively enhances standardized operations and solidifies its foundation for compliant business practices. The Board has established four specialized committees, with independent directors duly appointed and their responsibilities clearly defined. In 2025, independent directors ensured compliant and effective performance of their duties by participating in all meetings and providing opinions on material matters.



KENGIC corporate governance structure

Board diversity

Directors on the Board as of report end:	Including independent directors	Proportion of independent directors to total directors	Including: Accounting professionals
9	3	33.33%	1
Female directors	Percentage	Independent director	Non-independent directors (employee representative directors)
3	33.33%	2	1

Key performance

During the reporting period, the Company held shareholders' meetings	Board of Directors meetings	Audit Committee meetings	Remuneration and Appraisal Committee meetings	
4 times	9 times	4 times	2 times	
Nomination Committee meetings	Strategic Committee meetings	Average Board attendance rate	Director training conducted	Director training coverage rate
1 time	1 time	100%	2 times	100%

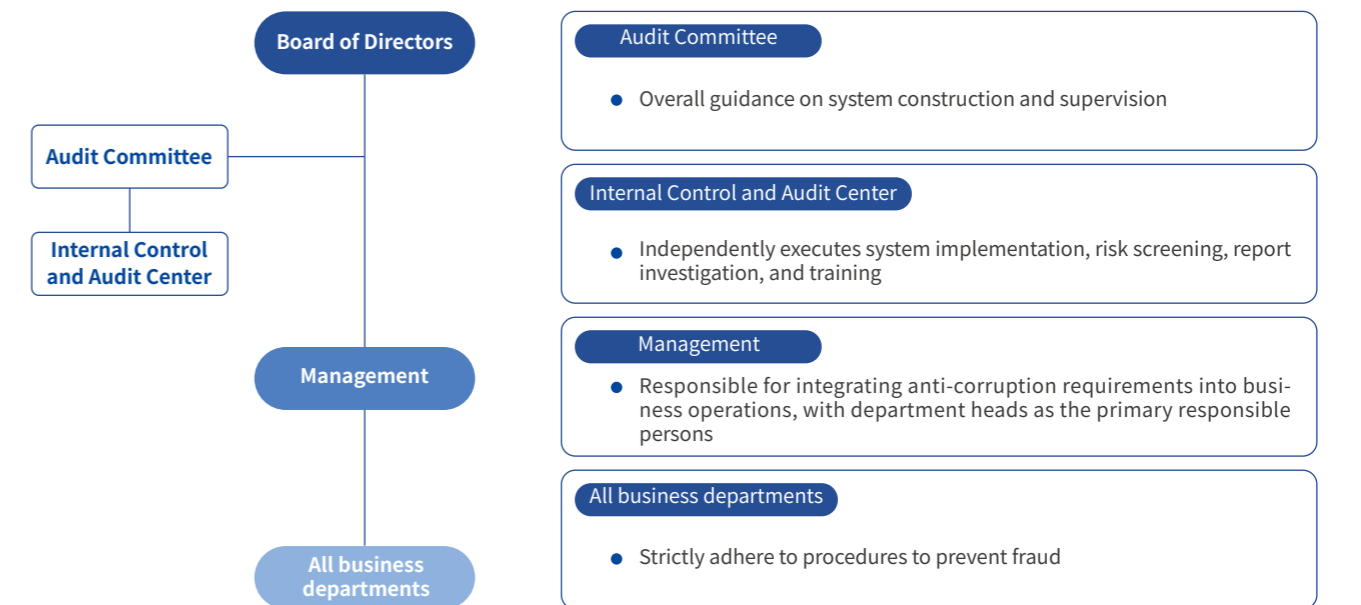
Party building leadership

In 2025, under the strong leadership and effective guidance of the Non-Public Enterprise Party Committee of Qingdao National High-tech Industrial Development Zone, the Company's Party-building initiatives adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly studied and fully implemented the spirit of the 20th National Congress of the Communist Party of China and its plenary sessions, continuously strengthened its organizational foundations, and harnessed the Party organization's cohesiveness and combat effectiveness as a powerful driver for the Company's high-quality development. During the reporting period, the Company's Party organization continued to enhance its own capacity, with a total of 72 official Party members.

In specific implementation, the Company actively fulfills the Party's educational principles by regularly organizing Party classes, member training, and thematic organizational life meetings to continuously enhance members' ideological and political literacy. Adhering to the unity of knowledge and action, it organizes Party-themed practical activities to integrate theoretical learning with operational work, thereby strengthening organizational cohesion and combat effectiveness. Additionally, the Company strictly manages Party dues collection, usage, and administration in accordance with regulations, ensuring standardized implementation of foundational Party-building work.

Business ethics

The Company has established an anti-corruption governance framework and institutional system, with the Board of Directors responsible for approving strategies and policies and bearing ultimate accountability. It consistently implements the Anti-Fraud Management System: all employees must sign an Integrity Agreement upon onboarding, and suppliers must sign a Supplier Integrity Agreement upon initial engagement or first cooperation. These systems and agreements cover all Company employees, all staff across subsidiaries and offices, and all suppliers who have signed the agreement, ensuring anti-corruption requirements are embedded in all internal and external business activities.



KENGIC anti-corruption governance structure

In 2025, the Company delivered targeted integrity education to different groups through case studies, agreement signings, and email notifications, and organized training on anti-corruption and relevant laws and regulations to continuously strengthen enterprise-wide integrity awareness and build a robust ideological defense line, with a focus on two key thematic warning education initiatives throughout the year.



Key performance

In 2025, conducted anti-commercial bribery and anti-corruption training

253 sessions

Achieved coverage for directors, management, and employees

100%

Number of employees who signed the Integrity Agreement

252

Signing rate of newly-hired employees in 2025

100%

Suppliers who signed the Supplier Integrity Agreement

613

Signing rate

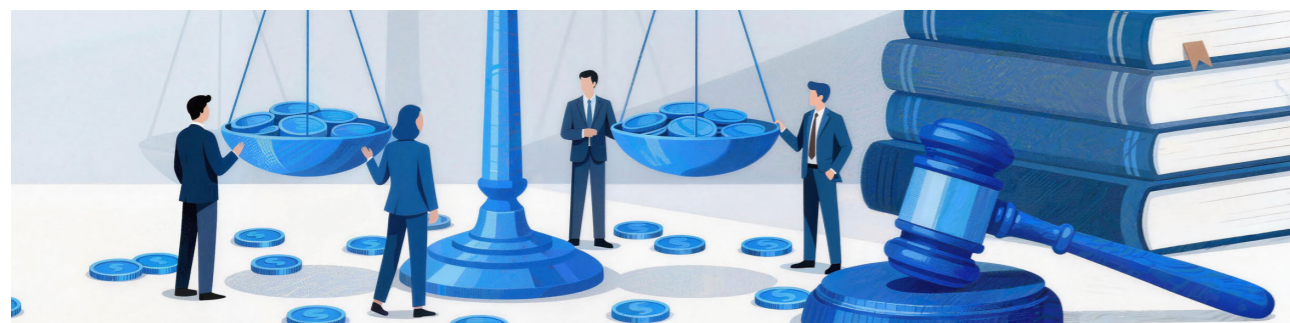
100%

Case Integrity and professional conduct warning education for new employees to enhance their awareness

In 2025, the Company integrated integrity education into the mandatory onboarding training for every batch of new employees throughout the year. Organized by the HR & Administration Center in the Company's training room, this program promotes the Company's business ethics red lines and consequences of violations through orientation briefings, policy dissemination, on-site signing of the Integrity Agreement, and disclosure of oversight channels. This initiative achieved the dual objectives of 100% integrity education coverage and 100% signing rate of the Integrity Agreement for new employees, effectively establishing the first line of defense of "don't dare to be corrupt, can't be corrupt, and don't want to be corrupt" and yielding significant results in source-level risk prevention.



Specialized anti-corruption training



Case Investigation and notification of bribery and fraud incidents to serve as a warning and educational tool

In September 2025, the Company rigorously investigated and issued a company-wide notification regarding a fraud incident involving a procurement officer accepting assets from a supplier. Upon discovering the lead, the Internal Control and Audit Center immediately formed a special investigation team. Following evidence collection, the individual admitted to the bribery. In accordance with the Integrity Agreement and relevant policies, the Company terminated the employment contract of the procurement officer, imposed economic compensation, issued a public reprimand, and added the individual to the integrity blacklist. Concurrently, the Company terminated cooperation with the involved supplier and placed them on a blacklist. These measures strictly enforced the integrity red line and a "zero-tolerance" stance, significantly reinforcing enterprise-wide integrity awareness.

The Company has established a dedicated reporting hotline and email address managed by the Internal Control and Audit Center, with all reported information kept strictly confidential. These channels are publicly disclosed internally and externally through internal communications, tender documents, and procurement contracts, making them fully accessible to employees, suppliers, partners, and other stakeholders to ensure convenient and secure reporting. The Company strictly protects the personal information and content of all reports throughout the entire process. Whistleblowers may provide leads anonymously, and for anonymous reports where preliminary investigations reveal signs of fraud, the Company will initiate a formal investigation to prevent any form of retaliation.

Reporting channels

- Reporting hotline: (0532) 55583579
- Reporting email: jubaoxinxiang@kengic.com

Lead acceptance

- The Internal Control and Audit Center performs preliminary registration of report content to clarify key information.

Lead investigation

- For reports indicating signs of fraud, a special team is formed upon approval to conduct comprehensive verification through document review, interviews, and other methods to secure evidence.

Disciplinary action

- Hold violators accountable in accordance with laws and regulations for confirmed violations, and refer cases of suspected criminal activity to judicial authorities; for unsubstantiated claims, document conclusions and archive them;
- All reporting materials, investigation records, and disciplinary outcomes are archived per regulations to ensure process traceability.

Standardized reporting and handling process

Anti-unfair competition

The Company prioritizes anti-monopoly and fair competition compliance, resolutely opposes unfair competition, and strictly adheres to laws and regulations including the Criminal Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China, having formulated its Anti-Monopoly and Fair Competition Policy. The Legal Affairs Center, as the designated management unit, is responsible for identifying, assessing, and mitigating compliance risks, and conducts routine reviews of business contracts and cooperation models. Additionally, the Company has issued a statement reaffirming strict compliance with the Anti-Monopoly Law of the People's Republic of China and its fair competition principles: prohibiting collusion with competitors, respecting partners' operational autonomy, forbidding abuse of market dominance, and requiring employees to exercise caution in communications.

The Company communicates compliance requirements to employees through integrated online and offline channels such as new employee onboarding and departmental meetings, and plans to incorporate relevant content into the upcoming Employee Handbook. Going forward, the Legal Affairs Center will continue to monitor regulatory and business needs, organize specialized training as appropriate, and promote the establishment of a more systematic specialized management system to continuously enhance the governance framework.

Key performance

In 2025, the Company had **no** incidents of violating fair competition rules or receiving administrative penalties

Risk and compliance

In 2025, to continuously improve its corporate governance and internal control systems, the Company advanced the updating and revision of internal control-related policies at two levels.

Corporate governance level	Pursuant to a Board resolution, the Company revised 30 core policy documents, including its fundamental Articles of Association and the Information Disclosure Management System, to strengthen the compliance foundation at the corporate governance apex.
Operational management level	Reviewed by Company management, a series of key operational management policies were revised, including the Management Measures for Procurement of Production Materials, Management Measures for Procurement of Non-Production Materials, Asset Management Measures, Quality Information Management Measures, and work safety-related policies, to ensure standardized and risk-controlled daily operations.

Updating and revision of internal control-related policies

The Company has established a systematic internal control system for related party management. To regulate related party transactions, it formulated the Related Party Transaction Decision-Making System in accordance with the Company Law of the People's Republic of China and other regulations, clarifying the scope of related parties, specifying compliance approval procedures including review by independent directors and the Audit Committee, and establishing oversight mechanisms such as fair pricing principles and information disclosure.

Simultaneously, to prevent fund appropriation risks, the Company strictly enforces the System for Preventing Fund Appropriation by Controlling Shareholders and Other Related Parties, explicitly prohibiting fund lending, expense advances, and similar activities, establishing a responsibility system with the Chairman as the primary accountable person, and mandating regular inspections and special audits. Violations are subject to remedial procedures including repayment demands and litigation. These systems collectively aim to prevent improper benefit transfers and safeguard the Company's and all shareholders' assets and legitimate rights.

Case Conducting specialized training to cultivate employee compliance awareness

In 2025, the Company organized specialized training on anti-monopoly and fair competition. The training interpreted core provisions and three major legal risks of the Anti-Monopoly Law of the People's Republic of China, clarifying red lines for competitor communications, norms for upstream/downstream pricing, and risk identification related to dominant market positions within business contexts, and reiterated internal compliance consultation and reporting mechanisms. This training significantly enhanced all employees' anti-monopoly compliance awareness and risk identification capabilities, laying a solid compliance foundation for the Company's fair participation in market competition.



Specialized training on anti-monopoly and fair competition

Case Conducting specialized internal control training to accurately identify internal control issues

In 2025, the Company innovatively adopted a specialized training model of "testing and inspection + communication and supervision + closed-loop rectification" to enhance internal control effectiveness. The internal control team identified execution gaps across departments through comprehensive inspections and established a ledger. Subsequently, customized supervision was implemented at multiple levels, combining online communication with offline reviews, focusing on issue feedback, standard clarification, and rectification follow-up. Concurrently, the Company established an online rectification tracking mechanism with clear responsibilities and deadlines to drive tangible remediation. In the second half of the year, operational risks stemming from these internal control issues were significantly reduced, achieving the practical outcome of "Test to Learn, Train to Improve."



Specialized internal control training

Investor rights and interests

In 2025, the Company officially revised and announced a new version of its Investor Relations Management System, concurrently updating 30 core policies including the Articles of Association and Information Disclosure Management System to ensure deep integration with information disclosure and corporate governance. An online investor ledger registration system was established for closed-loop management of all investor calls, email inquiries, and SSE E-interactive queries throughout the year. Registration of insider information knowers was digitized, a standardized window period alert system was implemented, and ad-hoc announcement disclosures were standardized.

Additionally, building upon traditional communication methods, the Company actively expanded four core channels, not only accurately conveying its business value and strategic direction and stabilizing capital market expectations, but also effectively promoting shareholder structure optimization, achieving mutual reinforcement between investor relations management and business development.

Four core communication channels

- First, operating the Eastmoney Guba to deliver real-time company updates, drive traffic to earnings calls, and enhance interaction quality;
- Second, establishing institution-exclusive (reverse) roadshow channels centered on Beijing, Shanghai, Guangzhou, and Shenzhen to precisely engage professional investment institutions;
- Third, creating the "About KENGIC" offline immersive communication event to deepen investors' direct understanding through on-site visits and executive dialogues;
- Fourth, leveraging industry exhibition platforms to organize "Investors Visit Exhibitions" events to strengthen investors' recognition of the Company's industry competitiveness.

Beyond investor communications, the Company proactively responded to ESG investment trends by completing a special media interview with China Business Journal to highlight its internationalization and technological innovation. It also maintained close engagement with domestic and international ESG rating agencies such as Wind and EcoVadis, securing ratings that address core ESG investor concerns.

The Company adheres to the capital market principles of "openness, fairness, and impartiality," fully integrating minority investor protection into key areas including corporate governance, information disclosure, investor relations, and shareholder returns. Through initiatives such as investor education and enhanced shareholder return mechanisms, it effectively safeguards their legitimate rights, with no incidents of minority investor rights infringement occurring throughout the year.



Fair information disclosure

- Upholding fairness in information disclosure, all material information is simultaneously disclosed to all investors through statutory channels, with content designed to be clear and understandable;
- Deepening insider information management through electronic registration of knowers and strict control of window period trading to eliminate information asymmetry at the source, ensuring minority investors have equal and timely access to the Company's value-relevant information.

Equal communication and interaction

- Optimizing and ensuring smooth operation of basic online channels including telephone, email, and SSE E-interactive, and establishing an inquiry ledger with a closed-loop handling mechanism;
- Adding Eastmoney Guba operations to facilitate information access;
- Hosting open-access online earnings calls and investor reception days, with executives directly addressing minority shareholder concerns;
- Providing online voting and reserved speaking time at shareholders' meetings to effectively protect minority shareholders' voting and participation rights.

Dividends and repurchases

- Issuing the Shareholder Dividend Return Plan for the Next Three Years to institutionalize equal rights for equal shares, prioritize cash dividends, and set minimum ratio requirements, thereby safeguarding minority shareholders' rights to dividend income and to be heard;
- Enabling minority investors to share in the Company's success through share repurchase and cancellation programs.

KENGIC measures to protect minority investors

Case

Conducting investor education to enhance risk identification capabilities

The Company conducts special activities aligned with the "5·15 National Investor Protection Awareness Day" and utilizes diversified channels including its official website to actively disseminate relevant laws such as the Company Law of the People's Republic of China and Securities Law of the People's Republic of China, focusing on practical knowledge like minority shareholder rights exercise, investment risk mitigation, and lawful recourse channels, aiming to enhance investors' self-protection awareness and capabilities.



Investor education activities



Key performance

In 2025, the Company answered calls from minority investors	Replying to emails	Responding to SSE E-interactive inquiries	Investor inquiry response rate
Over 100 times	7 times	17 inquiries	100%
Various types of investor communication events:	Earnings call	Qingdao jurisdiction investor online reception day event	Number of individuals reached:
18 sessions	3 sessions	1 session	447

Environment section

Green operations for harmonious coexistence

KENGIC adheres to the concept of green development, strictly abides by environmental laws and regulations, and integrates environmental responsibility into the entire production and operation process. We have built an environmental management system covering energy, water resources, emissions, and compliance. Through institutional innovation, technological upgrades, and refined management, we continuously improve our environmental performance and fulfill our corporate responsibility for sustainable development.

- ▶ Climate change tackling
- ▶ Energy management
- ▶ Water resource management
- ▶ Environmental compliance and waste treatment
- ▶ Green operations



Climate change tackling

Governance

KENGIC attaches great importance to the profound impact of climate change and has fully integrated climate change tackling into its corporate governance system. The Company has established a governance structure with unified leadership from the Board of Directors, overall coordination by the management, and division of labor and implementation by various departments, clarifying the boundaries of powers and responsibilities at all levels regarding climate-related matters. The Board of Directors is responsible for guiding the climate strategy and supervising the effectiveness of the overall response. The management undertakes the daily management responsibilities for climate issues, coordinates internal and external resources, and ensures that the concept of low-carbon development is implemented in business operations. Through this top-down responsibility mechanism, the Company has formed a governance pattern of vertical linkage and coordinated advancement, providing a solid organizational guarantee for continuously improving climate management and promoting a green and low-carbon transition.

