



2024

Environmental, Social, and Governance Report

Hunan Valin Wire & Cable Co., Ltd.



Hunan Valin Wire & Cable Co., Ltd.

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About This Report

This report constitutes the 2024 Environmental, Social, and Governance (ESG) Report of Hunan Valin Wire & Cable Co., Ltd., hereinafter referred to as "Valin" or "the Company", "We" or "us" in this report. It outlines the management approaches and accomplishments in the aspects of environmental, social, and corporate governance in 2024.



Report Scope

Unless otherwise specified, the information and data contained herein encompass Valin and its controlled subsidiaries, aligning with the disclosure scope of the annual financial report.



Reporting Period & Release Cycle

This report mainly covers the period from January 1, 2024 to December 31, 2024 (referred to as the "Reporting Period"). Select historical data has been included for continuity and comparability purposes. The release cycle for the ESG report is annual, aligning with the fiscal year.



Compiling Basis of the Report

Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)
Global Sustainability Standards Board (GSSB) *Sustainability Reporting Standards (GRI Standards 2021 Edition)*, United Nations "SDG Compass"



Notes of the Data

The ESG data and information presented in this report are derived from the original records of Valin and its subsidiaries. All monetary amounts mentioned in this report are denominated in Renminbi (RMB). In the event of any discrepancies between the financial data in this report and the financial statements, the financial statements shall prevail. The report is available in both Chinese and English versions. In the event of any minor discrepancies between the two, the Chinese version shall prevail.



Report Preparation Principles

Timeliness

This report is an annual document covering the period from January 1, 2024, to December 31, 2024. Following the conclusion of the Company's 2024 fiscal year, a dedicated working group was organized to compile the report. It was reviewed and approved by the Board of Directors before publication, with the disclosure timing no earlier than the annual report.

Sustainable Development Context

Valin actively responds to sustainability trends, identifies stakeholders and material topics and engages in stakeholder communication based on the characteristics of its industry and business operations. For further details, please refer to the ESG Governance section of this report.

Accuracy

Valin strives to ensure the accuracy of information. Quantitative data is derived from actual internal production and operational records, free from false records, misleading statements, or significant omissions.

Balance

This report objectively reflects the Company's operations, avoiding exaggerated or misleading descriptions. It comprehensively discloses both positive and negative aspects of the corporate operations, ensuring fairness, objectivity, and balance in content.

Completeness

The information and data in this report cover Valin and its controlled entities, consistent with the scope of the annual report. Additionally, the report fully discloses relevant information based on the actual operation.

Verifiability

The cases, management systems, and quantitative data presented in this report are derived from the actual operations of the Company, with all materials being traceable.

Clarity

Charts, data references, and technical terms in this report that may be difficult to understand are accompanied by relevant sources and explained in plain language for clarity.



Quantitative Focus

This report strives to ensure consistent disclosure of quantitative data, while continuously improving data reliability to demonstrate the development of Valin's ESG governance.

Report Release and Contact Information

The electronic version of this report is available for viewing and downloading on the Company's official website (www.hlxl.com), the Shenzhen Stock Exchange website (www.szse.cn), and the CNINFO website (www.cninfo.com.cn). If you have any comments or suggestions regarding this report, please contact us via the following details. We sincerely appreciate any valuable feedback you may provide.

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Message from the Chairman

The year 2024 marks a pivotal year for Valin in fully implementing the spirit of the 20th National Congress of the Communist Party of China and a crucial year for advancing the 14th Five-Year Plan. Centered on the goal of "building a RMB 4.5 billion production-sales balance system", we have steadfastly adhered to the "Three Firsts" principle. In alignment with the "Three-Year Action Plan for Building a World-Class Specialized, Sophisticated, and Innovative Leading Enterprise", we have explored a dual-drive model of "industry + capital", strengthened operational management, and accelerated technological transformation and R&D, achieving steady progress in production and operations.

Party Leadership Steering Sustainable Growth

Valin consistently prioritizes implementing the important directives of President Xi Jinping and the decisions of the CPC Central Committee to ensure the correct direction of corporate development. Guided by the principle of "Joint Party-Administration Cultivation for Exceptional Performance", we embrace the core value of "Striving People-oriented". By deeply integrating Party building with production and operations, we translated political advantages into productive forces, advancing all aspects of our work and ensuring high-quality development. Through disciplinary education, we infuse "integrity culture" into every stage of production, operations, and project construction, ensuring all employees uphold ethical standards and integrity, thereby fostering a positive development environment. In 2024, the Party Committee launched the "Uniting Hearts and Spirits to Follow the Party - Forging Ahead in Unity on the New Journey" education campaign, where Party members visited the Jiuxian Lake Revolutionary Heritage Education Base in You County, Zhuzhou, to study the revolutionary history of the "You County Soviet Area" and reflect on the sacrifices of revolutionary pioneers, and experiencing the inheritance and promotion of revolutionary spirit.

Innovation-Driven Green Transformation

Aligning with national innovation strategies, we achieved technological breakthroughs through industry-academia collaboration and focusing on customer needs to strengthen product R&D. By keeping pace with cutting-edge technologies and increasing R&D investment through project-based initiatives, we have achieved remarkable progress, propelling us toward high-quality development. As a long-term supplier of cable products for key projects such as the "Shenzhou" spacecraft series, "Long March" carrier rockets, and space station projects construction, including astronaut umbilical cables and ultra-high-temperature flexible lightweight cables for aerospace applications, we once again contributed to the successful launch of the Shenzhou-19 manned spacecraft in October 2024.

In energy conservation, emission reduction, and the application of eco-friendly materials, we prioritize environmental performance and energy efficiency. While improving product quality and capacity, we significantly reduce material energy consumption and emissions, embodying green development principles and injecting strong momentum into sustainable growth.

People Oriented: Forging an Exceptional Team

Talent is Valin's most valuable resource. We uphold the principle of "strengthening the enterprise through talent", continuously enhancing the capabilities of our workforce. By benchmarking against best practices, we focus on talent development, professional competency building, and market-oriented performance systems. We provide opportunities for skill enhancement, broadening horizons, and leadership development, fostering a culture of mentorship and creating a conducive learning environment. Expanding vocational qualification recognition and improving self-assessment standards, we have consistently achieved top rankings in Hunan Province's cable manufacturing skills competitions for three consecutive years, producing three provincial May 1st Labor Medal winners.

Responsible Valin: Building a Better Society

We actively fulfill our corporate social responsibilities, contributing to society through concrete actions. We advance rural revitalization by supporting agricultural product sales in poverty-stricken areas, thus contributing to the local economic development. Meanwhile, we have actively carried out charity activities to support education, showing our care for adolescents in difficult situations, care for individuals with disabilities, and organize employee volunteer teams for flood prevention efforts, building a "united community floodwall" with society. In 2024, we swiftly supported Hainan's power grid restoration, demonstrating responsibility and bringing warmth and hope to disaster-affected areas.

Moving Forward Together: Creating Brilliance

2025 marks the conclusion of the 14th Five-Year Plan and a critical juncture for Valin's new journey. In technological innovation, we will further increase R&D investment, focusing on cutting-edge technologies in specialty cables to overcome key technical challenges and advance high-precision, high-performance, and high-reliability products. In environmental protection, we will continue to embrace green development, aligning with the national "Dual Carbon" strategy to promote energy conservation, emission reduction, and eco-friendly materials. In social responsibility, we will deepen rural revitalization, educational support, and community development initiatives and expand targeted assistance and public welfare projects. We will enhance employee care systems, providing broader development platforms and better working environments, fostering mutual growth for the company and its employees.

Looking ahead, Valin will maintain an open and collaborative approach, driving innovation, embracing green practices, and upholding responsibility. Together with all stakeholders, we will strive to write a new chapter of high-quality development, contributing to the advancement of China's cable industry and global sustainable development!



Leading with Jinfeng: Exploring Valin



Company Overview

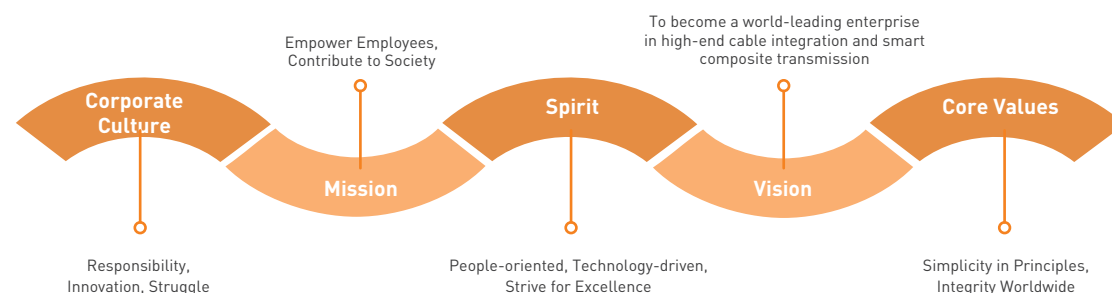
The predecessor of Valin was Xiangtan Cable Factory, established in 1951. In July 2003, five state-owned enterprises, including Xiangtan Iron and Steel Group, initiated its establishment. Currently, it is one of the leading domestic producers of specialized cables.



Valin focuses on the R&D and production of wire and cable, emphasizing independent innovation. Guided by the philosophy of "building excellence through high-end products and integrity as a state-owned enterprise", Valin is committed to providing high-performance, high-reliability specialized cable products for aerospace and integrated equipment, metallurgical mining, rail transit, power and new energy, offshore engineering, and petrochemical sectors. Valin is a key member of the National Wire and Cable Standardization Committee and one of the top ten specialized cable manufacturers in China. It boasts rare national-level enterprise technology centers, including the Hunan Provincial Special Cable Engineering Technology Research Center, Hunan Industrial Design Center, Hunan Expert Workstation, Hunan Key Laboratory for Special Cable Preparation, and CNAS-certified laboratories. The products are widely used in major national projects such as the "Long March" series of carrier rockets, "Shenzhou" series of spacecraft, space station construction, State Grid, Southern Power Grid, State Power Investment Corporation, Sichuan-Tibet Railway, Guangzhou-Shenzhen Railway, Beijing Daxing International Airport construction, and CNOOC offshore drilling platforms. Valin has been honored with the National May 1st Labor Certificate, National Innovation Pilot Enterprise, Hunan Provincial Governor's Quality Award, and National Specialized, Refined, Distinctive, and Innovative "Little Giant" Enterprise. In February 2023, Valin was selected for the State-owned Assets Supervision and Administration Commission's list of world-class "Specialized, Refined, Distinctive, and Innovative" demonstration enterprises (200 central and local state-owned enterprises were selected, with only 57 local state-owned enterprises).

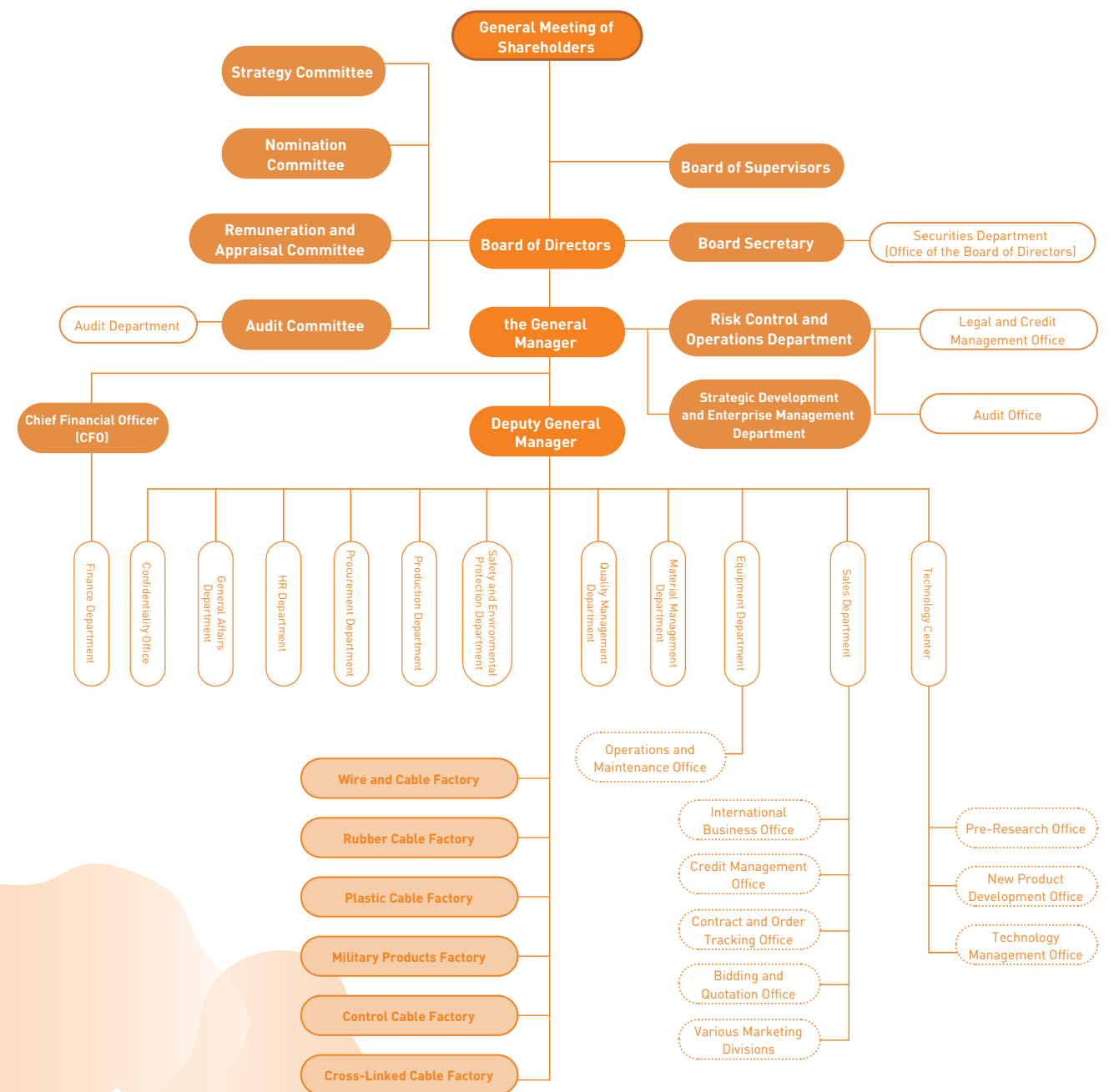
Corporate Culture

We attach great importance to corporate culture development. Over the years, through continuous accumulation, we have shaped a corporate culture centered on "Responsibility, Innovation, and Struggle", establishing and improving a complete cultural system encompassing mission, vision, and core values.



Organizational Structure

To expand its international footprint and accelerate the global presence of specialized cables, Valin adjusted its organizational structure during the reporting period. We established the Strategic Development and Enterprise Management Department to enhance strategic planning and management efficiency. Additionally, we formed a Specialized Cable Division to meet the customized needs of specific industries, strengthening its competitive edge in the specialized cable sector. These changes provide robust support for Valin's long-term development and steady progress.





Business Layout

Valin is primarily engaged in the R&D, production, and sales of wire and cable. As one of China's leading specialized cable manufacturers, Valin provides professional, high-quality specialized cable products for aerospace and integrated equipment, rail transit and high-speed locomotives, mining, new energy, engineering equipment, and data communication sectors. Focusing on three key segments—aerospace and integrated equipment, specialized rubber-sheathed cables, and specialized control cables—Valin is accelerating the industrial layout to become a world-class leader in high-end cable integration and intelligent composite transmission. Guided by the philosophy of "Quality-Driven Excellence, High-End Leadership; Trustworthy SOE, Integrity Worldwide", we continue to pioneer the specialized cable niche. Recent key projects across application fields include:

Application Field	Key Project Cases
Aerospace and Integrated Equipment	"Long March" series of carrier rockets, "Shenzhou" series of spacecraft, space station construction projects, and various strategic model support
Metallurgical Mining	National energy projects, Zijin Mining projects, Shandong Energy Group projects, China Coal Development Company projects, Huaibei Mining projects, Guizhou Panjiang Jingmei projects, Yangquan Coal Industry projects, Shanxi Lu'an projects, Urban Environmental Protection export to Malaysia project, Chongqing CISDI Thermal and Environmental Protection project
Power and New Energy	State Grid projects, Southern Grid projects, China Power Construction projects, Hunan Power Transmission and Transformation Engineering projects, China Energy Construction projects, Dongfang Electric projects, Hunan Thermal Power Construction projects, Xi'an Longji Clean Energy project
Rail Transit	Shenzhen Metro, Chengdu Metro, China Railway Guangzhou Bureau projects, Wuhan Metro projects, Chongqing Metro projects, Guangzhou-Shenzhen Railway projects
Specialized Engineering Machinery	China Railway Engineering Equipment Group projects, China Water Resources and Hydro-power 14 th Engineering Bureau projects, China Railway Third Bureau projects, Xi'an Superconducting projects, CNOOC Offshore Engineering projects

Key Performance of Valin



Financial



Revenue: RMB **4,157.95** million, **19.82%** YoY increase

Total Profit: RMB **122.70** million, **21.03%** YoY increase

Tax Payment: RMB **60.12** million

Net Cash Flow: RMB **261.47** million

Environmental



Environmental Protection Investment: RMB **489** million, **22.89%** YoY increase

Photovoltaic Power Generation: **1,546,175.2** kWh

Total Greenhouse Gas Emissions: **21,783.76** tons of CO₂e

Green Electricity Purchased: **2,876** MWh

Social



Total R&D Investment: RMB **134.4147** million

R&D Achievements: **17.03%** items

Total independent R&D projects have been completed in the past three years: **39**

Total Welfare Expenditure: RMB **28.1482** million

Average Salary Increase per Employee: **5.7%** YoY

Governance



Investor Relations Activities: **30.30%** YoY increase

Newly Included in **robotics and commercial aerospace** Concept

Tax Rating: Grade **A**

Dividends Since 2021 IPO: **5** distributions, total RMB **156.05** million



Honors of Valin



National Enterprise with Stable and Qualified Product Quality in Supervision and Inspection
China High-Tech Industrialization Association



China Industry-University-Research Collaboration Innovation Demonstration Enterprise
China Industry-University-Research Collaboration Promotion Association



Hunan Green Design Product - Mineral Insulated Fire-Resistant Cable
Hunan Provincial Department of Industry and Information Technology



Hunan Provincial Enterprise Standard Leader
Hunan Provincial Standardization Association



Organizational Award for the 2021 National Industry Vocational Skills Competition - "Guolan Testing Cup" 4th National Wire and Cable Manufacturing Worker (Inspector) Vocational Skills Competition
China Machinery Industry Federation, China Employment Technical Training Guidance Center, and China National Committee of the Metallurgical, Building Materials, and Chemical Industry Trade Union



Top 10 Scientific and Technological Innovation Enterprises in the 1st Hunan Advanced Manufacturing Science and Technology Innovation Competition
Hunan Provincial Department of Science and Technology, Hunan Provincial Department of Industry and Information Technology, and Hunan Provincial Market Supervision Administration



Hunan Provincial Expert Workstation
Hunan Provincial Association for Science and Technology



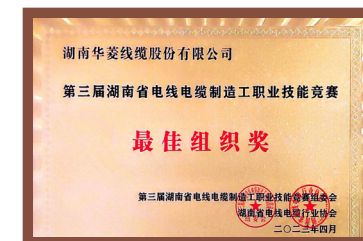
Group Excellence Award for the 2021 National Industry Vocational Skills Competition - "Guolan Testing Cup" 4th National Wire and Cable Manufacturing Worker (Inspector) Vocational Skills Competition
China Machinery Industry Federation, China Employment Technical Training Guidance Center, and China National Committee of the Metallurgical, Building Materials, and Chemical Industry Trade Union



Hunan May 1st Labor Medal - Zhihua Song
Hunan Provincial Federation of Trade Unions



Special Cable Preparation - Hunan Provincial Key Laboratory
Hunan Provincial Department of Science and Technology



Best Organizational Award in the 3rd Hunan Wire and Cable Manufacturing Worker Vocational Skills Competition
Organizing Committee of the 3rd Hunan Wire and Cable Manufacturing Worker Vocational Skills Competition and Hunan Wire and Cable Industry Association



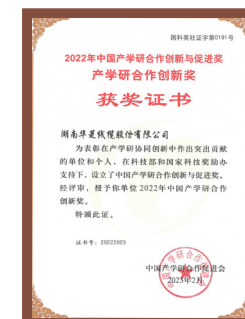
Group Excellence Award in the 3rd Hunan Wire and Cable Manufacturing Worker Vocational Skills Competition
Organizing Committee of the 3rd Hunan Wire and Cable Manufacturing Worker Vocational Skills Competition and Hunan Wire and Cable Industry Association



National Intellectual Property Advantage Enterprise
National Intellectual Property Administration



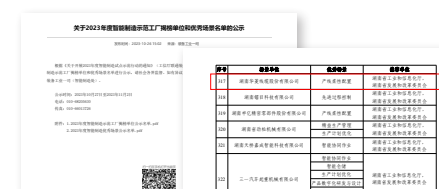
China Industry-University-Research Collaboration Innovation Award Unit
China Industry-University-Research Collaboration Promotion Association



China Industry-University-Research Institute Collaboration Innovation Award
China Industry-University-Research Collaboration Promotion Association



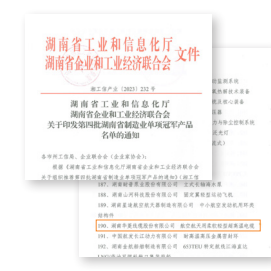
Appreciation Letter
Aerospace Academy First Institute Material Center
Appreciation Letter
China Academy of Launch Vehicle Technology



Named to the 2023 Annual List of Smart Manufacturing Demonstration Plants & Outstanding Scenarios
Department of Equipment Industry I, Ministry of Industry and Information Technology (MIIT)



Named to the National List of World-Class SRCI Model Enterprises
State-owned Assets Supervision and Administration Commission of the State Council



Hunan Manufacturing Single Champion Product (Flexible Lightweight Ultra-High Temperature Cable for Aerospace Applications)
Hunan Provincial Department of Industry and Information Technology and Hunan Provincial Enterprise and Industrial Economic Association



"Wire and Cable Order Delivery Control Capability" - 2023 New Generation Information Technology and Manufacturing Integration Development Demonstration List
Information Technology Development Division, Ministry of Industry and Information Technology



Honors 2024



CNAS Testing Center
CNAS



Nomination Award for the 1st "Women's Achievement Award" in the Wire and Cable Industry (2024) (Zhihua Song)
Hunan Wire and Cable Association,
China Cable Network



Top 40 Suppliers in the First (2024) China Nonferrous Metals (Equipment and Materials) Industry
China Nonferrous Metals Magazine Co., Ltd.



