

Improving life with technology



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2025

Sustainable Development and Environmental, Social and Governance (ESG) Report

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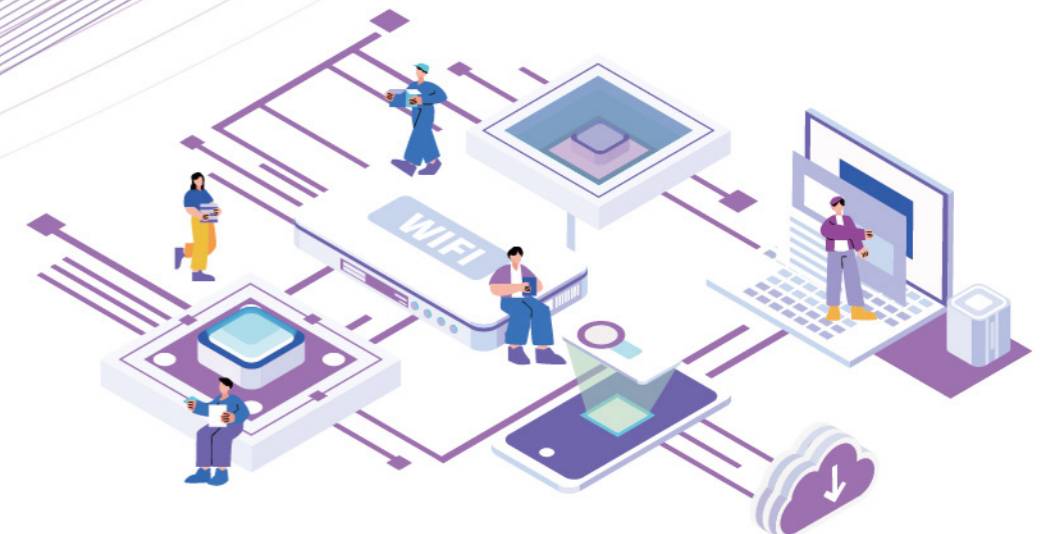
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About this report



Report description

This report is the second Sustainability and ESG Report released by Shenzhen KTC Technology Co., Ltd. The report elaborates on the Company's concepts and policies regarding sustainable development, as well as its efforts in 2025 in the areas of environmental protection, social responsibility, and corporate governance, in response to the expectations and concerns of stakeholders.

Designation clarification

For ease of expression and reading, in this report:

"Shenzhen KTC Technology Co., Ltd." is referred to as "KTC", "the Company" or "We".

"Huizhou KTC Technology Co., Ltd." is referred to as "Huizhou KTC".

"Shenzhen KTC Intelligent Technology Co., Ltd." is referred to as "KTC Intelligent".

"Shenzhen Horion Intelligent Technology Co., Ltd." is referred to as "Horion".

"Shenzhen Horion Software Co., Ltd." is referred to as "Horion Software".

"Shenzhen KTC Commercial Display Technology Co., Ltd." is referred to as "KTC Commercial".

"Shenzhen KTC Medical Solutions Co., Ltd." is referred to as "KTC Medical".

"Huizhou KTC Automotive Electronics" is referred to as "KTC Automotive".

Reporting period

This report covers a time period of January 1 to December 31, 2025. Considering the continuity, comparability and forward-looking nature of the report, some of its contents may be traced back to previous years or extended to coming years. The information disclosed in the report is from the internal documents and public materials of the Company.

Reporting scope

This report discloses information on the fulfillment of economic, social, environmental and other responsibilities by Shenzhen KTC Technology Co., Ltd. and its subsidiaries.

Data sources

All the data and cases used in this report come from the Company's official documents and statistical reports. The operating data disclosed in the report has been derived from the 2025 annual report of Shenzhen KTC Technology Co., Ltd. (the "annual report"). In the event of discrepancies, the annual report shall prevail. Unless otherwise specified, all monetary amounts in the report are presented in RMB.

Reporting references

Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards)

United Nations Sustainable Development Goals Compass (SDGs)

Guidelines No. 17 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)

Guidelines No. 3 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report Preparation)

Report preparation process

Based on the Company's environmental, social and governance (ESG) practice, this report is prepared in accordance with the process of "Board of Directors deliberation on the establishment of the ESG Committee and working rules - materials collection - report revision - Board of Directors discussion and approval - disclosure". The ESG Working Group has liaised with relevant stakeholders to conduct research and deliberations on the report's framework and content.

Report reliability guarantee

The Company undertakes that the report does not contain any false records, misleading statements or material omissions, and assumes responsibility as to the authenticity, accuracy and completeness of its content.

Access to the report

This report is released in electronic format, which can be accessed via the following channels:

Shenzhen KTC Technology Co., Ltd. official website (<https://www.ktc.cn/>)

Shenzhen Stock Exchange website (<https://www.szse.cn>)

Contact information

If you have any suggestions or opinions on this report, please contact the Company through the following methods:

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Message from the Chairman



Dear friends,

On behalf of the Board of Directors, I would like to express our gratitude for your continuous attention and support.

Against the backdrop of a complex and ever-changing global economic landscape and intensified competition in 2025, KTC demonstrated strong resilience and innovative vitality, continuously showcasing the strength and sense of responsibility of Chinese intelligent manufacturing on the international stage. Throughout the year, we further clarified and deepened our mission of "improving life with technology" and continued along our path of sustainable development.

At KTC, we believe long-term value is rooted in the implementation of a corporate sustainability strategy. To this end, KTC fully integrates ESG considerations into corporate strategy and daily operations and explores innovative business models. While creating economic value, we fulfill our social

responsibility, promote environmental protection, and foster mutual progress with society. We are not only a manufacturer of display terminal products, but a staunch practitioner of sustainable development, committed to playing a constructive role in the global supply chain.

In terms of green manufacturing, KTC follows the path of green intelligent manufacturing and low-carbon development, systematically promoting green transformation across the value chain in response to the national dual carbon goals. Through the introduction of innovative technologies, such as solar power and chilled water storage, we continuously optimize our energy structure, improve our resource utilization efficiency, and reduce our carbon footprint for a win-win for industrial development and ecological protection. We drive green innovation through technologies and embrace global low-carbon transformation for a sustainable future.

When it comes to technological empowerment, KTC invests in cutting-edge technologies such as artificial intelligence in adherence to the guiding principle of "improving life with technology". We believe that AI is not just a vital force driving industrial progress; it is an effective tool for fulfilling

corporate social responsibility and promoting sustainable development. Guided by this philosophy, we continuously explore the innovative possibilities of smart display products in collaboration with global partners to create a smarter and more personalized experience for users. Meanwhile, we take technology ethics seriously, comply with applicable laws and regulations, and protect user rights, as we are committed to building a responsible, trustworthy ecosystem for technology applications.

On the employee development front, KTC sees talent as the most valuable asset. We continue to create an equal, inclusive, and mutually supportive work environment for our employees, protect their legitimate rights and interests, improve the career development and training system for them, and support them in realizing their self-worth through diverse incentives and benefits. We look forward to employees growing together with us and sharing the fruits of our development in a harmonious win-win scenario.

Looking to the future, KTC will uphold the vision of "becoming a world-leading professional manufacturer of flat panel display products", leveraging technological innovation and forward-looking planning to continuously promote the intelligent and green transformation of the industry. We will continue to strengthen our core competitiveness, integrate high-quality resources across the supply chain, and cultivate new growth drivers as we seek to become a global force driving industry transformation and contribute to a smarter, more sustainable future.

Chairman 



Inside KTC

Company profile

Shenzhen KTC Technology Co., Ltd. was founded in 1995 and is headquartered in Shenzhen, China. Listed under the ticker 001308.SZ, KTC has been deeply involved in the intelligent display industry for 31 years and always adhered to the mission of "improving life with technology". As one of the first companies dedicated to smart display terminal products in China, KTC focuses on the R&D, design, and manufacturing of intelligent displays. Through continuous technological innovation and product development, KTC delivers cutting-edge display technologies for a wide range of scenarios and needs. After the transformation from traditional manufacturing to modern service-oriented intelligent manufacturing, KTC is now a pioneer and leader in Chinese smart manufacturing. KTC has been awarded honors such as national manufacturing single-item champion enterprise, national green factory, demonstration enterprise for the integrated development of new-generation information technology and manufacturing by the Ministry of Industry and Information Technology (MIIT), typical case of quality improvement by the MIIT, and leading enterprise in domestic and foreign trade integration.



National manufacturing single-item champion
National green factory

2024

Listed on the main board of the Shenzhen Stock Exchange
Stock: KTC
Ticker: 001308

2022

Listed among China's top 500 private manufacturing enterprises
Annual production and sales exceeded 7.8 million units

2020

Huizhou Industrial Park was completed and became operational
Launched own brand Horion

2015

Commercial displays went into production
Ranked among China's top 100 electronic information enterprises

2010

Company history

Shenzhen KTC Industrial Park was completed
LCD TV went into production

2005

LCD monitor production started
Monitor production and sales exceeded 1mn units

2000

KTC was established
CRT monitor production started

1995

深圳市康冠科技股份有限公司 SHENZHEN KTC TECHNOLOGY CO., LTD.

KTC's global operations network



Global presence

KTC specializes in R&D, design, manufacturing, sales, and services of intelligent displays, and its main products include, among others, smart interactive panels, innovative display products, professional display products, and smart TVs, with clients spanning more than 100 countries and regions worldwide. KTC's customers are mainly located overseas, and its overseas market share has been increasing year by year since 2014. KTC has established multiple technical support and service centers worldwide, covering major smart display terminal markets in the EU, North America, Latin America, Africa, and Asia. Currently, KTC has set up wholly owned subsidiaries in China's Hong Kong and Taiwan, South Korea's Seoul, Japan's Tokyo, the US's California, Mexico's Mexico City, the UAE's Dubai, Poland's Warsaw, and Brazil's San Paolo.