Strategy

KENGIC comprehensively identifies risks and opportunities related to climate change based on the characteristics of its industry and its own operational realities. It assesses their impact on the Company's business, strategy, and financial planning, and fully integrates low-carbon development into its long-term development strategy.

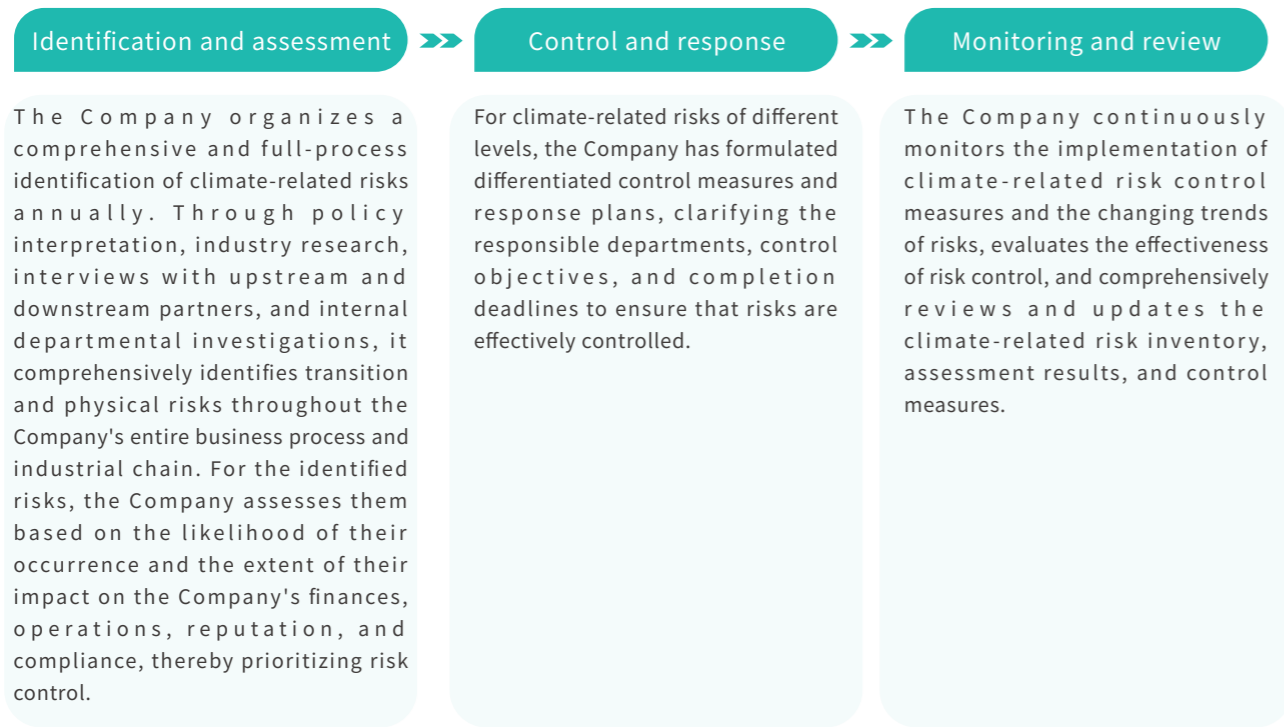
Risk type	Impact period ¹	Risk description	Potential impact
Transition risk			
Policy and compliance risks	Short- and medium-term	National and local "dual carbon" related policies are continuously tightening, the coverage of the carbon market is gradually expanding, and stricter GHG emission standards and dual control policies for energy consumption are being introduced. If a carbon tax is levied in the future, it will directly increase emission costs.	Compliance costs and carbon emission costs are rising. Failure to meet compliance requirements may lead to risks such as penalties and production restrictions, which could negatively impact the Company's production and operations.
Technical risks	Medium- and long-term	Low-carbon and energy-saving technologies are iterating rapidly. Insufficient investment in R&D and lagging technological iteration in fields such as green intelligent equipment and energy-saving processes will lead to a decline in product competitiveness.	Loss of market share, weakened product competitiveness, and missed market opportunities in the low-carbon transition.

¹The time frames are defined based on the business impact cycle: short-term is 1-3 years (inclusive), medium-term is 3-5 years (inclusive), and long-term is over 5 years

Risk type	Impact period	Risk description	Potential impact
Transition risk			
Market and supply chain risks	Short- and medium-term	Downstream core customers in new energy, e-commerce, medicine, and automotive industries have set supply chain carbon neutrality goals, imposing higher requirements on suppliers for carbon emission management and low-carbon product supply. Upstream raw material suppliers are experiencing price increases and supply instability due to policy impacts.	Impact on order acquisition capabilities, increased supply chain costs, and decreased stability of raw material supply, which affects the Company's project delivery and profitability.
Reputation and financing risks	Medium- and long-term	If the Company's response to climate change falls below the industry average and its low-carbon transition lags, it may damage its brand reputation and face negative evaluations from investors and capital markets. Meanwhile, the increasing requirements of green financing instruments for corporate low-carbon performance could affect the Company's financing channels and costs.	Damage to brand image, increased financing costs, and limited financing channels, affecting the Company's long-term development.
Physical risks			
Acute physical risks	Short- and medium-term	Global warming has led to frequent extreme weather events. Extreme weather such as typhoons, heavy rain, and high temperatures may affect the normal operations of the Company's production bases, leading to production interruptions and equipment damage. It may also affect project delivery and logistics nationwide, causing project delays.	Interruption of production and operations, property losses, and project delays and defaults, resulting in direct economic losses.
Chronic physical risks	Long-term	Continuously rising global average temperatures, sea-level rise, and long-term changes in precipitation patterns may reduce the infrastructure stability of the Company's production bases. Prolonged high temperatures increase the energy consumption of production equipment and the load on cooling systems, leading to a continuous rise in operating costs. Chronic physical risks affecting upstream and downstream enterprises in the industrial chain result in long-term supply chain instability.	Increased long-term operating costs and decreased supply chain stability, adversely affecting the Company's long-term business planning.

Impact, risk, and opportunity management

The Company has fully integrated climate-related risk management into its overall risk management system, establishing a full-process climate risk management mechanism of "identification-assessment-control-monitoring and review" to ensure that climate-related risks are comprehensively and effectively controlled.



Climate risk management mechanism

Indicators and targets

The Company has established a comprehensive monitoring system for climate-related indicators and conducts GHG emission accounting in strict accordance with internationally recognized standards to ensure that low-carbon development efforts are quantifiable, assessable, and traceable. It has also set the 2026 management target for climate change tackling: to formulate a climate change-related emergency plan, organize at least one emergency drill, and conduct one climate change risk review.

KENGIC's GHG emissions 2023-2025				
Indicator item	Unit	2023	2024	2025
Direct GHG emissions (Scope 1)	tCO ₂ e	38.06	36.71	934.88
Indirect GHG emissions (Scope 2)	tCO ₂ e	553.09	982.38	1,419.36
Total GHG emissions	tCO ₂ e	591.15	1,019.09	2,354.24
Total GHG emissions intensity	tCO ₂ e/RMB 100 million	51.49	73.13	102.95

Energy management

KENGIC places great importance on energy management, incorporating energy conservation and efficiency improvement into its corporate sustainable development strategy. The Company has established a comprehensive energy management system and regulations, and continuously enhances energy utilization efficiency and reduces energy consumption through technological upgrades and digital management.

The Company actively implements national and local energy conservation policies. It has formulated special systems for energy and resource conservation, including an energy management system manual, procedure documents, and internal and external audit reports. It has established an energy management system that complies with the requirements of the Energy Management Systems – Requirements with Guidance for Use (GB/T 23331-2020) and has obtained the ISO 50001 Energy Management System certification, achieving institutionalized and standardized energy management. The Company implements a reward and penalty policy for the monthly completion of energy indicators and regularly conducts evaluations on electricity and raw material conservation. Through these evaluations, key areas for optimization are identified to improve raw material utilization and finished product rates, thereby reducing the consumption of electricity and raw materials.

Energy consumption 2023-2025				
Indicator	Unit	2023	2024	2025
Direct energy consumption	Tonnes of standard coal equivalent	18.29	22.85	571.63
Indirect energy consumption	Tonnes of standard coal equivalent	106.04	190.72	328.76
Total energy consumption	Tonnes of standard coal equivalent	124.33	213.57	900.39
Energy use intensity	Tonnes of standard coal equivalent/RMB 100 million	10.83	15.33	39.37

Target	2025 achievement status
By 2025, the consumption of green, low-carbon, and renewable energy will account for 10% of the plant's total energy consumption, and the annual comprehensive energy consumption per unit of product will be reduced by 5%	Achieved
By 2030, the consumption of green, low-carbon, and renewable energy will account for 20% of the plant's total energy consumption, and the annual comprehensive energy consumption per unit of product will be reduced by 8%	In progress

The Company's energy conservation targets and plans



Energy optimization

KENGIC considers energy optimization a core measure for low-carbon development, driving improvements in energy efficiency through both technological upgrades and adjustments to the energy structure. In terms of energy-saving and consumption-reducing renovations, the Company has integrated energy-saving technological upgrades into its core path for transforming its growth model. It has increased the research, development, and promotion of new energy-saving technologies, processes, and equipment. In recent years, it has successively phased out high-energy-consuming and outdated equipment, replacing old general-purpose equipment such as radial drilling machines and cutting machines to reduce energy waste. In optimizing its energy structure, the Company actively promotes the use of clean energy. The exterior walls of the office area use transparent glass windows, and the production workshops are equipped with skylight panels to maximize the use of natural light. Solar-powered streetlights are installed throughout the plant, and diesel forklifts are being gradually replaced with electric tow tractors to reduce reliance on traditional fossil fuels and maximize the use of renewable energy.

Best practices in energy management

Case 1 Energy efficiency improvement of the air compressor station system

The workshop's air compressor station adopts a dual-machine configuration with one unit in operation and one on standby. The primary unit is a 75 kW air-cooled, variable-frequency, oil-injected screw air compressor, while the standby unit is a 37 kW air-cooled, fixed-frequency, oil-injected screw air compressor. The specific power input of both units is superior to the Grade 1 energy efficiency limit specified in the Minimum Allowable Values of Energy Efficiency and Energy Efficiency Grades for Displacement Air Compressors (GB 19153-2019), reaching an advanced level in the industry. Through operational strategies such as dynamic load matching and redundant design, no-load energy consumption and system losses are avoided. Compared to traditional air compressor systems, this is expected to reduce the energy consumption of the compressed air system by 15%–20%, cutting carbon dioxide emissions by several hundred tonnes annually.

Case 2 Energy efficiency optimization of the auxiliary motor system

The motors supporting the workshop's production equipment are YE4 series ultra-high efficiency motors, with energy efficiency meeting the Grade 2 requirements or higher as stipulated in standards such as the Minimum Allowable Values of Energy Efficiency and Energy Efficiency Grades for Small and Medium Three-phase Asynchronous Motors (GB 18613-2020), achieving an industry-leading level of energy conservation. For auxiliary equipment with significant load fluctuations, variable frequency control technology is employed. Through real-time monitoring and intelligent regulation via the MES system, "precise energy supply" is achieved. Additionally, a full life-cycle management system for motors has been established, with regular energy efficiency testing and maintenance conducted to ensure the equipment consistently operates in a highly efficient state.



Low-energy-consumption motors

Case 3 Advanced practices in energy metering and digital management

The workshop has established a three-tier metering system covering all major energy media, including electricity, natural gas, compressed air, and water. The first tier measures overall energy consumption, the second tier assesses the energy efficiency levels of each process unit, and the third tier enables precise energy consumption accounting for individual equipment. Each piece of equipment is fitted with a smart energy meter, and energy consumption data is uploaded to the IoT system in real time, enabling online monitoring, data analysis, and anomaly alerts. High-energy-consumption areas are identified through data mining, providing data support for energy-saving optimizations and achieving a deep integration of energy management and production management.



IoT energy monitoring system

Water resource management

KENGIC places great importance on the protection and efficient use of water resources. It strictly complies with national and local environmental regulations such as the Water Law of the People's Republic of China, the Regulations on Groundwater Management, and the Environmental Quality Standards for Surface Water. The Company has established a stringent water resource management system, formulated detailed water use management regulations, clarified the responsibilities of each position, and assigned dedicated personnel to monitor the operational status of the water circulation system in real time to ensure compliant use of water resources.

The Company's main production processes include blanking and cutting, bending, drilling, welding, and assembly. No water is used in the production process, and water consumption on the plant site is limited to domestic use. Domestic sewage is directly discharged into the municipal sewage pipeline. During the reporting period, the Company's production and business activities did not have a significant negative impact on water resource protection, nor were there any cases of major administrative penalties or criminal liabilities for water pollution.

The Company actively explores cascade utilization of water resources, using pre-treatment process wastewater that has undergone advanced treatment for equipment cooling in auxiliary production workshops and cleaning in non-production areas—applications with relatively low water quality requirements—thereby improving the comprehensive utilization efficiency of water resources. At the same time, the Company has established a robust water resource risk early-warning mechanism, leveraging the IoT platform to monitor real-time water conditions in surrounding areas and internal water usage, and proactively developing contingency plans such as adjusting production schedules and optimizing manufacturing processes during water shortages. At the employee level, the Company regularly organizes all staff to attend training courses on water conservation and efficient utilization, covering topics such as the working principles of water circulation systems, water-saving techniques, and the importance of water resources, to enhance employees' awareness and operational skills. It also conducts diverse water-saving promotional activities—such as water conservation knowledge contests and posting water-saving slogans—to encourage employees to cultivate water-saving habits in daily life and work.



Image of water conservation logo

Environmental compliance and waste treatment

KENGIC regards ecological and environmental protection as a cornerstone of its sustainable development. The Company strictly complies with relevant laws and regulations—including the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and the Emergency Response Law of the People's Republic of China—as well as local regulatory requirements. Adhering to the baseline of environmental compliance, the Company has established and improved a comprehensive, multi-tiered environmental management and emergency response system, continuously strengthened institutional frameworks, enhanced capabilities for source-level prevention and emergency response to environmental risks, and comprehensively mitigated all types of environmental risks arising from operations, ensuring coordinated development between business operations and ecological environmental protection.

Key performance

During the reporting period, the Company had

no environmental violations

No administrative

penalties related to environmental protection were received

Total environmental investment:

RMB **10.86** million

The Company has established a three-tiered environmental management structure—"decision-making, management, and execution"—integrating the concept of green development into its corporate governance system. As the highest decision-making body, the Board of Directors approves environmental strategies and steers the direction of low-carbon transition. Management has established a dedicated department responsible for environmental and energy management to coordinate the implementation of environmental policies, supervise environmental protection facilities, and drive energy-saving technological upgrades. At the execution level, departments and teams operate under a clear responsibility network to conduct routine environmental hazard inspections. Through this well-defined accountability mechanism, the Company has formed a top-down, highly coordinated environmental governance framework, providing solid organizational support for continuous environmental performance improvement and green operations.

- 1 Create a green environment
- 2 Comply with laws and regulations
- 3 Enhance environmental awareness
- 4 Achieve pollution prevention
- 5 Promote energy conservation and consumption reduction
- 6 Achieve continuous improvement

The Company's environmental compliance management policy



ISO 14001 Environmental Management System Certificate

Case

Honored as a National Green Factory, building a low-carbon future through intelligent manufacturing

KENGIC was successfully selected as a "2025 Green Factory" by the Ministry of Industry and Information Technology of the People's Republic of China for its outstanding performance in energy decarbonization, resource efficiency, and clean production. Leveraging core technologies—including fully automatic high-speed inbound based on adaptive control, 3D high-efficiency dense integrated storage and sorting, and remote equipment data acquisition—the Company has significantly reduced operational energy consumption while enhancing operational efficiency. Meanwhile, the Company has established a full-lifecycle green manufacturing system spanning R&D and design, production and manufacturing, to post-sales recycling, embedding environmental requirements throughout the product life cycle. This recognition serves as authoritative validation of the Company's sustainable development capabilities. Going forward, KENGIC will continue deepening the integration of technological innovation and green development, delivering more energy-efficient and effective full-scenario solutions, and collaborating with partners to co-build a low-carbon industrial ecosystem.

Environmental emergency management

The Company has established an emergency organization system comprising an Emergency Command Center, Emergency Response Team, Communications and Security Team, and Supply Support Team, with a clearly defined emergency management structure where the Chairman serves as Commander-in-Chief and the EHS Department provides overall coordination. To systematically prevent environmental emergencies, the Company completed the revision and review of its Emergency Response Plan for Environmental Emergencies in 2025 in accordance with standards such as the Guidelines for Risk Assessment of Environmental Emergencies for Enterprises, and filed it with the Gaixin Branch of the Qingdao Municipal Bureau of Ecology and Environment.

The plan specifies emergency response procedures and mitigation measures for key areas such as production workshops and hazardous waste temporary storage rooms, addressing scenarios including leaks of major risk substances (e.g., lubricating oil, cutting fluid, natural gas, and hazardous waste) and secondary pollution from fires. For identified risk points, the Company strictly implements source monitoring measures, installs surveillance systems in production areas, enforces a patrol inspection system, and establishes a leadership accountability mechanism to ensure risks at critical locations remain under control. The Company maintains a comprehensive inventory of emergency supplies and equipment, covering categories such as pollution source isolation, personal protective equipment, medical first aid, and emergency communications. Designated personnel perform regular maintenance to ensure all emergency resources remain fully operational at all times.



Emission management

The Company attaches great importance to emission management and has established a full-process emission control system, regulating wastewater, waste gas, solid waste, and noise through multiple procedural documents.

For wastewater control, the Company strictly implements the Wastewater Control Procedure. Oily wastewater is collected separately as hazardous waste and is not discharged into the sewer system. Catering wastewater is treated in grease traps. The Company strictly adheres to discharge standards such as pH 6.5–9.5 and suspended solids ≤ 400 mg/L. The EHS Management Department is responsible for monitoring and reporting discharge information. Waste gas control is based on the Soot and Waste Gas Pollution Control Procedure, managing welding fumes and kitchen fumes from the canteen, with emission limits enforced according to standards and regular third-party testing. Solid waste is disposed of by category according to the Waste Control Procedure, with hazardous waste transferred to qualified units for treatment. Noise control is achieved through the purchase of low-noise equipment and regular maintenance to meet discharge standards. The noise at the plant boundary is monitored quarterly to ensure compliant operations.