2023 Hunan Famous Brand
Hunan Provincial Administration for Market Regulation



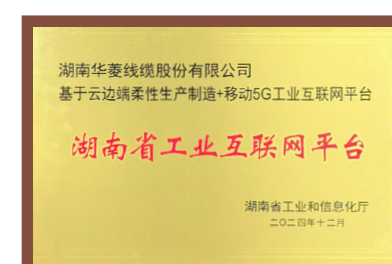
Group Excellence Award (4th Hunan Electric Cable Manufacturing Skills Competition)
Organizing Committee of the 4th Hunan Electric Cable Manufacturing Skills Competition,
Hunan Electric Cable Industry Association



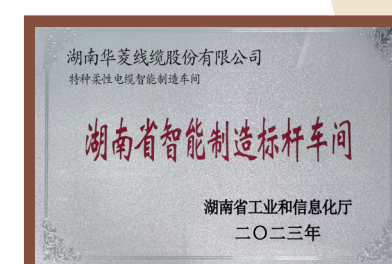
Outstanding Supporting Partner Enterprise
Hunan Machinery Industry Association



Second Prize in the 6th Hunan "Intelligence Empowers Ten Thousand Enterprises" New Information Consumption Competition
Hunan Provincial Department of Industry and Information Technology



Hunan Industrial Internet Platform (Cloud-Edge-End Flexible Production Manufacturing + Mobile 5G Industrial Internet Platform)
Hunan Provincial Department of Industry and Information Technology



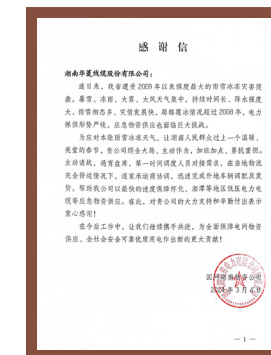
Hunan Intelligent Manufacturing Benchmark Workshop - Special Flexible Cable Intelligent Manufacturing Workshop
Hunan Provincial Department of Industry and Information Technology



Hunan May 1st Labor Medal
Hunan Provincial Federation of Trade Unions



2024 China's Top 10 Special Cable Brands
Brand Research & Publicity Platform for Bidding Projects



Letter of Appreciation
State Grid Hunan Materials Company

ESG Governance

Valin consistently prioritizes green, low-carbon, and high-quality development, integrating ESG as a critical component to enhance corporate governance, improve development quality and efficiency, and strengthen competitiveness. Valin continuously improves its comprehensive responsibility capabilities and awareness to promote sustainable development.

Stakeholder Communication

Valin is committed to building strong relationships with stakeholders through regular dialogue and cooperation via multiple channels. This ensures effective listening to stakeholder concerns, understanding their expectations, and providing timely responses.

To enhance transparency and foster mutual communication and collaboration with stakeholders, Valin regularly updates financial reports, company announcements, and other relevant information through the Shenzhen Stock Exchange, the official website, and other platforms. In 2024, we identified key stakeholders, including shareholders, investors, employees, suppliers, customers, government and regulatory bodies, and the community.

Stakeholders	Topics of Interest Related to ESG	2024 Engagement and Actions
Shareholders	• Performance growth • Corporate governance • Information disclosure • Sustainable profitability	• Active operations • Enhanced governance and internal controls • Increased voluntary disclosures • Protected shareholder rights with consistent cash dividends
Employees	• Employee rights • Occupational health • Career advancement • Compensation and benefits • Democratic management	• Improved employee rights protection systems • Strengthened occupational health management • Career advancement mechanisms • Introduced corporate annuity • Enhanced employee feedback mechanisms
Suppliers	• Supply chain management • Mutual benefit • Long-term collaboration	• Supply chain informatization platform • Adherence to business ethics and alliance building • Responsibility, cooperation, and communication
Customers	• High-quality products • Customer rights protection • Customer satisfaction	• Strengthened quality awareness • Commitment to integrity and customer-centric practices • Responsive customer feedback mechanisms
Government and Regulators	• Legal and compliant operations • Tax contributions • Market stability	• Improved compliance systems • Enhanced performance development • Leadership in specialized fields
Community	• Cultural exchange • Volunteer activities	• Strengthened community interaction • Launched public welfare projects

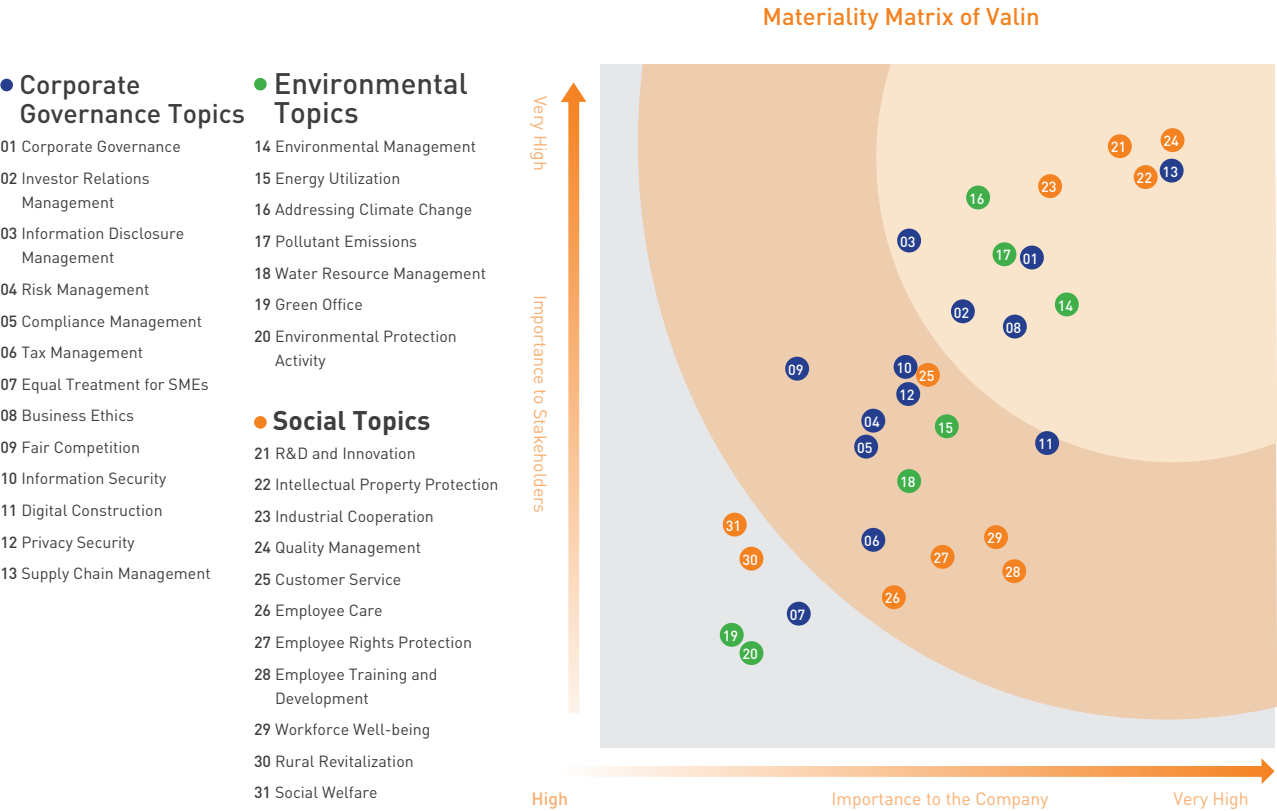
Materiality Analysis

Valin fully recognizes the importance of environmental, social, governance, and economic impacts on the Company and its stakeholders. We actively identify material issues relevant to the Company, with the Board of Directors reviewing the annual ESG report. Based on the Global Sustainability Standards Board's *Sustainability Reporting Standards* (GRI Standards), the Shenzhen Stock Exchange's *Self-Regulatory Guidelines for Listed Companies No. 17 – Sustainability Report (Trial)*, and other universal standards, combined with annual hot topics, national strategies, industry trends, and the actual development, we conduct materiality surveys to gather stakeholder feedback.

Materiality Analysis Process

Topics Identification and Screening		Based on national macro policy directions, sustainability reporting standards, and benchmarking against leading peers, Valin identifies material topics that have significant impacts on both the Company and stakeholders. This process integrates annual hot topics, industry trends, rating agency concerns, and the Company's development context.
Stakeholder Engagement		Valin engages stakeholders, including shareholders, investors, employees, suppliers, customers, government and regulators, and the community, through questionnaires
Survey Analysis and Response		Valin analyzes survey results, adjusts material topics with input from internal management and external experts, confirms priority rankings, and forms a materiality matrix. The report focuses on responding to key stakeholder concerns.

In 2024, considering macro policy directions, capital market focus, sustainability reporting standards, and peer benchmarking, Valin identified eight material ESG issues across environmental, social, and governance dimensions. These include R&D and innovation, quality management, supply chain management, intellectual property protection, addressing climate change, minimizing pollutant emissions, industry collaboration, corporate governance, information disclosure management, investor relations management, environmental management, and business ethics.





Support of the UN Sustainable Development Goals (SDGs)

2024 Actions	Chapter Reference	SDGs
Actively fulfilled social responsibilities, cared for disadvantaged youth, established special scholarships, donated learning essentials, and provided personalized psychological and growth counseling.	Social Welfare	
Advanced rural revitalization, initiated targeted consumption assistance, consolidated poverty alleviation achievements, and boosted village collective industries to increase villagers' income.	Rural Revitalization	
Optimized employee welfare and established robust occupational health and safety management systems.	Safety Production Workforce Well-being	
Prioritized talent development, implemented comprehensive talent development systems, and organized employee training and learning programs.	Employee Training and Development	
Upheld gender equality in recruitment and employment, ensured equal pay for equal work, and prohibited workplace gender discrimination.	Workplace Equality and Diversity	
Established clear employee responsibilities for water resource management and implemented a comprehensive wastewater management system.	Wastewater Management Water Resource Management	
Ensured compliance with environmental protection requirements, improved energy management, implemented energy-saving projects, and conducted environmental initiatives.	Environmental Management Energy Management Environmental Protection Activity	
Established strict performance and compensation management systems, providing diverse career development opportunities and clear promotion pathways.	Employee Training and Development	
Revised the "R&D Management System," optimized R&D processes, clarified departmental responsibilities, strengthened R&D team management, and standardized R&D achievement management.	Innovation Driven	

2024 Actions	Chapter Reference	SDGs
Prohibited all forms of discrimination in recruitment and employment, upheld gender equality, and provided diverse employee communication platforms and basic employee benefits.	Standardized Employment Workplace Equality and Diversity Democratic Management	
Conducted a comprehensive and detailed assessment of atmospheric environmental risk prevention and control based on scientific indicators, taking into account its actual conditions and industry characteristics.	Pollutant Emissions	
Established 7 cooling water recirculation ponds to facilitate the reuse of cooling water. Over 90% of production water is recycled through closed-loop systems, ensuring zero liquid discharge across all operations	Water Resource Management	
Implemented energy-saving and emission-reduction projects, achieving carbon neutrality, carbon footprint, and greenhouse gas inventory certifications.	Addressing Climate Change	
Standardized solid waste control to reduce both generation and environmental impact, complied with hazardous waste disposal regulations and organized annual tree - planting initiatives to offset ecological footprints.	Waste Disposal Environmental Protection Activity	
Established efficient governance structures and rigorous internal control systems, integrating integrity into daily management.	Corporate Governance Risk Management Compliance Management Tax Management	
Protected the legal rights of investors and creditors, strengthened supplier management, safeguarded the rights of SMEs, and optimized the business environment.	Investor Relations Management Information Disclosure Management Supplier Management Mechanism Supplier ESG Governance Supply Chain Management	

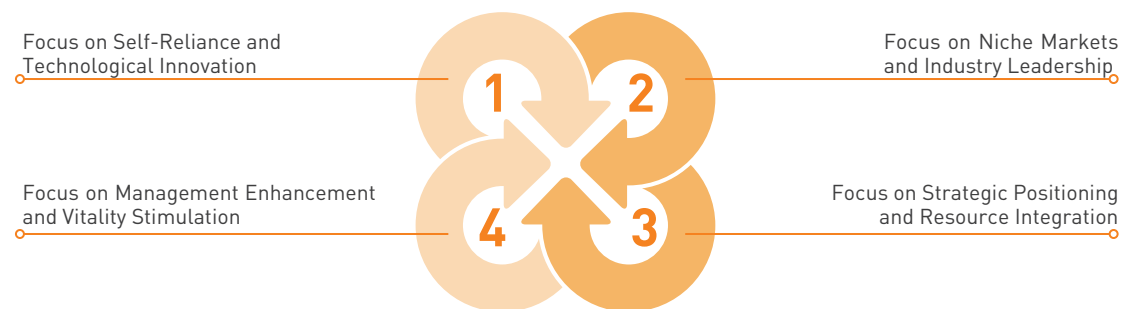
Innovative Cables, Jinfeng Soars with New Momentum

Special Focus

In 2024, under the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, Valin thoroughly implemented the spirit of the 20th National Congress of the Communist Party of China and the Central Economic Work Conference. Adhering to the principle of seeking progress while maintaining stability, we anchored the efforts toward the "Three Highs and Four New Initiatives" blueprint.

Valin seized opportunities in commercial aerospace, robotics, and polymer materials over the next 3-5 years, enhancing innovation capabilities and new product supply. We integrated the three-year action plan to create a world-class "specialized and innovative" demonstration enterprise with the "2+2+4" strategy. Through the dual-driven model of "industry + capital", Valin focused on core industrial chains, relying on four support systems, including intelligent manufacturing, big data applications, R&D innovation, and advanced customer service. This approach aimed to upgrade product varieties and enhance competitiveness in core industrial chains.

Valin prioritized technological innovation as the core driver of progress, focusing on strategic positioning and industrial leadership to break through niche markets and elevate product competitiveness. In 2025, we will continue to benchmark against world-class standards, driving high-quality implementation of the "Four Focuses" initiative.



■ Technological Leadership

Valin has consistently dedicated to the R&D and innovation of high - quality specialty cable products. Leveraging platform construction and scientific and technological projects, Valin has rapidly enhanced its capabilities in scientific and technological innovation and development. Seizing the valuable opportunity of developing new - quality productive forces, Valin took the lead, basing its efforts on intelligent manufacturing and technological innovation. Through the "open tender for project leadership" mechanism, it overcame "choke - point" technologies. Valin independently completed the localization of the flexible umbilical cable for ROV robots, the "lifeline" for deep - water oil and gas field development, successfully ending the domestic reliance on imported umbilical cables for underwater operation systems. Subsequently, Valin carried out intelligent upgrades on its stereoscopic warehouse, control cable factory, and specialty cable factory, and rapidly deployed systems such as MES, EAM, IOT, and WMW. From aspects of "people, machines, materials, methods, environment, and measurement", Valin comprehensively strengthened the digital transformation of equipment, quality, and production, achieving information connectivity between upper - level management and bottom - level manufacturing, as well as standardization and unification of production and manufacturing data.

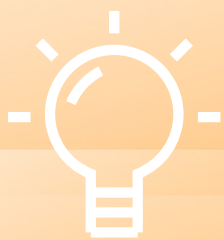
■ Industrial Leadership

Focusing on technological innovation, Valin drives technological progress within the enterprise, strategically positioning itself to make significant breakthroughs in niche markets through industry leadership. Valin prioritizes enhancing the competitiveness of the product range. In alignment with the call for high-quality development, Valin places a strong emphasis on product variety R&D, aiming to solidify the position as an industry leader across three key segments: aerospace and integrated equipment, specialty rubber-sheathed cables, and specialty control cables. This approach propels the development of products in these markets toward systematization and high-end advancement. Valin has successfully developed products such as large-cross-section aluminum conductors for aviation, specialty cables for new-energy vehicles, and watertight cables. Notably, Valin has achieved import substitution for products like large-cross-section aviation aluminum conductors, lightweight aerospace conductors, high-temperature conductors, and cables for ROV robots. The soft, lightweight, and ultra-high-temperature aerospace cables have been recognized as "Single Champion Products in Hunan's Manufacturing Industry".

■ Management Optimization

Valin accelerates the construction of a digital and intelligent enterprise to comprehensively improve operational control efficiency. Actively establishing intelligent workshops, relying on the industrial Internet and 5G technology. Valin realizes full interconnection of production equipment and energy management and builds a data and monitoring center. By optimizing internal logistics and achieving full AGV material delivery, we create a national - level, industry - leading intelligent specialty cable workshop.

We strengthen human resources development and performance reform to enhance internal development vitality and motivation. We accelerate the construction of a trinity organizational system, adjust the organizational structure, streamline departmental structures, clarify the responsibilities of each department and position, and determine the talent cultivation path, providing employees with clearer job responsibilities and promotion prospects. In terms of talent cultivation, using cadre development training camps, lean production training courses, and vocational skill competitions as the means, we form a multi - level, multi - dimensional, and multi - channel training and retraining system. We will improve the cultivation system for highly skilled talents and train more knowledgeable, skilled, and innovative craftsmen.



Special Focus

Collaborative Innovation

Valin combines its three - year action plan for creating a world - class “Specialized, Sophisticated, Characteristic, and Novel” demonstration enterprise with the “2 + 2+4” strategy, strengthening win - win cooperation in professional fields and accelerating regional layout expansion. Valin conducts diversified and multi - modal cooperation with Central South University, the Shenzhen Research Institute of Shanghai Jiao Tong University, Harbin University of Science and Technology, Southwest Jiaotong University, the Shanghai Institute of Applied Physics of the Chinese Academy of Sciences, Xiangtan University, and the China Industry - University - Research Institute Collaboration Association to formulate product plans, supporting the refinement, strengthening, and expansion of emerging product varieties. In accordance with the product plan implementation scheme and combined with the strategic industrial layout, Valin improves and upgrades traditional products, reduces costs, consolidates and extends advantageous products, cultivates and expands emerging products, and makes forward - looking arrangements for future products.

Case Study

The 1350 Aluminum Alloy was Awarded the China Nonferrous Metals Industry Science and Technology Prize

In recent years, domestic large aircraft have started to use aluminum - conductor XETFE insulated wires to replace copper - conductor XETFE insulated wires for weight reduction. However, currently, aluminum - conductor XETFE insulated wires are generally imported.

Valin signed a cooperation agreement with Central South University and Southwest Aluminum Industry to jointly develop large - cross - section aluminum conductors for aviation. The innovative formula of the aluminum - conductor XETFE insulated wire meets the requirements for drawing extremely fine aluminum alloy conductors, with single - wire conductors able to be drawn to 0.36mm, and the performance indicators meet the ASTM B230 standard. The insulating material is entirely domestic, meeting the requirements for precise control of insulation thickness and concentricity. Moreover, the wire is fully domesticated, solving the “choke - point” problem of this type of product.

The products of this project, applied in the aviation field, can drive the progress of the cable industry in the application of aluminum alloy conductors, improve the industry’s understanding of aluminum alloy conductors, provide a good solution for aviation cable weight reduction, and offer inspiration for cable selection in future commercial aerospace.



China Nonferrous Metals Industry Science and Technology Prize

Case Study

The “High - flexibility and High - wear - resistance Cables for Mines” were selected as Single Champions in Hunan’s Manufacturing Industry

The towing cables widely used in mining equipment are susceptible to multiple stresses and wear, and conventional products struggle to meet the requirements. Developing new low - temperature - resistant and wear - resistant towing cables has become a research focus to cope with the harsh mining conditions.

Valin focused on optimizing the structural design of mining cables. By embedding high - strength fiber filaments in the cable sheath, it improved the product’s tensile and torsional resistance and flexibility. At the same time, Valin selected low - temperature - resistant and wear - resistant rubber and plastic materials as the cable sheath and developed anti - flexure and wear - resistant towing cables for FMG mining equipment. The materials used in the cables are all halogen - free and environmentally friendly, so the cables’ combustion characteristics meet environmental protection requirements. The cables have high mechanical properties, being wear - resistant, twist - resistant, low - temperature - resistant, UV - resistant, and acid - and alkali - resistant. They have high insulation resistance, long service life, and strong overload capacity. The cable structure is designed using computer and real - world simulations. With a 3 + 3 symmetrical structures, the cables have better bending performance and higher roundness.

During the reporting period, the products of this project were selected as Single Champions in Hunan’s Manufacturing Industry. They can be used for power connection of open - pit mining loaders. The cables have low - halogen, low - smoke, and flame - retardant properties, which can improve the safety and reliability of cable operation. After the project’s completion, many technicians from the rubber cable factory received a great deal of training, including the study of material formulas, extrusion processes, product structure design, and material performance research.



Laying the Highly Flexible and Wear-Resistant Cable for Mines

Party Building Leadership, Valin Explores New Approaches to Governance

Special Focus

Valin deeply implements Party organization development, guided by the spirit of the 19th and 20th National Congresses of the Communist Party of China (CPC). Adhering to the core philosophy "Joint Party-Administration Cultivation for Exceptional Performance", we integrate Party building with production and operations to ensure high-quality development.

Through regular "Two Studies, One Action" education measures such as monthly theme Party Day activities and thematic education on Party discipline learning, Valin gives full play to the leading core role of the Party organization and the vanguard and exemplary role of Party members, leading and promoting the smooth progress of all work. Aiming at being the leader in Party building work in the industry, Valin focuses on promoting the creation of the Party building brand of "Party Building Leadership, Golden Phoenix Greeting the Rising Sun" to further consolidate the achievements of Party building work.

Party Building Drives Development

To focus on organizational standardization, creativity stimulation, and organizational capacity enhancement, Valin integrates the work of the Party, labor unions, and youth leagues with production and operations, carrying out various activities such as labor competitions, entrepreneur events, and July 1st revolutionary heritage education activities. These initiatives inspire Party members to take the lead, creating a work atmosphere of "striving for excellence" and "comparing, learning, catching up, helping, and surpassing". Guided by the philosophy of "youth hearts towards the Party, making contributions in the new era", young league members actively participate in various events like basketball games, fun sports activities, and safety production speech contests, fully unleashing their potential and vitality. Through these measures, Valin endeavors to build a favorable situation where the Party, labor unions, and youth leagues promote and develop together.

Under the leadership and guidance of the Party committee, the vanguard and exemplary role of Party members have been fully exerted, and their mental outlook has been rejuvenated. Driven by this, Valin's production records and operating indicators have continued to rise, and the work of the labor union and youth league has also shown new vitality, helping Valin smoothly achieve a good start in the first quarter, reach the halfway mark in both aspects, and achieve the annual goals.

Strengthening Party Building Learning

Valin regards thematic education as an important front line of Party building work, focusing on strengthening the theoretical learning of employees to improve their political literacy. Valin especially invites experts and professors from the Municipal Party School to give Party lectures and solidly carries out activities such as "Party committee members sending Party lectures" and "Party branch secretaries giving Party lectures". Meanwhile, Valin also holds a series of training sessions on lean production and cadre growth training camps, as well as reading clubs, effectively broadening the horizons of employees, and continuously enhancing the capabilities and qualities of Party members and cadres.



July 1st Revolutionary Heritage Education Activities

Case Study

"Uniting Hearts and Spirits to Follow the Party · Forging Ahead in Unity on the New Journey" Education Campaign

On July 18, 2024, the Party committee of Valin carried out the "Uniting Hearts and Spirits to Follow the Party · Forging Ahead in Unity on the New Journey" education campaign at the Jiuxianhu Revolutionary Heritage Education Base in You County, Zhuzhou.

Party members visited revolutionary heritage education bases such as the Revolutionary History Exhibition Hall of the Xiang-Gan Soviet Area, the You County Red Memorial Hall, and the Jiubugang Red Dam, deepening their understanding of the "You County Soviet" revolutionary legacy. They honored the self-sacrificing struggles of early proletarian revolutionaries and felt the living inheritance of revolutionary spirit.



Party Members' Oath

Party Building Honors

In the process of Valin's continuous development, the Party-government work has also continuously improved itself and achieved remarkable achievements. During the reporting period, Valin was awarded the honor of "Pioneer Struggle Party Branch".



Pioneer Struggle Party Branch



Corporate Governance Chapter



Strengthening Governance: Jinfeng Builds a Solid Foundation

Valin has established a sound and efficient governance structure to ensure long-term stable operations. Each department fulfills its responsibilities, maintains checks and balances, and collaborates efficiently, providing a solid foundation for the healthy, stable, and sustainable development.

Corporate Governance
Investor Relations Management
Information Disclosure Management





Corporate Governance

In recent years, as China's capital market reforms continue to deepen, Valin has proactively adapted to strengthened regulations and new requirements, firmly adhering to the principle and policy of compliant operations for listed companies and actively exploring the deep integration of new development concepts in the capital market with all aspects of the corporate operations and management. Furthermore, Valin has strengthened the standardized functioning of the General Meeting of Shareholders, Board of Directors, Board of Supervisors, and Management, continuously improved internal control mechanisms, empowering the high-quality development through a compliant and efficient governance structure.