Overseas subsidiaries:

Hong Kong (China), Taiwan (China), South Korea, Japan, the US, Mexico, the UAE, Poland, Brazil

Overseas technical support centers:

Mexico, Brazil, Poland

Overseas office:

India

Overseas partner factories:

Taiwan (China), Mexico, Brazil, Poland, Thailand, India, Vietnam, Algeria



Honors and achievements

KTC has received an A ESG rating from Wind.

Company honors in the sustainability category



Typical case of private enterprises developing new quality productive forces (quality and standardization category)
Issued by: General Office of the All-China Federation of Industry and Commerce



National green factory
Issued by: MIIT



Green pioneer enterprise
Issued by: China Environmental United Certification Center



International renowned brand
Issued by: UNIDO Centre for South-South Industrial Cooperation in China



Postdoctoral innovation practice base
Issued by: Shenzhen Municipal Human Resources and Social Security Bureau



SFTU industrial workers training center
Issued by: SFTU



Sustainability management

ESG governance system

KTC sets medium- and long-term development goals around ESG and regularly tracks progress on ESG management goals to facilitate the effective implementation of sustainability initiatives and promote the synergy between corporate growth and social value enhancement.

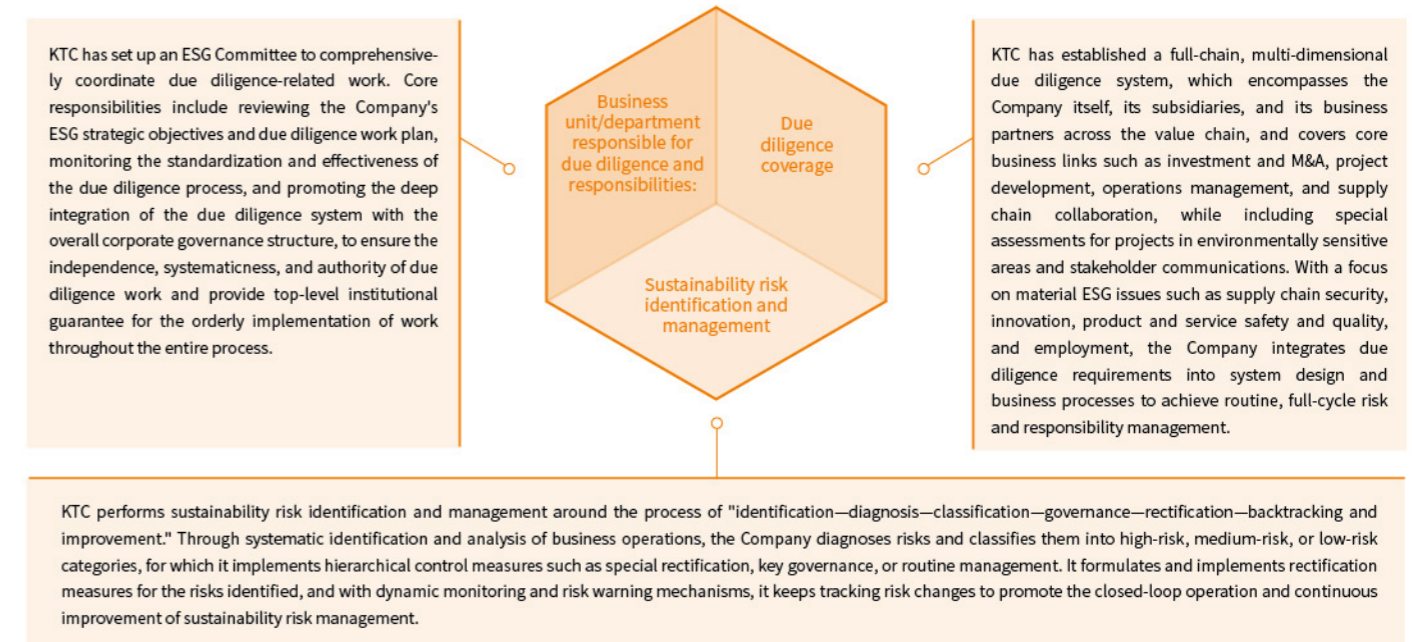
Material topics	Response to SDGs	Management goals	Progress toward goals
Supply chain security	8, 12, 16, 17	1. Supplier code of conduct signing rate: 100% 2. ESG risk screening coverage for key raw material suppliers: 100%	By the end of 2025, KTC evaluated all of its existing and new suppliers from an ESG perspective. Meanwhile, it signed an integrity clause with all its suppliers
Innovation	9	Maintain growth in the number of newly authorized patents per year and keep improving the patent portfolio in key technology areas	The Company has obtained 1,485 authorized patents and software copyrights
Product and service safety and quality	3, 12	Keep the product delivery on-time rate and the HSF (hazardous substance free) qualification rate no lower than industry averages	1. Product delivery on-time rate: >90% 2. HSF qualification rate: 100%
Employment	5, 8, 10	Employee training coverage ≥90%; average annual training hours per employee ≥20h	During the reporting period, the Company invested RMB487,900 in employee training. Employee training coverage reached 100%, with a total of 743,188 hours of training and an average of 104.37 hours per employee
Waste disposal	11, 12	1. Ensure that all types of general waste are processed daily by dedicated resource recycling and disposal personnel 2. Ensure that all types of hazardous waste are disposed of in accordance with regulations to minimize environmental impact	1. All types of waste identified based on the classification of environmental factors are disposed of in accordance with regulations 2. All identified solid and hazardous waste is disposed of in accordance with regulations
Environmental compliance management	11, 12	Continuously improve and optimize the environmental management system; ensure no major violations in annual environmental compliance inspections	The Company has pushed for and passed ISO 14001 environmental management system certification. During the reporting period, the Company experienced no major environmental emergencies and incurred no significant administrative penalties related to environmental incidents
Pollutant emissions	6, 11, 12	Ensure that pollutant emissions from all production bases are compliant with national and local standards	In 2025, all of the Company's pollution control measures complied with national and local environmental standards. No severe environmental pollution incidents occurred
Energy utilization	7, 11, 12	Keep the proportion of renewable energy use stable or increase it	In 2025, clean energy sources accounted for 15.27% of the Company's total energy consumption

ESG governance structure and functions



Due diligence

KTC has always deeply embedded sustainable development into the core of its corporate strategy in strict alignment with international norms and domestic practices. In accordance with the requirements of due diligence in sustainability reporting outlined in relevant policy guidelines, the Company conducts comprehensive and systematic due diligence on its business operations. It has established a dynamic monitoring mechanism for areas such as employment, labor relations, human rights, transparency, environment, anti-corruption, climate change, technology, business integrity, and sustainable supply chain, fostering the deep integration of sustainable development goals with its operations and laying a solid compliance and responsibility foundation for its high-quality development.



Stakeholder engagement

KTC is well aware of the significant impact of stakeholder opinions and expectations on its operations and development. The Company continuously optimizes the sustainable development strategy and accepts stakeholder supervision, as it always pays attention to the opinions and desires of stakeholders, both internal and external, stays committed to establishing a diversified communication mechanism for them, maintains close relationships with them, communicates with them through more channels and methods. Given the China Securities Regulatory Commission's (CSRC) Code of Corporate Governance for Listed Companies, the Guidelines No. 17 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial), the Guidelines No. 3 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report Preparation, and the AA1000 Stakeholder Engagement Standard (SES) and based on their definitions and descriptions of stakeholders, the Company has identified shareholders/investors, customers, suppliers, employees, government/regulatory bodies, communities, and the environment as major types of key stakeholders.

Stakeholder types	Communication methods and frequency	Expectations and desires
Shareholders/investors	Shareholders' meetings Results briefings (annual) Investor meetups (irregular) Information releases on the Company website (irregular)	Sustainability models Continuous growth in operating results Strong market cap performance Investor rights protection and dividends Open and transparent corporate information
Customers	Customer satisfaction surveys (irregular) Customer visits (irregular) Responses to customer complaints (irregular) Customer conferences (annual)	Product and service safety and quality Data security and customer privacy protection Innovation Supply chain security Corporate governance
Suppliers	Open procurement (irregular) Supplier interviews (irregular) Supplier conferences (annual) Supplier audits (irregular)	Supply chain security Product and service safety and quality Fair treatment of small and medium-sized enterprises Stakeholder engagement Anti-commercial bribery and anti-corruption
Employees	Workers' congresses (regular) Employee training (regular) Employee evaluations (annual) Staff suggestion boxes (irregular)	Employment Employee reward and participation Employee training and development Employee health and safety
Government/regulatory bodies	Government project applications (irregular) Government research (irregular) Participation in industry planning (irregular) Interview invitations (irregular)	Product and service safety and quality Environmental compliance management Pollutant emissions Waste disposal Energy conservation, consumption reduction, and green manufacturing
Communities and the environment	Social media platforms (regular) Community events (regular) Environmental report releases (annual) Participation in public welfare activities (regular)	Climate actions Waste disposal Pollutant emissions Water resources utilization Ecosystem and biodiversity conservation
Distributors	Distributor conferences (annual) Business training (regular) Sales data sharing (monthly) Market strategy communication (quarterly)	Supply chain security Product and service safety and quality Innovation Digital transformation Stakeholder engagement

Assessment of sustainability issue materiality

Scientifically identifying and assessing material topics is a key foundation for advancing sustainability management, helping companies focus on core issues and set the ESG strategic direction and major areas of work. In 2025, KTC assessed the materiality of ESG topics to enhance its ESG information disclosure system development, considering the new expectations of stakeholders for corporate management and development, and based on sustainability-related standards such as the Guidelines No. 17 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial), the Guidelines No. 3 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report Preparation, the United Nations SDGs, the GRI General Guidelines 2021, and the ISO 26000, as well as the characteristics of its industry and business operations.

▲ Analysis of the Company's activities and business background



- 01 Understand the Company's activities and business relationships, including information related to its products and services, strategic planning, and upstream and downstream value chain.
- 02 Gather information about the external environment and analyze the Company-related laws and regulations, as well as publicly available information such as media reports, peer analysis, specific industry standards, and research reports.
- 03 Identify the key affected stakeholders and analyze existing stakeholder engagement approaches.