Waste gas emission management

The waste gas generated during the Company's production process mainly comes from laser cutting, shot blasting, powder coating, curing, and welding. Graded and classified treatment measures are adopted based on the characteristics of different pollutants:

Process	Control measures for waste gas generated from this process
Laser cutting and welding	Particulate matter and welding fumes are treated by the equipment's built-in cartridge dust collectors and then discharged as fugitive emissions, ensuring that the concentration at the plant boundary meets the standard
Shot blasting	Particulate matter is collected in a sealed manner through gas collection pipelines and treated by a "cyclone dust collector + cartridge dust collector" system before being discharged up to standard through a 15-meter-high exhaust stack (DA001)
Powder coating	Powder coating dust is drawn by negative pressure into a "cyclone recovery system + cartridge dust collector" for treatment and then discharged through a 15-meter-high exhaust stack (DA002)
Curing and moisture drying	Natural gas burners employ low-NOx combustion technology. Combustion exhaust and curing exhaust are collected via hoods and treated through a "water spray + dry filtration + activated carbon adsorption" system before being discharged via a 15-meter-high stack (DA003), effectively controlling pollutants such as VOCs, particulate matter, SO ₂ , and

Wastewater discharge management

The Company's wastewater mainly includes washing wastewater, spray wastewater, concentrate from pure water preparation, and domestic sewage. After being pre-treated at the plant's wastewater treatment station, the washing wastewater, spray wastewater, and waste tank liquid, along with the concentrate from pure water preparation and domestic sewage treated by septic tanks, are discharged into the municipal sewage network for advanced treatment at the Wastewater Treatment Plant of Qingdao National High-tech Industrial Development Zone. The Company conducts regular water quality monitoring to ensure that the discharged wastewater consistently meets the standards for entering the municipal network.



Facilities of the plant's wastewater treatment station

To prevent the impact of sudden environmental incidents on water bodies, the Company has set up emergency containment facilities at the main rainwater outlet of the plant. In the event of an accident such as a fire, fire sandbags are immediately used to block the rainwater outlets. The accident wastewater is collected and then entrusted to a qualified unit for disposal to prevent pollutants from entering the external environment.

Solid waste management

The Company implements classified collection, standardized storage, and compliant disposal of solid waste.

Type	Control measures
General industrial solid waste	After centralized collection, it is sold to professional recycling units for comprehensive utilization, achieving resource recovery
Domestic and office waste	It is uniformly collected and treated by the local environmental sanitation department, with a transfer rate of 100%.
Hazardous waste	The Company has set up a dedicated temporary storage room for hazardous waste, equipped with facilities such as anti-leakage skirting. A hazardous waste management ledger has been established, and the hazardous waste manifest system is strictly implemented. Qualified third-party units are regularly commissioned for safe disposal



Waste collection device

Noise management

The Company's main noise sources are mechanical processing equipment and mechanical power equipment. The impact of noise is effectively reduced by selecting low-noise equipment, adopting vibration reduction and sound insulation measures, rational layout, and soundproofing of workshops. According to third-party testing reports, the noise at the plant boundary meets the requirements of Category 3 standards in the Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008). During the reporting period, the Company did not receive any major administrative penalties or face criminal liability for improper management of emissions.

Ecosystem and biodiversity conservation

The Company strictly complies with national and local laws and regulations such as the Wild Animal Conservation Law of the People's Republic of China, the Forest Law of the People's Republic of China, the Wetland Conservation Law of the People's Republic of China, and the Qingdao Biodiversity Conservation Strategy and Action Plan, integrating the concept of ecological conservation into the entire process of production and operation.

During the reporting period, the Company's production and operation activities did not have a significant negative impact on ecosystems and biodiversity, and no major administrative penalties were imposed or criminal liabilities pursued for pollutant emissions. All of the Company's operating sites are located outside of key ecological function areas such as ecological conservation red lines and nature reserves, effectively avoiding interference with sensitive ecological areas.

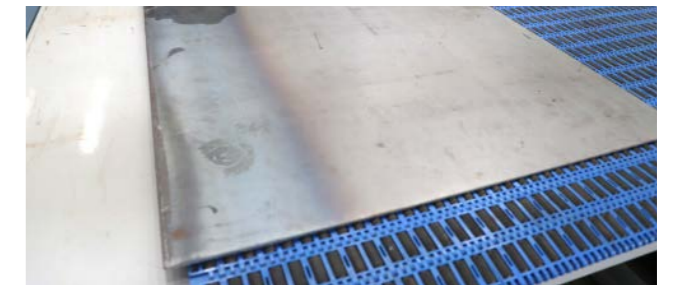
In the future, the Company will further strengthen its awareness of biodiversity conservation, continuously assess the impact of the entire product life cycle on ecosystems, wildlife and their habitats, and biological genetic resources, and actively take preventive and mitigation measures. We commit to minimizing the negative impact on the natural environment while achieving business development, and contributing to the protection of ecosystems and biodiversity through practical actions.

Green operations

Circular economy

The Company actively practices the concept of a circular economy, incorporating the principles of reduction, reuse, and recycling throughout the entire production process. It strictly complies with laws and regulations such as the Circular Economy Promotion Law of the People's Republic of China and places a high value on ecological and environmental protection. The Company's product packaging uses natural, environmentally friendly, and degradable materials to reduce raw material usage. Waste materials from stainless steel and aluminum profile cutting are sorted for reuse; surplus stainless steel is used for secondary purposes, and aluminum profile waste is repurposed. Waste that cannot be stamped is sold to corresponding material recycling units for processing, which both reduces consumption and ensures production output.

The Company also recycles packaging materials, upgrading wooden pallets and paper packaging to iron pallets and plastic turnover boxes, which are recycled for secondary use. In addition, the Company recycles and processes its own products, dismantling and retrofitting them for reuse.



Secondary use of stainless steel surplus materials

Green manufacturing

KENGIC is deeply engaged in the field of green manufacturing, building "intelligent factory system" and a resource recycling system through digital and intelligent transformation to achieve a dual improvement in operational efficiency and environmental benefits. The Company has been successively recognized as a provincial-level green manufacturer. Its independently developed "Digital and Flexible Production Line for Cross-Belt Sorters" and "Multi-Scenario Intelligent Warehousing System" have received provincial-level scenario certification. The former relies on MES intelligent scheduling and full-process traceable coding technology to achieve efficient and flexible production, while the latter integrates six major functional scenarios through core equipment such as stacker cranes and four-way shuttles to enable full-process automated management. In the future, driven by technological innovation, the Company will deepen the integration of new quality productive forces with green and sustainable development, and work with industry partners to create an intelligent, efficient, and low-carbon industrial ecosystem, contributing to the realization of the "dual carbon" goals.



Stacker crane kinetic energy recovery system



Digital factory

Green office

KENGIC actively promotes green and low-carbon systems and initiatives in its office activities to create a green office environment. The Company has formulated green office guidelines, advocating for employees to conserve water, electricity, and paper, and reduce the use of disposable office supplies. It has fully implemented paperless office practices by using electronic documents and online collaboration tools to reduce the printing and copying of paper documents. At the same time, employees are encouraged to use reusable water cups, tableware, etc., to reduce the use of single-use plastic products. In addition, the Company has carried out energy-saving renovations in its office spaces, replacing traditional lighting with LED fixtures and installing smart air conditioning systems and other energy-saving equipment, effectively reducing office energy consumption. The Company also regularly conducts green office training and promotional activities to enhance employees' environmental awareness and participation, fostering a positive green office culture.

Social section

Working together to contribute to society

- ▶ Innovation and R&D*
- ▶ Product quality and customer service*
- ▶ Supply chain security*
- ▶ Data security and privacy protection*
- ▶ Employee rights and development
- ▶ Contributions to the society



Innovation and R&D*

KENGIC adheres to a dual-engine growth strategy driven by technological innovation and market expansion. Closely focusing on high-growth sectors such as new energy, tires, and cross-border e-commerce, the Company accelerates product iteration and has built a virtuous cycle of "R&D – application – optimization." The Company systematically advances its R&D innovation strategic planning, deepens institutional development, strengthens its intellectual property protection mechanism, and increases investment in resources and talent development, providing strong support for fostering new drivers of growth and reinforcing core competitiveness.

Governance

In terms of innovation-driven development, the Company has established an R&D and innovation organizational structure with unified leadership from the decision-making level (senior management), overall coordination from the management level, and clearly defined responsibilities. The R&D Center and engineering technology or product development departments within each business unit serve as the primary implementers of innovation initiatives. The R&D Center focuses on "from 0 to 1" technological breakthroughs and new product development, while business units concentrate on iterative upgrades and large-scale application of mature technologies. Supported by the R&D Management System and the R&D Project Incentive Management Measures, the Company fully stimulates innovative vitality across all R&D entities, ensuring standardized and orderly R&D activities and providing a solid institutional foundation for continuously enhancing core technological competitiveness.

In intellectual property management, the Company has established a three-tiered governance structure featuring unified leadership by the decision-making level (senior management), coordinated oversight by the management level, and collaborative implementation by the operational layer. The Intellectual Property Department is overseen by a vice general manager, and the Quality Director concurrently serves as head of the Intellectual Property and Technology Project Management Department, forming an efficient matrix management network centered on a dedicated department and extending across the R&D Center, technical departments of business units, marketing, legal affairs, and other relevant units. During the reporting period, the Company revised and issued the Intellectual Property Risk Screening and Management Measures, integrating IP management requirements—including patents, trademarks, copyrights, and trade secrets—into all business processes to ensure comprehensive integration of IP protection and risk control into operational workflows.

R&D and innovation assessment

Focusing on core tasks such as new product R&D, model iteration, and R&D process standardization, the Company has fully integrated key result indicators into the OKR assessment system for R&D Center employees. By deeply aligning R&D and innovation goals with individual performance evaluations, the Company ensures the efficient execution of key R&D tasks.

At the same time, the Company has established a dual-track incentive mechanism covering both innovative and non-innovative R&D projects. It clarifies the division of responsibilities between the R&D Center and business departments in project evaluation, award determination, and distribution, and implements a performance-based assessment mechanism linked to outcome quality and project progress. Bonuses are disbursed by the HR department following rigorous approval, ensuring fairness and standardization of incentives and fully stimulating innovative vitality across all R&D levels.

Strategy

Based on a comprehensive assessment of technological trends and market dynamics, the Company continuously identifies potential risks and opportunities in the R&D and innovation process.

KENGIC's risk list for innovation-driven development and intellectual property management issues

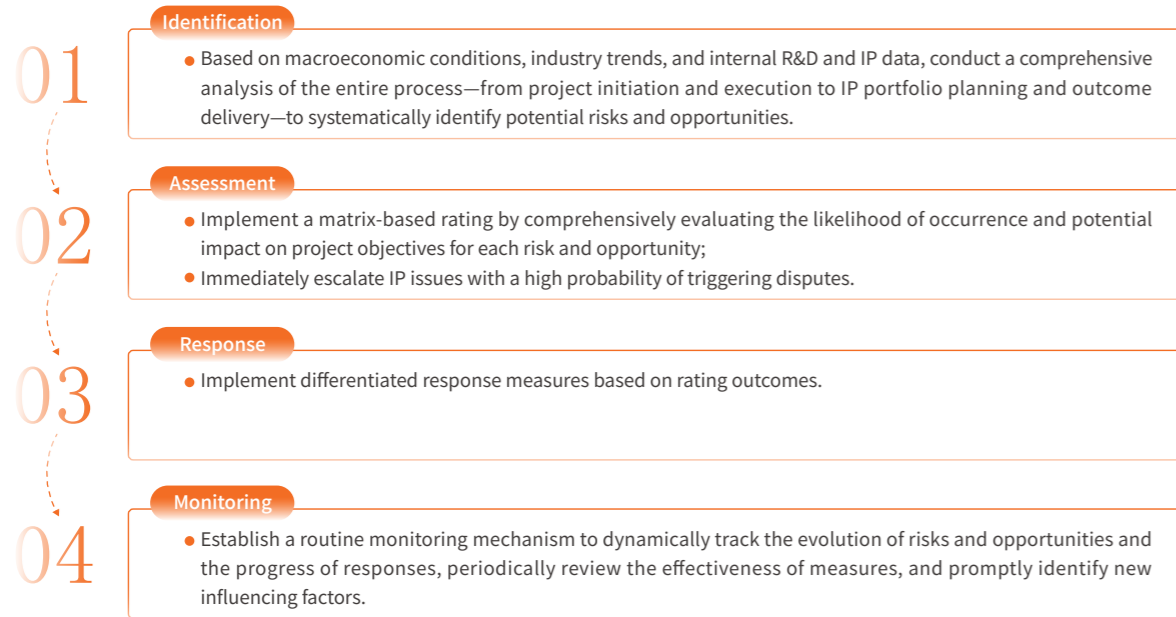
Risk type	Risk description	Probability of occurrence	Potential financial impact	Impact period
Risk of R&D progress falling short of expectations	Unclear definition of R&D requirements, compounded by dynamic shifts in market demand, may cause the technology roadmap to deviate from market needs. Uncertainties in technology implementation, difficulties in overcoming key technical bottlenecks, or faster-than-expected technology iteration may lead to uncontrolled R&D costs, project delays, and misalignment between outcomes and market demands, making it difficult to achieve expected financial targets.	Medium	May lead to an increase in operating costs.	Medium- and long-term
Technology leakage risk	The Company's R&D model is driven by market orders, resulting in relatively tight development cycles. During overseas market expansion, failure to file patent applications—particularly foreign patents—before new product launches may expose core technologies to risks of public disclosure or imitation.	Low	Unprotected IP cannot be recognized as intangible assets, potentially reducing the Company's valuation; profit erosion due to intensified market competition may lead to lower product prices and reduced gross margins.	Medium- and long-term
Patent infringement risk	If the Company fails to conduct thorough patent searches during R&D and inadvertently uses protected technology, it may face infringement lawsuits from third parties.	Low	May lead to increased operating costs (substantial compensation and licensing fees, legal expenses, goodwill impairment).	Short- and medium-term

KENGIC's opportunity list for innovation-driven development and intellectual property management issues

Opportunity type	Opportunity description	Probability of occurrence	Potential financial impact	Impact period
Market expansion opportunity	Emerging demands continue to arise, particularly with accelerated overseas market expansion. The express logistics industry shows clear signs of consumption upgrading, and intelligent factories and the new energy sector exhibit increasingly urgent demand for digital transformation in conveying, sorting, and warehousing—creating vast growth opportunities for innovative products.	High	May help increase operating revenue.	Medium- and long-term
Policy subsidy opportunity	National, provincial, and municipal governments provide tax incentives—including corporate income tax reductions—additional deductions for R&D expenses, and direct government subsidies to "high-tech enterprises" holding independent intellectual property rights.	High	May help the Company reduce its tax burden and generate additional cash inflows.	Short-term
Technological barrier opportunity	By systematically deploying core and peripheral patents to build a multi-layered patent portfolio, the Company establishes a robust technological moat and legal barrier in key technology areas, consolidating and enhancing its competitive market position.	Low	May help increase operating revenue and improve gross margin.	Long-term

Impact, risk, and opportunity management

The Company has established and continuously refines its R&D innovation risk and opportunity management process. Through a systematic identification, assessment, and response mechanism, it proactively manages uncertainties arising from technological iteration and market shifts, dynamically captures innovation opportunities, and supports the effective execution of its technology innovation strategy.



Innovation-driven development and intellectual property management risk and opportunity management process

The Company formulates and implements targeted response measures based on identified key risks and development opportunities, steadily advancing R&D innovation and safeguarding its innovation outcomes.

KENGIC's risk response measures for innovation-driven development and intellectual property management

Risk type	Response measures
Risk of R&D progress falling short of expectations	<ul style="list-style-type: none"> Establish a dynamic demand management mechanism to ensure strong alignment between products and market needs; Assign specialized technical personnel and strictly enforce job responsibility systems; Conduct preliminary research on critical technologies and reserve alternative technical solutions, and establish milestone-based early warning mechanisms and incremental delivery systems.
Technology leakage risk	<ul style="list-style-type: none"> For key products with overseas market potential, the Company promptly initiates the PCT international patent application process upon confirmation of overseas order requirements—building upon its domestic patent portfolio—to establish a systematic international intellectual property protection framework.
Patent infringement risk	<ul style="list-style-type: none"> During product development, the Company concurrently conducts patent searches and analyses in relevant fields and implements design-around strategies for existing patented technologies to mitigate infringement risks; Prior to new product launches or exhibitions, the Company organizes patent infringement risk assessments to proactively identify potential risks and formulate contingency plans.

KENGIC's opportunity response measures for innovation-driven development and intellectual property management

Opportunity type	Response measures
Market expansion opportunity	<ul style="list-style-type: none"> Fully implement intelligent transformation of sorting, warehousing, and related operations; Accelerate product iteration, upgrades, and category expansion to precisely meet the diversified demands of emerging markets; Closely monitor overseas safety regulations and technical standards to build core product competitiveness.
Policy subsidy opportunity	<ul style="list-style-type: none"> Carry out routine filings for patents and software copyrights to comply with relevant policy requirements on intellectual property.
Technological barrier opportunity	<ul style="list-style-type: none"> For products demonstrating market competitiveness, the Company conducts core patent mining and systematic portfolio planning, focusing on filing high-value foundational patents to establish robust technological barriers.

Leveraging its "dual-track" R&D system, the Company successfully executed a series of key R&D projects in 2025, continuously reinforcing its competitive advantage through technological breakthroughs and product iteration.

Key R&D projects in 2025

Horizontal one-carrier two-belts cross-belt sorter

- The project employs an innovative horizontal one-carrier two-belts solution for conveying and sorting in e-commerce and express delivery sectors, integrating barcode scanning, grayscale detection, and an intelligent electrical control system. Designed operating speed is 1.3–1.5 m/s, with a single-zone bilateral throughput of 20,000 pieces/hour. R&D was completed in 2025, yielding one prototype and a complete set of technical documentation.

EMS overhead rail transport system

- This suspended rail-guided material handling system operates on an overhead track, capable of picking, transporting, and storing goods within a looped track. Primarily used in automotive and construction machinery industries, it is also extendable to home appliances, tobacco, and warehousing logistics. Product development was completed in 2025, with orders secured and validation achieved in live projects.

Overhead shuttle

- The core equipment is a low-cost, high-efficiency tote sorter developed for box-type automated storage and retrieval systems (AS/RS), enabling "goods-to-person" sorting to enhance warehouse space utilization, operational efficiency, and management. Widely applied across power, battery, e-commerce, food, pharmaceuticals, new energy, and logistics sectors, it achieves higher facility utilization while balancing cost and performance. R&D was largely completed in 2025, with orders successfully secured.