Governance Structure

Valin has implemented a robust corporate governance structure and internal control system, adhering strictly to the *Company Law* and the *Articles of Association*. This framework enables the General Meeting of Shareholders, Board of Directors, Board of Supervisors, and specialized committees to fulfill their roles effectively, maintain checks and balances, and operate in harmony. Clearly defined responsibilities, authorities, and codes of conduct drive continuous improvement in governance standards.

General Meeting of Shareholders

The General Meeting of Shareholders serves as Valin's highest authority. Adhering to the *Articles of Association* and the *Rules of Procedure*, Valin convenes and conducts meetings lawfully and compliantly. Valin diligently implements resolutions, upholds equal treatment of all shareholders, and protects their rights to information, participation, inquiry, and voting.

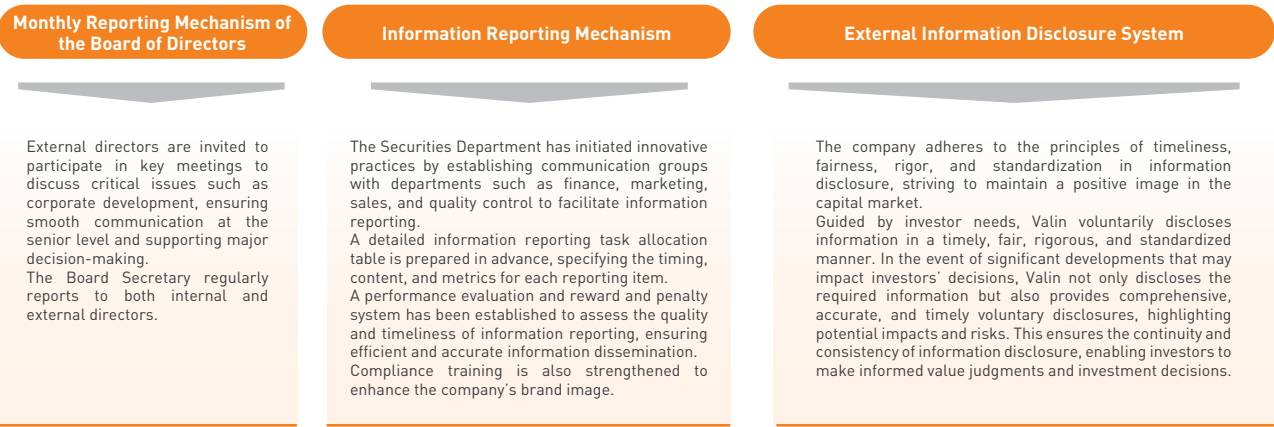
Key Performance

- During the reporting period, Valin held **5** General Meetings of Shareholders, reviewing and approving a total of **17** proposals.

Board of Directors

The Board of Directors consists of nine members, including three independent directors (one of whom is female) with expertise in management, technology, and finance. It operates through four specialized committees: the Strategy Committee, Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee. These committees oversee strategy, finance, risk management, personnel, performance evaluation, and related-party transactions, ensuring informed and scientific decision-making. Valin has implemented an independent director system, where independent directors provide objective opinions on major company matters in compliance with the *Company Law*, *Administrative Measures for Independent Directors of Listed Companies*, and *Regulations on Strengthening the Protection of Shareholders' Rights and Interests*. They also offer recommendations to enhance corporate operations and protect the rights of shareholders and the Company's overall interests.

Additionally, Valin has established a unique monthly reporting system, information submission mechanism, and external disclosure process for the Board of Directors. These measures enhance risk prevention, streamline information flow, improve decision-making efficiency.



Valin's Board of Directors Operation Mechanism

Board Diversity

Valin upholds diversity and professionalism in Board composition. The Nomination Committee evaluates factors such as gender, professional background, industry experience, and knowledge structure when selecting candidates. The Board members bring diverse expertise in corporate governance, enterprise management, industry technology, and financial management. This diversity enables informed and strategic decision-making in complex and dynamic market environments, enhancing the Board's effectiveness and ensuring smooth and efficient operations.

Board Committees	Members
Strategy Committee	Mr. Zhigang Zhang (Convener), Mr. Jianbing Liu, Mr. Jun Zhang , Mr. Shuo Xiong, Mr. Dalong Luan
Audit Committee	Ms. Pingbo Yang (Convener), Mr. Ximao Liu , Mr. Daming You
Nomination Committee	Mr. Daming You (Convener), Mr. Zhigang Zhang, Mr. Dalong Luan
Remuneration and Appraisal Committee	Mr. Dalong Luan (Convener), Mr. Shengbin Zheng, Ms. Pingbo Yang

Key Performance

- 11** Board of Directors meetings, with **47** proposals reviewed and approved.
- 2** Strategy Committee meetings, with **2** proposals reviewed and approved.
- 6** Audit Committee meetings, with **21** proposals reviewed and approved.
- 2** Nomination Committee meetings, with **3** proposals reviewed and approved.
- 2** Remuneration and Appraisal Committee meetings, with **2** proposals reviewed and approved.



Independent Director: Dalong Luan

Dalong Luan is currently an independent director for Beijing Jingcheng Machinery Electric Co., Ltd. and Beijing Tianma Intelligent Control Technology Co., Ltd. He previously served as a military representative at the Military Representative Office of Factory 331 in Zhuzhou, Hunan, a naval aviation military representative at the Military Representative Office in Luoyang, and a researcher at the Chinese Academy of Military Sciences of the People's Liberation Army. He also held independent director roles at DHC Software Co., Ltd., Suzhou Recodeal Interconnect System Co., Ltd., and Aerospace Hi-Tech Holding Group Co., Ltd.

Independent Director: Daming You

Daming You is currently a professor at the Business School of Central South University and Chairman of the Board of Supervisors at Hunan Jinbo Carbon Co., Ltd. His previous roles include serving as a lecturer at Wuhan University of Technology, a lecturer and associate professor at Central South University of Technology, and an associate professor at Central South University. He also worked as an independent director for Guangdong Shaoguan Iron & Steel Co., Ltd., Guangzhou Hengyun Group Co., Ltd., and Hunan Jin Tian Aluminum High-Tech Co., Ltd.

Independent Director: Pingbo Yang

Pingbo Yang is currently a professor at Hunan University of Technology and Business and an independent director of Zhongfu Shenying Carbon Fiber Co., Ltd. and Hunan Mendale Home Textile Co., Ltd. He previously held positions as a lecturer and associate professor at Hunan University of Commerce and served as an independent director for Snowy Salt Industry Group Co., Ltd. and Jinjian Cereals Industry Co., Ltd.

Trainings for Director, Supervisor, and Senior Management

Valin places significant emphasis on compliance training for directors, supervisors, and senior management. The Securities Department regularly conducts internal and external compliance exchange training sessions. These sessions not only enhance collaboration quality and efficiency across various information nodes within Valin but also strengthen awareness of capital market regulations and compliance communication among employees. This approach helps establish a positive brand image in the capital market. Furthermore, Valin actively encourages directors, supervisors, and senior management to participate in external compliance training programs, thereby expanding compliance exchange channels and deepening the foundation of a compliance culture.

Board of Supervisors

The Board of Supervisors fulfills its oversight responsibilities in compliance with the *Company Law*, *Articles of Association*, and the *Rules of Procedure for the Board of Supervisors*. During the reporting period, members attended or observed Board of Directors meetings and General Meetings of Shareholders, reviewed major decisions, key economic activities, and financial operations, and provided constructive feedback. They effectively supervised the performance of directors and senior management, safeguarding the interests of the Company, shareholders, and employees.

Key Performance

- During the reporting period, **8** Board of Supervisors meetings were held with **100%** attendance, and **19** proposals were reviewed and approved.
- As of the end of the reporting period, the Board comprised **3** members, including **2** employee supervisors and **1** female supervisor, representing **33.33%** of the total.

Senior Management

Under the leadership of the Board of Directors, the senior management strictly adheres to *Company Law*, *Securities Law*, and the *Articles of Association* while exercising their authority. They diligently execute their duties to ensure the effective implementation of the Board's decisions. In 2024, Valin had **5** senior managers, including **1** female.

Valin has established performance evaluation standards for senior management based on governance strategies and strategic plans. These standards cover financial performance, strategic execution, risk management, and compliance. Regular performance evaluation reports and key performance indicators are used to assess management comprehensively. This approach aligns individual interests with the Company's long-term growth, motivates managers, improves operational efficiency and quality, and ensures the achievement of business objectives.

Investor Relations Management

Valin prioritizes investor relations by maintaining open communication channels. The company engages with investors through various platforms, including investor receptions, earnings briefings, and information disclosure, utilizing a dual strategy of "bringing in" and "going out" to deepen interactions with public funds, private funds, and securities research institutions. Additionally, Valin leverages traditional media, securities media, professional investor relations firms, IR mini-programs, and Tonghuashun Enterprise Accounts to enhance its presence in the capital market.



Investor Research Activities

Case Study

Annual Earning Release Meeting

Using the Jinmen Finance Platform, Valin conducted its annual earning release meeting through a hybrid approach, combining online sessions and written materials. This strategy significantly expanded the meeting's reach. Senior management directly engaged with investors, providing in-depth analysis of financial data and future strategies. Through the presentation and online interactions, investors gained a clear understanding of Valin's strategy and performance, fostering trust and transparency.



Earning Briefings



Case Study

Offline Investor Reception Day

During the reporting period, Valin participated in the Hunan Regional Offline Investor Reception Day, addressing **13** investor questions on topics such as financial status, capital operations, R&D planning, strategic layout, and overseas market expansion. By actively responding to investor concerns, Valin enhanced their understanding of the Company's operations and future growth strategies.

Key Performance

- In 2024, we conducted **8** Investor Open Communication Meetings to foster transparency and hosted **2** on-site investor visits with **31** participants in total.
- We achieved **45** interactive engagements on the Interactive platform, reflecting a **30.30%** YoY growth.
- We addressed **119** investor questions across all channels.
- We maintained a **100%** response rate to investor inquiries.

Return to Shareholders

Valin remains committed to creating value for shareholders while driving its own growth. The company has established a long-term, stable profit distribution policy as outlined in the Three-Year Shareholder Return Plan (2023-2025) of Hunan Valin Wire & Cable Co., Ltd. According to this plan, under the condition of meeting profit distribution requirements, the annual cash dividend distribution will not be less than 20% of the distributable profits for that year.

Following the Cash Dividend Guidelines (2023 Revision) issued by the China Securities Regulatory Commission (CSRC) on December 15, 2023, which encourages listed companies to distribute dividends, Valin has demonstrated consistent performance. Since 2021, the company has distributed dividends four times, achieving an average annual dividend payout ratio exceeding **36%**.

Key Performance

- Total Cash Dividends**
RMB**26.7212** million in 2023, RMB**26.7212** million in 2022, RMB**69.4752** million in 2021
Percentage of Net Profit Attributable to Shareholders of the Listed Company in the Consolidated Financial Statements (%)
30.89% in 2023, **24.33%** in 2022, **51.63%** in 2021

Information Disclosure Management

Valin strictly adheres to the *Company Law*, *Securities Law*, *Listing Rules*, and *Administrative Measures for Information Disclosure of Listed Companies*. The company has formulated the *Hunan Valin Wire & Cable Co., Ltd. Information Disclosure Management System* and the *Hunan Valin Wire & Cable Co., Ltd. Insider Information Insider Registration Management System* to regulate the disclosure of significant information, periodic reports, and interim reports. These systems aim to enhance the efficiency and quality of information disclosure, ensuring authenticity, accuracy, completeness, timeliness, and fairness while preventing false records, misleading statements, or material omissions. This approach fully protects the legitimate rights and interests of investors. To help investors better understand the development trends and potential, Valin also engages in voluntary information disclosure, showcasing positive progress in financing innovation, market expansion, and technological advancements.

Valin places great importance on confidentiality management regarding insider information. We enforce the *Insider Information Registration Management System* to strengthen confidentiality and maintain the fairness of information disclosure. Information that may significantly impact investor decisions and stock prices is promptly disclosed through official channels, including *China Securities Journal*, *Securities Times*, *Securities Daily*, *Shanghai Securities News*, the CNINFO website, and the Shenzhen Stock Exchange website. This practice ensures full risk disclosure and enhances transparency in the capital market.

Key Performance

- Information Disclosure: We disclosed **4** periodic reports, **84** ad hoc reports, with zero penalties incurred for non-compliance in information disclosure.



02

Jinfeng Escorting: Compliance as the Helm to Strengthen Foundations

Valin has implemented a strict, standardized, comprehensive, and effective internal control and supervision system that is risk management-oriented and emphasizes compliance management and supervision to ensure operational standardization. Valin strictly adheres to tax laws and policies, fulfilling its obligation to pay taxes in accordance with the law. Valin treats small and medium-sized enterprises (SMEs) equally, supports the achievement of development goals, enhances enterprise management and operational efficiency, and establishes a solid foundation for sustainable growth.

Risk Management
Compliance Management
Tax Management
Equal Treatment for SMEs





Risk Management

Valin's robust risk management and internal control system serves as a cornerstone for standardized operations. Valin continuously enhances its risk assessment process and mechanisms to effectively identify and address potential risks, including strategic risks, financial risks, market risks, operational risks, legal risks, and more. Valin promptly identifies and systematically analyzes risks related to internal control objectives in business activities, reasonably determines risk tolerance, and develops appropriate response strategies. Through regular analysis of internal and external risks and the implementation of response measures, we minimize risks, strengthen the ability to prevent and resolve major risks, and enhance competitiveness, innovation, and control capabilities.

Valin has formulated the *Compliance Management Measures*, integrating risk management and compliance requirements into business processes through the principle of "strengthening supervision and strict accountability". This approach also enhances information management.

The risk management system employs various functional departments as the first line of defense, the risk management functional departments as the second line of defense, and the Audit Committee as the third line of defense. Through these three lines of defense, the Company has established a closed-loop management system and gradually improved a "three-in-one" supervision mechanism, encompassing business supervision, comprehensive supervision, and accountability.



Compliance Management

Valin has established and improved a strict, standardized, comprehensive, and effective internal control and supervision system, which is oriented towards risk management and focused on compliance management and supervision. By "strengthening supervision, strict accountability", and enhancing information management, the Company integrates the requirements of risk management and compliance management into its business processes.

Case Study

Optimization of the Online Business Process Management System

Valin has set the goal of developing an online business process management system focused on "process reengineering" and comprehensive upgrading of the company's systems, processes, and authorization mechanisms. The aim is to achieve standardized, digitalized processes, clear authorizations, and streamlined approvals. In 2024, the Company focused on building a customer-centric process system, characterized by Layered authorization, Three-tier approval system, First-tier accountability, Control of key points and Accelerated process speeds.

Key Performance

- During the reporting period, a total of **142** online processes were optimized, and **65** systems were revised.

Case Study

"You Complain, I Improve" Suggestion Questionnaire

Valin actively fosters a two-way communication channel between the company and the employees, proactively collecting and reviewing employee feedback. By leveraging DingTalk real-name questionnaires, department heads encourage employees to provide suggestions and constructive management opinions. Employees who offer effective suggestions are rewarded. During the reporting period, 44 employees participated, with some contributing multiple times. Corresponding rewards were distributed to participants. 52 valid suggestions were collected and 43 processes were optimized based on the feedback.

Construction of Compliance Culture

Valin has established a normalized compliance training mechanism and formulated an annual training plan. Compliance management is regarded as a compulsory part of the training for managers, key personnel, and new recruits. Meanwhile, in order to cultivate a compliance culture with the own characteristics, the Company organized the signing of compliance commitments, guiding all employees to consciously practice compliance principles.

Key Performance

- During the reporting period, the number of participants who received compliance training reached **233**.



Audit Training on Futures



Contract Compliance Training



Safety Compliance Training



Sales Compliance Training

Tax Management



Tax Training

Valin maintains strict adherence to tax laws and policies, earning an A-grade taxpayer rating from 2021 to 2024. Valin has enhanced its internal financial control system, strictly followed financial discipline, rules, regulations, and standards, while rigorously enforcing financial operation and approval processes. In response to the 4th Phase of the Golden Tax Project, Valin ensures more standardized tax management and continuously strengthens its tax risk management capabilities.

Valin strengthened tax management training and organized training sessions on electronic invoices and related tax knowledge, encouraging employees to participate in seminars, such as "Deepening Tax Reform", to stay updated on policy developments.

Equal Treatment for SMEs

Valin strictly complies with laws and regulations such as the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, the *Law of the People's Republic of China on the Promotion of Small and Medium-sized Enterprises*, the *Opinions of the Central Committee of the Communist Party of China and the State Council on Promoting the Development and Growth of the Private Economy*, and the *Regulations on the Payment of Amounts to Small and Medium-sized Enterprises (Draft for Solicitation of Comments)*, etc. Valin is dedicated to protecting the interests of debt owners, maintaining integrity in supplier relationships, and ensuring the prompt payment of accounts payable to SMEs. By safeguarding the legitimate rights and interests of SMEs and optimizing the business environment, Valin fosters a fair and transparent ecosystem that supports sustainable growth.

Key Performance

- During the reporting period, Valin maintained a flawless record by ensuring no overdue payments to SMEs.



Forging a Spirit of Integrity: Setting Benchmarks for Fair Competition

Integrity culture, as a crucial component of corporate culture, is highly valued by Valin and integrated into our daily management. We adhere to participating in fair competition in accordance with market principles externally, ensuring that all business activities are conducted in a transparent and just environment. By strengthening integrity and self-discipline, we have not only enhanced the standardization of internal management but also established a good corporate image, laying a solid foundation for Valin's sustainable development.





Business Ethics

Valin prioritizes integrity management as a core element of corporate culture. We actively conduct integrity education, enforce the "one position, dual responsibilities" principle for building a clean and honest government, and enhance efficiency supervision. Through initiatives like disclosing Party and government affairs and advancing punishment and prevention systems, we foster a culture of integrity and self-discipline among employees, ensuring ethical conduct and adherence to professional standards.

Valin strictly complies with national and regional anti-corruption laws and regulations. We bolster institutional supervision and implement robust anti-corruption measures. Additionally, we require sales staff to sign the *Anti-Commercial Bribery Agreement* and the *Integrity Practice Commitment Letter*. This approach effectively eliminates corruption risks during tendering, procurement, agreement signing, and implementation processes, while continuously standardizing sales staff behavior.



Focus on Learning: Consolidating the Foundational Role of Education

- Strengthen ideals and beliefs education.
- Organize thematic learning sessions.
- Enhance warning education.



Focus on Building: Improving the Punishment and Prevention System

- Implement Party affairs transparency to enhance the transparency of Party organization work.
- Promote government affairs transparency to ensure administrative power operates under sunlight.
- Strengthen institutional construction.
- Enhance benchmarking and alignment.



Focus on Management: Strengthening Supervision Efficiency

- Formulate new measures to ignite new vitality.
- Earnestly rectify malpractices harmful to public interests



Focus on Accountability: Implementing the Responsibility System for Party Conduct and Integrity

- Timely deployment.
- Earnest implementation.

Key items of discipline inspection and supervision work

Case Study

Integrity Learning

Valin distributed the newly revised *Regulations of the Communist Party of China on Disciplinary Sanctions* to all grassroots organizations. Through multiple channels, interpretation materials and learning resources were made available. Leveraging the "three meetings and one class" system and the "one class, one film, and one practice per month" initiative, 18 subordinate units and 5 Party branches swiftly implemented learning and education programs. This approach internalized the "Regulations" in employees' minds and translated them into actions, ensuring discipline and accountability.

Case Study

"Anti-Four Undesirable Work Styles Initiative" Learning and Education

Before major holidays like New Year's Day, the Dragon Boat Festival, the Mid-Autumn Festival, and National Day, Valin conducted educational sessions on rectifying the "anti-Four Undesirable Work Styles initiative". Managers participated in centralized learning to convey the spirit of relevant notices, which were then disseminated to branch factories and departments. Integrity reminders and promotional activities were organized, and pre-holiday deployment meetings were held to implement integrity measures and uphold the spirit of the Central Government's Eight Provisions.



Tips on Supervision and Inspection Work for Rectifying the "Anti-Four Undesirable Work Styles Initiative"



Warning Education Conference



Integrity Warning Education

Valin strengthens business ethics supervision through a whistleblowing and investigation accountability mechanism. We actively accept and address reports from employees and the public, implementing a strict whistleblower protection mechanism to prevent information leaks and safeguard whistleblowers' personal safety and legitimate rights. A dedicated hotline ensures secure reporting, and eligible whistleblowers are rewarded accordingly.

Fair Competition

Valin strictly complies with relevant laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China* and has established regulations including the *Regulations on Standardizing Customer Resource Management* and the *Internal Sales Management Measures*. In the marketing process, Valin firmly opposes any form of fraud and malicious competition, striving to create a fair, transparent, and orderly market environment.



04

Building on Safety: Digital Intelligence as a Strong Barrier

In the digital era, Valin prioritizes information security, digital construction, and privacy protection as core pillars of its operations. These elements collectively enhance corporate efficiency, safeguard personal data, and ensure data integrity and system stability.

Information Security
Digital Construction
Privacy Security





Information Security

In compliance with national laws and regulations, including the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law*, and the *Data Security Law*, Valin has established the *Information System Security Management Regulations* tailored to its operational needs. These regulations clearly delineate the data security responsibilities of relevant departments and personnel, while setting strict requirements to systematically strengthen and enhance the overall defense and management efficiency of Valin's network and information systems. This ensures the high-standard execution of information security tasks.

Routine Security Management

To enhance and standardize the management of employees and visitors, ensure internal security and confidentiality, and protect personal and property safety as well as office order, Valin has implemented the *3rd Party Personnel Information Security Management* system. Security checks are conducted, and security controls are bolstered through measures such as firewalls, intrusion detection systems, encryption programs, and antivirus software. For visitors accessing highly secure areas, the hosting department provides security training and mandates signing a security and confidentiality commitment letter to enforce data security management responsibilities.

Emergency Incident Management

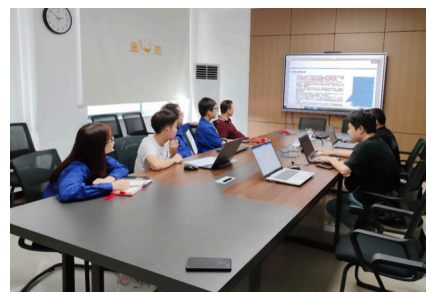
To enhance its capacity to handle information security emergencies and establish a scientific, effective, and responsive emergency response mechanism, Valin has developed the *Information Security Emergency Plan Management* system. An information security emergency response leadership team has been formed to coordinate and manage emergency efforts, ensuring the physical, operational, and data security of critical information systems. This approach minimizes the impact of information security incidents on the company's operations and data security.

Training and Drills

To equip employees with adequate security awareness and skills, Valin regularly conducts internal security training sessions and has developed customized data security courses for employees across various departments and roles, ensuring they are well-versed in standardized data processing procedures and methods to mitigate common data security risks.

Key Performance

- During the reporting period, Valin reported zero data security incidents.



 Cybersecurity Knowledge Training

Digital Construction

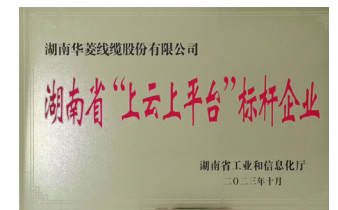
To achieve the goal of becoming a benchmark for digital intelligence in the industry by 2025, Valin is accelerating its digital transformation and striving to build an integrated digital platform to consolidate information systems, continuously enhancing decision-making intelligence and operational efficiency.


Valin has proposed and actively promoted the "Intelligent Information System", accelerating the digital application across various business systems and enabling inter-organizational business collaboration and automated business data collection. This initiative supports the Company in reaching new levels of refined and standardized management.

During the reporting period, Valin optimized supply-production-sales coordination, strengthened information interconnectivity, and shifted the informatization focus on data center construction and operation. The primary focus has now shifted to data security, data analysis, and data-driven decision-making.