▲ Creation of a list of issues

Based on the 21 issues set forth in the Exchange Guidelines, coupled with regulatory policies, regional regulations, and industry standards, and referencing peers or upstream and downstream players with a strong track record of sustainability, KTC has added issues of strong interest to peers to ultimately form a list of 24 identified issues, including:



▲ Assessment and analysis of issue materiality

Following the Exchange's material topics identification process, KTC invites stakeholders, such as experts on sustainability, to fill in questionnaires assessing the materiality of topics. The results are combined with the evaluation by in-house employees. The Company evaluates material topics from two perspectives: financial materiality and impact materiality. In determining financial materiality, it considers whether an issue is expected to significantly impact its business model, operations, development strategy, financial position, operating performance, cash flows, financing methods, and costs in the short, medium, and long term. In determining impact materiality, it considers whether its performance on relevant issues has an actual or potential significant impact on the economy, society, and environment. It also incorporates the results of stakeholder questionnaires into the quantitative assessment of materiality.

▲ Confirmation of material issues

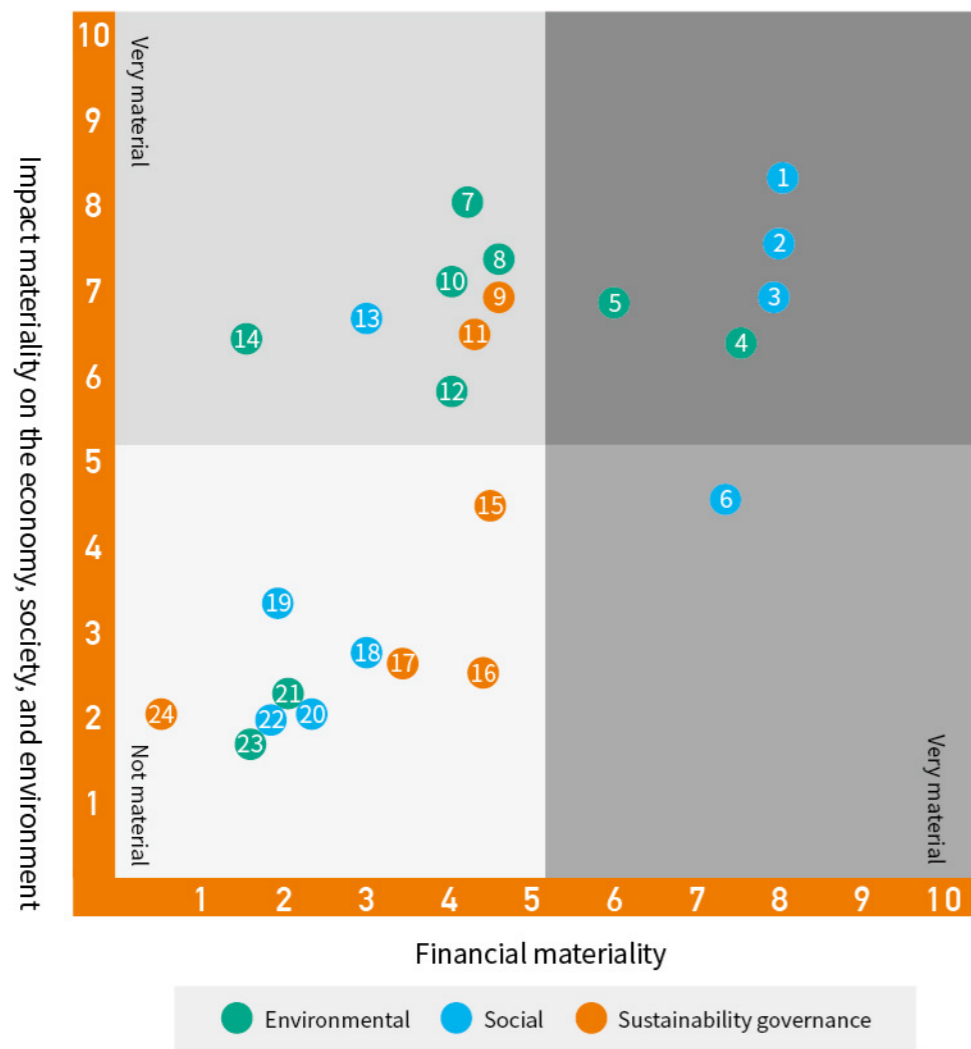
Based on the assessment results, KTC constructs a materiality analysis matrix, from which issues are ranked by their level of importance. Issues of higher materiality are then prominently disclosed in the report. The Company manages issues by setting importance thresholds for each of them based on priority to drive a concentration of resources towards key ESG issues and support the orderly advancement of sustainability efforts.

Materiality analysis conclusions

Through the above process, KTC has summarized the results of materiality assessment in a materiality analysis matrix. The Company has identified five issues of double materiality, including supply chain security, innovation, product and service safety and quality, Climate actions response, and waste disposal.

For issues of higher materiality, KTC develops detailed strategic plans and provides key responses and disclosures in the report to ensure the concentration of resources on the most material ESG issues and support sustainable corporate development.





Quadrant	Overall ranking	Material issue	Type
Both Financially and Impact Material	1	Supply chain security	Social
Both Financially and Impact Material	2	Innovation	Social
Both Financially and Impact Material	3	Product and service safety and quality	Social
Both Financially and Impact Material	4	Climate actions	Environmental
Both Financially and Impact Material	5	Waste disposal	Environmental
Financially Material Only	6	Employment	Social
Impact Material Only	7	Energy conservation, consumption reduction, and green manufacturing	Environmental
Impact Material Only	8	Circular economy	Environmental
Impact Material Only	9	Digitalization and intelligence	Sustainability governance
Impact Material Only	10	Environmental compliance management	Environmental
Impact Material Only	11	Corporate governance	Sustainability governance
Impact Material Only	12	Pollutant emissions	Environmental
Impact Material Only	13	Fair treatment of small and medium-sized enterprises	Social
Impact Material Only	14	Energy utilization	Environmental
General issue	15	Stakeholder engagement	Sustainability governance
General issue	16	Anti-unfair competition	Sustainability governance
General issue	17	Due diligence	Sustainability governance
General issue	18	Rural revitalization	Social
General issue	19	Social contribution	Social
General issue	20	Data security and customer privacy protection	Social
General issue	21	Ecosystem and biodiversity conservation	Environmental
General issue	22	Science and technology ethics	Social
General issue	23	Water resources utilization	Environmental
General issue	24	Anti-commercial bribery and anti-corruption	Sustainability governance

Risk and opportunity analysis for Material topics

We have selected issues of double materiality and analyzed their risks/opportunities, mechanisms of influence, and potential consequences. Please see the table below for details.

Issue	Risk/opportunity	Risk/opportunity description and impact
Supply chain security	Risk	<ol style="list-style-type: none"> Supply disruptions or sharp price fluctuations for key electronic components can lead to production halts or increased costs, impacting the Company's financial conditions and operating results. Geopolitical conflicts or escalating trade barriers can disrupt supply chains in emerging markets such as Asia-Pacific and Latin America, affecting the Company's KDM service model and development strategy. Physical risks such as extreme weather events or transformation risks such as environmental regulations can cause instability in the supply of upstream raw materials, threatening the continuity of the Company's business operations.
Supply chain security	Opportunity	<ol style="list-style-type: none"> The Company deepens supply chain collaboration and ties with key clients such as local king brands to increase market share and cash flow stability. Through the development of global technical support centers, the Company enhances its supply chain resilience, optimizes its business model, and supports its globalization strategy. The Company invests in green and circular supply chain technologies to reduce environmental compliance costs and attract ESG-biased investors with a responsible brand image.
Innovation	Risk	<ol style="list-style-type: none"> Technological iteration risks: Display technology is evolving rapidly. Insufficient R&D investment or a deviation in direction can lead to decreased product competitiveness and erosion of market share. Transformation risks: Global green trade barriers (such as the EU's Carbon Border Adjustment Mechanism) are becoming more stringent. If low-carbon technology R&D lags, it may lead to increased export costs or market access restrictions. Supply chain risks: Innovation in key raw materials (such as high-end chips and panels) depends on external suppliers. Supply disruptions or price fluctuations can affect production and costs.
Innovation	Opportunity	<ol style="list-style-type: none"> Product and service innovation: By developing energy-saving and recyclable green display products, the Company addresses the global market's demand for low-carbon electronic products and bolsters brand value and customer loyalty. Model innovation: By deepening the KDM service model and the global technical support network, the Company can respond in a more agile manner to the localized needs of emerging markets to drive channel partner collaboration and loyalty. Operational innovation: Through the use of AI and internet of things (IoT) technologies for improved production and energy efficiency, the Company can reduce long-term operating costs and environmental footprint, creating long-term and stable returns for investors.
Product and service safety and quality	Risk	<ol style="list-style-type: none"> Product quality defects or safety vulnerabilities that cause injury or property damage to consumers lead to damage to brand reputation, customer attrition, and legal battles, hurting the Company's financial position and cash flows. Differences or upgrades in regulations and standards in emerging markets may create increased product compliance costs and market access barriers, affecting the Company's business operations and regional development strategies. Unstable component quality in the supply chain could negatively impact the reliability and delivery of final products, damaging long-term partnerships with local king brands.
Product and service safety and quality	Opportunity	<ol style="list-style-type: none"> With a quality and safety management system that exceeds industry standards, the Company can build a good brand image, attract high-end consumers, improve market share, and bolster finances. By integrating high-quality safety standards into the KDM service model, the Company can deepen cooperation with leading brands in emerging markets to open up new application scenarios and drive business growth. Developing safer and more reliable innovative display products can help the Company capture opportunities in markets with stringent quality requirements, such as smart homes and medical devices, to optimize product structure and improve profitability.
Climate actions	Risk	<ol style="list-style-type: none"> Physical risks: Extreme weather events (such as floods and high temperatures) may disrupt the Company's production facilities in coastal areas such as Shenzhen and its supply chains, leading to operational disruptions and asset losses. Transformation risks: Global carbon tariffs and stricter energy efficiency standards may increase export costs for the Company, weaken its price competitiveness in emerging markets, and affect its cooperation with local king brands.
Climate actions	Opportunity	<ol style="list-style-type: none"> The global transition to a low-carbon economy is driving demand for energy-efficient, low-power smart display products, opening new markets for the Company's innovative display technologies and products (such as smart interactive flat panels). By improving energy management and adopting renewable energy and green manufacturing, the Company can reduce operating costs and meet the requirements of customers and investors for supply chain sustainability.
Waste disposal	Risk	<ol style="list-style-type: none"> Physical risks: Improper handling of electronic waste generated during production may cause supply chain disruptions and production stoppages due to environmental accidents or pollution. Transformation risks: Stricter global environmental regulations, such as the new EU battery regulations, may lead to increased compliance costs and m
Waste disposal	Opportunity	<ol style="list-style-type: none"> Through the establishment of a closed-loop recycling system, the Company can reduce raw material procurement costs and ensure supply chain security. By developing eco-designed and easily recyclable products, the Company can enhance brand image and meet customer needs for ESG procurement. Waste-to-resources technologies can open up new avenues such as precious metal recycling and generate additional income for the Company.