New energy automatic clustering equipment

- The system comprises an automatic clustering frame-type gantry mechanism, fixture system, seven-axis sliding table system, vision positioning system, AGV loading positioning system, and container conveying positioning system. Integrating advanced technologies such as vision recognition and intelligent scheduling, it automates and replaces traditional manual clustering operations. R&D was completed in 2025, producing one prototype currently undergoing fatigue testing.

3D Sorter
S1800 P500
cross-belt sorter

- The project fulfills requirements for direct-drop tote and carton sorting. Equipment lift stroke was upgraded to S1800 specification, with structural stability under extended stroke as a key focus. Sorting targets include ultra-small, standard, and irregular items, requiring semi-automatic stable feeding of non-spherical irregular items directly from the infeed table at low speeds. Designed operating speed is 0.8–1.2 m/s (extendable to 1.5 m/s in testing), with sorting efficiency $\geq 7,000$ pieces/hour and accuracy $\geq 99.99\%$. Functional debugging is currently underway in the workshop.

UV-curable
inkjet-printed insulating
coating technology for
new energy battery cells

- Originating from green design principles, this project innovatively integrates the coverage of traditional spraying with the precision of digital printing to deliver an efficient, eco-friendly insulation solution for battery cells. Using 100% solid-content UV ink achieves zero VOCs emissions, eliminating solvent pollution entirely. Combined with magnetic levitation transport and CCD vision positioning, it enables micron-level coating precision with $>90\%$ material utilization, drastically reducing waste. New UV materials cut energy consumption by over 20% and significantly accelerate production cycles. Contactless, mask-free printing ensures uniform coating and markedly reduces edge defect risks, achieving near-100% overall yield. This technology not only meets high-efficiency battery line demands but also realizes core green manufacturing goals—energy saving, emission reduction, high yield, and low loss—offering a sustainable, scalable advanced process for new energy battery manufacturing.

Motorcycle tire
warehouse
management system

- This project is the Company's independently developed motorcycle tire warehousing, sorting, and stacking system, composed of modules including circulation conveyors, gantry robots, inbound sliding tables, portal manipulators, in-warehouse buffer racks, outbound sliding tables, six-axis outbound robots, and cargo cages. Core operating mechanisms feature a standardized modular design for high interchangeability and maintainability, accommodating sorting and palletizing of smaller, thinner, and softer motorcycle tires prior to warehousing. Multi-module coordination enables higher operational efficiency. Single-machine functional debugging is currently underway in the workshop.

Dual-mast
(high-position)
Miniload stacker crane

- This project optimizes the semi-steel green tire warehouse in the tire industry, increasing equipment height from over 10 meters to over 20 meters. It adopts a straight-rail, dual-mast, dual-station base structure to validate mechanical strength and rigidity under high-speed, high-elevation operation, usability and durability of rubber-coated wheels, performance parameters of traveling clamp-and-hold and front-rear dual-drive mechanisms, and real-world performance of domestic bearings, conductor rails, and other components under design and operational conditions. This effort is progressively establishing a stacker crane product series at 12m, 18m, and 24m heights.

The Company was recognized as a high-tech enterprise

The Company was selected for the list of Qingdao Municipal Enterprise Technology Center

The Company was selected for the 2025 List of Enterprises and Products for Shandong Province's First (Set of) Major Technical Equipment

The Company passed the 2025 performance evaluation of the Qingdao Municipal Technology Innovation Center

The Company was recognized as an innovative small and medium-sized enterprise in 2025

The Company was selected for the 2025 list of Qingdao's "One Enterprise, One Technology" R&D center enterprises

Key honors in the field of innovative R&D

Cultivating R&D and innovation talent

The Company continuously enhances its R&D and innovation talent development mechanism, systematically improving technical staff's professional competence and innovation capabilities through regular internal specialized training, thereby strengthening the foundation for innovation and facilitating technology commercialization.

Case

Conducting standardization work training to solidify the foundation of automation R&D

In June 2025, the Company invited Siemens engineers to deliver standardization training covering programming styles, program frameworks, HMI interface design, equipment safety design, and WINCC 8.0 new feature applications, aiming to instill standardized design concepts. Through this training, the Company's electrical engineers gained deep proficiency in standardized automation programming methods, laying the groundwork for refining project code and library management processes and elevating overall automation capabilities.

Case

Organizing AKD module application training to enhance product competitiveness in the new energy sector

In July 2025, the Company organized mechanical engineers to attend training on AKD linear module applications in the new energy sector, focusing on use cases, capacity advantages, technical essentials, and standardized solutions. This training effectively enhanced engineers' awareness of safe and compliant product selection in new energy applications, providing technical support to extend product life and reduce maintenance costs.

Case

Participating in North American certification knowledge training to support product expansion into the international market

On October 15, 2025, the Company invited a TÜV SÜD trainer to deliver product certification training, focusing on U.S. market access requirements and NFPA 79 standards. Through systematic study of North American certification requirements, the technical team gained a deep understanding of regulatory obligations for exporting to North America, building essential knowledge reserves for international market entry.

Industry collaboration

Adhering to an open and collaborative innovation philosophy, the Company actively participates in industry standard development and industry-academia-research partnerships, driving deep integration of technological achievements with industrial needs and continuously energizing a co-constructed, shared innovation ecosystem.

Group standard

During the reporting period, the Company participated as a lead drafting unit in developing the group standard for Electric Roller Swing Wheel Sorters.

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Case Collaboratively building a laboratory to empower high-quality industry development

In 2025, the Shandong Provincial Key R&D Program (Competitive Innovation Platform) project jointly proposed by the Company and Shandong University of Science and Technology was approved by the Department of Science & Technology of Shandong Province. In October 2025, experts from Shandong University of Science and Technology visited for an exchange and held the plaque-awarding ceremony for the "Shandong Key Laboratory of Intelligent Perception and Autonomous Control." Focusing on cutting-edge areas like intelligent perception and autonomous control, the lab is dedicated to key technology breakthroughs and commercialization. This collaboration marks a new phase in joint innovation, providing vital scientific support for intelligent upgrading and high-quality development of Shandong's industries.



Shandong Key Laboratory of Intelligent Perception and Autonomous Control

Case Tackling corpus construction through a public competition mechanism to solidify the data foundation for industrial AI

In 2025, the Company, in deep collaboration with Ludong University and other partners, successfully undertook one of Shandong Province's first "Key Industry Corpus Open Competition Projects," becoming one of only 20 selected enterprises province-wide. Focused on general equipment manufacturing, the project aims to build a high-quality AI corpus and has received RMB 500,000 in provincial funding. This partnership marks a substantive breakthrough in integrating language technology with the real economy, providing critical data infrastructure for deep AI adoption in industry and strongly supporting regional intelligent industrial upgrading.

Indicators and targets

The Company's indicators and targets for innovation-driven development and intellectual property management issues are as follows:

Target	2025 achievement status
Complete 2 key R&D projects and achieve breakthroughs in project orders	Target achieved: R&D of new products—the overhead storage vehicle and EMS—completed, with orders secured

Key performance

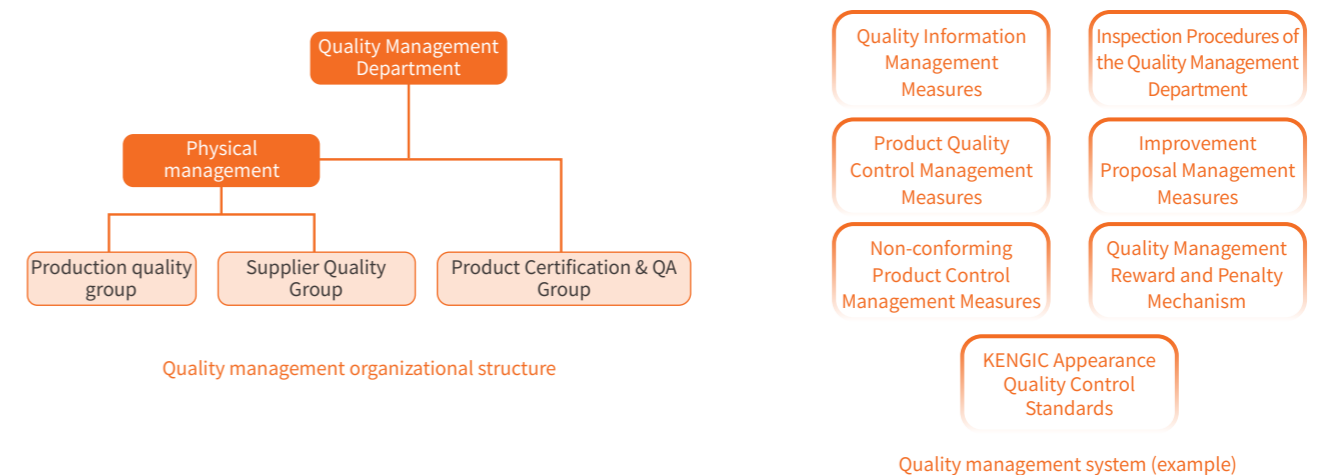
- During the reporting period, the Company's R&D expenditure was RMB **103.5624** million,
- Holding **378** valid patents, including **79** domestic invention patents, **25** foreign invention patents, **186** domestic utility model patents, **3** design patents, and **85** software copyrights;
- Newly filed **68** patent applications, including **28** domestic invention patents, **17** utility model patents, **13** software copyrights, **1** design patent, and **9** foreign patents (including **1** PCT application, **4** invention patents, and **4** utility model patents).

Product quality and customer service*

The Company has always regarded product quality and customer service as fundamental pillars of its core competitiveness, adhering to a customer-centric approach and continuously refining a quality control system that spans the entire product life cycle and the full customer service journey.

Governance

In quality management, the Company has established a clear organizational structure with well-defined responsibilities, designating the Quality Management Department as the central authority, under which operate the Production Quality Group, Supplier Quality Group, and Product Certification & QA Group. To ensure systematic quality practices, the Company continuously enhances its quality management system. During the reporting period, it newly formulated the Quality Management Reward and Penalty Mechanism, specifying company-level reward and penalty provisions, and systematically revised the Quality Information Management Measures to standardize procedures for quality information feedback and handling, providing robust institutional support for sustained quality management.



In terms of customer service, the Company has established an after-sales service management structure led by the After-sales Service Department, with collaborative support from multiple departments including the Engineering Technology Department, Software Center, and Production and Manufacturing Center. It strictly adheres to internal policies such as the After-sales Service Management Measures to ensure standardized and timely customer service processes, effectively safeguarding customer rights and interests.



The Company has passed ISO 9001 quality management system certification

Reward and penalty mechanism

In line with the principle of quality incentives, the Company has established and improved a product quality assessment mechanism. It scientifically determines the intensity of assessments by comprehensively considering factors such as the severity of quality issues, employee work attitudes, and sense of responsibility. By implementing systematic reward and penalty measures, the Company strengthens the quality responsibility awareness of all employees and continuously promotes the effective implementation of quality improvement work.

Strategy

The Company regularly and systematically identifies various risks and opportunities that may affect product quality and customer service, and comprehensively assesses their potential impacts to provide a reliable basis for formulating targeted response strategies.

KENGIC's risk list for product quality and customer service issues

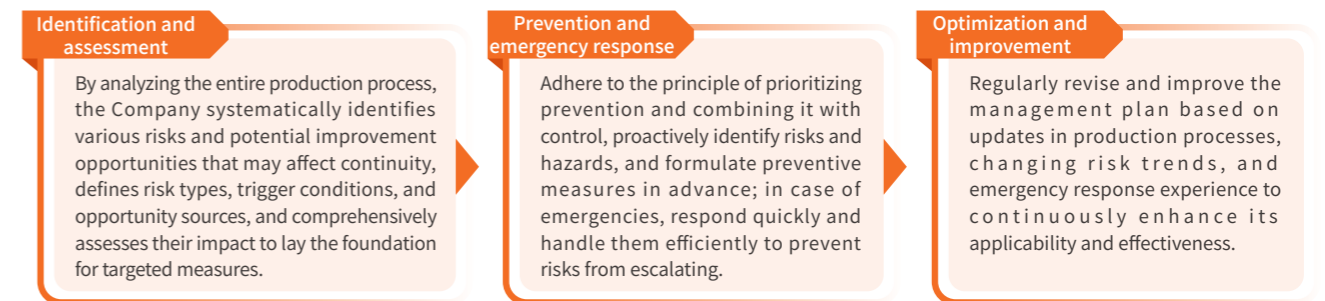
Risk type	Risk description	Probability of occurrence	Potential financial impact	Impact period
Production interruption risk	Equipment failures, supply chain delays, or sudden abnormal events may lead to production plan interruptions or delivery delays.	Medium	May lead to compensation for order breaches, increased emergency procurement costs, and customer loss, affecting current revenue and profit.	Short-term
Quality incident risk	Product design defects or manufacturing process issues will result in substandard products leaving the factory, leading to customer complaints or returns.	Low	May result in high repair costs, quality compensation, and damage to brand reputation, thereby affecting the acquisition of subsequent market orders.	Medium term

KENGIC's opportunity list for product quality and customer service issues

Opportunity type	Opportunity description	Probability of occurrence	Potential financial impact	Impact period
Customer trust opportunity	Enhance customer loyalty and repurchase intention by continuously providing high-quality products and timely after-sales service.	High	May increase customer repurchase rates and per-customer value, reduce market expansion costs through word-of-mouth, and achieve stable revenue growth.	Long-term

Impact, risk, and opportunity management

To systematically address various factors affecting production continuity, the Company has established a risk and opportunity management mechanism covering the entire process to promote the continuous optimization of production operations.



Risk and opportunity management for product quality and customer service

To ensure production continuity and continuously improve product quality and customer satisfaction, the Company implements a series of targeted measures in key areas to ensure stable operations, reliable delivery, and efficient services.

Response measures for risks and opportunities in product quality and customer service

Risk/opportunity type	Response measures
Production interruption risk	<ul style="list-style-type: none"> Formulate and execute the Emergency Plan for Production Continuity and Risk Mitigation Program.
Quality incident risk	<ul style="list-style-type: none"> Systematically establish an internal control system for workshops, strengthen full-process supplier management (covering strict access, process control, and empowerment training), and collaboratively promote the standardization of internal and external audits to ensure the effective implementation and continuous optimization of the quality management system; Establish a quality risk control platform for project risk identification and management; Establish a design quality monitoring system and organize monthly analyses of changes across all business units; Standardize the inspection processes for self-produced items in workshops, outsourced factory submissions, and incoming raw materials;
Customer trust opportunity	<ul style="list-style-type: none"> Benchmark against the standards of high-end overseas customers to improve the quality inspection standards for overseas projects; Optimize the customer service system by establishing standardized service processes and a systematic database; Conduct after-sales customer service training for internal employees.

Ensuring production continuity

To effectively respond to various emergencies that may affect production continuity, the Company has formulated and implemented an emergency plan for production continuity and a risk mitigation program. Focusing on key dimensions such as equipment operation, on-duty personnel, material supply, energy stability, safety and environment, and logistics and manufacturing, the Company systematically identifies risk points that could lead to production interruptions and develops targeted response strategies. By clarifying emergency response procedures, the Company ensures a rapid response and orderly resumption of production in abnormal situations, minimizing the impact of operational disruptions and providing a solid guarantee for stable product delivery and customer service commitments.

Building quality inspection capabilities

The Company continues to strengthen its quality inspection capabilities, equipped with high-end precision testing equipment such as coordinate measuring machines, spectrometers, salt spray test chambers, autocollimators, and hardness testers, as well as conventional testing tools like outside micrometers, inside micrometers, vernier calipers, noise meters, and paint film thickness gauges. It strictly implements all pre-shipment inspection procedures to ensure the quality of product delivery. For specialized tests such as metallographic analysis and non-destructive testing, the Company commissions cooperative institutions with CNAS accreditation to ensure the authority and accuracy of the test results, laying a solid foundation for the continuous improvement of product quality.

In addition, many of the Company's products have obtained authoritative third-party certifications such as the EU's CE certification, South Korea's KCS certification, and domestic explosion-proof certification. This fully demonstrates the outstanding quality of the Company's products in terms of safety, performance, and compliance, further enhancing customer trust and recognition.



Company's product CE certification certificate (example)

Non-conforming product control

The Company implements strict control over non-conforming products throughout the entire process—from processing, assembly, and shipment to on-site installation and delivery—with clearly defined procedures. At the same time, the Company continuously aggregates and systematically analyzes non-conforming product information, promptly disseminating findings and providing feedback to relevant departments to form a closed-loop improvement mechanism, thereby continuously driving product quality enhancement.



Non-conforming product control process

Quality training

The Company continuously conducts specialized quality management training to strengthen quality responsibility awareness across all staff, enhance quality control capabilities at every position, embed quality management principles into daily workflows, and effectively translate training content into concrete quality improvement actions, achieving significant results.

Case

Conducting training on the software-based formation and grading project scheduling process to strengthen the product quality line of defense

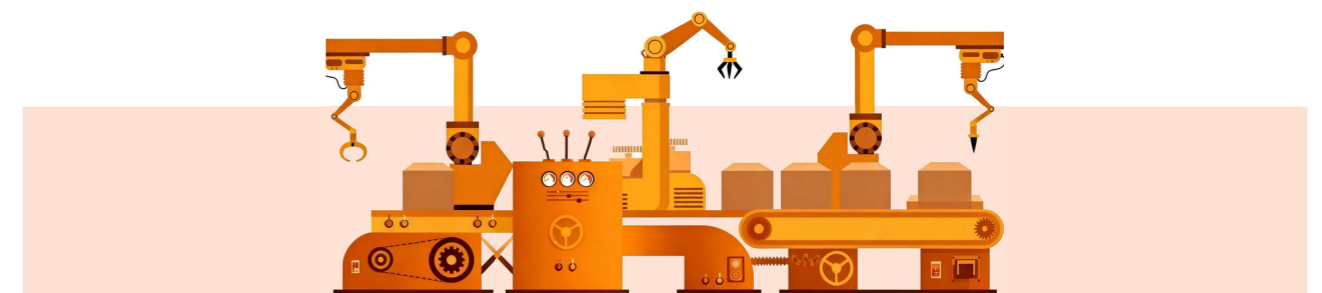
In December 2025, the Company organized an internal specialized training session on the "Software-based Formation and Grading Project Scheduling Process." The training focused on core post-processing steps in lithium battery production, covering key dimensions including high system configurability, anti-blocking measures, diversified warehousing, and log completeness, aiming to reinforce the role of software scheduling as the final quality assurance checkpoint.