 Hunan Provincial Industrial Internet Platform



 Hunan Provincial Benchmark Enterprises for "Cloud Migration and Platform Adoption"

Main Framework for Digital and Intelligent Construction in 2024



Upgrading Systems

Focus on upgrading systems such as OA, ERP, BIP, MES, MPM, and supply chain management to achieve upgrades in organizational flattening, refined management, agile operations, mobile applications, intelligent decision-making, digital operations, and data assetization, comprehensively enhancing operational control efficiency.



"1+4" Structure

Build an internal "1+4" structure, namely the Decision-Making Center, Supply Chain Center, Marketing Center, Finance and Investment Center, and Technology Center, aiming to create a first-class intelligent special cable workshop, relying on industrial internet and 5G technology to achieve comprehensive interconnection of production equipment and energy management. Establish a data and monitoring center to realize full AGV material distribution, improve production organization efficiency, reduce labor costs, and achieve lean production.

Privacy Security

Valin consistently adheres to the legal red lines and value boundaries of information security and privacy protection. In accordance with the *Information System Security Management* regulations, Valin effectively integrates privacy protection requirements and measures into the entire business process.

Key Performance

- During the reporting period, Privacy protection training coverage reached **80%**. Zero information security breaches and zero customer privacy leaks were recorded.

Online Management for Customer Information Privacy Protection

(ERP, Collaborative Office Systems)

Basic Concept: Hierarchical access control to protect customer privacy

Case Study

Hierarchical Setting of Customer Information Privacy Permissions

To protect customer privacy, Valin implemented hierarchical privacy permissions in the online management systems (ERP and collaborative office systems). Different levels of access allow personnel to view only the information relevant to their job functions. For instance, quotation personnel can access only quotation-related data, contract planning personnel can view contract-related information, and sales representatives can access information related to their own business. This functionality was fully implemented during the reporting period.



Quotation department

Personnel in the quotation department can only view information related to quotations.



Contract planning department

Personnel in the contract planning department can only view contract-related information.



Sales representatives

Their accounts can only view information related to their own business.



05

Valin Uniting Strengths for Mutual Success

In today's globalized and digital business environment, collaboration between enterprises is more crucial than ever. By strengthening supplier management, promoting ESG practices, and optimizing supply chain processes, Valin aims to achieve a win-win strategy with suppliers, enhancing supply chain efficiency and sustainability while fostering long-term mutual growth.

Supplier Management Mechanism
Supplier ESG Governance
Supply Chain Management





Supplier Management Mechanism

Valin places great emphasis on supply chain management and continuously advances sustainable procurement. Valin has established internal systems, including the *Supplier Management Measures*, *Key Supplier Management Measures*, and *Production Material Procurement Management System*. These regulations ensure that supplier selection is based on quality, price, delivery time, and service, guaranteeing that selected suppliers meet Valin's needs and have the potential for long-term cooperation.

Supplier Onboarding

Screening

- The Procurement Department conducts preliminary investigations on suppliers by completing the *Supplier Quality Assurance Capability Survey Form*. The survey includes the supplier's service scope, sample certification status, product execution standards, corporate qualifications, and product quality levels.
- The Technical Quality Department inspects samples for appearance, performance indicators, and other quality aspects. If the samples meet the required standards, they are put into trial use.

Review

- The Procurement Department selects suppliers for further evaluation based on sample testing results.
- Products provided by suppliers must be approved by the Production Department, Technical Quality Department, production branches, and leadership before being included in the *List of Qualified Suppliers*.
- Based on the impact of the purchased materials on product quality, the materials are classified into two categories: critical materials and general materials.

Evaluation

- Supplier risk levels are evaluated based on five aspects: policy risk, market risk, natural accident risk, quality risk, and contract risk.

Classifying

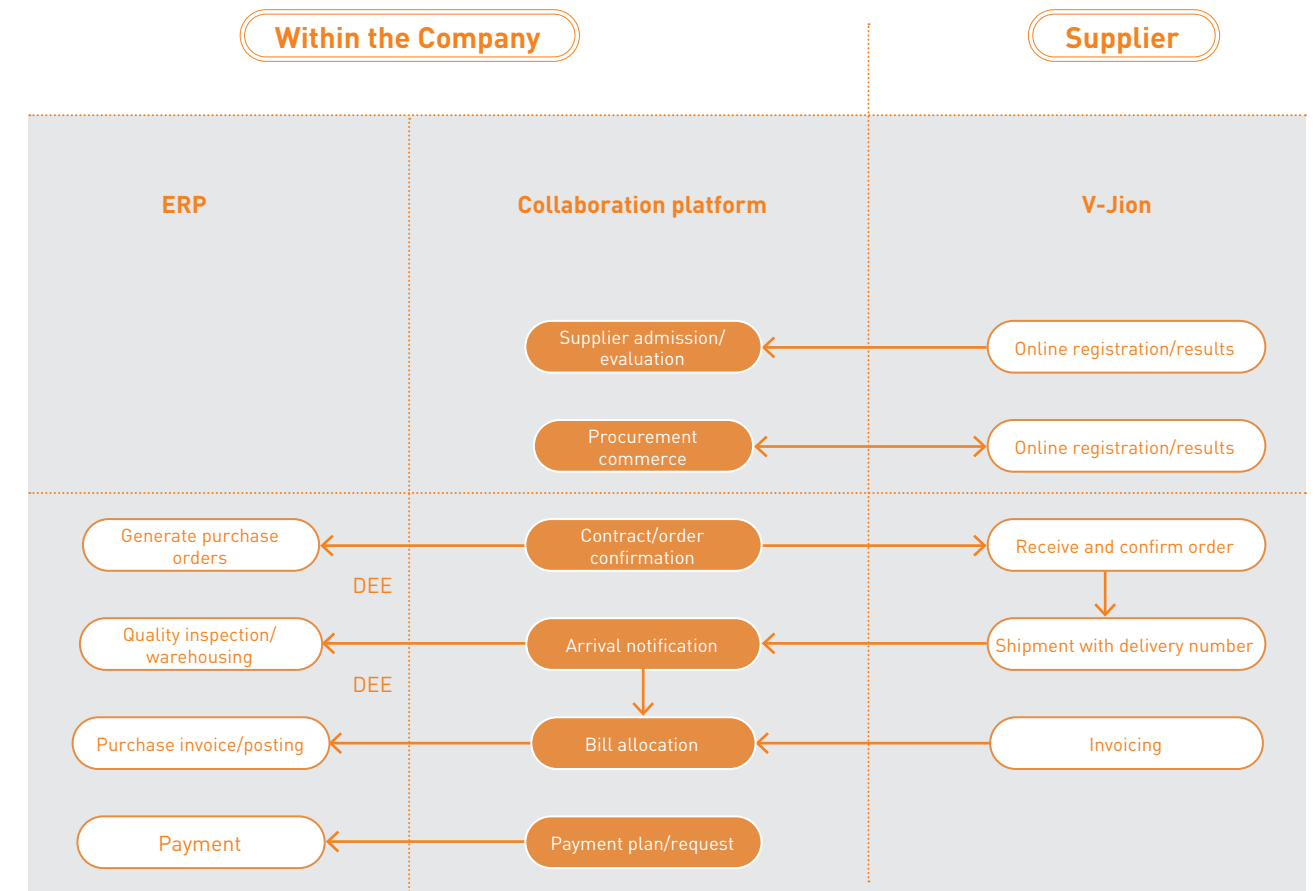
- Suppliers are categorized into grades A, B, C, D, and E, corresponding to excellent, good, qualified, guided, and unqualified suppliers. Future cooperation decisions are based on these ratings.

Valin leverages the development of a supply chain informatization platform to integrate full-lifecycle supplier management with digital technologies. This approach enables refined process management for critical links such as supplier admission and grading. Additionally, Valin emphasizes internal synergy, closely linking all upstream and downstream segments of the supply chain to ensure that suppliers consistently meet the company's stringent requirements and standards throughout the entire cooperation process.

Case Study

Supplier Collaboration Platform System

To reduce procurement costs and improve efficiency, Valin has comprehensively optimized its procurement system through the supply chain informatization platform. This optimization has enhanced the precision of supplier classification and hierarchical management, streamlined the procurement strategy formulation process, and significantly strengthened procurement collaboration capabilities. In 2024, centralized procurement generated cost savings of RMB 16.359 million, while potential exploration projects for certain special materials achieved additional savings of RMB 19.743 million. The material supply guarantee rate reached 99.6%.



System architecture of the supplier collaboration platform

Valin has optimized quality inspection and evaluation of suppliers, signed quality agreements with them, and promoted material consistency requirements to ensure the stability of material quality. Additionally, Valin conducts rigorous assessments of suppliers' qualifications and creditworthiness to mitigate procurement risks. The pass rate of material batches has reached 99.26%.

Key Performance

- As of the end of the reporting period, the total number of suppliers was **175**.

Supplier ESG Governance

To implement sustainable development principles, Valin not only prioritizes the quality and supply capabilities of suppliers but also emphasizes their environmental and social responsibilities. Valin issues the *Declaration on Non-Use of Environmentally Harmful Substances* to suppliers and signs the *Environmental and Safety Agreement* with them. Additionally, Valin has formulated the *Key Supplier Management Measures*, emphasizing suppliers' environmental and social qualifications and relevant system certifications, including but not limited to international standards such as Quality Management System (ISO 9001), Environmental Management System (ISO 14001), and Occupational Health and Safety Management System (ISO 45001) certifications. This ensures that cooperating suppliers possess efficient quality management, environmental awareness, and human rights awareness, jointly promoting the greening of the supply chain. We stipulate in the *Production Material Procurement Management System* that the materials purchased by the company must not only meet the technical standards for the corresponding materials but also satisfy the standards and requirements for green manufacturing, ensuring they are free of heavy metals, non-toxic, non-polluting, and recyclable.

Supply Chain Management

Supplier Risk Assessment

To enhance supply chain stability and reduce risks related to quality, cost, delivery time, technology, and service, thereby bolstering industry competitiveness, Valin has formulated the *Supplier Risk Management System*, clarifying the responsibilities of the procurement department, including evaluating supplier performance, collecting and analyzing risk factors, formulating risk avoidance measures, and subsequent tracking. For risk identification, factors such as material verification, quality assurance capabilities, price, delivery time, service quality, investigation results, qualifications, and credibility are considered. In terms of risk handling, Valin takes corresponding measures based on risk warning signals to minimize potential losses and ensure that business operations are unaffected. Additionally, the Company has established a risk case database to store all relevant risk management information for traceability and analysis. This comprehensive risk management mechanism helps identify and mitigate potential supplier risks in advance, ensuring supply chain stability and normal business operations.

Promoting Transparent Procurement

Valin emphasizes integrity in supply chain management, requiring suppliers to sign the *Supplier Integrity Commitment Letter* to ensure the openness, fairness, and integrity of procurement activities, preventing and curbing illegal and disciplinary violations at the source.

Key Performance

- During the reporting period, Valin required the long-term cooperative and qualified suppliers to sign *Supplier Integrity Commitment Letter*, achieving a signing rate of **100%**.

Building a Resilient Supply Chain

Valin actively seeks and evaluates more potential high-quality suppliers, collaborating with various departments to broaden supply channels and reduce supply risks. Valin has developed detailed supplier evaluation criteria tailored to the actual conditions, encompassing product quality, delivery capabilities, pricing levels, after-sales service, and more. Potential suppliers are comprehensively assessed, and high-quality suppliers are selected for cooperation. Through lean inventory management methods, the Company monitors and adjusts inventory in real-time to ensure it remains at an optimal level, and improves inventory turnover speed and reduces inventory costs by optimizing procurement plans, sales strategies, and logistics distribution.

Green Supply Chain

Valin established a green supply chain management system and obtained Green Supply Chain Management System certification.

Empowering the Supply Chain

Valin continuously empowers the supply chain by regularly conducting supplier training, providing ongoing learning and development opportunities to help suppliers enhance their professional capabilities and business levels. Additionally, we organize annual supplier conferences to share best practices in supply chain management, provide industry insights, and strengthen partnerships between the Company and its suppliers.



Green Supply Chain Management System Certification

Case Study

Innovation Leadership, Digital Empowerment—Collaboratively Building a Green, Safe, and Sustainable Supply Chain

Valin held the 2024 Annual Supplier Conference under the theme “Innovation Leadership, Digital Empowerment—Collaboratively Building a Green, Safe, and Sustainable Supply Chain”. The conference aimed to strengthen communication and collaboration with suppliers, jointly explore industry trends, share successful experiences, deepen cooperative relationships, address market changes together, and drive sustained growth for both parties.



Key Performance

- In 2024, Valin conducted **5** ESG training for suppliers, with a total duration of **10** hours, covering **20** participants.



Social Chapter

06

Innovation-Driven: Integrating Intelligence and Green Technology for Momentum

Valin has achieved remarkable results in R&D management, innovation strategy, and achievement transformation. We have optimized the R&D management system, clarified management responsibilities, standardized new product development processes, and introduced new regulations for process improvement projects and R&D expense management, thereby enhancing R&D efficiency. Simultaneously, the Company has implemented an innovation management strategy, focusing on intelligent, green, and integrated directions to accelerate new product development and achievement transformation, fostering new types of productive forces. In terms of industry-academia-research collaboration, the Company has established partnerships with multiple universities and research institutions to promote the construction of technology platforms.

Innovation Driven
Intellectual Property





Innovation Driven

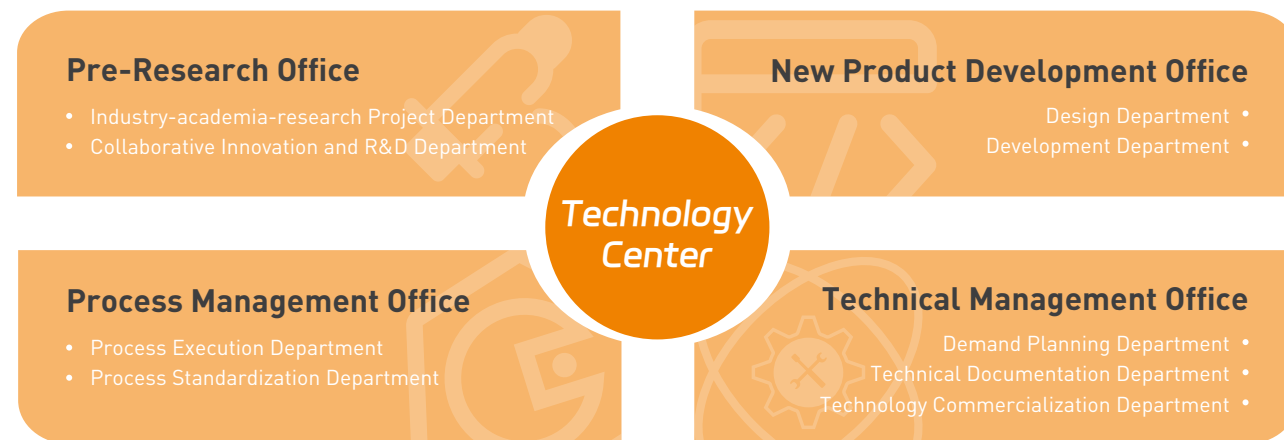
Systems and Frameworks

■ R&D Management

Valin deeply implements the corporate culture of "Responsibility, Innovation, and Struggle", formulating and refining the *R&D Management System* to comprehensively optimize the R&D management framework. By clarifying the management responsibilities of various departments and standardizing the methods and processes for new product development, the Company introduced new regulations during the reporting period, including process improvement projects, R&D expense management, and guidelines for R&D management personnel. Meanwhile, the scope of R&D achievements was further detailed, and the reward distribution rules were optimized to enhance the standardization and efficiency of R&D management, incentivizing innovation and ensuring the effective execution of R&D activities.

To strengthen the management and effective operation of the Technology Center, Valin places high importance on the organizational structure design and leadership team composition of the center. Building on the integration of various professional innovation platforms, the Technology Center has established a well-structured, hierarchical, and responsibility-defined organizational system, providing robust support for technological innovation activities.

In terms of functional operations, the Technology Center actively promotes the initiation, implementation, and acceptance of projects related to new product development, process improvement, quality enhancement, technical management, new equipment upgrades, and new material applications. It is responsible for organizing project reviews, submitting approvals, and issuing rewards and penalties notifications, ensuring the efficient advancement of technological innovation activities throughout the entire process.



Organizational Structure of the R&D Center

Innovation Management Strategy

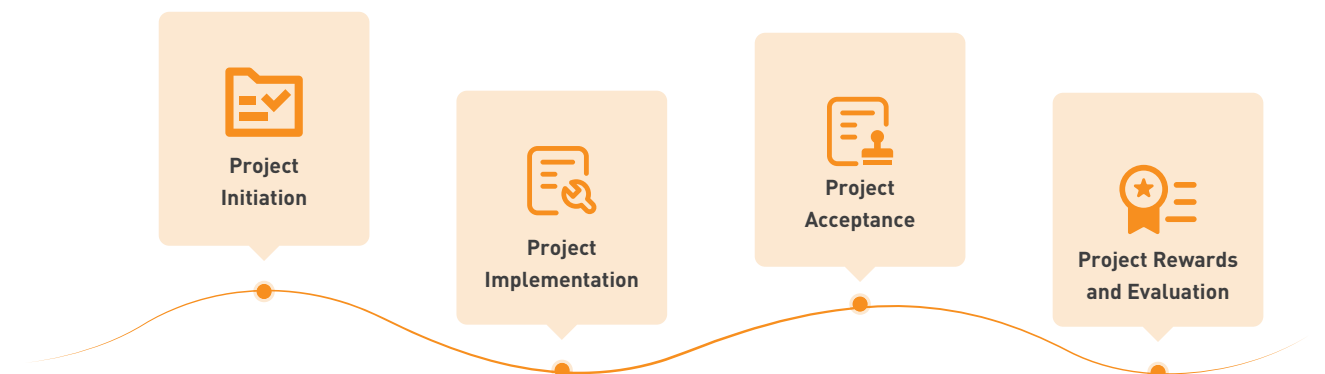
■ Innovation Planning

Guided by scientific and technological innovation and focusing on high-quality development, Valin aligns with major national and provincial strategic needs, closely integrates with the strategic industrial layout, makes key efforts in critical areas such as military products and specialized cables, and conducts research and innovation in forward-looking, fundamental, and key common technologies. Supported by an integrated industry-academia-research-application collaborative innovation platform, and taking intelligentization, greenization, and integration as the development directions, the Company comprehensively implements the IPD project system, focusing on overcoming the bottlenecks, obstacles, and vulnerabilities of key core technologies, accelerating the R&D, promotion, volume increase, and efficiency creation of new products, and unblocking the channels for the transformation and application of achievements. By continuously improving traditional products, consolidating and extending advantageous products, cultivating and expanding emerging products, and making forward-looking arrangements for future products, the Company further focuses on development priorities, activates innovation momentum, fosters new forms of productive forces, optimizes the industrial ecosystem, strengthens basic safeguards, coordinates development more effectively, and strives to build an independent, controllable, safe, reliable, and highly competitive product system. It fully promotes the Company to become a World-Class SRCI Model Enterprise.

Innovation Management Measures

■ Optimizing Innovation Processes

To continuously promote the optimization of the R&D and innovation work, Valin has formulated the *Project Management Measures* to conduct full-life-cycle management of the project initiation, implementation, and acceptance of R&D projects. Valin clarifies the management requirements for each R&D project at different stages, lists in detail the required materials for project design and development, and combines them with the reward and assessment mechanism for R&D achievements to ensure the efficient progress of R&D projects and motivate the output of innovative achievements.



Process Management of R&D Project

■ Building R&D Platforms

With the goal of becoming a leading enterprise "domestically leading and internationally first-class", Valin accelerates the improvement of the innovative product development platform, builds a platform integrating the R&D of core industrial technology as well as scientific and technological transformation. This will rapidly enhances the technological innovation and development capabilities, and continuously promotes the construction of a World-Class SRCI Model Enterprise.



■ CNAS Laboratory Accreditation



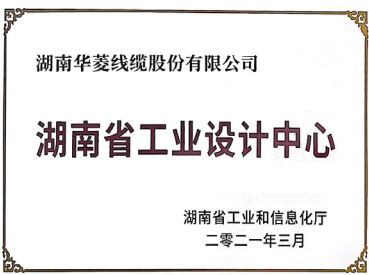
■ Key Laboratory of Special Cable Preparation in Hunan Province



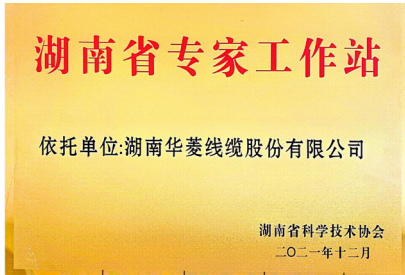
■ National Center for Enterprise Technology



■ Hunan Provincial Engineering and Technology Research Center for Special Cables



■ Hunan Provincial Industrial Design Center



■ Hunan Provincial Expert Workstation

■ Establishing R&D Teams

Valin places high importance on the construction of R&D teams, actively recruiting outstanding domestic technical talents, continuously expanding the scale of the R&D team, and enhancing overall capabilities. With 73 years of experience in wire and cable production, Valin has accumulated extensive R&D and production expertise, cultivated a large number of technical backbones in wire and cable technology, and formed a professional technical workforce primarily composed of technicians. Additionally, the Company has gathered a group of domestically leading technical experts.

Key Performance

- As of the end of the reporting period, Valin had **70** R&D personnel, accounting for **11.35%** of the total workforce.

■ R&D Innovation Motivation

During the reporting period, to motivate employees to actively participate in R&D innovation, Valin formulated a comprehensive *R&D Reward Measures* and a multi-level R&D reward mechanism. This mechanism covers reward management for product development, intellectual property, professional papers, product certification, new product innovation, QC activity achievements, standard formulation, technology projects, and others. Valin fully motivates the employees' enthusiasm through profit commissions, one-time bonuses, and special commendations.



■ Annual Marketing and Technology Summary and Recognition Conference

■ Transformation of Scientific and Technological Achievements

Valin actively promotes the transformation of scientific and technological achievements, strengthens the deployment of cutting-edge technologies, and continuously drives industrial upgrading, to achieve steady growth in economic benefits. Valin focuses on building industrial leadership capabilities in three segmented markets: aerospace and integrated equipment, special rubber-sheathed cables, and special control. The independently developed high-performance coal mining machine cables, flexible umbilical cables for robots, lightweight conductors for aerospace applications, and drag cables for mining equipment have all achieved import substitution. The soft lightweight ultra-high-temperature cable for aerospace was selected for the fourth batch of manufacturing single champion products list by the Hunan Provincial Department of Industry and Information Technology.



■ Won the Second Prize at the 2024 Hunan Advanced Technology Transformation and Application Competition

Field	Key R&D Achievements
Wind Power	Aluminum alloy torsion-resistant wind power cables have been operating well for 1 year at Zhangjiakou Wind Farm and 24 sets of 35kV torsion-resistant wind power cables have been sold and delivered.
New Energy	The new energy vehicle wire business has secured orders exceeding RMB ten million from Taiyuan Heavy Industry Automobile Wiring.
Rail Transit	Five samples of 30kV single-phase power cables designed to replace imports have been developed.
Energy & Mining	Thin-layer coal mining machine flat cables have been developed and obtained coal mine safety certification, achieving small-batch supply. 10kV coal mining machine cables and Australian standard drag cables have been developed.

Engineering Machinery The development of all R&D products has been completed, and the technology is mature.

■ Key R&D Achievements by Domain



Industry-Academia-Research Cooperation

Valin attaches great importance to the integration of industry, academia and research, and is committed to building a powerful technical platform to support the implementation of the Company's technology strategy and the improvement of the industrial innovation capabilities. We have established long-term cooperative relationships with many well-known universities and research institutions, such as Xi'an Jiaotong University, Shanghai Jiaotong University, Harbin University of Science and Technology, University of Science and Technology of China, Hunan University, Shanghai Cable Research Institute, China Electric Power Research Institute, Wuhan High Voltage Research Institute, Shanghai Institute of Nuclear Physics and Application of the Chinese Academy of Sciences, etc., and have set up 4 experimental bases and R&D centers. Through these collaborations, we can not only obtain cutting-edge research achievements, but also promote the development of technological innovation activities and the cultivation of talents.