Perseverance
leads far

compliant corporate governance
lays solid foundation



Response to SDGs



Governance structure

In strict compliance with national laws, regulations, and regulatory requirements, such as the Company Law of the People's Republic of China (PRC), the Securities Law of the PRC, and the Code of Corporate Governance for Listed Companies, KTC constantly improves its corporate governance system to ensure that it operates in a compliant and standardized manner. The Company has established a sound governance structure with clear division of responsibilities and coordinated operation among the shareholders' meeting, Board of Directors, and management.

Shareholders' meeting

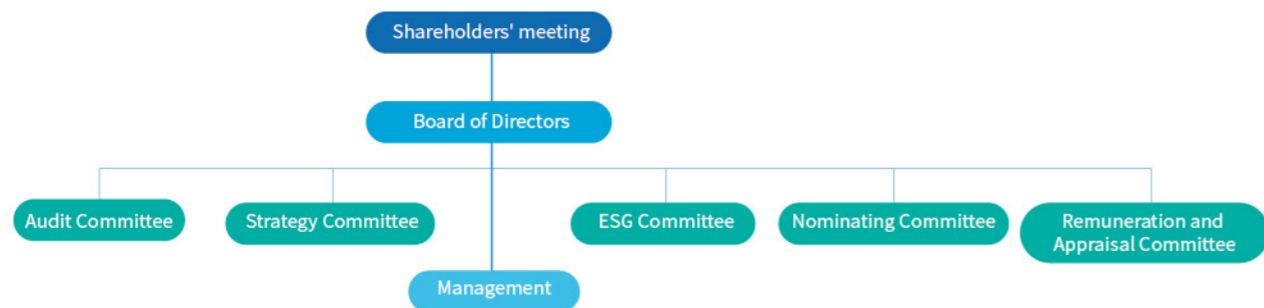
The shareholders' meeting is the Company's highest decision-making body, in which shareholders exercise their voting rights on major matters, such as corporate business policy, investment, fundraising, bond issuance, and profit distribution in accordance with law. The Company holds shareholders' meetings in strict accordance with the Articles of Association and the Rules of Procedure for Shareholders' Meetings to ensure the full exercise of shareholders' legal rights to be informed, participate, and vote and to safeguard the legitimate rights and interests of itself and its shareholders. During the reporting period, the Company held three shareholders' meetings, and the convening, holding and voting procedures of these meetings were in line with relevant laws and regulations and Company rules.

Board of Directors

The Board of Directors, as the Company's business decision-making and execution body, shall be responsible to the shareholders' meeting and perform its duties according to the Articles of Association and the Board of Directors Rules of Procedure. The Board discusses and makes decisions on major issues in the Company's operations, or submits them to the shareholders' meeting for review in accordance with procedures.

The Board of Directors has established five specialized committees: the Audit Committee, the Strategy Committee, the Nominating Committee, the Remuneration and Appraisal Committee, and the ESG Committee. Each special committee is responsible to the Board of Directors and is composed of directors. Specifically, the Chairman serves as the Chairperson (Convener) of the Strategy Committee and the ESG Committee. Independent directors constitute a majority of the Audit Committee, the Nominating Committee, and the Remuneration and Appraisal Committee and serve as their Chairperson (Convener). Furthermore, the Audit Committee is chaired by an independent director with an accounting background, fully leveraging the professional guidance and independent oversight of independent directors in financial supervision, risk management, and corporate governance. Independent directors perform their duties in strict accordance with the Working System for Independent Directors and engage in major decision-making, internal control supervision, related-party transaction review, and other work to continuously improve the quality of corporate governance.

During the reporting period, the Board of Directors held 12 meetings, the Audit Committee held 7 meetings, the Strategy Committee held 4 meetings, the Nominating Committee held 2 meetings, and the Remuneration and Appraisal Committee held 6 meetings. Each special committee performed their duties in accordance with law, providing strong support for the Board of Directors' scientific decision-making.



Board of Directors diversity

KTC continues to promote Board of Directors diversity, incorporating the concept of diversity into the director nomination and selection method. The Company comprehensively considers the composition of Board of Directors members in terms of professional background, industry experience, management skills, and independence to continuously improve their performance and scientific decision-making level.

With extensive professional knowledge and practical experience in industry operations, corporate management, and financial management, the Board of Directors members constitute a complementary and well-structured professional team that provides a solid guarantee for the achievement of the Company's strategic planning, risk management, and sustainability targets. The Company's independent directors are all senior professionals, who are in the position to provide independent and objective professional opinions on the Company's standardized operations and risk management practices, thanks to their strong professional ethics and rich practical experience in fields such as accounting, law, and technology. All the Company's independent directors meet the independence requirements set out in the Measures for the Administration of Independent Directors of Listed Companies, the Guidelines No. 1 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies—Standardized Operation of Companies Listed on the Main Board, and the Working System for Independent Directors of Shenzhen KTC Technology.

By the end of 2025, the Company's Board of Directors consisted of **seven** members. Of them, **three** were independent directors, accounting for **42.86%** of all members of the Board of Directors.

Meanwhile, the Audit Committee is chaired by an independent director with an accounting background, further making financial supervision and internal control management more professional and independent and corporate governance more transparent and standardized.

Director and management compensation and performance evaluation

The Remuneration and Appraisal Committee, under the Company's Board of Directors, evaluates and determines the remuneration of directors and senior executives in accordance with the Working Rules for the Special Committees under the Board of Directors. The remuneration plan for the Company's directors must be determined by the shareholders' meeting and disclosed publicly. When the Board of Directors or the Remuneration and Appraisal Committee is evaluating the performance of a director or is discussing their compensation, the director shall not participate in such evaluation or discussion. The remuneration plan for the Company's senior executives shall be approved by the Board of Directors, explained at shareholder meetings, and fully disclosed.

The standard allowance for independent directors is RMB120,000 per person per year (before tax). The remuneration of non-independent directors is determined based on their specific management positions in the Company and their annual performance evaluation results, as well as market data for similar positions in the same industry and the Company's annual operating performance. Their remuneration structure consists of a basic salary and incentives.

The remuneration of senior executives is determined based on their specific management positions in the Company and their annual performance evaluation results, as well as market data for similar positions in the same industry and the Company's annual operating performance. Their remuneration structure consists of a basic salary and incentives.

Investor protection and sustainable dividends

To strengthen the communication and exchange with investors, increase investor awareness and recognition of the Company, and protect the legitimate rights and interests of investors, especially public investors, KTC has formulated the Investor Relations Management System in accordance with relevant laws, including the Company Law of the PRC, the Securities Law of the PRC, the Working Guidelines for the Relationship Between Listed Companies and Investors, the Rules Governing the Listing of Shares on Shenzhen Stock Exchange, the Guidelines No. 1 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies—Standardized Operation of Companies Listed on the Main Board, as well as the Company's Articles of Association. The move aims to standardize communication between the Company and its investors, improves its governance structure, and promotes its integrity, self-discipline, and standardized operation.

KTC maintains continuous communication with investors in various forms, such as results briefings, strategy conferences, reverse roadshows, the Hudongyi platform of the Shenzhen Stock Exchange and the investor hotline, and through multiple channels, including the Company's official website and its Weixin official account. It communicates its business operations, financial performance, and development strategy with investors and listens carefully to their opinions and suggestions.

Key performance indicators (KPI)

During the reporting period, the Company issued **4** regular reports and **161** interim announcements, held **1** results briefing, carried out **2** profit distributions, and organized **1** shareholder appreciation event.

In compliance with the Guidelines No. 3 for the Regulation of Listed Companies—Distribution of Cash Dividends of Listed Companies issued by the CSRC and the Company Articles of Association, KTC shall implement a continuous and stable profit distribution policy that emphasizes reasonable investment returns to investors and takes into account the Company's actual operating conditions and sustainable development. The profits distributed by the Company shall not exceed the amount of accumulated distributable profits or undermine its ongoing operation. The Board of Directors and the shareholders' meeting shall fully consider the opinions of independent directors and public investors in the decision-making and deliberation process of the profit distribution policy. The Company may distribute profits in cash, stock, a combination of cash and stock, or other forms permitted by laws and administrative regulations.

If the conditions for cash dividends are satisfied, priority shall be given to cash dividends for profit distribution. In principle, profit distribution shall be conducted annually, provided that the Company ends the year profitable with positive accumulated undistributed profits and net cash flow from operating activities. Where necessary, the Board of Directors may propose interim cash dividends or stock dividends in view of the Company's profitability and capital needs. Under normal operating conditions, the Company's cumulative profits distributed in cash over the past three years shall not be less than 30% of the average annual distributable profits realized during such three-year period.

The Company has distributed RMB **1.547** billion in dividends since its IPO in 2022.