Internal training on the software-based formation and grading project scheduling process

Quality improvement results

- Through this training, the team successfully supported the Greater Bay Technology formation and grading project in achieving parallel production of multiple processes. A single system efficiently scheduled 19 stacker cranes and over 20,000 storage locations, enabling 15,000 battery cells to enter the formation and grading process daily. Average daily inbound and outbound transactions exceeded 150,000, with over 400,000 log entries, significantly improving overall equipment efficiency and process consistency.
- Meanwhile, the DEEIoT project, relying on a single software system, flexibly differentiated seven replication lines through configuration, effectively ensuring stable operation in multi-production-line parallel scenarios and fully validating the practical application value of the training outcomes in real-world projects.



Case

Conducting training on electrical control cabinet assembly specifications to unify process standards and improve delivery quality

In December 2025, the Company organized an internal specialized training session on "Electrical Control Cabinet Assembly Specifications." Addressing issues such as suboptimal component layout and inconsistent wiring practices, the training developed and promoted the Standard Operating Instructions for Electrical Control Cabinet Assembly, unifying wire marker labeling rules and wiring process requirements. Standardization was implemented through on-site practical exercises and checklist-based verification.



Internal control training for electrical control cabinet assembly

Quality improvement results

- Through this training, all members of the electrical team mastered standardized assembly procedures. The first-time power-on success rate of electrical control cabinets in subsequent projects significantly improved, and faults caused by wiring errors during commissioning were substantially reduced, effectively ensuring project delivery quality and operational stability.
- Provides clear and identifiable reference points for after-sales maintenance, improving customer service efficiency.

Optimizing the customer service system

With standardization, normalization, and high efficiency as core objectives, the Company continuously optimizes its customer service system, committed to delivering high-quality services throughout the product life cycle. During the reporting period, the Company established standardized service processes and a systematic knowledge base to ensure that every stage—from issue response to final resolution—is well-documented and follows defined procedures, further enhancing timeliness of responses and standardization of issue resolution.

Standardized service processes

- To ensure standardization and traceability of service delivery, a comprehensive set of procedural documents covering all stages of after-sales service has been established.

Systematic knowledge base

- To enhance the professional capabilities of the service team, the Company has built a comprehensive knowledge base covering equipment maintenance/inspection and issue resolution.

Key initiatives

After-sales service management

The Company has established and implemented a standardized on-site fault classification and response mechanism for after-sales service to ensure that customer issues are handled promptly and effectively.

After a fault occurs, on-site personnel respond promptly and make a preliminary assessment of the fault level. For faults exceeding on-site handling capacity, an escalation mechanism is activated according to severity: Level 3 faults are coordinated by the Deputy Director of After-sales Service, Level 2 faults involve resource allocation by the Director of After-sales Service, and Level 1 faults are escalated to company leadership for unified command, mobilizing comprehensive resources to ensure efficient resolution. Throughout the response process, all levels maintain synchronized communication to ensure coordinated action; upon resolution, a closed-loop report is generated to continuously capture lessons learned and optimize service processes.

Customer complaint handling

The Company has established a robust customer complaint handling mechanism, requiring after-sales managers to immediately verify issues upon receiving customer requests, promptly supervise relevant staff, and guide them to resolve problems efficiently while maintaining customer relationships. Personnel with delayed responses or inadequate handling capabilities are promptly reassigned to ensure service quality.

For customer complaints, after-sales managers must respond and advance resolution within stipulated timeframes while simultaneously managing communication and relationship recovery. If complaints are submitted in writing (e.g., email), managers must concurrently escalate to supervising executives to ensure high-level attention and coordination, effectively safeguarding customer rights.

Customer satisfaction survey

The Company has established a regular customer satisfaction survey mechanism, with the After-sales Service Department conducting two surveys annually to comprehensively collect customer feedback on product usage and service experience.

The survey covers equipment operability, maintainability, safety, stability, design rationality, control system reliability, precision, shift output efficiency, and component quality, as well as after-sales dimensions including technical support and training, service personnel competence and attitude, response timeliness and satisfaction, and follow-up intensity. The After-sales Service Department statistically analyzes the Customer Satisfaction Survey Forms and provides findings to relevant departments to drive targeted improvement plans, continuously enhancing product performance and service experience, and elevating customer satisfaction.



The Company was awarded "2025 Best Supplier" by Ruipu Saikē Power Battery Co., Ltd.



The Company received A letter of commendation from Shaanxi Qinkual Energy Technology Co., Ltd.



The Company was recognized as a 2025 "Shandong Made, Superior Products on the Chain"

The Company passed the national-level Green Factory Certification



The Company received a banner from Qingdao Yunlu Advanced Materials Technology Co., Ltd.



The Company received A banner from a global cross-border apparel e-commerce platform



Indicators and targets

The Company's indicators and targets for product quality and customer service issues are as follows:

Key performance

- During the reporting period, the Company's product qualification rate was **99.8%**, with **zero** product recalls;
- Customer feedback response rate was **100%**, with **5** customer complaints;
- Customer satisfaction survey score was **93.6** points.

Target	Objective achievement status
Quality information closed-loop rate of 99%	Achieved
Product subassembly inspection pass rate (assembly summary) of 99%	Achieved

Supply chain security*

The Company consistently treats supply chain security as a critical enabler of stable operations, continuously refining its management structure, advancing full-lifecycle supplier mechanisms, and simultaneously identifying development opportunities to drive the supply chain toward collaborative, resilient, and mutually beneficial growth.

Governance

The Company has established a Supply Chain Center comprising Procurement Management, Production & Manufacturing, Warehousing Management, Process Management, Planning, and Logistics & Non-Production Procurement Departments, forming an end-to-end management structure with clear accountability and efficient collaboration. Institutionally, it has formulated and implemented a suite of policies—including the Procurement Management Measures, Supplier Onboarding Process Measures, Supplier Evaluation Process Measures, and Supplier Exit Process Measures—covering all aspects of supplier lifecycle management and procurement activities, providing institutional assurance for secure and stable supply chain operations.

Strategy

KENGIC's risk list for supply chain security issues

Risk type	Risk description	Probability of occurrence	Potential financial impact	Impact period
Cross-border supply chain collaboration and compliance risks	As overseas business grows, the supply chain now spans multiple countries and regions. Divergent trade policies and logistics lead times across jurisdictions may heighten coordination risks; Evolving import/export tariffs, technical standards, and environmental regulations in overseas markets pose ongoing compliance risks.	Low	May incur inventory holding costs, increase warehousing labor expenses, and raise operating costs; Non-compliance with local import/export or environmental regulations may trigger project suspension, affecting overseas revenue recognition.	Short-term
Price fluctuation risk	Bulk raw materials such as steel may experience significant price volatility.	Low	Rising prices of bulk raw materials like steel may increase operating costs and compress gross margins.	Short-term Long-term

KENGIC's opportunity list for supply chain security issues

Opportunity type	Opportunity description	Probability of occurrence	Potential financial impact	Impact period
Overseas market order opportunities	Amid rising global demand for intelligent logistics and smart manufacturing equipment, we aim to enhance the global supply chain ecosystem and capture new market growth.	Medium	May help reduce cross-border logistics and tariff costs, minimize foreign exchange losses, and expand cross-border supply chain service revenue.	Medium- and long-term
Digital supply chain opportunities	Leveraging the Company's existing digital-intelligent procurement platform, we integrate end-to-end data across procurement, inventory, suppliers, and project demands to address core pain points—such as delayed price forecasting for customized procurement, inventory-project misalignment, and inefficient cost accounting—enabling full digital control of customized procurement and establishing a differentiated "data-driven procurement decision" advantage.	High	May help lower overall operating costs and improve project gross margins; May help shorten project cycles and alleviate cash flow pressure.	Medium- and long-term

Impact, risk, and opportunity management

The Company systematically identifies risks and uncovers differentiated opportunities in key areas including digital supply chain transformation, supplier ecosystem co-construction, global collaboration optimization, and emerging scenario enablement. Through granular analysis across implementation pathways, impact horizons, and financial returns, it drives supply chain management from reactive response toward value creation, supporting strategic evolution from a cost center to a value center.

Initiation and preparation

- Form an identification task force led by the head of supply chain, with participation from procurement, digitalization, R&D, business units, and finance, to pinpoint current-period core business scenarios (e.g., digital transformation, overseas expansion, emerging applications).

Data and information collection

- Gather intelligence by analyzing supply chain performance data alongside external industry trends, supplier collaboration intent, customer needs, and policy directions, with emphasis on opportunities in digital collaboration, cost optimization, ecosystem co-creation, and global adaptability.

Identification and review

- Apply a three-dimensional cross-validation approach, combining internal reviews with external resource engagement to concurrently assess probability, impact duration, and potential financial returns.

Grading and list output

- Conduct graded evaluations against defined criteria, produce corresponding lists, and clarify characteristics of risks and opportunities.

Dynamic tracking and review

- Advance risk and opportunity identification in parallel, assigning clear ownership and timelines for each opportunity to ensure actionable outcomes;
- Quarterly track opportunity progress and review implementation effectiveness, promptly refine execution measures, dynamically update the opportunity register, and establish a closed-loop management mechanism to continuously align with business growth and digital transformation needs.

Supply chain security risk and opportunity management mechanism

To systematically address risks and opportunities in supply chain security, the Company has implemented a series of measures to genuinely enhance supply chain resilience and facilitate effective transition from risk mitigation to value creation.

Risk response measures for supply chain security issues

Risk type	Response measures
Cross-border supply chain collaboration and compliance risks	<ul style="list-style-type: none"> • For key overseas markets (e.g., Southeast Asia, Europe), establish localized procurement and assembly hubs to reduce reliance on domestic sourcing and cross-border shipping, shorten delivery lead times, lower logistics and tariff risks, comply with local regulations, and enhance supply chain coordination efficiency. • Form a "Global Supply Chain Compliance Team" by recruiting professionals with overseas trade compliance and supply chain expertise, and build a compliance risk database covering trade policies, technical standards, and environmental regulations across jurisdictions to proactively identify overseas compliance gaps.
Price fluctuation risk	<ul style="list-style-type: none"> • Monitor raw material market trends and proactively secure inventory of key materials.

Opportunity response measures for supply chain security issues

Opportunity type	Response measures
Overseas market order opportunities	<ul style="list-style-type: none"> • Leveraging the hub advantage of its Singapore subsidiary, the Company can establish an overseas localized procurement, warehousing, and distribution collaboration system, integrating supply chain resources from cross-border e-commerce and overseas projects to address pain points such as global procurement volatility and logistics inefficiency.
Digital supply chain opportunities	<ul style="list-style-type: none"> • Break down data silos between the digital-intelligent procurement platform and WMS, PDM/PLM systems to build a full-chain data system for customized procurement; • Collaborate with industry-academia-research institutions to deeply embed AI into customized procurement scenarios and enhance data-driven decision-making mechanisms.

Supplier quality management training

The Company has established a regular supplier quality training mechanism, periodically organizing specialized training and exchange sessions to help suppliers gain a deeper understanding of the Company's quality philosophy and technical standards, fostering joint progress in quality control and improvement, and laying a solid foundation for the steady enhancement of overall supply chain quality.

Case

Conducting specialized quality disclosure training to strengthen front-end supply chain control

In December 2025, the Company conducted a specialized quality disclosure training session for a supplier. The training covered key processes including welding, surface treatment, machining, and assembly, systematically communicating critical process control points and inspection standards. Aligned with the actual needs of new energy projects, it clarified pre-control requirements such as color plate preparation and spectral testing. Through this session, both parties reached consensus on key process standards and preventive measures, enabling precise alignment of the supplier's quality controls with the Company's requirements and laying the groundwork for high-quality project delivery.



The Company conducts supplier quality disclosure training

Green supply chain construction

During the reporting period, the Company actively advanced green procurement by prioritizing high-efficiency, energy-saving equipment—replacing gear motors with higher-efficiency models to reduce operational energy consumption at source. It also vigorously promoted reusable packaging in production and warehousing, collaborating closely with suppliers to lower packaging procurement and waste disposal costs. These initiatives effectively reduced resource consumption and waste generation, driving continuous green, low-carbon transformation of the supply chain while maintaining operational efficiency.

Case Circular reuse of packaging materials to achieve green cost reduction and efficiency improvement

In 2025, the Company fully implemented a closed-loop circular reuse model for packaging materials including wooden pallets, wooden crates, and plastic/steel pallets. Circular use agreements with suppliers enabled seamless flow of these materials between the factory and suppliers. Internally, the Company standardized specifications for plastic pallets, steel pallets, and totes, enabling continuous circulation between warehouses and workshops. This model facilitated the circular use of approximately 8,000 wooden pallets with suppliers annually, and achieved 100% process-based reuse of plastic/steel pallets and totes with zero idle waste. Internal turnover equipment utilization significantly increased, markedly reducing packaging procurement and waste disposal costs, while enhancing logistics efficiency and strongly supporting green production and lean management goals.

Indicators and targets

The Company's indicators and targets for supply chain security issues are as follows:

Key performance

- During the reporting period, the Company achieved **100%** coverage and **100%** pass rate in supplier assessments;
- The signing rate of supplier integrity agreements was **100%**;
- 100% of suppliers have contracts incorporating environmental and labor requirement clauses.

Supply chain security related targets

Target	2025 achievement status
Supply chain resilience, stability, and security	<ul style="list-style-type: none"> • This year, the Company completed risk screening and tiered management for 100 core suppliers, achieving 100% coverage of alternative suppliers for critical materials. Risk early warning and emergency response plans were established, and no supply chain disruption occurred during the reporting period, meeting supply stability targets.
Supplier compliance and safety	<ul style="list-style-type: none"> • This year, the Company completed onboarding and annual reviews for 197 suppliers, with 100% ESG compliance assessment coverage and no major compliance or safety penalties incurred.
Information and data security	<ul style="list-style-type: none"> • The Company signed 197 confidentiality agreements with suppliers and implemented data access controls across the supply chain. No information leaks or cybersecurity incidents occurred throughout the year, demonstrating effective information security management.

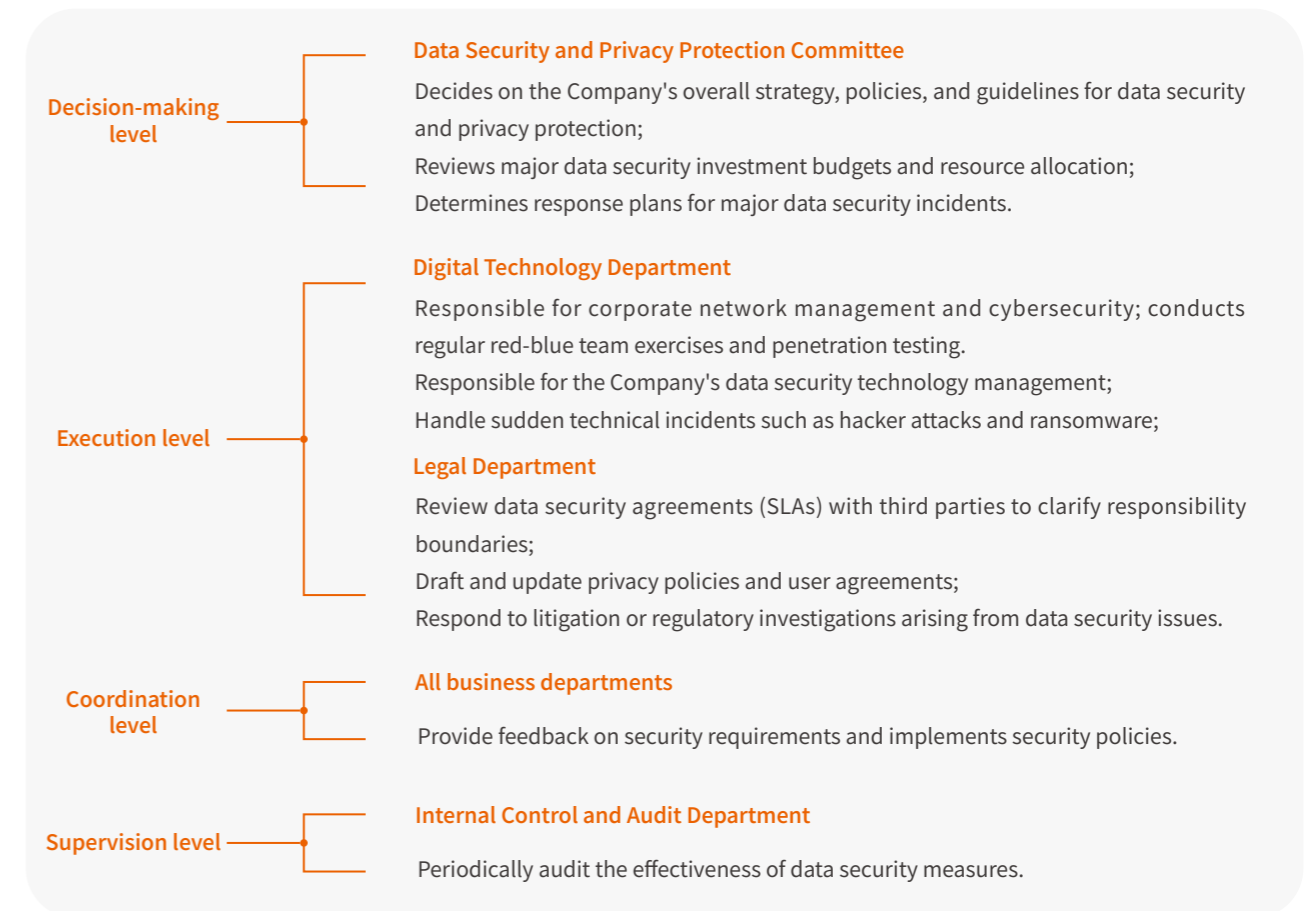
Data security and privacy protection*

KENGIC regards data security and customer privacy protection as the cornerstone of its digital operations, committed to ensuring full lifecycle security of data assets through a robust governance framework, forward-looking strategic planning, and a closed-loop risk management process, thereby building sustainable customer trust and market competitiveness.

Governance

The Company strictly complies with the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and other regulations. It has formulated and implemented core policies including the Confidentiality Management Measures, Permission Management Measures, Computer Management Measures, and Customer Reception Management System, and issued updated versions of the Insider Information Registrant Management System and Security Management System to further strengthen data protection requirements.

The Company has established a comprehensive governance structure for data security and customer privacy protection, forming a four-tier organizational system based on "hierarchical management with individual accountability."