In addition, the Technology Center has strengthened the connection between the Company and scientific research institutions, and organized teams to visit Beijing, Chengdu, Shanghai, Xi'an, Wuhan and other places to conduct product promotion and cooperation exchanges with the First, Fifth, Eighth, and Ninth Academies of the China Aerospace Science and Technology Corporation, the Second, Third, and Seventh Academies of the China Aerospace Science and Industry Corporation, China North Industries Group Corporation, Chengdu Aircraft Corporation of AVIC, Xi'an Aircraft Corporation, Institute 611, Institute 608, Institute 603, Institute 602, the 701 Institute of CSSC, China Academy of Engineering Physics, etc., bringing new cooperation opportunities and innovative ideas to the Company.

Case Study

Jointly Building an Industry-Academia-Research Platform with Harbin University of Science and Technology

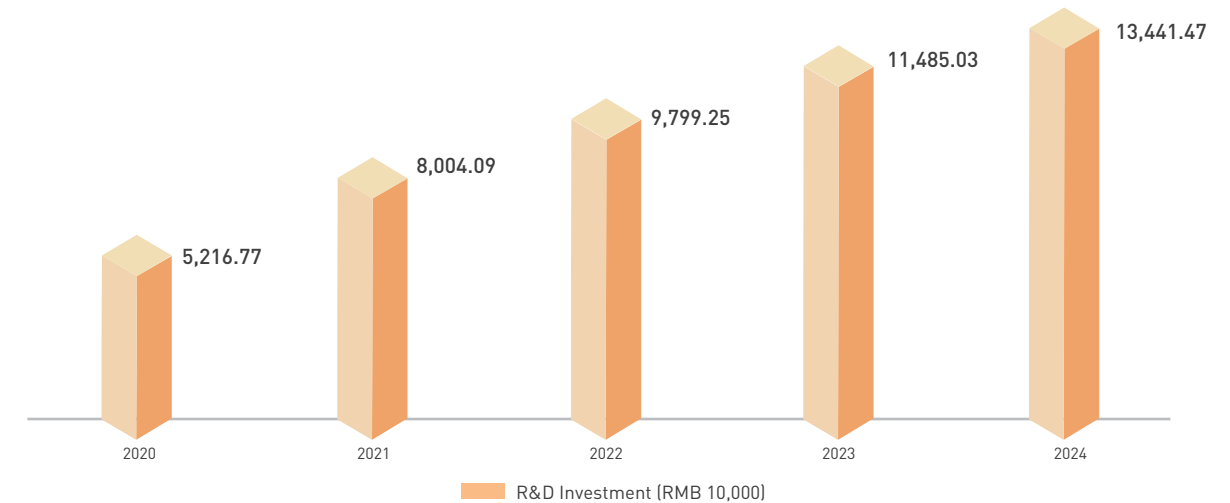
During the reporting period, Valin collaborated with the School of Electrical and Electronic Engineering at Harbin University of Science and Technology to establish an industry-academia-research platform. The signing and plaque-awarding ceremony marked a robust partnership between the enterprise and the university, paving the way for enhanced cooperation across multiple levels, diverse formats, and various fields. This initiative aims to achieve the seamless integration and optimal allocation of resources between Valin and the university while nurturing talents essential for economic and social development.



Signing an Agreement on Jointly Building an Industry-Academia-Research Platform with Harbin University of Science and Technology

Key Performance

- During the reporting period, the R&D investment was RMB **134.41** million, and the proportion of R&D investment in revenue was **3.23%**. There were **39** self-developed projects in the past three years. Industry-academia-research achievements **2**. Key development projects **12**.



Intellectual Property

Valin diligently adheres to relevant national laws, regulations, and standards, including the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and the *Enterprise Intellectual Property Management Specification*, established and refined an intellectual property management system to ensure the legality and effectiveness of intellectual property management. By standardizing the management of R&D achievements and formulating the *Measures for Intellectual Property Management*, Valin has clarified the principles, norms, and requirements for intellectual property protection. This comprehensive system spans all stages, from pre-research and R&D to production and sales.

In managing intellectual property, the New Product Development Center is responsible for developing intellectual property work plans, exploring, applying for, and monitoring intellectual property rights, handling disputes and property rights transactions, and assisting various functional departments in securing patent protection. Additionally, the center oversees the initiation, mid-term inspection, and conclusion of the company's research projects, as well as the registration of scientific research achievements, archive management, and feasibility assessments for patent applications, ensuring effective management and protection of intellectual property rights.

While safeguarding the own intellectual property from infringement, Valin proactively prevents violations of others' intellectual property rights. The regulations mandate that scientific research project undertakers conduct patent document searches before project initiation and file all technical materials upon project completion.



Strengthening technical confidentiality efforts: All personnel involved in R&D projects must sign confidentiality agreements



Strict management of the production, transmission, use, storage, and destruction of technical secret documents



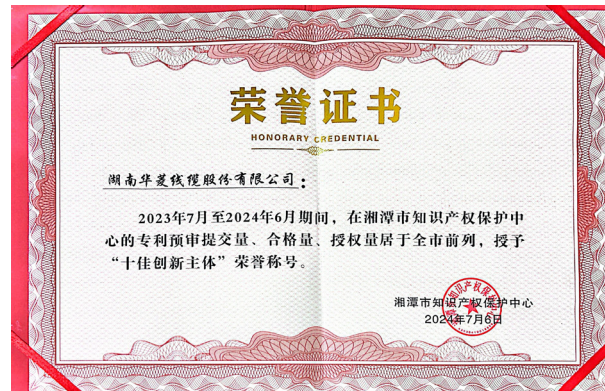
Incorporating clauses in labor contracts with core researchers that specify ownership of research results, conditions for resignation, handover procedures, post-resignation confidentiality obligations, non-compete periods, and liability for breach of contract

Measures for Safeguarding Intellectual Property Rights



Intellectual Property

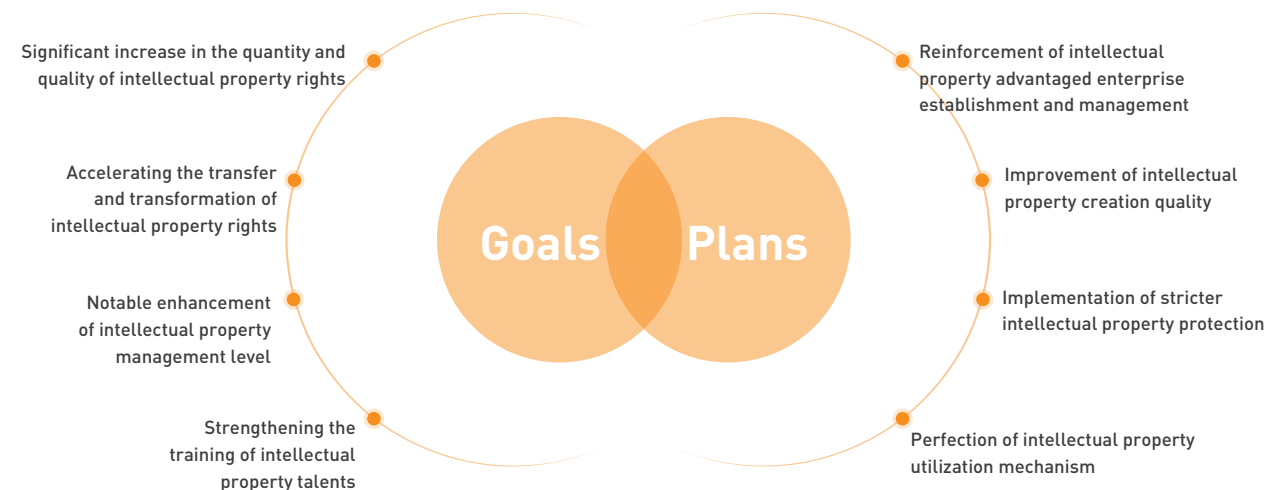
In order to strengthen the management and protection of intellectual property rights, Valin has established intellectual property management objectives and formulated the *Three-Year Work Plan for Intellectual Property Rights (2024-2026)*. This plan clearly outlines the Company's future intellectual property development, further enhances the capabilities in the creation, utilization, protection, and management of intellectual property rights, and provides strong support for the Company's sustainable development and competitive advantages.



Valin Leads in Patent Pre-examination Submissions, Certifications, and Grants at the Xiangtan IP Protection Center, Honored as a "Top 10 Innovative Entity"



A Leading Enterprise in Intellectual Property Rights



Key Performance

- Valin holds **385** patents in total, including **52** newly filed applications and **34** granted patents in 2024, with **345** active patents and **1** registered trademark currently in force.



A Cable Fault Detection Method and System Based on Data Analysis

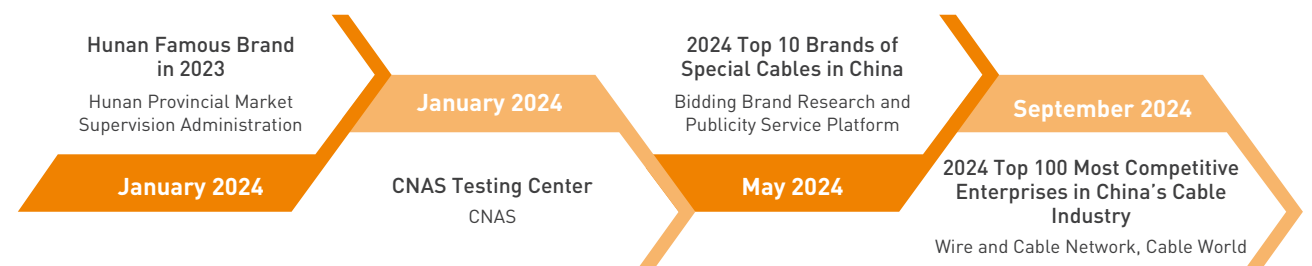


A Fault Monitoring Method, System and Equipment for Flame - Retardant and Heat - Resistant Cables Based on Big Data



A Cable Fault Monitoring Method, System and Equipment Based on Big Data

Industry Award





Enhancing Quality and Efficiency: Crafting Excellence with Precision

In today's fiercely competitive market, quality management and customer service are key drivers of corporate success. By establishing and refining a robust quality management system, continuously raising quality standards, and fostering a culture of excellence, the Company achieves lean production and superior quality. At the same time, outstanding customer service allows companies to meet customer needs, boost satisfaction and loyalty, and ultimately drive sustainable growth and market competitiveness.

Quality Management
Customer Service





Quality Management

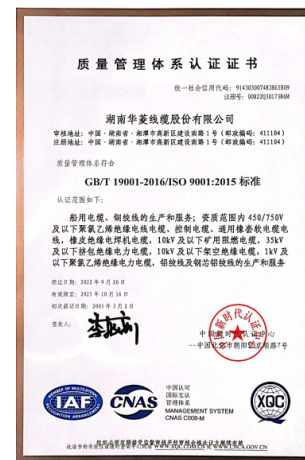
Valin regards product quality management as a core competency and the foundation of its development. With the quality policy of "Customer Satisfaction, Eternal Quality" and the quality objectives of "Zero Major Quality Incidents, 100% Inspection Pass Rate", the Company fully implements excellence in performance management, forming a quality management model centered on customers, driven by innovation, and focused on quality.

Quality Management System

In accordance with the GJB 9001C-2017 and ISO 9001:2015 Quality Management System Requirements standards, the Company has established a quality management system, strictly regulating various quality management processes. It has formulated measures such as the *Technical and Quality Management Measures*, *Non-conforming Product Control Procedures*, and *Product and Service Control Procedures*, clearly defining the requirements and standards for technical research and development, production, quality control, and other aspects.

The Company has established a product life-cycle quality management system to ensure the safety and compliance of products throughout their entire life cycle. This system is integrated into business processes such as product R&D, supply chain management, production, and after-sales service, providing customers with innovative and highly competitive products and solutions. During the reporting period, the Company introduced the IATF 16949 Quality Management System, utilizing five core quality tools to comprehensively enhance quality management.

To meet the needs of the market development goals, Valin focuses on customer-centric product categorization, deepening the presence in domestic markets for mining cables, marine cables, wind and solar power cables, power cables, and rail transit cables. Valin continuously improves system certifications and quality assurances such as MA, KA, CCC, CCS, TUV, PCCC, CRCC, and production licenses. In response to the expanding overseas markets, in 2024, the Company obtained certifications including Russian GOST, CE, and CB, enhancing its competitiveness in international markets.



ISO 9001:2015 Quality Management System Certification

Enhancing Quality Standards

To implement the quality policy and objectives, Valin has further improved product quality and market service levels, ensuring the effective operation and continuous improvement of the quality management system. The *Annual Quality Management System Improvement Plan* has been formulated, outlining specific implementation measures across five key areas: product quality, cost reduction through potential optimization, employee training, and others. The plan clearly defines the relevant departments, responsible personnel, and completion timelines for each improvement project, ensuring the sustainable development of the quality system.



Case Study

Recognition in the Hunan Famous Brand Evaluation Event

During the reporting period, Valin successfully passed the Hunan Famous Brand Evaluation Event organized by the Hunan Provincial Market Supervision Administration. With over 70 years of expertise in wire and cable manufacturing, a solid foundation in quality and branding, and industry-leading technological innovation, the company was honored to be included in the 2023 Hunan Famous Brand List.



Quality Culture Construction

Valin actively implements the national strategy of "Building a Quality Nation", driving high-quality development and promoting a corporate-wide quality culture.

- 01 Conducting monthly reviews and quality seminars, hosting quality lectures delivered by executives
- 02 Developing a quality reflection training program
- 03 Providing training for internal quality system auditors
- 04 Updating and optimizing the quality manual and procedural documents

Quality Culture Construction Measures



Quality Month Kick-off Meeting



Company-wide Quality Commitment



Real-life Case Sharing on Quality



Speech Competition

Case Study

Quality Management Enhancement Project



To elevate product quality, Valin launched the "Quality Management Enhancement Project" in collaboration with the Huaxia Management System Research Institute on April 2nd. The project aims to conduct a comprehensive review and optimization of the existing quality management system, enhance overall management capabilities, and ensure that product and service quality consistently meets international standards.

The project team will conduct visits and on-site investigations across various departments to collect data on the management systems, technical specifications, and operational procedures. This approach will provide a systematic understanding of the current state of the quality management, national military standards, and product certification systems, ultimately driving continuous improvement in quality management.

Key Performance

- During the reporting period, the product sampling inspection pass rate was **99.82%**. There were 0 product recall incidents.

Customer Service

Valin continuously strengthens its customer service capabilities to ensure a swift response and meet diverse customer needs. Backed by a comprehensive and well-established service system and extensive experience, the Company delivers outstanding service. Through regular and diverse customer engagement activities, Valin provides professional guidance on product usage and resolves technical challenges in cable applications, effectively safeguarding customers' legitimate rights and interests.



Customer Service Philosophy

Protect customers' legitimate rights and interests and promptly resolve their issues.

Service System

The business departments are responsible for handling product inquiries, product promotion, customer visits, technical support, and other related services.

Customer Service Handling Principle

Protect customers' legitimate rights and interests and promptly resolve their issues.



Customer Satisfaction Surveys

To continuously optimize customer service, Valin has established the User Quality Information Management System and regularly conducts customer satisfaction surveys, including key clients, distributors, and other stakeholders, ensuring the comprehensiveness and representativeness of the data. After the surveys, the Company analyzes the collected data and proposes improvement recommendations based on the report findings.



Case Study

Delving Deep into the Mines to Connect with Customer Needs

The sales team goes beyond routine business communication and data analysis. By visiting customer operational sites, including underground environments, they gain firsthand insight into actual needs and provide direct solutions to real-world challenges. This hands-on approach ensures the Company effectively meets customers' deeper requirements. Such proactive service reflects a profound understanding of customer expectations and a relentless commitment to service excellence.



After-sales Service Personnel Training

Valin places great emphasis on training its after-sales service personnel. Through a comprehensive training system, it enhances professional skills and service quality, covering product knowledge, service techniques, process standards, and legal regulations. By integrating theoretical learning with hands-on practice, the Company effectively improves after-sales service efficiency and enhances the customer experience.



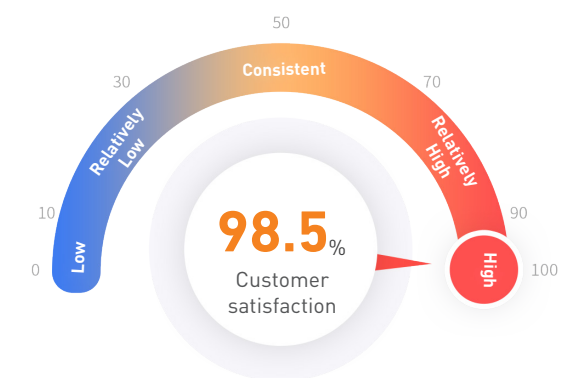
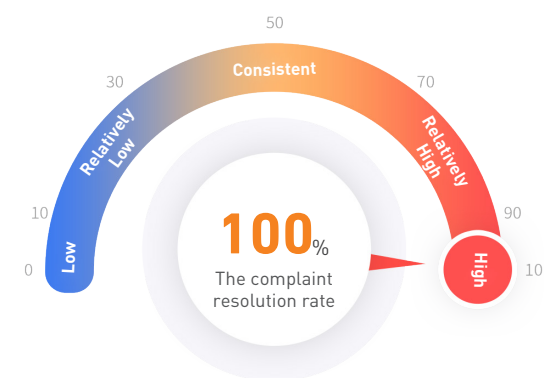
Cable Accessories Knowledge Training



Sheath Repair and Cable Fault Location Training

Key Performance

- During the reporting period, Valin received **41** complaints regarding products and services. Upon receiving complaints, Valin immediately contacted the customers and arrived on-site within **24** hours for local cases and **48** hours for outside the province cases.





Nurturing Talent: Empowering Growth through Mutual Development

Valin adheres to the "people-oriented" business philosophy, committing to enhancing employees' professional capabilities. By organizing diversified training programs and skill competitions, Valin fosters employee growth, cares for their physical and mental well-being, and stimulates their vitality and team spirit, achieving mutual benefits for both the company and its employees.

Employee Rights Protection
Employee Training and Development
Employee Care





Employee Rights Protection

Standardized Employment

Valin strictly complies with relevant laws and regulations, such as the Labor Contract Law, and has established a series of policies, including the *Human Resource Management System*, *Employee Recruitment and Hiring Management Measures*, *Labor Dispatch Employment Management Measures*, and *Labor Outsourcing Employment Management Measures*, to standardize the employee recruitment process. During recruitment, the Company rigorously conducts background checks on candidates' basic information, strictly prohibits the employment of child labor and forced labor and safeguards the legitimate rights and interests of minors.

Key Performance

- As of the end of the reporting period, The total number of employees: **617**
Labor contract signing rate: **100%**,
Social insurance coverage rate was **100%**.
During the reporting period, there were no incidents of child labor or forced labor.

Valin adopts a diversified recruitment strategy encompassing internal promotions, social recruitment, campus recruitment, and entrusted recruitment. By adhering to position-specific competency standards in the selection process, it ensures the precise fulfillment of talent requirements across all organizational levels.



Internal Promotions

Employee self-applications, recommendations from outstanding performers, and departmental referrals



External Recruitment

Campus recruitment, social recruitment



Entrusted Recruitment

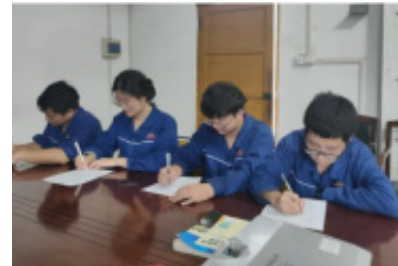
Collaborating with talent centers, human resources service agencies, and other intermediary organizations through formal recruitment contracts



New Employee Onboarding Training



New University Graduates Learning on the Production Front Line



Key Performance

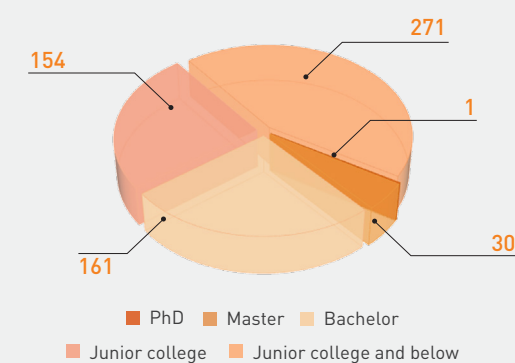
- Valin has received an "A" rating in the Labor Security Compliance and Integrity Evaluation by the Xiangtan Human Resources and Social Security Bureau for five consecutive years.
During the reporting period, the Company hired **25** new employees, including **19** through social recruitment and **6** through campus recruitment.

Workplace Equality and Diversity

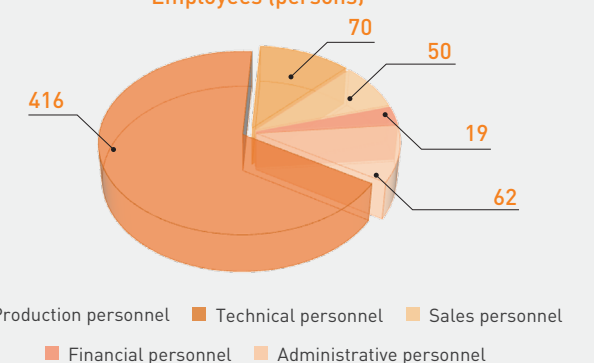
Valin is committed to fostering an equal and fair workplace environment by strictly prohibiting any form of discrimination based on age, gender, religion, nationality, or ethnic identity. While meeting business operation needs, the Company actively supports the employment of special groups, promotes social harmony, and creates job opportunities for individuals with disabilities. Additionally, Valin encourages the recruitment of veterans and individuals from remote areas. In performance evaluations, the Company adheres to a merit-based assessment system, evaluating employees based on professional skills, work performance, and specific contributions.

Valin also places great emphasis on respect for women, recognizing their pivotal role in the workplace. Valin is dedicated to protecting the rights and benefits of female employees, including marriage leave, maternity leave, paid breastfeeding leave, and special insurance for female staff, providing comprehensive care and support for women in the workplace.

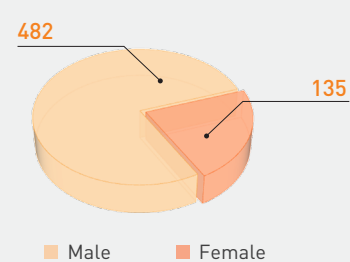
By Educational Level (persons)



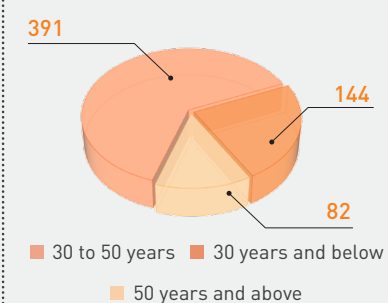
By Professional Composition of Employees (persons)



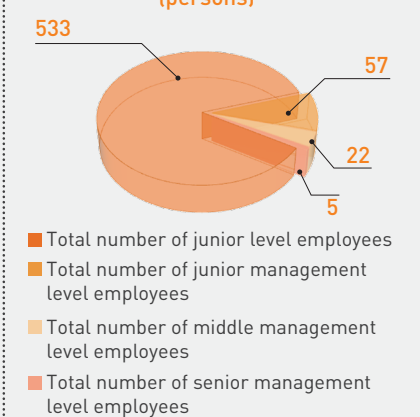
By Gender (persons)



By Age (persons)



By Employee Category (persons)



Case Study

Passion and Dedication, Celebrating Women's Achievements

Valin actively empowers female employees to excel in technological innovation, cost control, sales, management, and other leadership roles. The Company is dedicated to breaking down gender barriers and providing female employees with equal opportunities for career development and advancement, based on their individual skills and contributions.