Business ethics

Business ethics governance

KTC embraces compliance in all business conduct and operations. Guided by honesty and trustworthiness, the Company upholds the principles of legality, compliance, fairness, integrity, and transparency, and requires all employees, suppliers, and partners to strictly abide by relevant laws and regulations. The Company has a zero-tolerance attitude toward corruption, bribery, and unfair competition, and strictly prohibits any form of concealment or cover-up. It is committed to creating a fair and upright business environment to safeguard the value created by compliant operation.

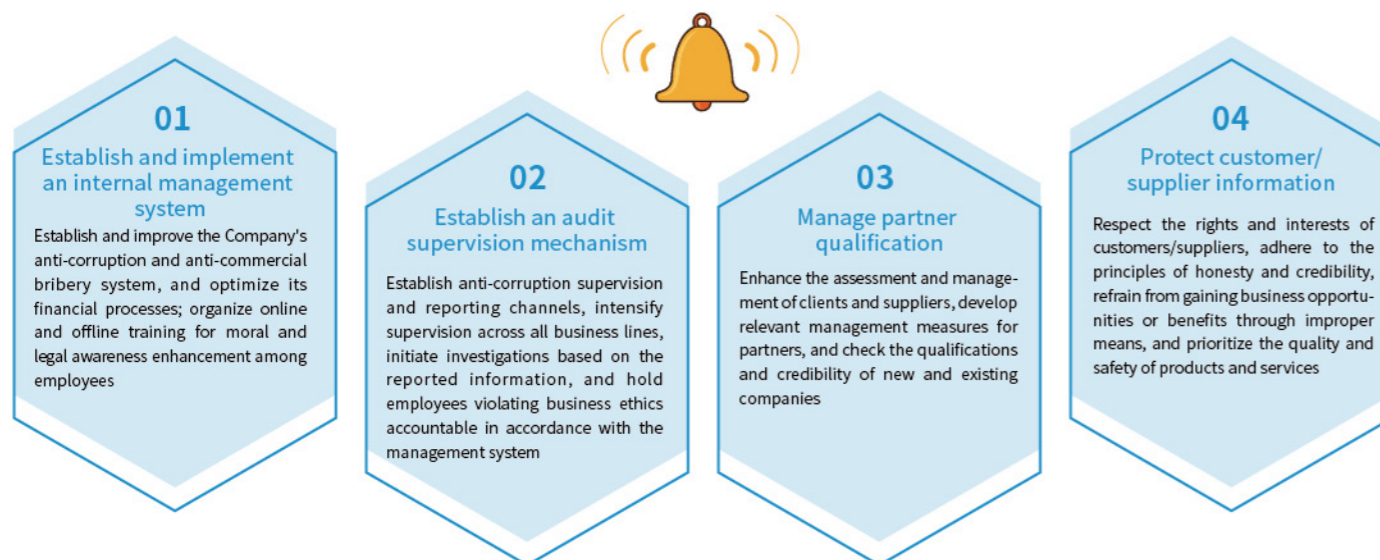
KTC has established an internal management mechanism for business ethics, and formulated and implemented institutional documents such as the Regulations on Integrity and Compliance Management, the Supplier Sunshine Purchase Agreement, and the Employee Code of Conduct. The Risk Management Department is responsible for coordinating the organization and implementation of anti-fraud work covering pre-event prevention, in-event control, and post-event investigation.

Three lines of defense as part of the internal management mechanism for business ethics



Commercial bribery and corruption risks

For integrity and compliance risk prevention and control, KTC strictly complies with the national laws, regulations, and standards related to anti-corruption and anti-bribery. In line with international initiatives such as the United Nations Convention against Corruption and the Business Principles for Countering Bribery, the Company has formulated the Integrity Operation Control Procedure and other institutional documents to standardize the management of anti-commercial bribery and anti-corruption risks. It has established a supervision and management system from four perspectives, including compliance and integrity management, employee compliance awareness training, supplier evaluation and supervision, and internal reporting and corrective actions.



Anti-corruption training and culture education

KTC sets out clear requirements for how employees must apply business ethics in their daily work, emphasizing integrity training and confidentiality training. The Risk Management Department leads the implementation of related training and outreach. During the reporting period, the Company conducted four on-site training sessions for key personnel, including employees in the procurement, R&D, quality, warehousing, logistics, and sales departments, to enhance employee integrity awareness and guard against frauds. The Company has created an Employee Handbook. Through platforms such as OA, it shares legal knowledge regularly and makes timely announcements of employee misconduct and penalties to enhance employees' understanding of and compliance with integrity and compliance policies and related regulations.

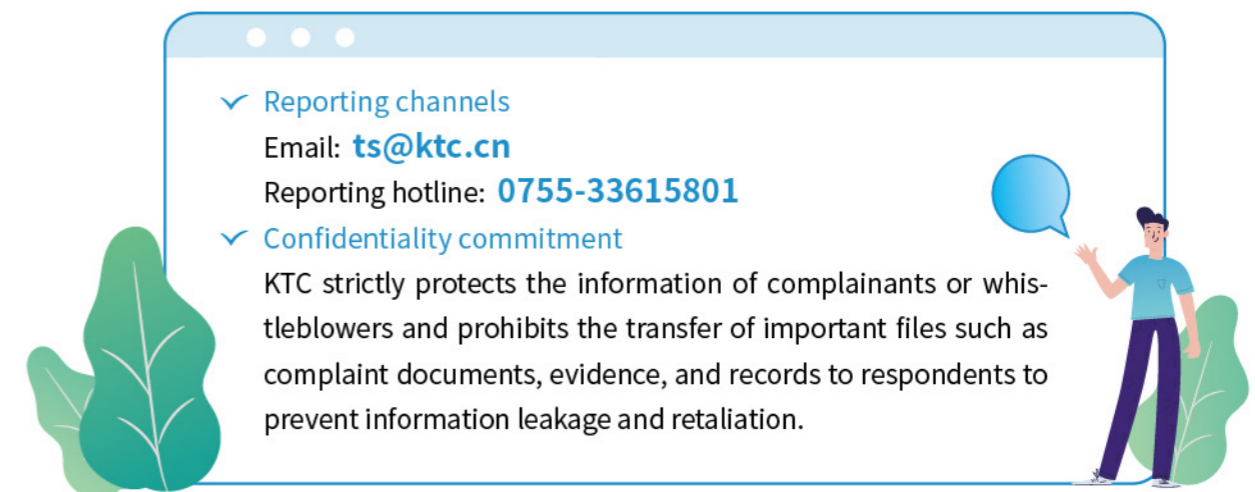
Company seminars on audit risk management



Whistleblower protection

KTC encourages complaints and reports about unethical business practices such as corruption, bribery, and unfair competition. The Company has established a reporting process which provides clear instructions regarding how to handle different violations of business ethics. It strictly protects the confidentiality of complainants or whistleblowers and prohibits any forms of retaliation. An important part of its oversight system, the reporting mechanism keeps improving.

KTC has developed a series of institutional documents, including the Information Security Management System, the Cybersecurity Management System, the Confidentiality System, the Computer Management Regulations, the Supplier Information Security Management Requirements, and the Personal Information Protection System, to provide institutional guarantees for the security of confidential information. For critical information systems and hardware equipment, the Company has a regular backup mechanism (including local real-time backup and remote disaster recovery) and an information security review process in place. Through regular self-checks and third-party evaluations, it identifies system vulnerabilities and security risks. It has established a data leakage emergency plan for key departments and conducted specialized training on information security incident handling and emergency response for key personnel to enhance security awareness and emergency response capabilities.



Compliant operations

Compliance governance system

On the corporate governance front, KTC's Board of Directors has, in accordance with the requirements of the Company Law of the PRC, improved the Board-centric organizational structure, including by electing a new Board of Directors and having the Audit Committee under the Board of Directors performing functions on behalf of the Supervisory Board. As a listed company, KTC also provides compliance training for directors and senior management and promotes compliance system building in compliance with the Securities Law of the PRC and the regulatory requirements of the CSRC and the Shenzhen Stock Exchange.

In terms of business management, KTC adheres to institutional building for risk management and continues to strengthen compliance management. Internally, the Company has created a Risk Management Department, which includes a Group on Legal Affairs and a Group on Audit Affairs and is responsible for work on risk prevention, legal research, internal supervision, and dispute resolution. Externally, it engages permanent and special legal counsel for compliance training and operational guidance to ensure that it handles all affairs according to laws and regulations.

To strengthen compliance management, KTC has, in line with the ISO 37301 compliance management system, formulated institutional documents including the Commitment Control Procedure and the Management Accountability and Responsibility Control Procedure to form a compliance management system. The Risk Management Department systematically identifies and manages the Company's compliance risks based on the rules and regulations.



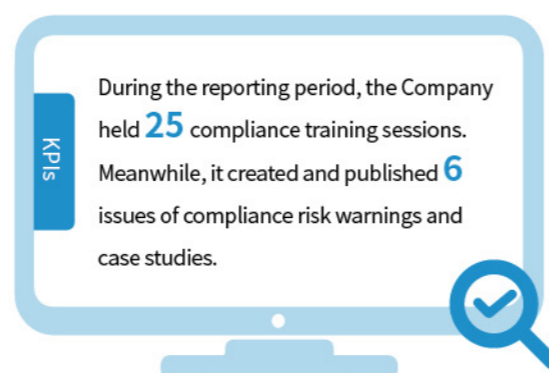
Compliance training and culture building

KTC continuously promotes the development of a compliance culture through systematic compliance promotion and communication around business needs. During the reporting period, the Company organized 25 compliance training sessions as it continued to work on a compliance communication platform to help business departments understand compliance risks thoroughly and guide them to work in a standardized manner within a legal and compliant framework. Meanwhile, it created and published 6 issues of compliance risk warnings and case studies, with a focus on typical cases in areas prone to compliance risks. Based on newly issued laws and regulations as well as internal and external regulatory requirements, it also provided risk warnings and put forward compliance operation suggestions to promote the implementation of compliance requirements in daily management and prevent compliance risks.