KENGIC's governance structure for data security and customer privacy protection

Strategy

The Company conducts regular identification of risks and opportunities in data security and privacy protection. Through comprehensive review and assessment, it has qualitatively evaluated and prioritized each risk and opportunity based on likelihood, impact magnitude, time horizon, and potential financial implications, providing a clear basis for targeted management measures.

Risks related to KENGINIC's data security and customer privacy protection

Risk type	Risk description	Probability of occurrence	Potential financial impact	Impact period	Response measures
Technical risks	Information systems suffer cyberattacks, virus intrusions, or hacking, leading to data breaches and system outages	Medium	May lead to increased operating costs	Short- and medium-term	<ul style="list-style-type: none"> Deploy network security systems, including firewalls, intrusion detection, and antivirus protection; Implement data encryption technologies to provide end-to-end encryption for sensitive data; Establish system backup and disaster recovery mechanisms to ensure business continuity; Conduct regular vulnerability scans and penetration testing.
Management risks	Data breaches caused by employee misconduct, privilege abuse, or improper handover upon departure	Medium	May lead to increased operating costs	Short-term	<ul style="list-style-type: none"> Strictly enforce the Permission Management Measures and apply the principle of least privilege; Enhance employee data security training to raise organization-wide awareness; Establish an internal audit mechanism to regularly review permission usage.
Supply chain risks	Poor data security practices by suppliers or partners leading to customer data leakage	Low	May result in customer attrition and contractual penalty payments	Medium term	<ul style="list-style-type: none"> Incorporate data security requirements into supplier onboarding criteria; Sign data protection agreements with suppliers to clarify mutual responsibilities; Conduct periodic data security assessments of suppliers; Establish an emergency response mechanism for supplier data security incidents.

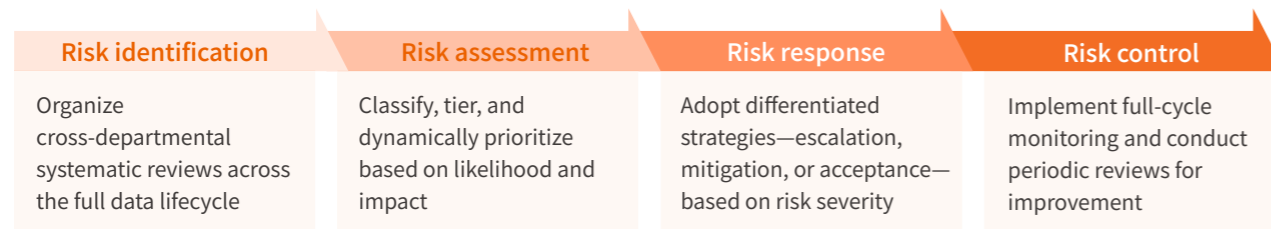
Risk type	Risk description	Probability of occurrence	Potential financial impact	Impact period	Response measures
Compliance risks	Failure to comply with domestic or international data protection regulations, resulting in regulatory penalties	Low	May lead to fines and business restrictions	Long-term	<ul style="list-style-type: none"> Establish a regulatory tracking mechanism to stay current with evolving domestic and international data protection laws; Conduct compliance assessments to ensure business alignment with legal requirements; Implement a Data Protection Impact Assessment (DPIA) process; Collaborate with legal experts to obtain compliance guidance.
Physical security risks	Physical security vulnerabilities in offices or data centers leading to equipment theft or damage	Low	May result in asset loss	Short-term	<ul style="list-style-type: none"> Establish physical security standards for data centers; Conduct regular physical security inspections and drills.

Opportunities related to technology intelligence, data security, and customer privacy protection

Opportunity type	Opportunity description	Probability of occurrence	Potential financial impact	Impact period	Response measures
Market differentiation opportunity	Enhance customer trust and gain competitive advantage by establishing an industry-leading data security system	High	May lead to increased revenue	Medium- and long-term	<ul style="list-style-type: none"> Pursue relevant security certifications to enhance market credibility; Participate in industry security standard development.
Efficiency improvement opportunity	Reduce manual management costs and improve operational efficiency through automated data security monitoring and response	Medium	May lead to reduced operating costs	Short- and medium-term	<ul style="list-style-type: none"> Deploy automated security monitoring tools to reduce manual intervention; Establish a Security Operations Center (SOC) for centralized monitoring; Leverage AI for anomaly behavior detection.
Innovative business opportunity	Develop data value-added services based on secure data governance to create new revenue streams	Low	May lead to increased revenue	Long-term	<ul style="list-style-type: none"> Research emerging technologies and applications in data security; Explore privacy-preserving computation-based data sharing models; Develop Data Security as a Service (DSaaS) offerings; Collaborate with research institutions on security technology innovation.
Compliance-first opportunity	Proactively align with international data protection standards to lay the foundation for global business expansion	Medium	New international market access opportunities may arise	Medium- and long-term	<ul style="list-style-type: none"> Proactively study data protection regulations in target markets; Establish compliant cross-border data transfer mechanisms; Cultivate talent in international data security compliance; Engage in international data protection organizations and forums.

Impact, risk, and opportunity management

The Company has established a closed-loop risk management process covering "identification, assessment, response, and control," with specific measures developed for every identified risk and opportunity.



Data security and customer privacy protection risk and opportunity management process

Case All-staff data security awareness enhancement training

To address data security risks arising from business growth and digital transformation, KENGIC launched a company-wide "All-Staff Data Security Awareness Enhancement Training" initiative in 2025, aimed at strengthening data protection awareness and practical skills, with focused coverage of roles handling sensitive data—such as sales, R&D, finance, and HR.

Delivered through a hybrid online-offline format, the training reached approximately 1,000 employees across headquarters and branches by utilizing tiered sessions, thematic seminars, and e-learning. Multiple specialized seminars offered in-depth interpretations of data protection regulations and shared typical cases and best practices.

The training achieved significant outcomes: 100% employee coverage, with key personnel receiving over 8 hours of instruction. Post-training, average security awareness test scores rose from 65 to 85, and improper handling of sensitive data decreased by 60% year-on-year. The initiative effectively advanced a data security culture of "everyone cares, everyone participates," laying a solid foundation for mitigating insider data leak risks and safeguarding customer privacy and corporate data assets.

Digital transformation

The Company views digital transformation as a key driver of operational efficiency. By deploying an intelligent factory platform (MES), it has achieved end-to-end digital coverage and intelligent management of production, effectively addressing traditional manufacturing challenges—such as information opacity, planning-execution gaps, and complex quality traceability—and building an integrated, efficient, and transparent digital manufacturing system.

The intelligent factory platform integrates core modules including production planning and scheduling, production management, quality control, warehousing and logistics, and equipment monitoring. Through an IoT platform and digital twin technology, it achieves deep integration between physical equipment and information systems. By enabling multi-system collaboration and automated scheduling, the platform optimizes resource allocation and reduces material waste and unplanned downtime. This transformation has not only enhanced production transparency and decision-making scientificity but also significantly improved employee operational experience and customer delivery quality, accumulating valuable manufacturing data assets and laying a solid foundation for continuous process optimization and low-carbon operations.

Case Launch of the intelligent factory platform drives efficiency improvement across the entire production process

From January to December 2025, the Company deployed an intelligent factory platform (MES) in its Qingdao production workshop. Addressing pain points such as opaque production information, poor plan execution, and difficult quality traceability, the platform achieved end-to-end digital management from sales order to finished goods shipment. It utilizes intelligent scheduling to optimize order sequences and reduce equipment changeover time; implements refined inventory management and demand-pull distribution to prevent production stoppages due to material shortages; establishes a comprehensive quality control system and leverages data analytics to optimize processes; and integrates diverse equipment through a digital twin module to enable one-stop monitoring and predictive maintenance.

The project achieved significant results across multiple dimensions:

- Production efficiency: Production plan attainment rate increased from 85% to 95%, and equipment utilization rose from 75% to 85%.
- Quality level: First-pass yield improved from 92% to 96%, with significantly reduced time for quality anomaly resolution and traceability.
- Data value: Production data collection coverage increased from 60% to 95%, with greatly enhanced timeliness and accuracy, providing reliable support for management decision-making and continuous improvement.

The successful launch of this platform has comprehensively enhanced management transparency, decision-making scientificity, and customer satisfaction, strengthening the Company's core digital competitiveness.

Indicators and targets

The Company has established quantifiable annual management targets and continuously tracks their achievement. In 2025, all targets related to system enhancement, training coverage, incident control, and technical protection were met or exceeded.

Target	2025 achievement status
Completed the revision of 3 data security policies	• Achieved
Data security training coverage for all employees no less than 80%	• Achieved
Zero major data security incidents	• Achieved
Security protection system coverage no less than 80%	• Achieved

Employee rights and development

KENGIC strictly complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and other relevant regulations. The Company is committed to fostering a lawful, compliant, diverse, and inclusive workplace. Through continuous refinement of its institutional framework, systematic training and awareness programs, and ongoing supervision and improvement, it ensures full respect for and protection of employee rights, establishing a solid talent foundation for sustainable development.

In recruitment, the Company adheres to the principles of "fairness, impartiality, and openness," legally signing labor contracts with all employees to ensure compliant and transparent hiring processes. It actively promotes workforce diversity by attracting talent of varied gender, age, nationality, educational background, and experience, injecting diverse vitality into corporate growth. Furthermore, the Company is committed to breaking down gender barriers, providing female employees with equal and fair employment and advancement opportunities, implementing exclusive welfare programs for women, and fostering a more supportive and inclusive work environment.

Key performance

- During the reporting period, the company Total headcount was **1,090**, a year-on-year increase of **10.55%**, with female employees accounting for **16.24%**;
- Employed **13** persons with disabilities, representing **1.2%** of total staff;
- Total employee turnover rate was **18%**.

The Company consistently creates equal employment opportunities and a non-discriminatory work environment for all applicants and employees, resolutely prohibiting any form of discrimination. It regularly conducts diversity and inclusion training to strengthen organization-wide awareness and cultivate a zero-discrimination workplace culture. Additionally, maintaining a "zero-tolerance" stance, the Company strictly prohibits child labor and forced labor, fully complying with national regulations on minimum working age. No violations involving infringement of employees' fundamental rights occurred during the reporting period.

Employee training and development

KENGIC upholds the philosophy of mutual growth between the enterprise and individuals, treating employee development as a core enabler of sustainable business growth. The Company has established a systematic and standardized employee development management mechanism focused on career path construction, promotion system standardization, and talent cultivation. This provides employees with clear career progression pathways, stimulates the enhancement of professional capabilities and career value, and simultaneously builds a pipeline of high-quality talent for the Company's advancement in intelligent logistics and smart manufacturing.

The Company places great emphasis on building a robust talent pipeline. Centered on cultivating managerial and expert-level talent, it has launched talent reserve programs such as the "Stellar Program" and "Spark Program," recruiting high-potential university graduates and supporting their growth through customized development plans, multi-position rotations, and executive mentorship. Simultaneously, it attracts highly educated talent via campus recruitment and university-enterprise joint training initiatives, continuously refining cultivation and incentive mechanisms for core roles such as R&D personnel, thereby establishing a dual talent foundation for both individual career growth and corporate technological innovation.

Case University-enterprise joint practical training in Germany to cultivate international talent

To meet the demand for international talent driven by its global expansion strategy, KENGIC partnered with universities to launch a specialized training program in Germany for outstanding interns, creating a closed-loop model of "domestic cultivation + overseas practical training" to establish a replicable framework for developing global-ready talent.



Send-off ceremony for the first batch of the internship and exchange program in Germany

The program rigorously selected two outstanding interns, for whom a dedicated training team was jointly formed by the university and the Company to develop a standardized internship plan, implemented in phases. During the overseas training, the university and Company held monthly video conferences to address various issues faced by the trainees. Upon their return to China, the trainees shared their experiences through a mentorship mechanism to promote the application of their learnings. This program not only provides a high-quality growth path for interns but also fills the Company's international talent gap, deepens university-enterprise integration in industry and education, and offers a practical reference for cultivating young, skilled international talent in the industry.

Case Class of 2025 "Future Star" new employee training camp

To help new employees swiftly transition into their professional roles and integrate into the Company's development, KENGIC launched the Class of 2025 "Future Star" New Employee Training Camp—a 14-day systematic onboarding program structured around three core modules: cultural awareness and organizational integration, product knowledge and policy familiarization, and role transition and competency development—enabling new employees to solidify their professional foundations and accelerate their evolution from students to professionals.



The camp featured diverse training formats and activities: interpretations of corporate culture and history, face-to-face sessions with senior leadership, and corporate culture sandbox simulations strengthened new hires' cultural identification and sense of mission; while courses on industry and product overviews, policy briefings, safety training, workplace etiquette, and outdoor team-building enhanced their professional knowledge and holistic competencies. The program effectively enabled new employees to rapidly grasp the Company's developmental trajectory, master foundational job skills, and complete their initial professional transition, while reinforcing their sense of belonging and team cohesion—injecting fresh momentum into the Company's talent pipeline.



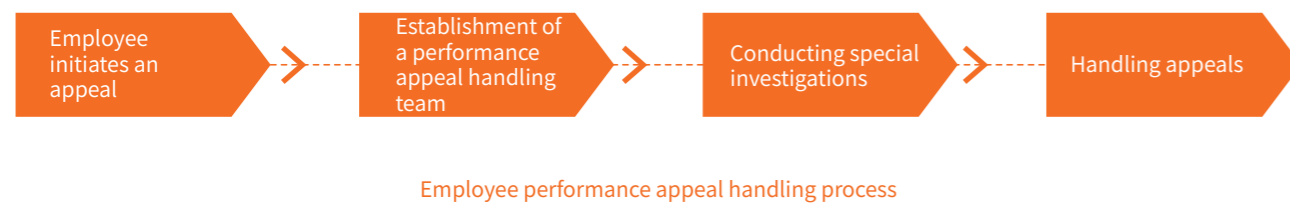
"Future Star" new employee training camp

The Company has established three career tracks—Management (M), Professional (P), and Operational (O)—and, aligned with business characteristics, defined six job sequences including marketing & sales, R&D & design, and project delivery. Cross-track promotions are supported, enabling employees to choose development paths based on their career plans and breaking down career advancement barriers.

To ensure fairness and professionalism in promotions, the Company has established a comprehensive *Promotion Management System*, articulating principles of "step-by-step advancement, openness and inclusiveness, and combined appointment and evaluation." It has set up three-tier review committees—at company, department, and professional levels—and developed differentiated evaluation processes for professional and management tracks. Comprehensive assessments are conducted across basic qualifications, professional competence, performance, and peer evaluations. Results are disclosed company-wide with an appeal channel, ensuring a fair, just, and transparent promotion process.

Performance feedback and appeals

The Company has established a standardized performance feedback and appeals mechanism, providing employees with clear channels to reasonably express performance-related concerns and ensuring that performance management is conducted fairly, impartially, and transparently. Clear appeal procedures and handling workflows have been defined: employees may initiate appeals through the performance management system, and a performance appeal handling team resolves issues based on investigation findings, guaranteeing timely and effective responses to all employee appeals.



Compensation and benefits system

The Company has implemented a compensation structure comprising "base salary + performance bonus" to fully motivate employee initiative, and continuously enhances its benefits system. Beyond statutory benefits such as social insurance and housing provident fund, it actively innovates welfare offerings to provide all employees with a broad range of non-monetary material benefits.

Equity incentives and employee stock ownership plans

The Company has established a dual-layer, long-term incentive system combining a "Class II restricted stock equity incentive plan" and an "employee stock ownership platform," covering core management, technical, and business personnel. This system deeply aligns the interests of shareholders, the Company, and key employees, fully stimulating the core team's motivation and creativity, and ensuring the Company's long-term, stable development.

Equity incentive plan: In March 2025, the Company completed the grant of the reserved tranche of the "2024 Class II Restricted Stock Equity Incentive Plan," allocating 2 million reserved shares to five key individuals—including core management and technical personnel—who critically impact the Company's operations and R&D. Core performance metrics such as revenue and net profit are used to ensure incentives are commensurate with value contribution.

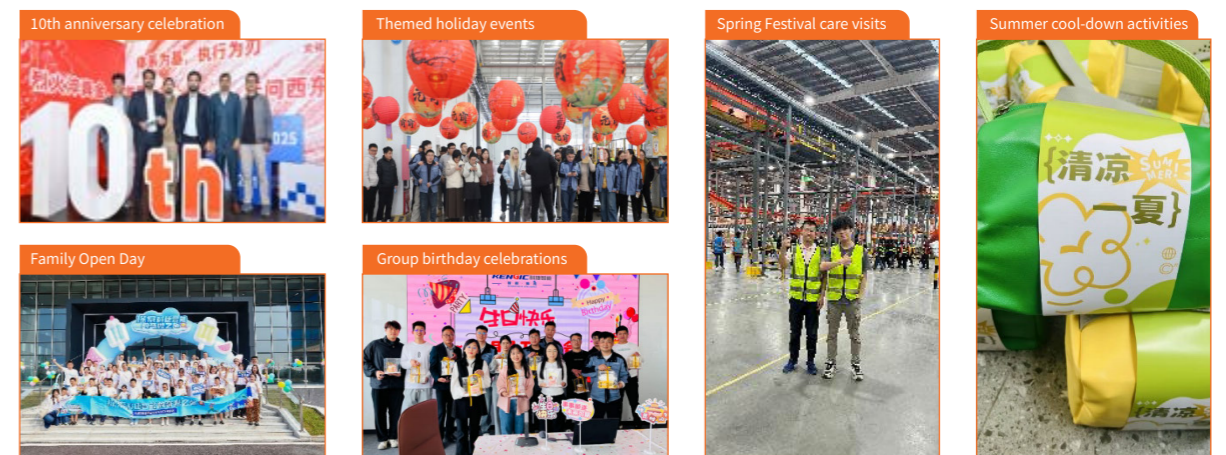
Employee stock ownership plan: Employees indirectly hold Company shares through platform units, encompassing core staff and closely aligning personal growth with the Company's long-term value.

Through this dual-layer, long-term incentive system, the Company has effectively consolidated its core talent, strengthened team stability and innovation drive, achieved a balance between incentives and constraints, enhanced corporate governance, and provided a solid talent foundation for the execution of its long-term strategy.

Employee communication and care

Putting employees at the heart of its operations, the Company enriches their spiritual and cultural lives through diverse care initiatives—including cultural and sports events, regular health check-ups, and psychological counseling—enhancing their sense of belonging and team cohesion, and fostering a warm, inclusive corporate culture. During the reporting period, the Company organized 26 cultural activities.