During the reporting period, Valin hosted International Women's Day celebrations and an awards ceremony, establishing honorary titles such as "March 8th Red Banner Holder" and "Outstanding Female Employee" to recognize the exceptional contributions of female employees in their respective roles.

This initiative not only fosters an environment where women can showcase their talents and reach their full potential but also reflects the Company's respect and appreciation for their achievements. Through these efforts, Valin ensures equal development opportunities and offers a broad career platform for female employees.



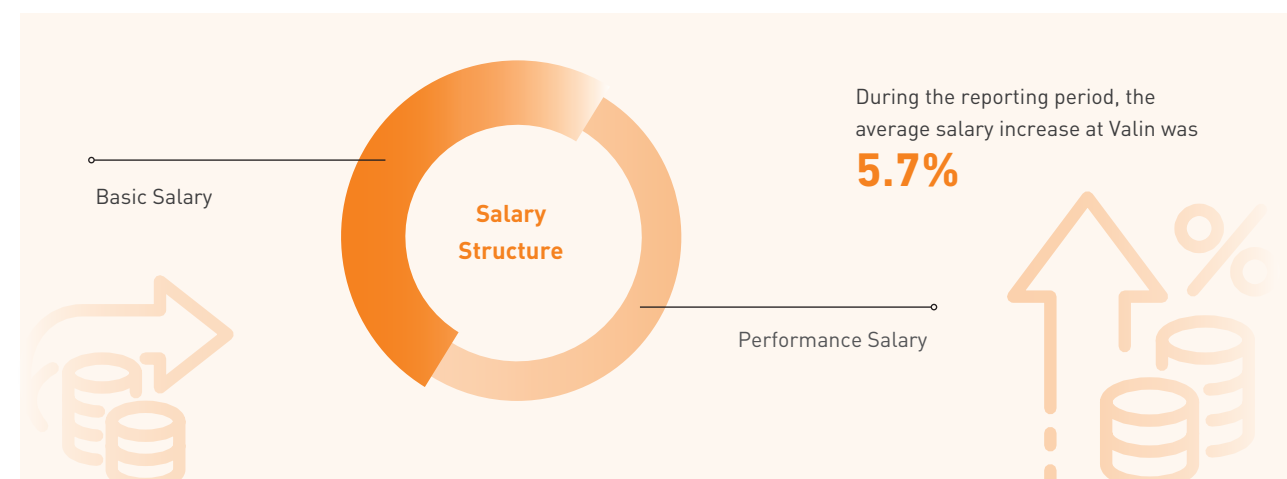
International Women's Day Awards Ceremony

Compensation and Benefits

Compensation and Performance Management

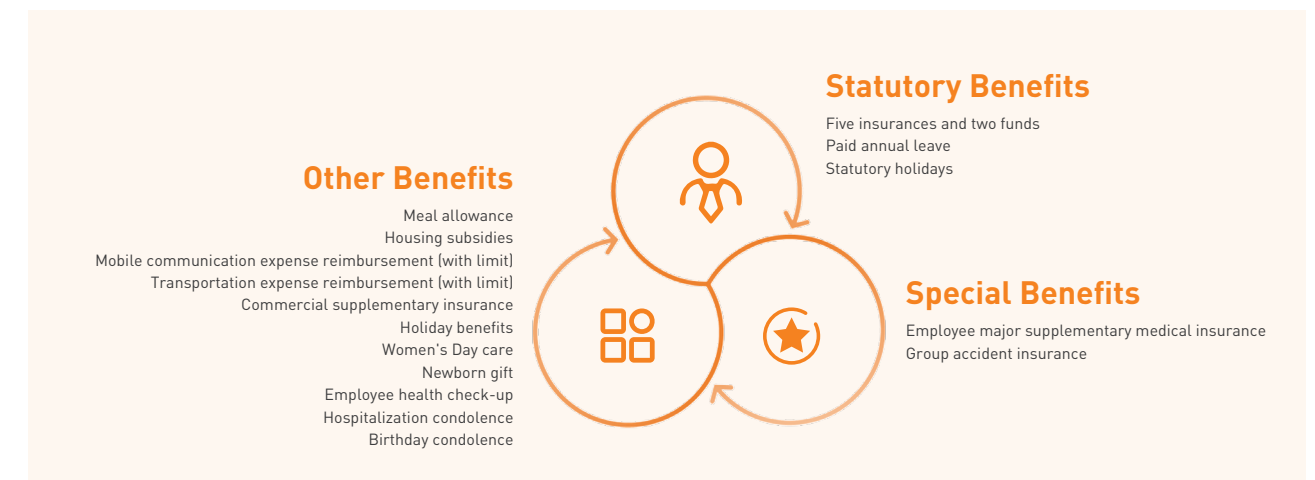
Valin adheres to the principles of "budget management, total amount control, performance linkage, and final settlement realization" to establish a fair and reasonable compensation and benefits system, supported by a scientifically evaluated performance appraisal mechanism. Valin has formulated policies such as the *Compensation and Benefits Regulations* and the *Total Wage Management Measures*, complying with national laws and regulations.

To foster a fair and efficient working environment, Valin implements a rigorous performance management system, leveraging the Balanced Scorecard (BSC) performance model and establishing a departmental performance evaluation framework. Performance bonuses are allocated scientifically and flexibly based on employees' performance and value contributions. The evaluation process comprehensively assesses work performance and outcomes, ensuring that income is closely tied to contributions, effectively boosting employee enthusiasm and creativity while supporting the achievement of strategic and operational goals.



Enhancing the Welfare System

Valin prioritizes employee needs and keeps pace with market trends, continuously enhancing the content and structure of its welfare system. By refining this framework, the Company strives to foster a more supportive working environment and provide ample development opportunities, ensuring that every employee feels valued and cared for. This approach enables employees to contribute to the Company while enjoying the benefits they rightfully deserve. Moreover, Valin offers exceptional living and working conditions, including single apartments, complimentary meals, and settling-in allowances for newly hired PhD, master's, and bachelor's degree holders according to the established standards,. Specifically, we offer additional housing subsidies to PhD holders.



Key Performance

- During the reporting period, the total welfare expenditure amounted to RMB **28.1482** million, and the average number of paid annual leave days per employee was **7.1** days.

Democratic Management

Valin upholds a "people-oriented" management philosophy, continuously enhancing a democratic management system. By establishing a labor union and a workers' congress, the Company safeguards employees' rights to information, participation, expression, and supervision, thereby advancing the institutionalization, standardization, and proceduralizing of democratic management while fostering democratic decision-making and a harmonious workforce.

The Company is dedicated to creating effective channels for democratic management, supervision, and participation, ensuring that employees' voices are fully heard and respected. To swiftly address employee concerns and resolve labor disputes, Valin has established a labor dispute mediation committee, composed of employee representatives and the labor union. Additionally, the Company has developed normative documents, including the *Labor Dispute Resolution Process and Emergency Response Plan* and the *Labor Dispute Acceptance and Mediation Procedures*, serving as an important bridge for communication between both parties.

Key Performance

- The Company regularly holds employee (representative) meetings, with **100%** of active employees being union members. During the reporting period, **16** matters were approved, achieving a **100%** coverage rate of collective bargaining agreements.



Valin has established diversified employee communication platforms, including anonymous feedback software, regular employee surveys, employee forums, and staff representative meetings, to gather employee suggestions for improvement.

To gain deeper insights into employees' genuine thoughts and needs, the Company conducts regular employee satisfaction surveys and analyzes the results to adjust and optimize employee management strategies.



The Year-End Work Conference and the 7th Session of the Fourth Employees' Representative Conference of Valin

Key Performance

- During the reporting period, the Company organized **4** employee forums.
- With full participation in the employee satisfaction survey, the results showed a 100% satisfaction rate and **100%** employee engagement.
- Valin reported zero labor dispute cases.

Employee Training and Development

Employee Training

Employee training is vital for the long-term growth of the Company, personal development of employees, and enhancement of overall competitiveness. Valin places a high priority on training and has established a comprehensive employee training and development management system. This system covers various aspects, including the cultivation of new employees, development of skilled professionals, and training of management personnel, ensuring employees acquire the necessary skills and knowledge at different career stages. To systematize internal training, the Company has implemented the *Training Management Measures*, which define training content, implementation procedures, funding allocation, and effect evaluation methods. This approach ensures that training is conducted in a planned, targeted, and phased manner, meeting the Company's talent development needs and ensuring workforce stability.



Opening Ceremony of the "Sword Sharpening Camp" Youth Program



Special Lecture on "High-Quality Communication"

Management Training

New Employee Development

Management Training

Skilled Talent Cultivation

Skilled Talent Cultivation

Development Program for New Graduate Employees
"Sword Sharpening Camp" Youth Growth Program

Position Management Book Project

"Star Rating" Training Mechanism
Conduct Independent Certification of Vocational Skill Levels
Organize Vocational Skill Selection and Competitions

Key Performance

- During the reporting period, the annual training expenditure across all business lines amounted to RMB **2.663** million.
- A total of **520** training sessions were conducted, spanning **976** training hours, with **11,417** participants and a cumulative total of **27,550** training hours. The number of training sessions and participants increased by more than **35%** year-on-year.

Career Development

Valin adheres to the principle of developing talent through practical experience and has established a comprehensive talent development system. By creating abundant career development opportunities and smooth promotion pathways, the Company effectively boosts employee motivation and fosters collaborative growth. Clear responsibilities and tasks are defined for each position. Based on the nature and characteristics of the roles, career development paths are divided into five series, with levels assessed according to qualification requirements and job criteria. Each career development level consists of 2-4 career development tiers.

Management Series	Technical	Business	Operational	Marketing
Company Leadership (Principal Position)	Senior Principal Expert			
Company Leadership (Deputy Position)	Principal Expert			
Department/Factory Director	Senior Principal Engineer	Principal Economist	Principal Technician	Marketing Director
Assistant to Department/Factory Director	Principal Engineer	Senior Management Specialist	Expert Technician	Regional General Manager
Supervisor	Chief Engineer	Director of Management Director of Accounting	Senior Technician Four-Star Host Machine Operator	Regional Deputy General Manager
Assistant Supervisor	Professional Engineer	Professional Management Specialist Specialist Accountant	Technician Three-Star Host Machine Operator	District Manager
Senior Clerk	Engineer	Management Specialist	Intermediate Worker One-Star and Two-Star Host Machine Operator	Senior Manager
Clerk	Technician	Administrator	Junior Worker	Business Manager
Trainee	Trainee	Trainee	Trainee	Trainee



Case Study

Comprehensive Personnel Evaluation Conference

The Company has implemented a robust personnel evaluation system that assesses employees across multiple dimensions, including work performance, attitude, and team collaboration. Management conducts objective evaluations based on employees' daily performance, while peer evaluations ensure fairness and transparency. The results of these evaluations serve as a crucial reference for promotions, rewards, and performance improvements, effectively boosting employee enthusiasm and creativity.



Employee Care

Employee Happiness

Valin adheres to a people-oriented philosophy and has formulated a comprehensive *Employee Care Program*, which covers multiple dimensions including career, festivals, retirement, health, lifestyle, and family, comprehensively enhancing employees' sense of belonging, happiness, and satisfaction.



Employee Care

Valin organizes welcome ceremonies, onboarding training, mentorship initiation ceremonies, and talent showcases for new employees to help them quickly integrate into corporate culture and work environment.



Life Care

Valin provides employees with holiday benefits, birthday gifts, free accommodation, and other life benefits. Additionally, the Company has established an "Employee Home", equipped with facilities such as a gym, chess room, billiards room, and reading room to enrich employees' leisure time.



Retirement Care

Valin presents honorary retirement gifts to retiring employees and invites them to attend major events such as the annual meeting and anniversary celebrations, allowing them to feel the warmth and care of the Company.



Health Care

Valin regularly organizes free health check-ups for employees who have been with the Company for over a year and provide benefits such as illness condolences, heatstroke prevention in summer, and cold protection in winter.



Family Care

Valin purchases home property insurance for employees, organizes corporate family visit days, conducts family situation surveys, and provides condolences and financial assistance to employees facing family hardships.



2024 New Employees Talent Show



Corporate Fitness Center



"Health Check-up Campaign in Enterprises" Free Clinic Activity



Extending Greetings to Employees During the Spring Festival



Key Performance

- During the reporting period, Valin conducted a total of **37** condolence activities, assisting **27** employees in difficulty.

Cultural Activities

To bolster employee' feelings of belonging, Valin has thoughtfully organized a rich array of cultural activities, such as the Lantern Festival Celebration, Youth Day (May 4th) events, and Employee Fun Sports Meetings, which have strengthened internal cohesion and centripetal force within the enterprise. Additionally, the Company has further enriched employees' leisure cultural life by establishing facilities such as employee reading clubs, gyms, and basketball courts.

Quality Development Activity on Youth Day (May 4th)

Reading Club Activity



Employee Fun Sports Meeting



Lantern Festival Celebration



Safeguarding with Red Lines: Building Long-Term Well-being Together

Safety production and employee well-being serve as the foundation of corporate development. Valin upholds workplace safety and regulatory compliance by reinforcing safety management practices, implementing risk identification and control measures, strengthening emergency response systems, and fostering a culture of safety. Meanwhile, the Company actively promotes employee health, safeguards employee well-being, and enhances overall operational efficiency.

Safety Production
Workforce Well-being





Safety Production

Work Safety and Compliance

Valin prioritizes fostering a safety-first culture, adhering to the principle of "safety first, prevention foremost, and comprehensive management." Guided by the philosophy of "balancing prevention with emergency response and integrating routine and exceptional conditions," the Company enforces an occupational health and safety policy centered on "caring for employees and contributing to society". Valin has established a robust safety management framework, led by the Safety Production Leadership Group, chaired by the General Manager. The Safety and Environmental Protection Department acts as the supervisory body, responsible for executing and overseeing all aspects of safety management. Valin emphasizes standardization in daily safety operations, safe practices, and systematic management. In the reporting year, Valin achieved ISO 45001:2015 Occupational Health and Safety Management System certification and successfully passed the secondary-level safety production standardization audit.



ISO 45001:2015 Certification

■ Institutional Safeguards

Valin places a strong emphasis on occupational safety and health. To standardize safety management processes, clarify the responsibilities of management at all levels, and ensure continuous improvement in safety production and environmental protection during operations, the Company has established the *Occupational Safety and Health Management Manual*, effectively safeguarding employee safety and well-being. During the reporting period, the Company actively advanced the development of secondary-level safety production standardization, strengthened the standardization of safety production systems, and revised and improved safety production regulations and documents such as the *Safety Production Assessment System* and *Safety Production Prohibitions*. Additionally, 16 new management systems, including the *Safety Production Objectives System*, were introduced. The Company also prioritized the standardization of operational procedures, revising and improving 27 *Safety Operation Procedures* and compiling *Safety Standardization Manuals* for seven major processes, including extrusion, cabling, and braiding.

■ Indicators and Objectives

The Company has established key occupational health and safety indicators and objectives. To ensure the achievement of these targets, the General Manager signed *Safety Production Responsibility Agreements* with the heads of each factory and department. They, in turn, signed *Safety Production Commitments* with employees, ensuring the effective implementation and continuous improvement of safety production measures.

Objectives	Indicators	2024 Target Achievement Status
Prevention and Control of Production Safety Accidents	Zero fire or explosion incidents, zero fatalities, zero severe injuries, and minor injury rate controlled below 3‰	Achieved
Equipment Accident Control	Zero major equipment injuries, leaks, or pollution incidents	Achieved
Protecting Employee Occupational Health	Zero occupational disease cases, timely monitoring of workplace hazard factors, and 100% health check-up rate for employees exposed to occupational hazards	Achieved
Employee Safety Education	100% certification rate for special operations personnel and special equipment operators, and 100% completion rate of three-level safety education for new employees	Achieved

Key Performance

- During the reporting period, the signing rate for both the *Safety Production Responsibility Agreements* and *Safety Production Commitments* reached **100%**.
- During the reporting period, Valin invested RMB **6.498** million in safety production.



Annual Safety Work Conference

■ Supervision and Assessment

Valin integrates occupational health and safety objectives with the performance indicators of each unit. By establishing an assessment plan through relevant policies, the Company developed the *Report on Setting Annual Work Safety Target Rewards for Each Unit of the Company* in 2024 during the year. Additionally, the Company closely monitors the implementation plans and progress toward these objectives to ensure the fulfillment of safety responsibilities across all units.

Key Performance

- During the reporting period, there were **0** incidents of serious injury or worse, **0** minor injury incidents.



Safety Risk Identification and Control

Hazard Identification and Inspection

Valin has established a comprehensive hazard identification and management system, which included the development of a hazard identification project list and the clarification of specific requirements for the organization and implementation of hazard identification. During the reporting period, the Company conducted regular weekly hazard inspections, during which responsible personnel conducted comprehensive assessments of the hazard location, description, and severity level. Corresponding corrective measures and deadlines were formulated based on the identified hazards, and follow-up inspections were conducted within the stipulated time frame. Additionally, the Company maintained a detailed hazard identification and resolution ledger, documenting each inspection and rectification process to facilitate future reference and tracking.

To strengthen safety production management, Valin implemented a grid-based safety management approach during the reporting period, adhering to the principles of "regional management, hierarchical responsibility, comprehensive coverage, and accountability to individuals". By integrating the existing organizational structure and job responsibilities, the Company assigned different levels of personnel to oversee the management of each grid. In accordance with the principle of territorial management, it defined grids, assigned personnel, and allocated responsibilities, ensuring that safety responsibilities for each area were clearly assigned to every employee.


Key Performance

- During the reporting period, Valin identified a total of **4,179** potential safety risks, achieving a **100%** completion rate for the rectification of safety incident hazards.

Safety Inspections

To identify potential safety risks and prevent accidents, Valin has developed a comprehensive inspection plan, detailing the content of safety inspections, inspection targets, and responsible personnel. Each month, the Company conducts extensive safety production inspections aimed at identifying safety risks and uncovering potential hazards. These inspections are led by the primary and deputy responsible persons, who oversee the process, address hazards on-site, conduct behavioral safety observations, and lead discussions to enhance safety awareness.



 Conducting Safety Inspections

Key Performance

- During the reporting period, Valin carried out a total of **32** safety production inspections.

Emergency Management

Emergency Response Plan

To ensure a swift and effective response to potential occupational health and safety hazards or emergencies, prevent the escalation of accidents, and minimize casualties and property damage, the Company has developed a comprehensive *Emergency Response Plan for Work-Related Safety Accidents*.

Emergency Drills

Valin is committed to enhancing its emergency management system through well-structured emergency drills. These drills aim to assess the effectiveness and operability of the emergency response plan while improving employees' emergency awareness and teamwork. Covering a range of scenarios from natural disasters to production accidents, these activities help ensure that the Company can respond promptly and efficiently to mitigate losses during real crises.

Case Study

Emergency Drills for Various Scenarios

To boost workshop employees' safety awareness and risk perception, as well as strengthen their command, rapid response, emergency handling, and coordination skills, Valin organized emergency drills for various scenarios based on actual production conditions. These scenarios include "burn injuries from high-temperature extruder heads", "injuries from being entangled or wrapped", "crush injuries from falling cones", "mechanical injuries from tractors and wire clamps", "injuries from copper rod payout breaks", "injuries from wire pressing in wire take-ups", "impact and collision injuries from lower wire spools", "injuries from falling spools during upper spooling processes", "injuries from flying objects during rotation", "electric shock injuries", and "fires".





Case Study

Fire Emergency Drill at the Canteen

To enhance employees' awareness of fire safety, the Administrative Departments conducted a fire emergency drill at the canteen. Security personnel explained in simple and easy-to-understand terms the prevention of fires, methods for extinguishing initial fires, escape techniques in fire scenes, and the use of fire-fighting equipment. Meanwhile, they analyzed the causes and severe consequences of fires based on typical fire cases that have occurred in recent years, urging employees to remain vigilant at all times and strengthen their fire safety awareness.



Key Performance

- During the reporting period, Valin conducted **9** emergency drills with a cumulative participation of **257** person-times.

Construction of Safety Culture

■ Safety Training

Valin formulates an annual plan for safety production education, training, and emergency drills, specifying the training hours, requirements for drills, training content, as well as the implementation of the training and drill plans.

Case Study

Enhanced Safety Management in "Safe Production Month"

During Safe Production Month, various departments capitalized on the standardization of safety production processes. By utilizing operational procedures, red line lists, safety prohibitions, grid management, and other regulatory frameworks, the Company conducted comprehensive safety education, training, and examinations for all employees.



Case Study

"Safe Home Visit" Campaign

To further strengthen safety management, Valin launched the "Safe Home Visit" campaign. Through home visits and casual conversations, the Company improved communication, gained insights into employees' family situations, and conveyed the commitment to employee safety. This initiative not only addressed employee and family concerns but also reinforced safety awareness among employees.



Case Study

Online Safety Knowledge Competition

During the reporting period, Valin organized various safety knowledge competitions with diverse formats and rich content, providing employees with more opportunities and platforms to learn safety knowledge and enhance their safety literacy, creating a safe and harmonious corporate environment. The competition covered multiple areas including production safety, life safety, and fire safety, comprehensively testing participants' safety knowledge reserves and practical application abilities.



Case Study

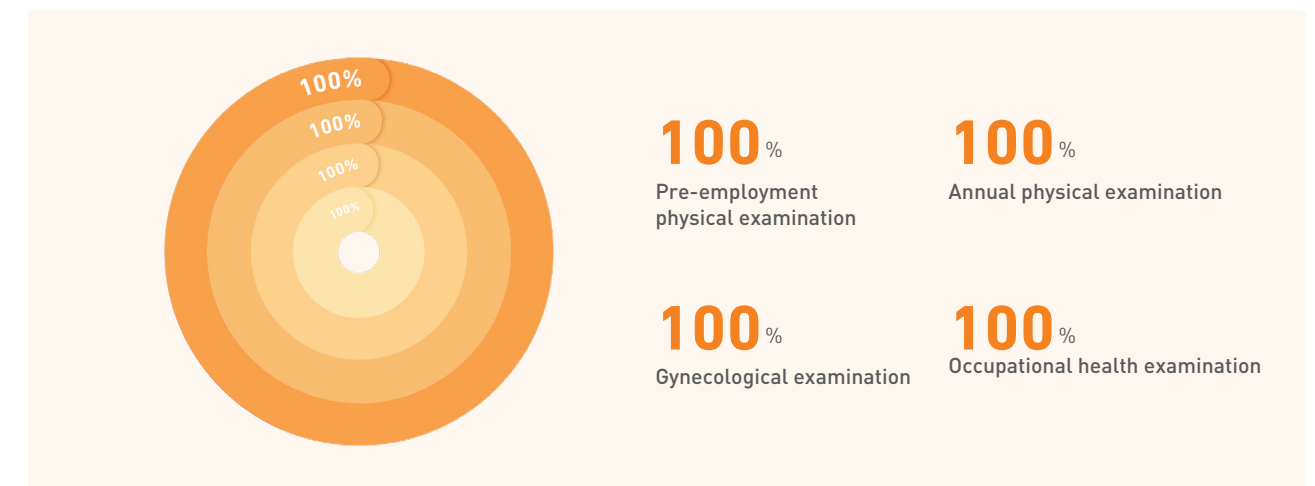
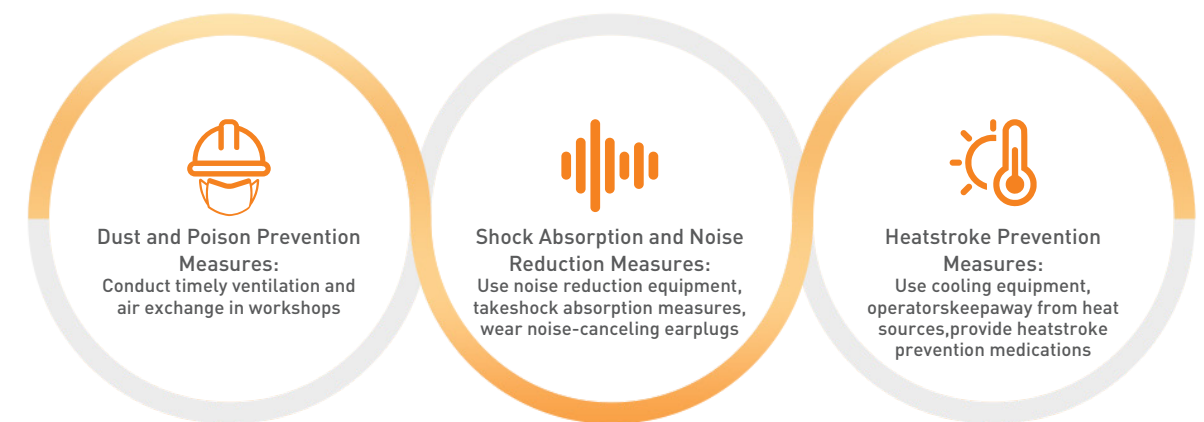
Safety Speech Contest with the Theme of "Everyone Talks About Safety, Everyone Knows How to Respond - Keeping the Safe Life Passageway Unblocked"

To enhance employees' safety awareness and strengthen their ability to handle emergencies, Valin held a safety speech contest with the theme of "Everyone Talks About Safety, Everyone Knows How to Respond - Keeping the Safe Life Passageway Unblocked" during the Safe Production Month. The event attracted over a hundred participants, including company executives, managers, and factory representatives. This initiative fostered a strong safety culture and strengthened emergency response skills across the organization.