Anti-unfair competition and anti-monopoly

In compliance with laws and regulations such as the Anti-Monopoly Law of the PRC and the Anti-Unfair Competition Law of the PRC, KTC prohibits the gaining of unfair competitive advantages through monopolistic practices including price manipulation, market segmentation and exclusive trading. In the Business Code of Conduct and Ethical Standards, there are clear provisions against market monopoly and unfair competition. The Company performs regular anti-monopoly compliance audits on documents such as sales policies and cooperation agreements to avoid signing exclusive agreements with suppliers or setting resale prices. Moreover, it has a compliance whistleblowing platform, independent of business units, in place to ensure its activities comply with the principle of fair competition.

To combat corruption and bribery by business partners, KTC introduces clear guidelines for collaboration norms and matters of conflict of interest. The Company makes the Integrity Cooperation Agreement a mandatory partnership contract annex for all partners, and requires suppliers to sign the Integrity Cooperation Commitment Letter, which sets clear guidelines for collaboration norms and matters of conflict of interest. Meanwhile, it enters into documents such as the Sunshine Cooperation Agreement with all suppliers and partners, communicates clear whistleblowing and complaint channels to suppliers, accepts reports of unethical behavior through multiple channels, investigates, handles and provides feedback on related issues, and makes regular visits to suppliers. In addition, it continuously conducts integrity promotion and education for suppliers.



Related-party transaction management

KTC strictly adheres to the relevant provisions of the Related Party Transaction Management System, clearly stipulating the principles behind related-party transactions, the identification of related parties and related-party transactions, the decision-making and approval authority for related-party transactions, the procedures governing review, decision-making, and voting abstention, and the disclosure of related-party transaction information. All of KTC's related-party transactions are strictly aligned with relevant rules and regulations, and steps are taken by the Company to regulate and reduce related-party transactions. In the case of unavoidable related-party transactions, the Company ensures that it adheres to the principles of fairness, impartiality, and transparency in related-party transactions to safeguard the legitimate rights and interests of itself, its shareholders, and its creditors.

Tax compliance

KTC strictly complies with laws and regulations such as the Company Law of the PRC, the Enterprise Income Tax Law of the PRC, the Value-Added Tax Law of the PRC, and the Environmental Protection Tax Law of the PRC. Within its institutional documents including the Tax Internal Control Management Measures, the Production Compliance Operations Manual, the Rules for Invoice Management, and the Special Procedures for Environmental Tax Declaration, the Company stipulates the operational requirements on key links including tax declaration, invoice management, and environmental tax accounting. It also has a dual mechanism combining monthly compliance self-checks and annual special audits to ensure the effective implementation of relevant systems.

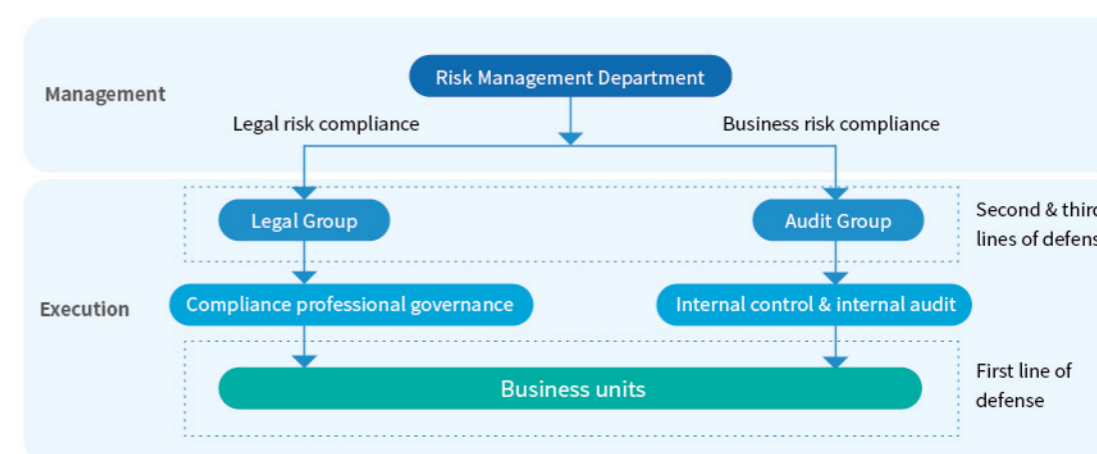
KTC's Finance Department has established a dedicated tax management team with clearly defined job responsibilities to ensure that incompatible positions are separated with checks and balances. In this way, a management mechanism that links decision-making, execution, and supervision is established.

Risk management

Risk management system

KTC's Risk Management Department coordinates and conducts related management work. The Company has established a risk management framework consisting of three lines of defense. Business units constitute the first line of defense, responsible for identifying and controlling compliance risks at the forefront of business development. The Legal Affairs Group operates as a second line of defense, conducting compliance risk review and supervision from a legal perspective. The Audit Affairs Group acts as the third line of defense, auditing and evaluating the Company's business compliance.

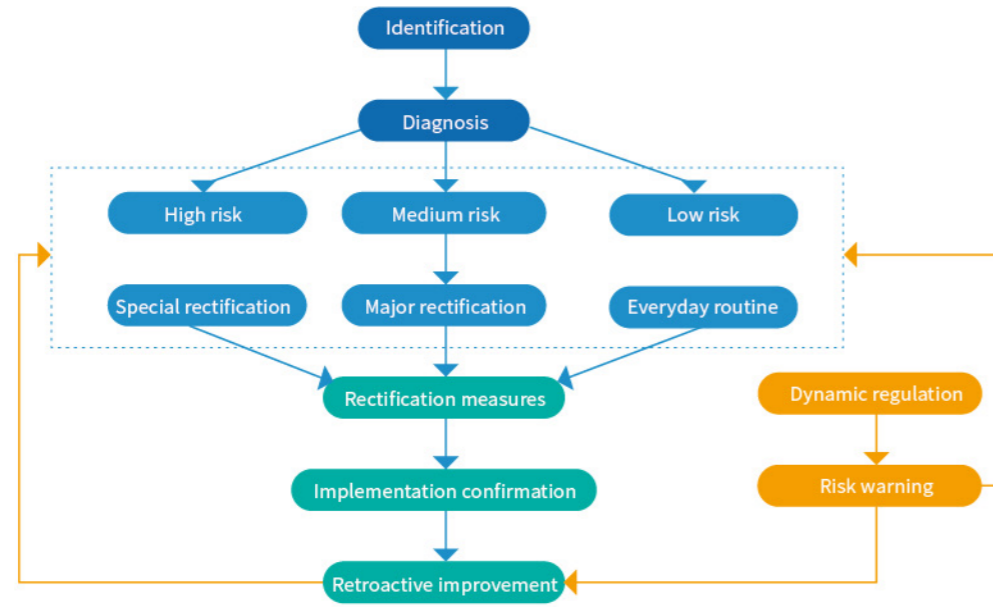
▲ Company risk management system



Risk identification

During the reporting period, KTC identified 34 compliance risks and established a Comprehensive Compliance Risk Warning List for the Construction of the Company's Compliance Management System, covering areas such as corporate governance, anti-commercial bribery, intellectual property, export controls, employment, anti-monopoly, and anti-unfair competition. For the identified risks, the Company carried out compliance risk prevention, assessment, and management in key areas, and incorporated relevant requirements into the entire process of product and service development. Based on risk level analysis and categorization, it implemented hierarchical control measures, including supplementing compliance clauses, improving the review process, issuing relevant guidelines, and strengthening training.

▲ Company risk identification process



● Risk management culture building

KTC views risk culture building as a crucial aspect of ensuring sound operations. During its regular risk management seminars, the Company discusses existing risk management problems and improvement measures and summarizes internal and external practices. It also regularly reports on risk monitoring and events through risk warning reports and semi-annual and annual risk reports. In the meantime, it has a risk culture promotion mechanism in place to foster all-employee involvement in risk management. For key positions, it organizes specialized risk management training and invites relevant personnel to join in. It communicates the key points of risk management to all employees through internal publicity and meetings to strengthen their risk awareness and compliance concept.

● Intellectual property protection culture building

KTC places great emphasis on intellectual property work and leverages training to enhance its employees' professional knowledge and practical skills in this field. The training, from basic theory to practical operations, covers many aspects including patents, trademarks, and copyrights, aiming to help employees establish a systematic intellectual property knowledge system.

KPIs

During the reporting period, the Company organized **7** comprehensive and in-depth intellectual property-related training sessions.

Intellectual property protection training



Intellectual property protection

● Intellectual property protection

KTC continuously improves its intellectual property management process. In accordance with the requirements of standards such as ISO 56005 (Innovation management—Tools and methods for intellectual property management—Guidance), GB/T 29490-2013 (Enterprise Intellectual Property Management Specifications), and GB/T 29490-2023 (Enterprise intellectual property compliance management system—Requirements), the Company has established institutional documents such as the Intellectual Property Management Manual, the Intellectual Property Management System, the Patent Management Regulations, the Intellectual Property Reward and Punishment System, the Intellectual Property Budget Management Measures, the Intellectual Property Risk Control Procedure, and the Intellectual Property Protection Control Procedure to improve the rules related to intellectual property creation, use, trading, and protection.

KTC focuses on areas such as personnel management, patent lifecycle management (acquisition, maintenance, use, protection, etc), product lifecycle management (project initiation, R&D, procurement, production, pre-sales, after-sales, etc), intellectual property management, and contract management to improve intellectual property risk management and avoid intellectual property legal disputes.

KPIs

By the end of 2025, the Company held **1,485** valid authorized patents and software copyrights, including **124** invention patents, **528** utility model patents, **195** design patents, and **638** software copyrights.