KENGIC corporate culture development initiatives



Visiting employees who are ill or have experienced accidents

By continuously implementing diverse care initiatives, the Company has built an emotional bridge for employee communication, enabling staff to genuinely experience the Company's humanistic care and laying a solid foundation for harmonious and stable labor relations.

Democratic management and communication

The Company continuously refines its multi-layered communication system by establishing channels such as employee directors, employee representative congresses, departmental meetings, employee forums, and internal platforms, creating a two-way mechanism that ensures management promptly understands employee concerns and enables employees to conveniently participate in governance and express opinions, fostering a democratic, transparent, and highly collaborative internal communication ecosystem.

Case

KENGIC's 2025 Employee Representative Congress elects an employee representative director

The Company actively builds a regular communication bridge between management and employees to effectively address legitimate employee concerns and promote mutual development. In 2025, to further standardize corporate governance and ensure employee representation on the board, the Company established a formalized channel—"employee representatives → employee director → board of directors"—in compliance with STAR Market regulatory requirements and internal governance policies. An employee representative director was democratically elected through the Employee Representative Congress, enabling direct participation in major corporate decisions, timely conveyance of frontline employee concerns, effective protection of shared interests, and fostering harmonious and stable labor relations.

Additionally, the Company places high importance on employee voice and work experience enhancement, using employee satisfaction as the core basis for optimizing administrative services and improving office and living conditions. In 2025, quarterly satisfaction surveys were conducted for all employees, covering all dimensions—including implementation of administrative policies, staff service quality, office environment, canteen support, shuttle services, and employee activity organization. By collecting feedback, implementing corrective actions, and continuously tracking improvements, the Company effectively addresses employee concerns and steadily elevates administrative service standards.

Dimensions of employee satisfaction surveys and specific improvement actions

Logistics support

- Optimize meal collection area layout, install heating and insulation equipment, adjust menu offerings, and implement time-slot dining control via a smart catering system
- Optimize routes and schedules, requiring drivers to share real-time locations to ensure punctuality

Office environment

Refine cleaning operation standards, increase cleaning and inspection frequency, promptly repair or replace damaged sensor-activated flushers and faucets, and ensure timely replenishment of cleaning supplies

Employee services

- Establish a dedicated administrative service communication channel and standardize inquiry and feedback processes
- Clarify application channels and distribution rules for office supplies to ensure timely provision of job-specific protective equipment and consumables

Welfare activities

- Hold birthday celebrations in hybrid online-offline formats to ensure participation by employees on business trips
- Review gift requirements across all scenarios and establish a standardized gift selection list



Key performance

- During the reporting period, the proportion of employees rating their satisfaction as "Good" or "Satisfied" in quarterly surveys consistently exceeded **97%**;
- Care and condolences were provided to employees who fell ill or experienced accidents, totaling **three** instances.

Occupational health and safety

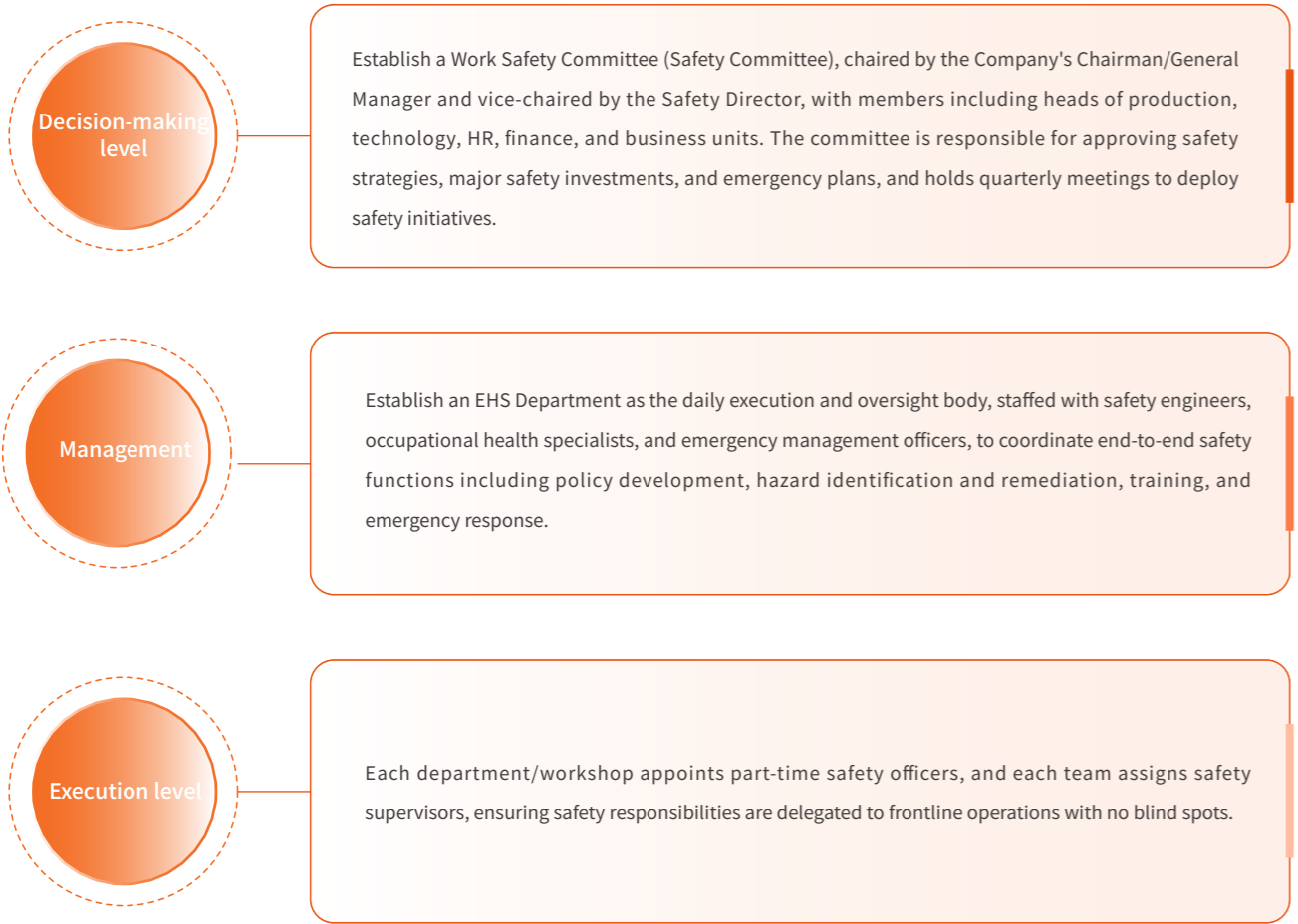
KENGIC has always placed employee occupational health at the core of its business strategy, strictly complying with national occupational health and safety laws and regulations. Through refined organizational structures and institutional frameworks, enhanced emergency management, and regular drills, the Company has built a comprehensive safety control system covering all positions, processes, and time periods, creating a safe and healthy working environment for employees.

Occupational health and work safety management system

In alignment with ISO 45001 requirements, the Company continuously upgrades its occupational health and safety management system, issuing and updating 23 policy documents—including the *Management System for Prevention and Control of Occupational Diseases*, *Work Safety Goals Management System*, *Hazardous Operations Management System*, and *Related Parties Management System*. These policies apply to all full-time employees, contractors, outsourced personnel, and other stakeholders, ensuring occupational health and safety management is embedded across all operational processes and scenarios, achieving standardized and regulated safety control.

Additionally, in response to new production lines, new equipment, and high-risk roles, the Company revised the *All-Staff Safety Operation Procedures*, detailed penalties for violations, and had all employees sign the *Work Safety Commitment Letter*, strengthening the institutional foundation of safety management.

The Company has established a clear, hierarchical occupational health and safety management structure, forming a three-tier responsibility network—"decision-making → management → execution"—to enable professional, routine, and standardized safety operations.



KENGIC's occupational health and safety management organizational structure

Key performance

- During the reporting period, the company The **ISO 45001** Occupational Health and Safety Management System passed annual surveillance and recertification audits;
- Total investment in work safety was RMB **700,000**;
- RMB **430,000** was invested in employee work injury insurance, achieving **100%** coverage.

Occupational health and work safety management goals

With core goals of "zero fatalities, zero serious injuries, zero new occupational diseases, and zero major safety accidents," the Company implements safety management requirements for all personnel, across all processes, and in all scenarios. In 2025, it achieved 100% of all core occupational health and safety targets, with no environmental or safety violations.

KENGIC's 2025 occupational health and work safety goals and achievement status

- **Zero** work-related fatalities, serious injuries, major fires, or major equipment accidents;
- **Zero** new occupational disease cases; **100%** coverage of occupational health check-ups for employees in hazardous roles;
- **100%** closed-loop rate for hazard identification and rectification; dynamic clearance of major hazards;
- **100%** safety training coverage; **100%** certification rate for special operations personnel; continuous effective operation of ISO 45001 system;
- Full coverage of contractor safety management, integrated into Company-wide assessments and on-site controls, with zero incidents involving third-party liability.

Occupational health and work safety emergency plans

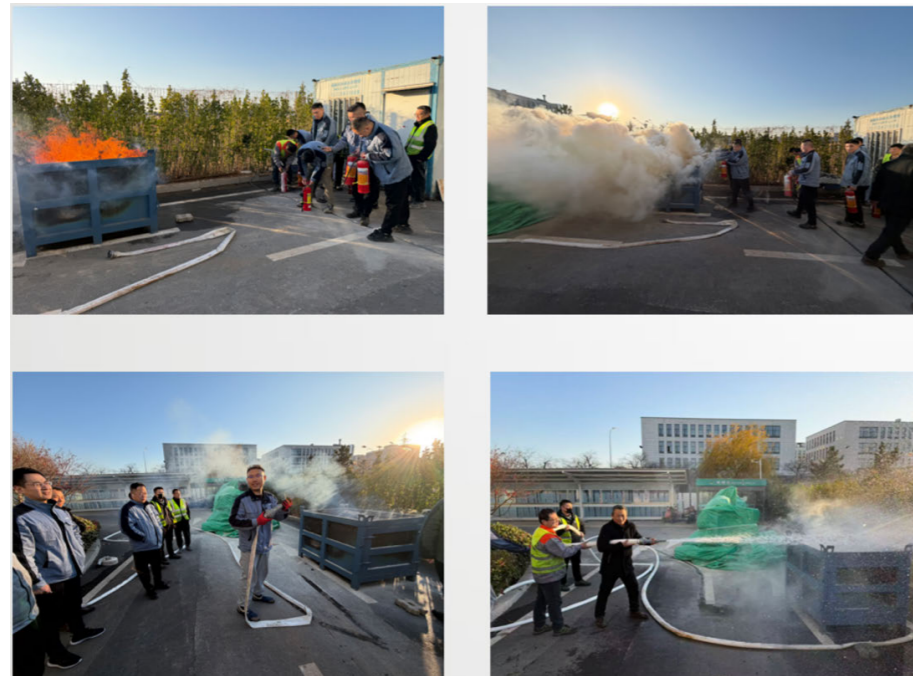
The Company places high priority on emergency management system development, building a mechanism characterized by "comprehensive plans, routine drills, and efficient response." It continuously refines emergency plans and conducts multiple specialized drills to enhance organization-wide emergency response and coordination capabilities. In 2025, it approved the *Emergency Response Plan for Environmental Emergencies* and revised the *Work Safety Accident Emergency Plan*, adding specialized plans for mechanical injuries, struck-by objects, and falls from height, clearly defining response procedures, responsibilities, and rescue measures to ensure rapid and scientific incident handling.

The Company organized 6 specialized emergency drills for all employees covering mechanical injuries, fires, and falls from height. Post-drill reviews continuously optimize response procedures, achieving a 100% qualification rate. Additionally, it regularly inspects emergency supplies, maintaining a 100% readiness rate to ensure robust incident response capability.

Case KENGIC conducts a specialized fire emergency drill

To strengthen fire emergency preparedness and enhance employee response and evacuation capabilities—thereby reducing casualties and property losses from fires—KENGIC conducted a company-wide fire emergency drill in November 2025, tailored to its workshop characteristics: concentrated flammable materials and dense electrical equipment.

Simulating a sudden workshop fire, the drill covered full-cycle operations: alarm response, initial firefighting, evacuation, transfer of flammables/explosives, first aid, and post-exercise review. Employee proficiency in fire response rose from 78% to 98%. The drill standardized emergency procedures, clarified role-specific responsibilities, and reinforced organization-wide work safety awareness, establishing a solid foundation for fire prevention.



On-site fire safety emergency drill

Health and safety management measures

To eliminate accidents, strengthen supervision, and fulfill primary work safety responsibilities, the Company—addressing production scale expansion and past safety weaknesses—focused on "safety reinforcement" and implemented targeted measures to comprehensively elevate work safety control standards.

Safety facility upgrades

- Installed intelligent guardrails, fall-protection devices, and warning systems at high-altitude workstations, and established physical barriers and emergency stop buttons in equipment operation zones; completed safety commissioning for new equipment and retrofitted older equipment with protective covers, braking systems, and other safety enhancements; added 100 fire extinguishers and optimized signage for material transfer routes and storage areas to strengthen physical safety defenses.

Strengthening of operating procedures

- Developed Standard Operating Procedures (SOPs) for high-risk roles such as high-altitude work and equipment maintenance, with technical experts providing on-site guidance; implemented a "zero-tolerance" policy for violations, immediately halting and rectifying non-compliant operations, and suspending serious offenders until they pass retraining.

Improvement of supervision mechanisms

- Established a four-tier supervision system comprising "senior management patrols + specialized inspections by the Safety Management Department + daily workshop checks + mutual employee oversight" to ensure round-the-clock on-site control; installed over 100 additional intelligent surveillance cameras at critical locations for real-time, blind-spot-free monitoring; created categorized ledgers for safety hazards and implemented a "close-out management" approach with clearly assigned responsibilities and deadlines, issuing weekly progress reports on rectifications.

Deepening of training and empowerment

- Conducted tiered and segmented safety training with differentiated content for management, supervisors, and frontline staff. Organized company-wide viewings of safety incident case studies for educational warnings. Integrated safety knowledge and skills into monthly and annual employee performance evaluations, with a mechanism to suspend employees who fail assessments.

KENGIC's key work safety management measures

Key performance

- During the reporting period, the Company recorded a **0%** occupational disease incidence rate and **zero** work-related fatalities; Total safety training duration reached **15,000** hours, averaging **15** hours per employee.

Contributions to the society

Social welfare

The Company actively fulfills its corporate social responsibility through tangible actions. Placing high importance on educational advancement, it has established industry-academia-research collaborations with over 50 universities nationwide, providing internship and practical platforms for more than 6,000 university students to support youth development and talent pipeline building. It also continuously organizes campus public welfare lectures, career guidance sessions, and regular volunteer services—such as visits to children's welfare homes—to convey care and serve local communities in diverse ways.

Key performance

- In 2025, the Company invested RMB **19,800** in social welfare initiatives, with **20** employee volunteers participating for an average of **4** hours each.

Case Technology-focused public welfare donation event at Qingdao Children's Welfare Home

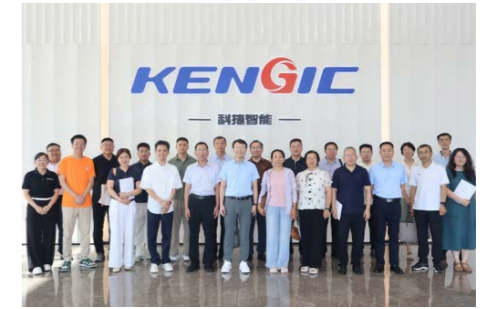
In 2025, the Company organized a delegation of volunteers to visit Qingdao Children's Welfare Home for a dedicated public welfare outreach. It donated a brain-computer interface training system designed for treating autism and ADHD in children, leveraging its core technological products to support the rehabilitation of children with special needs. During the visit, volunteers toured the children's learning, therapy, and living environments, gaining firsthand appreciation of the institution's meticulous arrangements and professional dedication to child development. The event not only delivered tangible rehabilitation support but also strengthened employees' sense of participation and responsibility toward social welfare.



Wearing a brain-computer interface training system

Case Advancing university-enterprise collaboration to support talent development

In August 2025, the "Shandong Provincial University Conference on High-Quality and Full Employment," organized by Situ Education Technology, was held at the Company's Qingdao headquarters. Deans and key faculty members from computer science departments of over 20 universities—including Shandong University, Qingdao University, and Qingdao University of Science and Technology—attended to engage in in-depth discussions on industry talent demands and university cultivation pathways. The event established an effective university-enterprise dialogue platform, promoting tight alignment between talent development and industrial needs, and represented a significant practice in fulfilling corporate social responsibility, deepening industry-academia collaboration, and supporting local talent ecosystem development.



Conference on high-quality and full employment for university graduates held at KENGIC

Rural revitalization

The Company actively responds to the national rural revitalization strategy, leveraging intelligent technologies and industrial collaboration with a core focus on "empowering industries through technology and boosting income through employment," contributing to comprehensive rural revitalization.

Industrial revitalization

With intelligent sorting technology and automated logistics equipment at its core, the Company collaborates with industry partners such as SF Express, JD.com, and J&T Express to build an efficient and stable upstream distribution system for agricultural products. Its equipment and services extensively cover key production regions nationwide, effectively enabling large-scale, standardized circulation of seasonal specialty agricultural products—including cherries, lychees, peaches, seafood, and beef and mutton. By enhancing sorting accuracy and logistics efficiency, the Company reduces losses, stabilizes product quality, and accelerates the delivery of premium agricultural goods from origin to nationwide markets.

Talent and employment support

Leveraging its multi-regional project footprint, the Company actively absorbs rural labor. Through extensive local hiring at project sites, it provides stable employment opportunities for surplus rural labor, effectively increasing farmers' wage income. Concurrently, it delivers skills training aligned with project needs, facilitating the transition of migrant workers into skilled laborers and cultivating practical talent for rural revitalization—thus achieving an organic integration of industrial development and employment support.

Industry-wide progress

In 2025, the Company actively fulfilled its role as an industry participant through multiple initiatives: co-exploring industry upgrades with leading customers, building knowledge-sharing platforms to empower peers, actively engaging in industry exhibitions, promoting ecosystem co-construction among listed companies, and driving transformation through cross-sector technological collaboration—demonstrating its commitment to advancing the overall progress and high-quality development of the intelligent logistics and smart manufacturing sectors alongside its industrial partners.