Workforce Well-being

Valin strictly complies with legal requirements such as the *Law on the Prevention and Control of Occupational Diseases* and the *Work Safety Law*, as well as regulations like the *Occupational Hazard Warning Signs* and *Technical Specifications for Occupational Health Surveillance* and has prepared an *Occupational Hazard Status Evaluation Report* to conduct occupational hazard factor testing in factories involving occupational hazard factors. Based on the test results, job transfers are made. Starting from the needs of employees, the Company continuously strengthens occupational protection measures by equipping relevant equipment, conducting equipment use training, organizing employee physical examinations, and detecting occupational hazard factors to safeguard employees' physical and mental health. The Company views occupational disease prevention as a core responsibility and occupational health examinations as a vital support mechanism. Regular health checks are conducted for workers exposed to occupational hazards, with personal health records established. The Company actively addresses issues based on examination results and conducts follow-ups to prevent the occurrence of occupational diseases.



Key Performance

- During the reporting period, Valin organized **59** safety training and education sessions, with a cumulative participation of over **1,300** individuals

The investment in work-related injury insurance for employees reached RMB **6.667** million, achieving a **100%** coverage rate for work-related injury insurance among employees



Sustainable Actions for Rural Revitalization: Remaining Faithful to Our Mission

Valin upholds a strong sense of responsibility in implementing social welfare projects while fully supporting the national rural revitalization strategy. By serving as a bridge for public welfare, the Company delivers warmth and hope to impoverished areas, contributes to social equity and justice, and fosters a more harmonious and stable social development environment.

Rural Revitalization
Social Welfare





Rural Revitalization

The Company closely aligns with national policies, actively participates in rural development, strategically allocates resources, and supports rural revitalization initiatives. By promoting economic and cultural diversity and fostering social harmony, Valin makes significant contributions to the comprehensive revitalization of rural areas.

Case Study

Centralized Procurement and Distribution Activities for Agricultural and Sideline Products at Paired Assistance Site

To further advance rural revitalization, the labor union of Valin launched a targeted consumption assistance program, purchasing aid supplies for all union members. This initiative not only enhances employee well-being but also strengthens the achievements of poverty alleviation in the assisted villages. Additionally, Valin plays a crucial role in expanding the village's collective industries and increasing villagers' income levels.



Social Welfare

Case Study

Love-driven Education Assistance, Illuminating the Path for Youth in Need

Valin is dedicated to supporting disadvantaged youth by embedding the philosophy of "Caring starts with small actions, spreading love, and warming hearts" in every educational assistance activity. Valin actively fulfills its role as a model and leader among state-owned enterprises. Valin provides support through establishing special scholarships, donating essential learning materials, and offering personalized psychological counseling and growth mentoring. These efforts not only illuminate the path to knowledge for underprivileged youth but also convey deep societal care and warmth.

Case Study

Supporting Individuals with Disabilities – Building an Inclusive and Respectful Society

Valin is committed to offering comprehensive support to individuals with disabilities. Through condolence activities, the Company provides material assistance and addresses practical challenges in daily life. These actions not only deliver substantial help but also foster social equality and respect, helping individuals with disabilities build confidence and better integrate into society.



Case Study

Volunteer Services for Flood Prevention

In response to the Xiang River flood situation, Valin, under the guidance of the flood prevention team, strategically deployed security team members and plant employees to patrol and safeguard the embankment. Over six days and 24 hours, the team successfully completed more than 60 shifts, ensuring the safety and stability of the embankment through continuous monitoring and dedication.





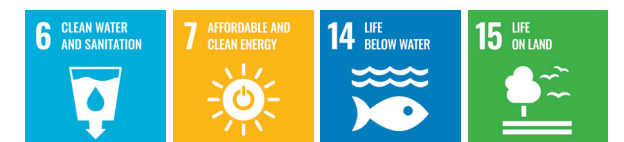
Environmental Chapter



Ecological Stewardship: Pioneering Green and Intelligent Manufacturing

In the context of global sustainable development, environmental management has emerged as a vital pathway for corporate growth. By establishing and enhancing its environmental management system and developing effective strategies to address unforeseen environmental risks, Valin improves its environmental performance and market competitiveness. This approach not only achieves a win-win scenario for economic benefits and environmental protection but also contributes to the creation of a greener and more sustainable future.

Environmental Management
Responding to Emergency Environmental Risks



Environmental Management

Valin actively embraces the national "Dual Carbon" strategy, adhering to the principle of "promoting energy conservation and consumption reduction, creating a green environment, ensuring low-toxicity and harmless products, and achieving continuous improvement." The Company integrates low-carbon concepts and environmental protection awareness into all aspects of production, operations, and collaboration with stakeholders, effectively putting them into practice. Valin strictly complies with environmental protection laws and regulations, such as the *Environmental Protection Law of the People's Republic of China* and has established systems like the *Environmental and Occupational Safety Management Manual* to ensure the operations meet environmental protection standards.

Environmental Governance Structure

Valin has implemented an environmental management responsibility mechanism, with the General Manager serving as the primary responsible party and the Production Safety and Environmental Protection Department acting as the main management group. The *Environmental Target Responsibility System* clarifies the environmental protection responsibilities of leaders at all levels, plant management personnel, and functional departments, ensuring that accountability extends to every employee.

The Production Safety Management Department oversees environmental management, while other departments assist in executing environmental initiatives. Additionally, the Company has established Environmental Management Prohibitions, which outline forbidden actions and corresponding penalties. Through regular environmental performance evaluations, Valin enforces reward, recognition, and disciplinary mechanisms to encourage employee participation in environmental protection efforts.

Environmental Management System

Valin strictly adheres to the ISO 14001 standards and relevant national laws and regulations, continuously improving the environmental management system. With the goal of enhancing environmental risk prevention, control, and emergency management systems, the Company actively conducts safety and environmental protection activities, fostering a strong culture of safety and environmental awareness, and significantly advancing the development of safety and environmental protection culture. As of the end of the reporting period, Valin has obtained the ISO 14001:2015 Environmental Management System certification.

Valin prioritizes greening and beautification of the factory environment, considering the creation of a "Green Factory" as one of its core strategies. Since 2019, the Company has been awarded the title of "Hunan Provincial Green Factory" and has continued to upgrade its environmental protection measures and implement green production practices. The Company has successfully passed the Green Factory Evaluation System Certification and has been recognized as a Green Factory in the Third Batch of Hunan Province.



ISO 14001:2015 Environmental Management System Certification



Green Factory Evaluation and Certification

Key Performance

- During the reporting period, the total investment in environmental protection amounted to approximately RMB **4.89** million, reflecting a **22.89%** increase compared to 2023.
- Valin maintained a **100%** compliance rate, with no violations of environmental laws and regulations.
- There were zero incidents of pollution accidents or sudden environmental impact events.



Recognized as a Green Factory in the Third Batch of Hunan Province

NO.	Reporting Unit	Third-party Evaluation Agency Name
Green Factories (64)		
40	Hunan BoschKang Traditional Chinese Medicine Co., Ltd.	Hunan Boyou Energy Technology Co., Ltd.
41	Hunan Bangfute New Material Technology Co., Ltd.	Hunan Zhongrui Environmental Technology Consulting Services Co., Ltd.
42	Hunan Valin Wire & Cable Co., Ltd.	Hunan Boyou Energy Technology Co., Ltd.
43	Jianghua Mingyihu Intelligent Technology Co., Ltd.	Hunan Kelinhante Environmental Technology Co., Ltd.
44	Hunan Denong Animal Husbandry Group Co., Ltd.	Hunan Zhongrui Environmental Technology Consulting Services Co., Ltd.

Valin is recognized as a Green Factory in the third batch of Hunan Province

Responding to Emergency Environmental Risks

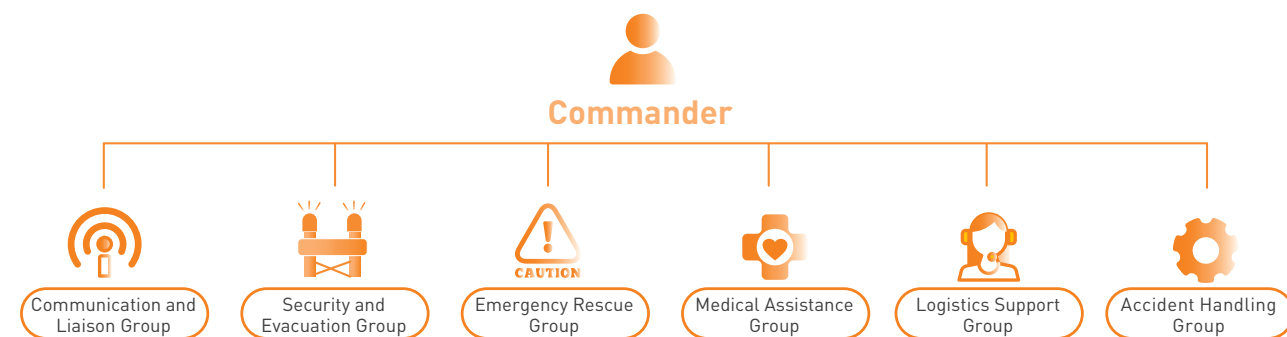
Environmental Risk Management Mechanism

Valin continuously improves the environmental risk control mechanism in accordance with national laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Emergency Management Measures for Sudden Environmental Events*, and the *Risk Classification Methods for Emergency Environmental Events in Enterprises*. By taking full consideration of both internal and external factors as well as the needs and expectations of identified stakeholders, the Company identifies environmental risks and opportunities. Valin has formulated and implemented the Control Procedures for Identification and Evaluation of Environmental Factors and the *Control Procedures for Hazard Identification and Risk Assessment*, establishing a comprehensive environmental risk management mechanism. These procedures define the responsibilities, authorities, and implementation processes for identifying and evaluating environmental factors and hazards, as well as the criteria, methods, and records of evaluations, ensuring communication of significant environmental factors and major hazards across all levels and functions.

Environmental Risk Management

To ensure more precise and comprehensive risk management of sudden environmental incidents, Valin conducts a comprehensive assessment and analysis of risks related to sudden atmospheric environmental events and sudden water environmental events, with clear classification of risk levels. Moreover, the Company formulates the *Environmental Emergency Response Plan* based on identified environmental risks, actively ensuring that all emergency measures can be initiated and executed quickly, efficiently, and orderly in the event of sudden environmental pollution incidents, thereby minimizing the environmental damage caused by pollution accidents.

The Emergency Command Center is responsible for the unified command and coordination of actions across all departments and employees during emergency responses. Under the center, emergency working groups are established to promptly activate the emergency response plan, clarify corresponding disposal measures, and ensure the stability and safety of company operations.



Environmental Emergency Organization System



Environmental Awareness Promotion

To enhance the emergency response capabilities of all employees, Valin regularly organizes training and drills for relevant personnel from various departments. These initiatives aim to achieve early risk identification, early warning, and early intervention, effectively preventing environmental incidents and curbing the spread of environmental risks.

Case Study

Emergency Drill for Emulsion Leakage at the Wire Plant

To efficiently handle sudden emulsion leakage incidents, prevent significant economic and property losses from submerged equipment due to rising liquid levels, and avoid severe water and soil pollution, Valin conducted an emergency drill for emulsion leakage at the wire plant. This drill improved employees' emergency response and protective capabilities in the event of emulsion leakage.



Case Study

Training on Environmental and Occupational Health Laws and Regulations

To enhance employees' environmental protection awareness and occupational health literacy, Valin organized a training session on environmental and occupational health laws and regulations. The training provided an in-depth understanding of relevant national laws and regulations, clarified employees' rights and obligations in daily work, and imparted necessary protective knowledge and skills. This initiative effectively prevents occupational disease hazards, reduces environmental pollution risks, and fosters a healthy, safe, and green working environment.





Deepening Low-Carbon Efforts: Preserving Clean Waters and Green Mountains

In response to the escalating global environmental challenges, energy conservation and emission reduction are pivotal to corporate social responsibility and sustainable development. By optimizing energy utilization, actively combating climate change, controlling pollutant emissions, managing waste responsibly, and stewarding water resources, Valin strives to achieve energy-saving and emission-reduction targets, reduce operational costs, enhance competitiveness, and contribute to environmental protection and ecological civilization.

Energy Utilization
Addressing Climate Change
Pollutant Emissions
Waste Disposal
Water Resource Management





Energy Utilization

Energy Management

Valin consistently adheres to the corporate spirit of “Building Excellence through High-Quality Products, Winning with High-End Solutions, Upholding Integrity as a State-Owned Enterprise, Demonstrating Character to the World” to construct a resource-efficient and environmentally friendly enterprise. By adopting the energy policy of “Standardized Operation, Optimized Energy Use, High Efficiency, and Green Environmental Protection”, the Company actively promotes the effective operation of the energy management system. In strict accordance with ISO 50001, national energy management system requirements, and relevant laws and regulations, Valin has formulated the *Energy Management Manual*, which covers a series of energy management systems including energy planning, procurement, production process management, and performance evaluation, significantly improving energy management levels. As of the end of the reporting period, Valin has obtained ISO 50001 Energy Management System certification.



ISO50001 Energy Management System Certification

Energy Monitoring

The Company has established and maintained the *Energy Statistics Management Procedures* and *Energy System Process Monitoring and Evaluation Procedures* to monitor, measure, analyze, and assess system operations and key characteristics influencing energy performance.

Energy-Saving Measures



The heating method of the extruder equipment was upgraded from the original cast aluminum heater to a far-infrared energy-saving heater, achieving an energy-saving rate of **51%**. This results in an annual electricity saving of **304,400 kWh**, reducing electricity costs by RMB **258,700** per year and saving the equivalent of **12.30** tons of standard coal (the). The ambient temperature decreased from 57°C to **43°C**.



Diesel forklifts were replaced with electric forklifts, eliminating exhaust emissions and reducing noise.



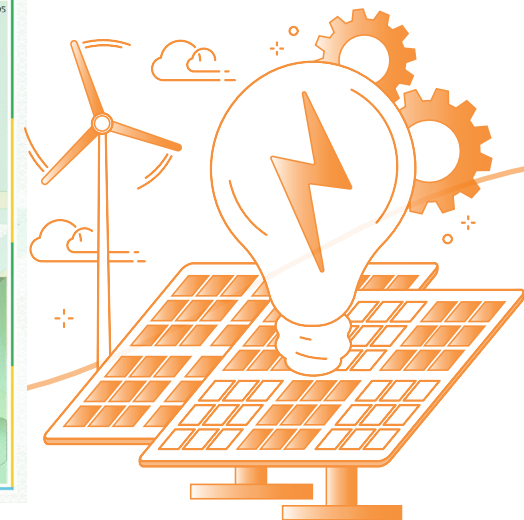
The DC motors in the traction equipment were replaced with permanent magnet servo motors, achieving an overall energy-saving rate of **30%**.



In compliance with national policies, the Company purchased **1,276 MWh** of green electricity in the first half of the year and **1,600 MWh** in the second half.



Green Electricity Certificate Transaction Vouchers



Case Study

Installation of PV Canopies in Employee Parking Lots

In alignment with the green and low-carbon development principle, Valin has installed PV canopies in employee parking lots to enhance the parking experience. These canopies provide shade and protection from rain, effectively lowering vehicle interior temperatures and extending vehicle lifespan. Moreover, the PV power generation system harnesses solar energy to produce electricity, thereby supplying clean energy, reducing carbon emissions, and supporting the energy-saving and emission-reduction goals.



Installation of PV Canopies in Employee Parking Lots

Case Study

Rooftop Distributed PV Power Generation Project



Rooftop Distributed PV Power Generation

In collaboration with Hunan Tanzhou Renewable Energy Co., Ltd., Valin developed a rooftop distributed PV power generation project with a total installed capacity of 1.96 MW, which was successfully grid-connected by the end of 2023. The project operates under the “self-generation and self-consumption, with surplus electricity fed into the grid” model. The PV power station spans approximately 15,700 square meters of rooftop space, while the PV carport covers around 4,240 square meters, bringing the total installed capacity to 2.4935 MW. Looking ahead, Valin aims to expand its distributed PV power generation capacity to 5.5 MW. Upon completion, the annual electricity generation is projected to reach 4,200 MWh. Over a 25-year lifespan, the cumulative electricity generation is estimated to reach 100,000 MWh.



Case Study

Digital Energy-saving Management and Control

Valin has implemented an intelligent operation and maintenance management platform that integrates automated power data analysis and cloud-based expert diagnostics. This platform significantly enhances electricity cost management precision, optimizes power quality management, and strengthens data reporting and analytical capabilities. By identifying the most efficient energy-saving solutions tailored to actual conditions, Valin supports energy conservation, consumption reduction, and sustainable development.

Key Performance

- Valin consumed **117.19** m³ of natural gas, **33,671.04** MWh of purchased electricity, and generating **1,546.18** MWh from solar photovoltaic systems. Total energy consumption amounted to **5,498.63** tce.

Addressing Climate Change

Valin actively responds to the national "Dual Carbon" goals, with a strong sense of responsibility, strives to contribute to green and low-carbon development, ecological environmental protection, and the promotion of sustainable development. Through the implementation of a series of energy-saving and emission-reduction technological transformation projects, the Company has achieved a relatively low product carbon footprint. Furthermore, to align with the global trend of climate change and fulfill the commitment to the national "Carbon Neutrality and Carbon Peak" targets as well as its corporate environmental responsibilities, the Company is pursuing its long-term strategic goals of "green transformation" and "green development". To this end, Valin has obtained triple certification in carbon neutrality, carbon footprint, and greenhouse gas inventory.



Carbon Neutrality Certification



Carbon Footprint Certification



Carbon Verification Certification

Key Performance

- In 2024, the total greenhouse gas emissions amounted to **21,783.76** tCO₂e, including **2,581.17** tCO₂e from Scope 1 greenhouse gas emissions and **19,202.59** tCO₂e Scope 2 greenhouse gas emissions.

Pollutant Emissions

Wastewater Management

To uphold the commitment to water resource protection, Valin has established a comprehensive wastewater management system and framework in accordance with relevant laws and regulations, including the *Environmental Protection Law of the People's Republic of China* and the *Water Pollution Prevention and Control Law of the People's Republic of China*, tailored to the actual operational condition, implementing groundwater pollution prevention measures and effectively manages domestic sewage to safeguard the environment and mitigate water pollution risks.

To ensure the sustainable use of water resources, Valin has identified the primary sources of wastewater as cooling circulation pool water, domestic sewage from the plant area, and rainwater. For the diverse wastewater streams, the Company has adopted targeted treatment measures and implemented continuous monitoring to ensure compliance with environmental standards and minimize ecological impact.

Waste Gas Management

To achieve sustainable operations and environmental protection, Valin conducted a thorough assessment of atmospheric environmental risks based on scientific indicators, considering its industry characteristics and operational context. The Company identified primary pollutants, such as extrusion waste gas, enameled organic exhaust, fluorine plastic wrapping and extrusion waste gas, rubber mixing dust, vulcanized organic waste gas, boiler gas exhaust, welding fumes, ink waste gas, and kitchen oil fume. Six exhaust gas treatment facilities were installed across the military products factory, control cable factory, plastic cable factory, crosslinking factory, and rubber cable factory. Real-time monitoring and control of atmospheric quality, along with emergency response plans, help minimize the impact of atmospheric environmental risks. The treatment facilities employ UV photocatalytic oxidation devices, activated carbon adsorption, catalytic combustion, and other methods to treat organic waste gas from the injection molding workshop. As a result, exhaust gas emission indicators significantly surpass national standards.

Case Study

Low-Nitrogen Transformation of Gas Boilers

In response to the requirements of the Ecological Environment Bureau's "Blue Sky Defense Campaign", Valin completed the low-nitrogen transformation of a 4-ton/hour gas boiler during the reporting period. The equipment recovers a portion of the flue gas from the middle of the flue, mixes the recovered flue gas with combustion air, and then introduces it into the furnace for combustion. By altering the overall temperature distribution of the flame, the equipment reduces the heat radiation and conduction efficiency within the furnace. The low-NO_x combustion technology addresses the issues associated with traditional burners, such as high and concentrated peak flame temperatures, uneven temperature distribution within the furnace, and difficulties in reducing thermal NO_x emissions. Through testing, the emission indicators demonstrate that by utilizing Flue Gas Recirculation (FGR) technology, nitrogen oxide (NO_x) emissions can be consistently controlled below 30 mg/Nm³, and carbon monoxide (CO) emissions can be reduced to below 10 ppm.

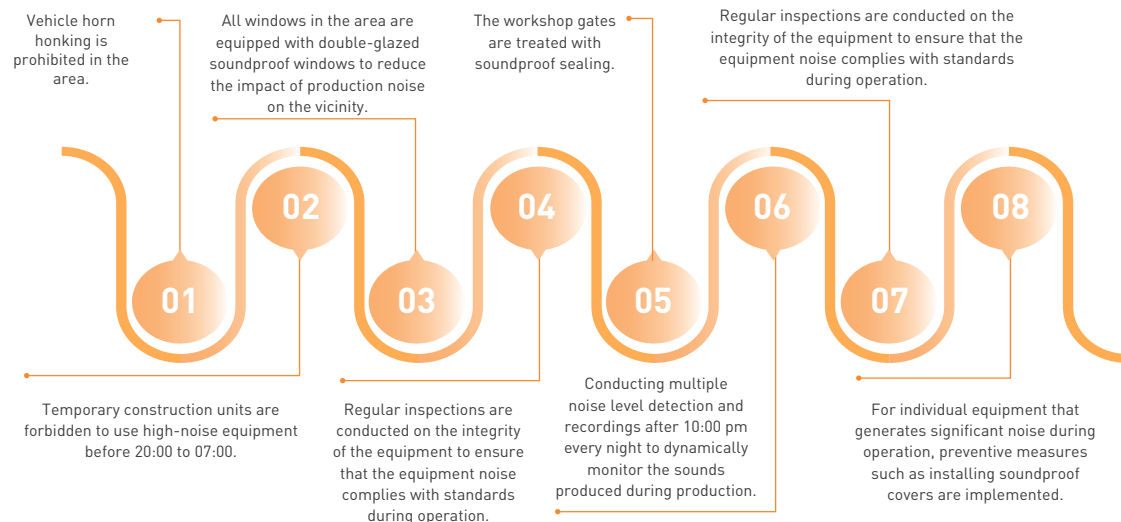




Noise Management

To ensure the quality of the sound environment within the plant area and its surrounding areas, Valin has formulated the *Noise Management System* in accordance with relevant laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Occupational Disease Prevention and Control Law of the People's Republic of China*, and the *Emission Standards for Industrial Enterprises Noise at Boundary*, ensuring that the noise generated complies with national environmental noise emission standards.