Green

low-carbon practices ensure ecological preservation



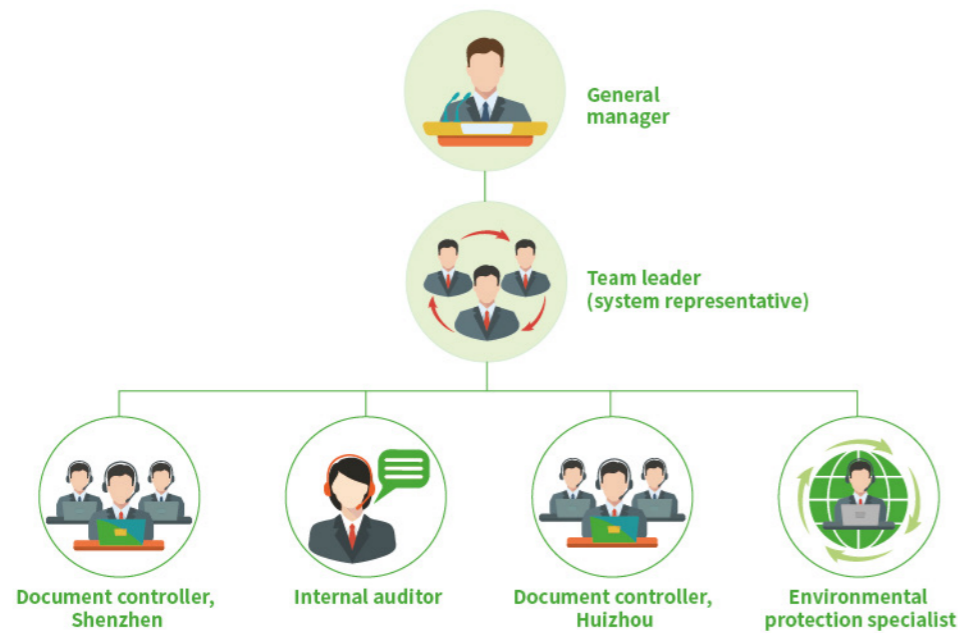
Response to SDGs



Environmental compliance management

Environmental management system

Following the policy of continuous environmental protection through energy conservation and consumption reduction, resource recycling, legal, clean emissions, KTC has established a unified environmental management system for its operations. At the management level, the Company's senior executives take the ultimate responsibility for environmental management and integrate environmental issues into the long-term corporate development strategy. On the execution front, the Company has created an environmental systems group, clarifying the overall planning responsibilities of the environmental division and the collaborative functions of various business units, as part of a top-down, well-defined environmental governance structure to ensure the effective implementation of environmental policies. Meanwhile, the Company has developed and continuously improved its environmental management document system, including the Quality, Environmental and Safety Management Manual, the Environmental Factor Identification and Evaluation Control Procedure, the Environmental Operation, Monitoring and Evaluation Control Procedure, and the Environmental and Safety Management Plan Control Procedure, in line with national laws and regulations and international standards. Through the establishment of a closed-loop process covering environmental impact identification, goal setting, operational control, monitoring and evaluation, and internal auditing and management review, the Company systematically manages and continuously improves its environmental performance.



KTC has pushed for and passed ISO 14001 environmental management system certification. Our practices in energy conservation, emissions reduction, and resource recycling at KTC have won us many honorary certificates from the government and industry organizations. These certifications and honors are not only a recognition of our environmental management but also an important driver for further deepening of our green operations.



Environmental risk management

To fully fulfill environmental responsibilities and effectively manage environmental risks during operations, KTC has formulated the Risk, Opportunity and Response Planning Control Procedure, defining clear processes and methods for identifying, analyzing, and evaluating environmental risks. Through institutionalized arrangements, the Company incorporates risk assessment results into its environmental management objectives and action plans to ensure that significant environmental risks are effectively managed and prioritized.

Environmental risk prevention and management measures

KTC strictly implements a daily environmental hazard inspection system by performing routine inspections for key processes and areas of production. Simultaneously, the Company equips and maintains necessary environmental monitoring equipment to monitor key emission indicators such as exhaust gases, wastewater, and noise in real time. It conducts regular environmental emergency drills to enhance employees' emergency response capabilities, ensuring that preventative measures are effectively implemented and emergency resources are readily available and operational.

Emergency response plan for sudden environmental incidents

In accordance with relevant national regulations and standards, KTC has developed a comprehensive emergency response plan for sudden environmental incidents, clearly defining incident classification, organizational command, emergency response, post-event handling, and information reporting mechanisms. The plan is regularly reviewed and updated and its operability is ensured through training and exercises for rapid, orderly and effective emergency response capabilities.

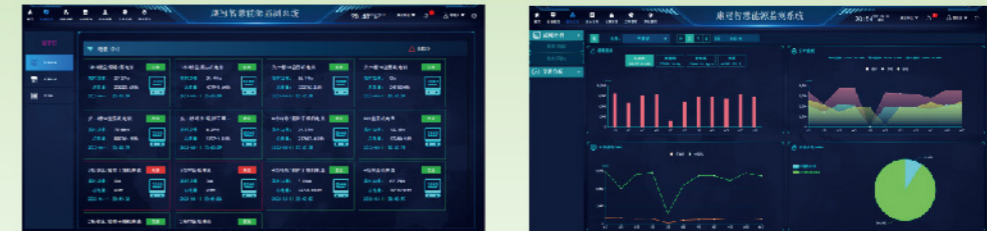
During the reporting period, KTC experienced no major environmental emergencies and incurred no significant administrative penalties related to environmental incidents. Going forward, the Company will continue to improve the long-term mechanism for environmental risk management and promote green operations and sustainable development to actively fulfill its environmental responsibilities and make due contributions to ecological environmental protection.

Clean production and green manufacturing

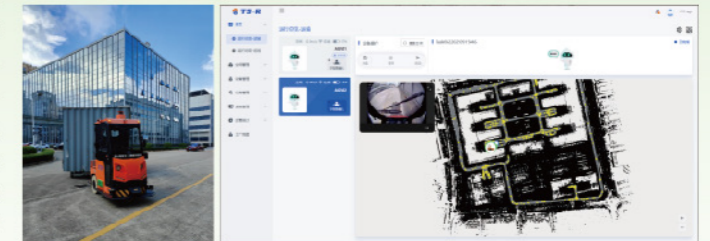
KTC systematically advances its transformation towards clean production and green manufacturing and continuously increases investment in areas such as clean technologies, energy-saving transformation, and pollution treatment. The Company has developed a systematic implementation plan for clean production, clarifying the goals and implementation paths for each stage. Through process optimization, equipment upgrading, and management enhancement, it reduces pollutant generation at the source to facilitate efficient resource utilization. Among the environmental technology transformation and facility upgrade projects it promotes are the optimization of waste gas treatment systems and the construction of rooftop photovoltaic systems factory-wide. Through the implementation of the circular economy and low-carbon transition, it has improved overall environmental performance in the form of reduced energy consumption, water consumption, and emission intensity per unit of output.

Case

- ✓ Refined energy and resources control: KTC has established a plant-wide energy management system (EMS) to monitor energy consumption, such as water, electricity, gas, and heat, as well as equipment energy efficiency in real time. By analyzing the correlation between production cycle time, order load, and energy consumption, equipment start-stop strategies and operating parameters are dynamically optimized for "on-demand energy supply."



- ✓ Green production transformation: Based on the concept of circular economy, whose essence is a closed loop of "resources - products - recycled resources," the Company systematically optimizes its production logistics. Through the introduction of intelligent automated guided vehicles (AGV), precise material delivery is achieved, significantly reducing line-side inventory and transportation waste.



- ✓ Digital pollutant and carbon emissions management: The Company has established an environmental monitoring system. Through the installation of multifunctional air quality transmitters at the gas outlet, the particulate matters and odor generated are monitored in real time.



Thanks to its continuous investment and remarkable achievements in green manufacturing and clean production, KTC has received many environmental certifications from the government and industry associations, including but not limited to green factory and green pioneer enterprise. The Company will continue to implement the concept of clean production and improve the green manufacturing system, as it is committed to building an efficient, clean, and low-carbon sustainable production model to contribute to green industry development and ecological conservation.



Environmental culture promotion

KTC systematically conducts environmental publicity and training programs and engages with external industry initiatives to continuously improve employees' environmental awareness and compliance capabilities and build consensus on green development. Through regular environmental-themed activities covering the interpretation of environmental laws and regulations, the practice of knowledge on the ISO 14001 environmental management system, the classified management of waste, and the implementation of 7S requirements, the Company has raised the environmental literacy and consciousness of employees. At the same time, it continues to promote green concepts via bulletin boards, internal publications, and digital platforms to create a culture of full employee participation in sustainability.

KTC environmental protection training



KPIs

In 2025, the Company conducted **20** environmental protection publicity and training sessions for **7,619** employees.

Pollutant emissions

Pollutant emission governance

KTC strictly complies with laws and regulations such as the Water Pollution Prevention and Control Law of the PRC, the Law of the PRC on the Prevention and Control of Atmospheric Pollution, and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes. The Company has continued to improve the environmental management system and developed the Environmental Operation, Monitoring and Evaluation Control Procedure in-house. By defining the procedures for pollutant control and treatment, the document provides clear guidelines for the management of pollutants such as wastewater, exhaust gases, and noise generated during the production and operation process, to ensure normal operation of environmental facilities, standard-compliant discharge of wastewater and exhaust gases, and effective control of factory boundary noise.

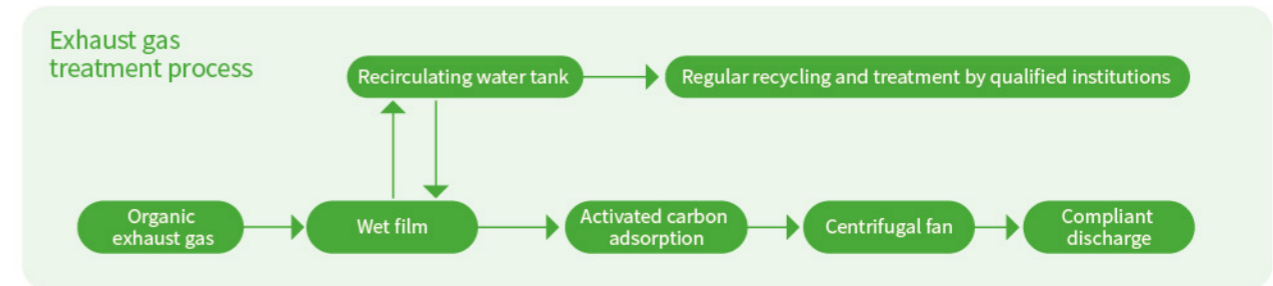
Pollutant treatment measures

KTC generates a small amount of exhaust gases, wastewater, and noise during the intelligent display-related production process. Through the establishment of targeted rules and regulations, the Company has effectively standardized the identification, evaluation, and control of environmental factors and hazards, with detailed provisions for exhaust gas, wastewater, and noise control measures. It strictly complies with the Emission Limits of Air Pollutants (DB44/27-2001) and the Integrated Wastewater Discharge Standard (GB8978-1996) for effective management of pollutant emissions.