Time	Specific practices
April	The Company engaged in technical exchanges with CATL, a global leader in new energy, to jointly explore smart manufacturing collaboration and drive industry advancement.
May	The Company participated in CIBF 2025, CeMAT SEA 2025, and LET 2025.
June	The Company hosted the "Intelligent Manufacturing Going Global" cross-industry salon, collaborating with multiple stakeholders to build a platform for experience sharing to empower the globalization of Chinese manufacturing.
August	The Company hosted the "Exchange for Wisdom, Cooperation for a Shared Vision – About KENGIC" event, inviting representatives from multiple listed companies for on-site tours and discussions to foster industrial information sharing and uncover collaborative opportunities.
September	The Company showcased its leading intelligent logistics solutions for the tire industry at the RubberTech China 2025; Presented integrated solutions for food cold chain, home furnishings, NC & large-item sorting at CeMAT Russia 2025; Invited to attend the 12th Member Representative Assembly of the Logistics Engineering Institution, CMES and the 2025 Annual General Meeting of the Logistics and Warehousing Machinery Branch of the China Heavy Machinery Industry Association
December	The Company participated in the 13th Global Intelligent Logistics Industry Development Conference & Global Logistics Equipment Entrepreneurs Annual Conference 2025; Entered into a strategic partnership with ROBOTERA to co-develop humanoid robot + intelligent logistics solutions, pioneering a new paradigm of technological convergence.

KENGIC's 2025 practices in advancing industry development

Case Hosting salon events to promote industrial ecosystem co-construction

In June 2025, KENGIC, as co-organizer, successfully hosted the "Smart Manufacturing Global · Win-Win Together" salon. Guided by institutions including the Qingdao Enterprise Confederation and Qingdao Trade Development Service Center, the event brought together government bodies, associations, industrial chain enterprises, and professional service providers to create a high-end platform for intellectual exchange and experience sharing. Participants jointly explored the globalization pathway for Chinese smart manufacturing, providing strategic empowerment and resource matching for companies expanding overseas—highlighting the Company's proactive role in fostering industry collaboration and co-building the industrial ecosystem.



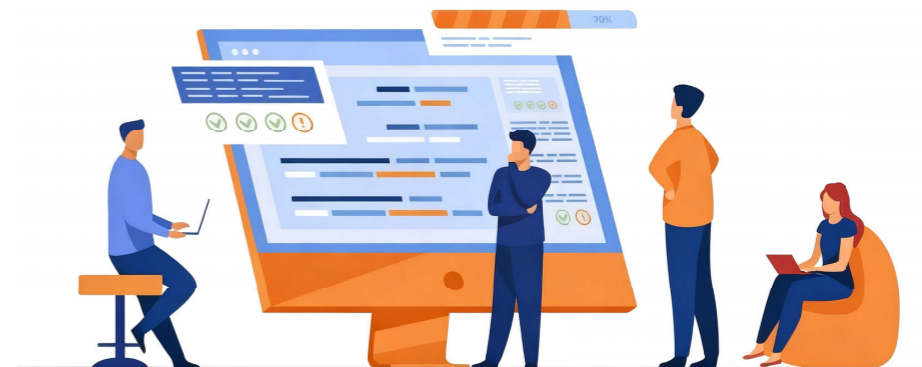
"Smart Manufacturing Global · Win-Win Together" event

Case Carrying out cross-disciplinary technological cooperation to drive innovation

In December 2025, KENGIC entered into a strategic partnership with ROBOTERA to jointly develop integrated solutions combining humanoid robots and intelligent logistics. The two parties will integrate their respective technological strengths in logistics automation and humanoid robotics, starting with logistics scenarios and gradually expanding into smart factories and beyond. This collaboration aims to address industry operational pain points through a dual-engine approach of "technological breakthrough + scenario empowerment," leading the intelligent logistics sector in technological innovation and business model evolution, and jointly advancing the integrated development of high-end equipment manufacturing and artificial intelligence industries.



Strategic cooperation signing ceremony



Appendix

Key performance data table

Key performance indicator	Unit	2024	2025
Economic performance			
Operating revenue	Ten thousand yuan	139,360.36	228,686.01
Net profit attributable to shareholders of the listed company	Ten thousand yuan	-5,862.68	3,045.79
Governance performance			
Corporate governance			
Number of Shareholders' Meetings	Times	4	4
Number of Board of Directors meetings	Times	11	9
Number of Board of Directors Audit Committee meetings	Times	5	4
Number of Board of Directors Strategic Committee meetings	Times	1	1
Number of Board of Directors Remuneration and Appraisal Committee meetings	Times	1	2
Number of Board of Directors Nomination Committee meetings	Times	2	1
Percentage of independent directors	%	33.33	33.33
Incidents of penalties from regulatory authorities for information disclosure violations	Cases	0	0
Business ethics			
Number of anti-commercial bribery and anti-corruption training sessions conducted	Times	/	253
Percentage of directors covered by anti-commercial bribery and anti-corruption training	%	100	100
Percentage of management personnel covered by anti-commercial bribery and anti-corruption training	%	100	100
Percentage of employees covered by anti-commercial bribery and anti-corruption training	%	100	100
Environmental performance			
Total environmental protection investment	Ten thousand yuan	7.16	1,086
Ratio of total environmental protection investment to operating revenue	%	/	0.47
Number of violations of environmental laws and regulations	Cases	0	0
Amount of major administrative penalties imposed by ecological and environmental authorities for environmental incidents	Ten thousand yuan	0	0

Key performance indicator	Unit	2024	2025
Environmental performance			
Resource use			
Total Energy Consumption	Tonnes of standard coal equivalent	213.57	900.39
Energy use intensity	Tonnes of standard coal equivalent/RMB 100 million	15.33	39.37
Direct energy consumption	Tonnes of standard coal equivalent	22.85	571.63
Including: Gasoline	Litres	/	7,200
Including: Diesel	Litres	/	2,360
Including: Natural gas	Ten thousand cubic meters	/	42.20
Indirect energy consumption	Tonnes of standard coal equivalent	190.72	328.76
Total purchased electricity	MWh	/	2,675
Clean energy consumption	Tonnes of standard coal equivalent	4.35	226.14
Including: Solar energy	kWh	/	1,841,000
Percentage of clean energy use	%	/	20.08
Total water consumption	Cubic meter	60,759	37,089
Water use intensity	Cubic meters/RMB 10,000	0.44	0.16
Waste			
Total wastewater discharge	Cubic meter	/	38,137.5
Total exhaust gas emissions	Ten thousand cubic meters	/	13,488
Volatile organic compounds (VOCs) emissions	kg	/	11.2
Particulate matter (PM) emissions	kg	15	165
Total non-hazardous waste	Tonnes	0	279
GHG emissions			
Total GHG emissions	Tonnes of CO ₂ equivalent	1,019.09	2,354.24
Total GHG emissions intensity	Tonnes of CO ₂ equivalent/RMB 100 million	73.13	102.95
Direct GHG emissions (Scope 1)	Tonnes of CO ₂ equivalent	36.71	934.88
Indirect GHG emissions (Scope 2)	Tonnes of CO ₂ equivalent	982.38	1,419.36

Key performance indicator	Unit	2024	2025
R&D, product, and service performance			
R&D and Innovation			
Number of R&D personnel	Persons	446	475
R&D expenditure	Ten thousand yuan	9,735.02	10,356.24
Ratio of R&D expenditure to operating revenue	%	6.99	4.53
Valid patents held		332	378
New patent applications	Cases	57	68
Products and services			
Customer feedback response rate	%	/	100
Customer satisfaction survey results	Points	/	93.6
Product qualification rate	%	/	99.8
Number of product recalls:	Cases	/	0
Supply chain performance			
Number of qualified suppliers	Counts	/	669
Supplier assessment coverage rate	%	/	100
Supplier ESG compliance assessment coverage rate	%	/	100
Verified incidents of supply chain corruption	Cases	/	0
Percentage of suppliers who have signed the supplier code of conduct	%	/	100
Percentage of suppliers who have signed the supplier integrity agreement	%	/	100
Percentage of suppliers with contracts including environmental and labor requirement clauses	%	/	100
Balance of accounts payable (including notes payable)	Ten thousand yuan	0	0
Ratio of accounts payable (including notes payable) to total assets	%	0	0
Amount of overdue payments	Ten thousand yuan	/	0
Amount of overdue payments to small and medium-sized enterprises	Ten thousand yuan	/	0

Key performance indicator	Unit	2024	2025
Employee performance			
Employment			
Total number of employees	Persons	986	1,090
Of which: Male employees	Persons	819	913
Of which: Female employees	Persons	167	177
Number of employees aged 30 and below	Persons	370	382
Number of employees aged 30-50	Persons	604	698
Number of employees aged 50 and above	Persons	12	10
Number of new hires	Persons	/	269
Number of employees with disabilities hired	Persons	/	13
Number of ethnic minority employees hired	Persons	/	21
Employee turnover rate ²	%	/	11
Labor contract signing rate	%	/	100
Social insurance coverage rate	%	/	100
Proportion of employees in the labor union	%	/	20
Confirmed incidents of discrimination	Cases	/	0
Confirmed incidents of forced labor	Cases	/	0
Confirmed incidents of child labor	Cases	/	0
Employee training and development			
Total investment in employee training	Ten thousand yuan	32	29
Number of employee training sessions	Times	147	162
Employee training coverage rate	%	87	86
Average training hours per employee	Hours	/	65.5
Average training hours per manager	Hours	/	35
Occupational health and safety			
Number of new cases of occupational diseases	Persons	/	0
Employee health check-up coverage rate	%	/	100
Number of safety drills	Times	/	2

²Employee turnover rate = (Number of employees who left during the reporting period / Average number of employees during the reporting period) × 100% (includes resignations during probation period, excludes interns and employees terminated by the Company)

Key performance indicator	Unit	2024	2025
Employee performance			
Occupational health and safety			
Employee coverage rate of safety drills	%	/	100
Average training hours per person on occupational health and work safety	Hours	/	15
Investment in work safety	Ten thousand yuan	/	70
Investment in employee work-related injury insurance	Ten thousand yuan	51.22	43.33
Investment in employee work safety liability insurance	Ten thousand yuan	20	0
Employee work-related injury insurance coverage rate	%	100	100
Employee work safety liability insurance coverage rate	%	100	0
Number of work-related injuries (minor and above)	Persons	/	6
Number of work-related fatalities	Persons	/	0
Number of workdays lost due to work-related injuries	Day	/	151
Social welfare performance			
Total investment in social welfare	Ten thousand yuan	0.12	1.98
Number of participants in volunteer services	Person-times	/	20
Average duration of volunteer service per person	Hours	/	4

Report index table

Reporting framework	Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial) ³	
	Corresponding topics	
About this Report		
About KENGIC		
Company overview	/	
2025 milestones	/	
Honors and awards	/	
ESG key performance	/	

³Ethics of science and technology: The Company's core business does not directly involve scientific research, technological development, or other activities in ethically sensitive fields such as life sciences or artificial intelligence. Therefore, this Report does not disclose the Company's basic compliance with science and technology ethics during the reporting period.

Reporting framework	Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)	
	Corresponding topics	
ESG management		
ESG structure	/	
ESG risk and opportunity management	/	
Communications with stakeholders	Communications with stakeholders	
Materiality assessment of significant issues	/	
Governance section: Solid foundation, compliance for long-term development		
Corporate governance	/	
Party building leadership	/	
Business ethics	Anti-commercial bribery and anti-corruption	
Anti-unfair competition	Anti-unfair competition	
Risk and compliance	Due diligence	
Investor rights and interests	Communications with stakeholders	
Environment section: Green operations for harmonious coexistence		
Climate change tackling	Climate change tackling	
Energy management	Energy usage	
Water resource management	Usage of water resources	
Environmental compliance and waste treatment	Environmental compliance management; Pollutant discharge; Waste treatment	
Green operations	Circular economy	
Social section: Working together to contribute to society		
Innovation and R&D	Innovation-driven development	
Product quality and customer service	Safety and quality of products and services	
Supply chain security	Supply chain security	
Data security and privacy protection	Data security and customer privacy protection	
Employee rights and development	Employees	
Contributions to the society	Social contributions; Rural revitalization	
Key performance data table	Anti-unfair competition	
Report index table	/	
Independent Assurance and Statement of Opinion	/	

Independent Assurance and Statement of Opinion

InFaith Consulting (hereinafter referred to as "InFaith"), as entrusted by KENGIC Intelligent Technology Co., Ltd. (hereinafter referred to as "KENGIC"), has conducted independent limited assurance of the environmental, social and governance information and data disclosed in 2025 Sustainability Report of KENGIC (hereinafter referred to as "the Report"), and disclosed the assurance result and conclusion to readers of the Report in the form of independent assurance and statement of opinion.

Independence and Capability

1. All the assurance team members of InFaith have no business relationship with KENGIC that leads to conflicts of interest. The team of InFaith has performed this assurance work independently.
2. The assurance team of InFaith consists of experienced professionals in the industry. Relevant persons have received professional training on the GRI Standards issued by the Global Reporting Initiative, AA1000AS v3, ISO 14001, ISO 26000, SA 8000, EcoVadis global supply chain rating and other sustainability-related standards and have adequate understanding and practical experience in relevant international principles, evaluation systems and assurance standards.

Assurance Statement

1. KENGIC management shall be fully held accountable for the preparation and content of the Report. It is the responsibility of InFaith to conduct an assurance based on the scope as described herein, and to provide professional assurance opinions to the Report readers and stakeholders.
2. Based on the assurance scope limits, InFaith shall, in accordance with AA1000AS v3, conduct independent limited assurance and guarantee conclusion for the matters within the scope defined in the Report. In addition to providing independent assurance and making other statements of opinion on the facts of assurance under the conclusion, InFaith will not assume any legal or other liabilities for any inquiries for any other purposes, or for any other persons who read this Independent Assurance and Statement of Opinion.
3. If you have any questions about the contents contained herein or related matters, KENGIC will be responsible for responding to all such inquiries.

Assurance Standard

InFaith adopts AA1000AS v3 type-1 Moderate assurance level, which includes KENGIC's evaluation of the compliance situation and degree of the four AA1000AS v3 assurance principles, including inclusiveness, substantiality, responsiveness, and impact.

Assurance Scope

1. The assurance scope is limited to the information and data of KENGIC and its affiliated companies covered by the Report, excluding the data and information of KENGIC suppliers, contractors and other third parties.
2. InFaith adopts AA1000AS v3 type-1 Moderate assurance level to evaluate KENGIC's compliance nature and degree of the four assurance principles in AA1000AS v3.

Assurance Process and Work

In order to gather evidence relevant to the formation of the conclusion, InFaith has done the following work:

1. Had interviews with the management team and employees of KENGIC, to understand the overall situation and relevant processes of the fulfillment of its environmental, social and governance responsibilities.
2. Verified key developments and policy implementation of the relevant KENGIC's organizations and reviewed supporting evidence for the claims made in the Report.
3. Through the interviews and the assurance of relevant documents, learned about KENGIC's main stakeholders and their expectations and demands, the specific communication channels between both parties, and how KENGIC responds to their expectations and demands.

4. Selected the relevant part of environmental, social and governance information in this Report, performed analytical assurance procedures for such information, confirmed the overall performance situation, and evaluated and verified whether the contents of the Report are complied with.
5. Verified the process management of the principles of inclusiveness, substantiality, responsiveness and impact in the Report and its related AA1000 to confirm the appropriateness of this Statement.
6. Sampled inspection on supporting evidence of data reliability and quality of selected specific performance information.
7. Recalculated and verified the selected specific performance information.
8. Performed other procedures that we deemed necessary.

Assurance Conclusions

1. According to the information provided by KENGIC and the sample test, there is no material misrepresentation in the Report.
2. For the principles of inclusiveness, substantiality, responsiveness and impact included in AA1000AS v3, the detailed assurance conclusions are as follows

Inclusivity	The Report reflects that KENGIC has implemented important initiatives such as continuously seeking the participation of stakeholders in its operations, understanding their expectations and key concerns, and promptly communicating and confirming material issues, in order to make responsible and strategic responses to stakeholders regarding corporate environmental, social and governance practices.
Materiality	KENGIC has announced material topics that will have material influence on the organization and its stakeholders' assessments, decision-making, actions, and performance. The company has also conducted judgments and improvements on the management and performance of these topics.
Responsiveness	KENGIC has implemented corresponding policies and is able to respond in a timely manner to issues of concern to stakeholders.
Impact	KENGIC has the adequate ability to identify substantive issues. It has implemented balanced and effective evaluation and disclosure methods, and has established a systematic process for monitoring, measurement, evaluation and management impact, so as to achieve more efficient management of decision-making and results within the organization, and demonstrate the impact of the substantive issues in an impartial and objective manner.

3. Based on the procedures implemented and the evidence obtained by InFaith, we have found nothing that causes us to doubt the reliability and quality of the specific performance indicators selected in the Report.

Limitation

The assurance process was carried out at the location within the scope of the Report. Because there is no internationally recognized and commonly used standard for the evaluation and measurement of non-financial information, the application of different but acceptable information and measurement technologies may affect the comparability with other institutions.

If you have any advice for this Independent Assurance and Statement of Opinion, you may contact:

Tel: 021-20740303

Email: esg@infaith.com.cn

Address: 17F, Tower 1, Lujiazui Riverside Center, 257 Lane, Binjiang Avenue, Pudong New District, Shanghai



For and on behalf of InFaith Consulting Signed:

Shanghai, April 2026

Reader Feedback Form

Dear readers,

Hello!

Thank you very much for taking the time to read the *2025 Sustainability Report of KENGIC Intelligent Technology Co., Ltd.* To provide you and other stakeholders with more valuable information and effectively promote the company's improvement of ESG management capability and level, we sincerely look forward to your opinions and suggestions.

Multiple Choice (Please check in the appropriate box)

1. Your overall assessment of the Report:

Very Good Good Average Below Average Poor

2. How does the Report respond to and disclose issues of concern to stakeholders?

Very Good Good Average Below Average Poor

3. How do you think KENGIC has performed on environmental topics?

Very Good Good Average Below Average Poor

4. How do you think KENGIC has performed on social topics?

Very Good Good Average Below Average Poor

5. How do you think KENGIC has performed on corporate governance topics?

Very Good Good Average Below Average Poor

6. Do you think the information, indicators and data disclosed in this report are clear, accurate and complete?

Very Good Good Average Below Average Poor

7. Do you think the organization and layout design of the Report are easy to read?

Yes No

Open-ended Question

What are your opinions and suggestions regarding the ESG work of KENGIC?



KENGIC

— Stock code 688455 —