Valin has implemented the following measures to effectively control major noise sources during production and operational activities, manage operational noise and boundary noise, and further mitigate the impact of noise on employees and residents surrounding the plant area:



Key Performance

- During the reporting period, Valin engaged a professional third-party testing agency to conduct noise testing at the plant boundary, confirming that the Company's plant boundary noise complies with environmental protection requirements. All monitoring outcomes met the *Emission Standards for Industrial Enterprises Noise at Boundary*, achieving a **100%** compliance rate.

Waste Disposal

Waste Management

Valin adheres to the management principles of "polluter pays" and "traceability and accountability" for solid waste and has formulated the *Solid Waste Management System* to clarify responsibilities, ensuring classified collection, standardized temporary storage, compliant disposal, clear records, and well-documented waste destinations.



Hazardous Waste Storage Warehouse

Through compliant waste management, Valin has effectively reduced the environmental impact. For hazardous waste, the Company follows the basic principles of "unified collection, classified disposal, and hazard elimination", aiming to achieve the ultimate goals of "reduction, resource recovery, and harmlessness". Valin has formulated relevant documents such as the *Hazardous Waste Disposal Methods and Procedures* and the *Hazardous Waste Management Plan*. The Safety and Environmental Protection Department regularly coordinates with licensed hazardous waste treatment companies for proper disposal. Meanwhile, the Company has developed a comprehensive emergency response plan for hazardous waste and provides regular professional training to hazardous waste management personnel to ensure employees possess the necessary knowledge and skills.

Key Performance

- During the reporting period, Valin transferred a total of **53.5** tons of hazardous waste.

Hazardous Chemical Management

Valin attaches great importance to the management of hazardous chemicals, actively preventing and mitigating environmental pollution caused by leaks during the production, storage, handling, and use of hazardous chemicals. In the event of a hazardous chemical leak, the Company is capable of taking swift and effective response measures. Based on the actual situation, relevant systems such as the *Hazardous Chemical Management System* and the *Regulations on the Safe Management of Hazardous Chemicals* have been formulated to enhance the capability of ensuring safe production.

Water Resource Management

To enhance water resource management, Valin adheres to the dual-control targets for total water consumption and intensity outlined in the "14th Five-Year Plan" by the National Development and Reform Commission. In strict compliance with the *Environmental Protection Law and the Water Law of the People's Republic of China*, the Company has developed comprehensive internal water management regulations within the production facilities, as specified in the *Energy Management Regulations for the Rubber Cable Factory*. These regulations define employee responsibilities and enforce a reward-and-penalty system to promote effective water management.

Currently, Valin operates seven cooling water circulation pools, enabling the reuse of cooling water after its initial application. As a result, over 90% of production water is recycled, with zero discharge. Additionally, the Company has established annual water consumption targets for key raw materials, such as copper per ton, successfully meeting its 2024 goal and aiming for a 5% reduction in water consumption by 2025 compared to 2024.

Key Performance

- In 2024, the volume of tap water consumption was **153,527** tons, recycled water usage was **839,800** tons.



Recirculating Water System



A Green Future: Valin's Commitment to Global Sustainability

In today's world, green operations are integral to corporate sustainable development. Valin is dedicated to fostering a green office environment, actively engaging in and organizing various environmental initiatives to raise employee awareness and promote sustainability within local communities.

Green Office
Environmental Protection Activity



Green Office

Valin practices the concept of green office initiatives, striving to build a resource-efficient and environmentally friendly enterprise. The Company has optimized communication methods by encouraging online meetings and reducing the use of paper documents, promoting a paperless office environment. In addition, employees are encouraged to practice waste sorting, turn off lights when not in use, and use air conditioning responsibly, integrating green practices into daily routines. Furthermore, Valin has improved energy efficiency and reduced equipment energy consumption through energy-saving technological upgrades, further driving the integration of green office practices with green production. These efforts have enhanced the green management capabilities and created a low-carbon, eco-friendly office environment for employees, demonstrating Valin's commitment and responsibility in green development.

Environmental Protection Activity

In alignment with the national "Dual Carbon" strategy and the principles of green development, Valin actively organized environmental protection-themed initiatives to enhance corporate environmental management, raise employee awareness, and promote green production and sustainable development. Through specialized lectures, environmental knowledge training sessions, and other educational formats, the Company systematically communicated national environmental policies, regulations, and its green development strategies. This approach guided employees to embrace the philosophy that "green production is everyone's responsibility." Moreover, employees actively participated in front-line activities such as environmental facility inspections, energy-saving campaigns, and waste sorting and recycling, effectively integrating environmental protection into daily production and management practices.

Case Study

Planting and Protecting Greenery, Fostering a Harmonious and Beautiful Community

Valin consistently upholds the principle of green development by embedding environmental protection into everyday production and life. During the reporting period, Valin organized a Tree Planting Day event, where employees came together, shovels in hand, to plant saplings, adding vibrant greenery to the factory and contributing to a more harmonious and beautiful community.



Tree Planting Day

Key Performance Indicators

G			
Indicator Category	Disclosure Item	Unit	2024
Corporate Governance	Number of Shareholders' Meetings Held	Number	5
	Board of Directors Meetings	Number of Meetings Held	Number11
		Average Attendance Rate	%100
	Number of Meetings	Compensation Committee	Number2
		Strategy Committee	Number2
		Nomination Committee	Number2
		Audit Committee	Number6
	Average Attendance Rate of Each Board Committee Meetings	Compensation Committee	%100
		Strategy Committee	%100
		Nomination Committee	%100
		Audit Committee	%100
	Number of Board Members	Number	9
	Disclosure by Gender	Male Directors	Number8
		Female Directors	Number1
	Disclosure by Type	Executive Directors	Number0
		Non-executive Directors - Non-independent Directors	Number6
		Non-executive Directors - Independent Directors	Number3
	Supervisory Board Meetings	Number of Meetings Held	Number8
		Average Attendance Rate	%100
	Number of Supervisory Board Members	Number	3
	Number of Employee Supervisors	Number	2
	Number of Senior Management Personnel	Number	5
Compliance Management	Disclosure by Gender	Male Senior Executives	Number4
		Female Senior Executives	Number1
	Number of ESG Training Sessions Conducted	Number	1
	Number of Employees Covered by ESG Training	Number	18
	Number of Employees Trained in Compliance	Number	233



S

Indicator Category	Disclosure Item		Unit	2024
Employment	Total Number of Employee		Number	617
	By gender	Male	Number	482
		Female	Number	135
	By employee type	Full-time employee	Number	617
		Contractor	Number	0
	By age	Over 50	Number	82
		30 to 50	Number	391
		Under 30	Number	144
	By age(management)	Over 51	%	2
		36 to 50	%	3
		Under 35	%	0
	By region	Employees in Mainland China	Number	617
		Employees in Hong Kong, Macau, Taiwan	Number	0
		Employees in Other Countries/Regions	Number	0
	By education background	PhD	Number	1
		Master	Number	30
		Bachelor	Number	161
		College	Number	154
	By employee category	Below College Level	Number	271
		Junior level	Number	533
		Junior Management	Number	57
		Middle management	Number	22
		Senior management	Number	5

Indicator Category	Disclosure Item		Unit	2024
Employment	Foreign Employees (Excl. HK/Macau/TW)		Number	0
	Ethnic Minority Employees		Number	11
	Employees with Disabilities		Number	10
	New Hires		Number	25
	Employees with Labor Contracts		Number	617
	Localized Hires		Number	617
	Employees Receiving Financial Aid		Number	37
Turnover	Employee Turnover		Number	8
	Employee Turnover Rate		%	1.3
	By gender	Male	Number	7
		Female	Number	1
	By employee type	Full-time employee	Number	8
		Contractor	Number	0
		Others	Number	0
	By age	Over 50	Number	0
		30 to 50	Number	3
		Under 30	Number	5
	Career Development	Total Employees Evaluated for Performance/Career Development		Number
By gender		Male Employees Evaluated	Number	482
		Female Employees Evaluated	Number	135
By Employee Category		Junior Staff Evaluated	Number	533
		Junior Management Evaluated	Number	57
		Middle Management Evaluated	Number	22
		Senior Management Evaluated	Number	5



Indicator Category	Disclosure Item		Unit	2024
Employee Training	Annual Training Sessions		Number	520
	Employee Training Investment		RMB '000	2,663.00
	Employee Training Coverage Rate		%	100
	By gender	Male Employees Trained	Number	482
		Female Employees Trained	Number	135
	By Employee Category	Junior Staff Trained	Number	533
		Middle Management Trained	Number	22
		Senior Management Trained	Number	5
	Total Employee Training Hours		Hour	27,550
	Average Training Hours per Employee		Hour	44.65
Audit of Human Resources Suppliers	Third-Party Suppliers	Third-Party Suppliers Audited	Number	4
Occupational Health and Safety	Occupational Safety Investment	Occupational Safety Investment	RMB '000	6,498
		Work Injury Insurance Investment	RMB '000	666.7
		Work Injury Insurance Coverage Rate	%	100
	Employee Health & Safety	Workdays Lost Due to Injuries	Day	22
		Employees in Occupational Hazard Roles	Number	391
		Employees Undergoing Occupational Health Checkups	Number	229
		Employees Diagnosed with Occupational Diseases	Hour	0
	Safety Incidents (Applicable to Production Sites)	Work-Related Injuries	Number	0
		Work-Related Injury Incidents	Number	0
		Occupational Disease Cases	Number	0
		Fatal Work Accidents (Incidents)	Number	0
		Fatal Work Accidents (Fatalities)	Number	0
		Fatality Rate per Million Work Hours	%	0
	Occupational Diseases	Employees in Occupational Hazard Roles	Number	391
		Employees Undergoing Occupational Health Checkups	Number	229
		Employees Diagnosed with Occupational Diseases	Number	0
		Workdays Lost Due to Injuries (Absence Days)	Day	0
		Employee Deaths Due to Work (Specify Causes if >0)	Number	0
		Employees Undergoing Health Checkups	%	100
		Female Employees Undergoing Health Checkups	%	100
		Work Injury Insurance Investment	RMB '000	666.7
		Work Injury Insurance Coverage Rate	%	100
Community Public Welfare	Social Responsibility Investment		RMB '000	113.78

Indicator Category	Disclosure Item		Unit	2024
Customer Service	Customer Complaints (Products/Services)		Number	34
	Quality-Related Complaints		Number	6
	Complaints Resolved		Number	34
Intellectual Property Rights	R&D Investment		RMB '000	134,414.70
	Total Patents		Number	385
	New Patent Applications		Number	52
	New Patents Granted		Number	34
	Active Patents		Number	345
	Software Copyrights		Number	0
Data Security	Data Security Incidents		Number	0
	Specific Amount Involved		RMB '000	0
	Business Coverage with Data Security Certifications		%	99
	Sensitive Data Encryption Coverage		%	90
	Access Control Mechanism Coverage		%	95
	Data Security Training Sessions		Number	2
	Data Security Training Coverage Rate		%	90
	Average Data Security Training Hours per Employee		Hour	2
	Customer Privacy Breach Incidents		Number	0
	Specific Amount Involved		RMB '000	0
Privacy Protection	Losses Due to Legal Violations (Data/Privacy Breaches)		RMB '000	0
	Verified Complaints (Privacy/Data Loss)		Number	0
	Privacy Protection Training Sessions		Number	2
	Privacy Protection Training Coverage Rate		%	80
	Average Privacy Training Hours per Employee		Hour	1



Indicator Category	Disclosure Item		Unit	2024
Quality Management	Customer Complaints (Products/Services)		Number	41
	Complaint Resolution Rate		%	100
	Product Sampling Pass Rate		%	99.82
	Product Recall Incidents		Number	0
	Customer Satisfaction Rate		%	98.5
Supply Chain	Total Suppliers		Number	175
	By Region	Suppliers in Mainland China	Number	175
		Suppliers in HK/Macau/TW & Overseas	Number	0
	Suppliers Signed Integrity Clauses		Number	100
	Suppliers with Environmental & Labor Clauses (%)		Number	100
	Suppliers with ISO 9001 Certification		Number	160
	Suppliers with ISO 14001 Certification		Number	132
	Suppliers with ISO 45001 Certification		Number	132
	Suppliers with Significant Social Risks		Number	0
	Suppliers with Significant Environmental Risks		Number	0
	New Suppliers		Number	15
	Local Suppliers (%)		%	0.12
	Procurement Staff Trained in Sustainable Sourcing (%)		%	100
	Terminated Suppliers		Number	2
	Potential Suppliers Rejected Due to ESG Non-Compliance		Number	0
	Supplier ESG Training Sessions		Number	5
	Supplier ESG Training Hours		Hour	10
	Supplier ESG Training Participants		Number	20

E

Indicator Category	Disclosure Item		Unit	2024
Environmental Management	Environmental Protection Investment		RMB '000	4,890
	Solar/PV Generation Capacity		kW	1,960.00
	Solar/PV Generation Capacity		kWh	1,546,175.20
Waste Gas	Total Waste Gas Emissions		10,000 m³	24,244.03
Waste Water	Water Discharge	Total Water Discharge	Ton	3,940.00
		Chemical Oxygen Demand (COD)	Ton	57.00
	Water Quality	Biochemical Oxygen Demand/five-day (BOD5)	Ton	/
		Ammonia Nitrogen	Ton	22.40
		Suspended Solids	Ton	9.00
		Total Phosphorus	Ton	/
Solid Waste	Total Solid Waste		Ton	2,803.90
	Non-Hazardous Solid Waste	Total Non-Hazardous Solid Waste	Ton	2,750.40
		Recycling Volume	Ton	2,750.40
	Hazardous Solid Waste	Total Hazardous Solid Waste	Ton	53.50
		Recycling Volume	Ton	53.50
Water Resources	Water Intake	Total Water Intake	Ton	153,527.00
		Total Water Usage	Ton	290.00
	Water Usage	Total Recycled/Reused Water	Ton	839,800.00
Energy Usage	Comprehensive Energy Consumption		ton of standard coal	54,986.30
	Coal		Ton	0
	Gasoline		L	0
	Diesel		L	17,361.50
	Natural Gas		10,000 m³	1,171,900.00
	Liquefied Petroleum Gas		m³	0
	Electricity		MWh	33,671.04
Greenhouse Gas Emissions	Total Greenhouse Gas Emissions		tCO ₂ e	21,783.76
	Scope 1 Greenhouse Gas Emissions		tCO ₂ e	2,581.17
	Scope 2 Greenhouse Gas Emissions		tCO ₂ e	19,202.59



Index of Indicators

GRI Content Index

GRI 1: Foundation 2021	
Statement of Use	Valin has reported the information cited in this GRI Content Index for the period January 1,2024 to December 31, 2024 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI Standard	Disclosure Item	Chapters
GRI 2: General Disclosures		
1. Organization and Reporting Practices		
2-1	Organizational details	About This Report
2-2	Entities included in the organization's sustainability reporting	About This Report
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	Not Involved
2-5	External assurance	Not Involved
2. Activities and Workforce		
2-6	Activities, value chain and other business relationships	ESG Governance
2-7	Employees	Employee Rights Protection
2-8	Workers who are not employees	Not Involved
3. Governance		
2-9	Governance structure and composition	Exploring Valin
2-10	Nomination and selection of the highest governance body	Corporate Governance
2-11	Chair of the highest governance body	Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance
2-13	Delegation of responsibility for managing impacts	Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	ESG Governance
2-15	Conflicts of interest	ESG Governance
2-16	Communication of critical concerns	ESG Governance
2-17	Collective knowledge of the highest governance body	Corporate Governance
2-18	Evaluation of the performance of the highest governance body	Refer to The Annual Report
2-19	Remuneration policies	Employee Rights Protection

GRI Standard	Disclosure Item	Chapters
2-20	Process to determine remuneration	Compensation and Benefits
2-21	Annual total compensation ratio	Refer to The Annual Report
4. Strategy, Policy, and Practices		
2-22	Statement on sustainable development strategy	ESG Governance
2-23	Policy commitments	Not Involved
2-24	Embedding policy commitments	Not Involved
2-25	Processes to remediate negative impacts	Not Involved
2-26	Mechanisms for seeking advice and raising concerns	ESG Governance
2-27	Compliance with laws and regulations	Refer to section of the report for details
2-28	Membership associations	Collaborative Industry Development
5. Stakeholder Engagement		
2-29	Approach to stakeholder engagement	ESG Governance
2-30	Collective bargaining agreements	Employee Rights Protection
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	ESG Governance
3-2	List of material topics	ESG Governance
3-3	Management of material topics	ESG Governance
GRI 200		
201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Refer to The Annual Report
201-2	Financial implications and other risks and opportunities due to climate change	Addressing Climate Change
201-3	Defined benefit plan obligations and other retirement plans	Employee Care
201-4	Financial assistance received from government	Refer to The Annual Report
202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Employee Rights Protection
202-2	Proportion of senior management hired from the local community	Employee Rights Protection
203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Leading with "Jinfeng": Exploring Valin Deepening Low-Carbon Efforts: Preserving Blue Waters and Green Mountains
203-2	Significant indirect economic impacts	Innovative Cables, "Jinfeng" Soars with New Momentum
204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Supplier ESG Governance



GRI Standard	Disclosure Item	Chapters
205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Business Ethics
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics
205-3	Confirmed incidents of corruption and actions taken	Business Ethics
206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not Involved
207: Tax 2019		
207-1	Approach to tax	Tax Management
207-2	Tax governance, control, and risk management	Tax Management
207-3	Stakeholder engagement and management of concerns related to tax	Tax Management
207-4	Country-by-country reporting	Not Involved
GRI 300		
301: Materials 2016		
301-1	Materials used by weight or volume	Waste Disposal
301-2	Recycled input materials used	Pollutant Emissions
301-3	Reclaimed products and their packaging materials	Not Involved
302: Energy 2016		
302-1	Energy consumption within the organization	Energy Utilization
302-2	Energy consumption outside of the organization	Energy Utilization
302-3	Energy intensity	Energy Utilization
302-4	Reduction of energy consumption	Energy Utilization
302-5	Reductions in energy requirements of products and services	Energy Utilization
303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Water Resource Management
303-2	Management of water discharge-related impacts	Water Resource Management
303-3	Water withdrawal	Water Resource Management
303-4	Water discharge	Pollutant Emissions
303-5	Water consumption	Water Resource Management
304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not Involved
304-2	Significant impacts of activities, products and services on biodiversity	Not Involved
304-3	Habitats protected or restored	Not Involved

GRI Standard	Disclosure Item	Chapters
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not Involved
305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Addressing Climate Change
305-2	Energy indirect (Scope 2) GHG emissions	Addressing Climate Change
305-3	Other indirect (Scope 3) GHG emissions	Addressing Climate Change
305-4	GHG emissions intensity	Addressing Climate Change
305-5	Reduction of GHG emissions	Addressing Climate Change
305-6	Emissions of ozone-depleting substances (ODS)	Not Involved
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Pollutant Emissions
306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Waste Disposal
306-2	Management of significant waste-related impacts	Waste Disposal
306-3	Waste generated	Waste Disposal
306-4	Waste diverted from disposal	Waste Disposal
306-5	Waste directed to disposal	Waste Disposal
307: Environmental Compliance		
307-1	Violations of Environmental Laws and Regulations	Ecological Stewardship: Pioneering Green and Intelligent Manufacturing
308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Supplier ESG Governance
308-2	Negative environmental impacts in the supply chain and actions taken	Supplier ESG Governance
GRI 400		
401: Employment 2016		
401-1	New employee hires and employee turnover	Employee Rights Protection
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Care
401-3	Parental leave	Employee Care
402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Not Involved
403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Workforce Well-being
403-2	Hazard identification, risk assessment, and incident investigation	Workforce Well-being
403-3	Occupational health services	Workforce Well-being
403-4	Worker participation, consultation, and communication on occupational health and safety	Workforce Well-being



GRI Standard	Disclosure Item	Chapters
403-5	Worker training on occupational health and safety	Workforce Well-being
403-6	Promotion of worker health	Workforce Well-being
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Workforce Well-being
403-8	Workers covered by an occupational health and safety management system	Workforce Well-being
403-9	Work-related injuries	Workforce Well-being
403-10	Work-related ill health	Workforce Well-being
404: Training and Education 2016		
404-1	Average hours of training per year per employee	Employee Training and Development
404-2	Programs for upgrading employee skills and transition assistance programs	Employee Training and Development
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Training and Development
405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Employee Rights Protection
405-2	Ratio of basic salary and remuneration of women to men	Employee Rights Protection
406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Employee Rights Protection
407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not Involved
408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Not Involved
409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not Involved
410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	Not Involved
411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	Not Involved
412: Human Rights Assessment		
412-1	Operations subject to human rights reviews or impact assessments	Not Involved
412-2	Employee training on human rights policies or procedures	Not Involved
412-3	Significant investment agreements and contracts that include human rights clauses or have undergone human rights screening	Not Involved
413: Local Communities 2016		

GRI Standard	Disclosure Item	Chapters
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainable Actions for Rural Revitalization: Remaining Faithful to Our Mission
413-2	Operations with significant actual and potential negative impacts on local communities	Not Involved
414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Supplier Management Mechanism
414-2	Negative social impacts in the supply chain and actions taken	Not Involved
415: Public Policy 2016		
415-1	Political contributions	Not Involved
416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Customer Service
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not Involved
417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Customer Service
417-2	Incidents of non-compliance concerning product and service information and labeling	Customer Service
417-3	Incidents of non-compliance concerning marketing communications	Customer Service
418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Service
419: Socioeconomic Compliance		
419-1	Violations of laws and regulations in the social and economic fields	Not Involved

Feedback and Suggestions

Thank you for reading the *2024 ESG Report of Hunan Valin Wire & Cable Co., Ltd.* We highly value and look forward to hearing your feed-back on the ESG efforts and this report. Your opinions and suggestions are crucial for us to continuously improve the quality of the ESG disclosures and advance the sustainable development management and practices. Please fill out the form below and provide feedback to us through the email.

Email: zqb@hlxl.com

1. Your relationship with Hunan Valin Wire & Cable Co., Ltd. is:

- ☐ Regulatory agency
- ☐ Customer
- ☐ Employee
- ☐ Public
- ☐ Supplier
- ☐ Shareholder and investor
- ☐ Industry associations
- ☐ Media
- ☐ Others

2. What is your overall assessment of the ESG performance?

- ☐ Pretty Good
- ☐ Good
- ☐ General
- ☐ Relatively Bad
- ☐ Bad

3. What’s your overall comment on this report?

- ☐ Pretty Good
- ☐ Good
- ☐ General
- ☐ Relatively Bad
- ☐ Bad

4. How do you rate the quality of the ESG information disclosed in this report?

- ☐ Pretty Good
- ☐ Good
- ☐ General
- ☐ Relatively Bad
- ☐ Bad

5. How do you assess the structure and organization of this report?

- ☐ Pretty Good
- ☐ Good
- ☐ General
- ☐ Relatively Bad
- ☐ Bad

6. How do you evaluate the designed in form and format of this report?

- ☐ Pretty Good
- ☐ Good
- ☐ General
- ☐ Relatively Bad
- ☐ Bad

7. Is easy to find the information you are concerned about in the report?

- ☐ Yes
- ☐ Neutral
- ☐ No

8. Do you have any comments or suggestions regarding our social responsibility and sustainable development initiatives, as well as this report?

9. Apart from the content already disclosed in this report, what additional information would you like to see?