▲ Exhaust gas management

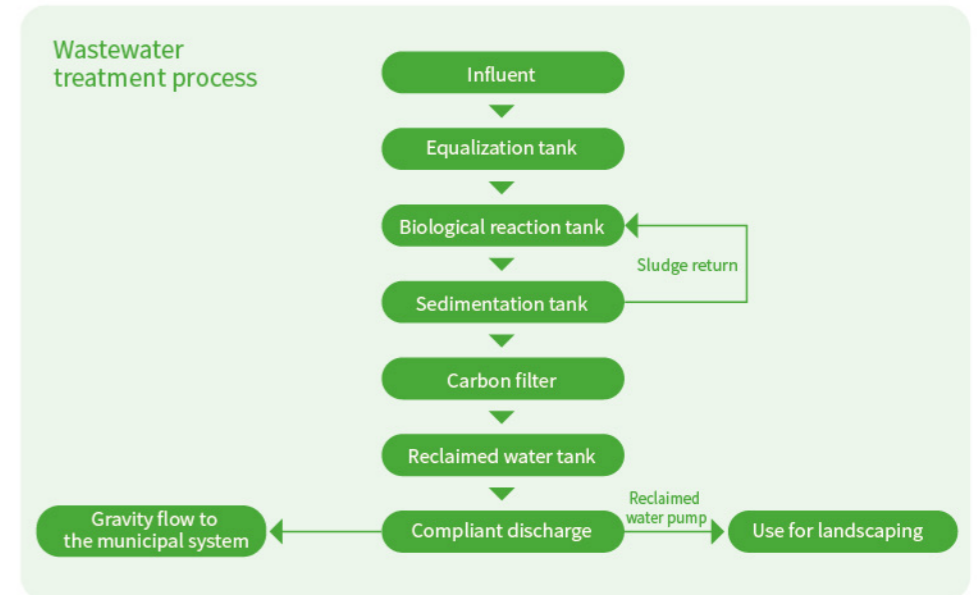
KTC first puts the exhaust gas from soldering in the wet water film filter box, then transports the treated gas to the activated carbon adsorption box for the adsorption of organic compounds, and finally moves that gas through a centrifugal fan for filtration to ensure standard-compliant discharge. By achieving centralized production through the optimization of production plans, the Company avoids frequent startup and shutdown during production and thus reduces the excess exhaust gas during startup.

According to the Environmental Operation, Monitoring and Evaluation Control Procedure, KTC tracks environmental targets and metrics regularly. For indicators that require external compliance assessment, it engages qualified external testing agencies for assessment every year. All the test results are satisfactory.



▲ Wastewater management

KTC's production process does not involve industrial wastewater discharge. Based on the Environmental Operation, Monitoring and Evaluation Control Procedure, the sanitary wastewater discharged by the Company strictly complies with the wastewater quality standards for discharge to municipal sewers (GB/T 31962-2015). The Company carries out water and energy-saving publicity from time to time, posting signs at faucets that state "Save water" and "Reuse water". Moreover, it promotes the importance and knowledge of water conservation on occasions such as the World Environment Day and Earth Day.



▲ Noise management

For effective prevention, control, and monitoring of noise hazards, KTC isolates noisy work areas and utilizes sound-absorbing materials and techniques to deaden noise and block transmission. Simultaneously, the Company provides workers in these areas with protective equipment such as earplugs and ear muffs, and mounts vibration absorbers and silencers on relevant equipment. Each year, it commissions a third party to perform noise tests on work sites and issue reports, and it regularly organizes occupational health checkups for workers. Through multi-dimensional and full-process measures, it puts noise management into practice.

🌿 Pollutant emission indicators and targets

The data obtained from regular annual tests on wastewater, exhaust gas and noise generated by KTC's factories meet the required national criteria. In 2025, the Company's environmental protection facilities operated well, and its pollution control measures complied with national and local environmental standards, with no serious environmental pollution incidents or significant adverse environmental impact incidents.

Significant environmental aspect	Goal	Indicator	Management solution	Frequency
Reflow soldering machine exhaust emission	Manage and control exhaust emissions for air pollution reduction	Comply with Class II criteria of the second period specified in DB44/27-2001	1. Add additional piping 2. Use rooftop water filters for treatment 3. Treat filtered wastewater annually	Twice per year
Generator exhaust emission	Manage and control exhaust emissions for air pollution reduction	Comply with Class II criteria of the second period specified in DB44/27-2001	1. Reduce generator usage 2. Use filtration devices	Once per year
Noise emission	Prevent and reduce noise pollution	Comply with Class II criteria specified in GB3096-2008	1. Undertake maintenance of relevant equipment to prevent abnormal noise 2. Provide earplugs to personnel working in exposed positions to reduce noise impact 3. Upgrade or replace equipment to reduce noise. Conduct regular noise emission tests annually to ensure compliance with standards	Once per year
Chemical leak pollution	Reduce soil pollution from chemical solvent leaks	Have zero chemical leakage incidents with significant environmental impact (long term)	1. Require training for field operations (including training on material safety data sheets (MSDS)) 2. Build warehouses dedicated to chemical storage 3. Have leak-proof sand or cloths on-site 4. Equip sufficient fire-fighting facilities	Once per year
Toxic and hazardous substance discharge	Ensure products meet the environmental requirements of all stakeholders	All products meet customer requirements for hazardous substance content	1. Compile a list of Restriction of Hazardous Substances (RoHS) materials and restrict the use of materials exceeding the standards 2. Specify the requirements and methods for testing toxic and hazardous substances 3. Request all suppliers to provide materials that meet the environmental requirements of stakeholders	Once per year

KPIs	Indicator	Unit	2023	2024	2025
	Total volume of industrial wastewater	m ³	11.19	11.73	11.21
	Total volume of domestic wastewater	m ³	336,562	399,032	362,550
	Total volume of wastewater discharge	t	336,574	399,044	362,561
	Chemical oxygen demand (COD) emissions	t	0.16	0	0
	Biochemical oxygen demand (BOD) emissions	t	0.06	0.06	0.06
	Ammonia nitrogen (NH ₃ -N) emissions	t	0.00025	0.00025	0.00025
	Total nitrogen (TN) emissions	t	0	0	0
	Total phosphorus (TP) emissions	t	0	0	0
	Total exhaust gas emissions	m ³	921,380,000	930,000,000	972,100,000
	Nitrogen oxide (NO _x) emissions	t	0	0	0
	Sulfur oxide (SO _x) emissions	t	0	0	0
	Volatile organic compound (VOC) emissions	t	0.51	34.6	22.4
Particulate matter (PM) emissions	t	0.002	0.002	0.011	



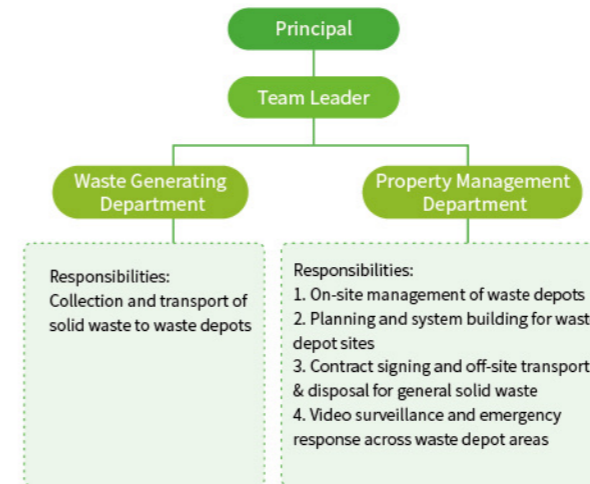
Waste disposal

🌿 Waste-related governance

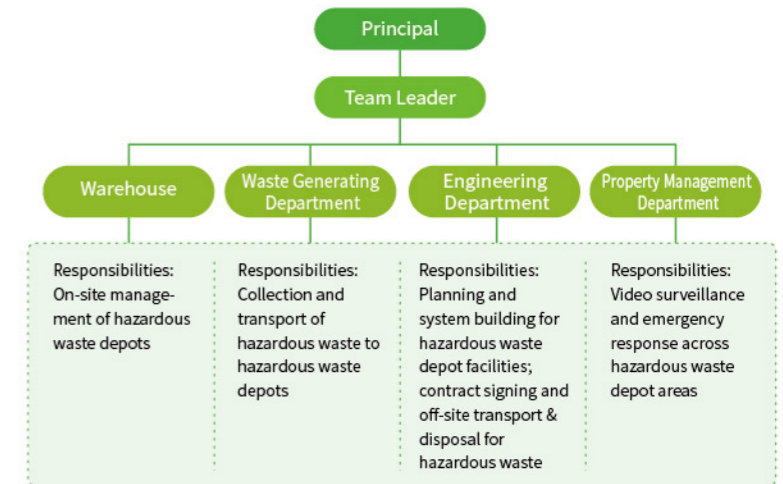
KTC strictly complies with the laws and regulations of the operating locations such as the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes, and has established an internal management system framework including the Chemicals Control Procedure, the Environmental Factor Identification and Evaluation Control Procedure, the Stakeholder Environmental Requirements, the Waste Management Regulations, and the Environmental Operation, Monitoring and Evaluation Control Procedure. By clarifying the pollutant control and treatment process, the Company systematically reduces emissions of wastewater, exhaust gases, hazardous waste, and general waste.

KTC implements full-process control from classified collection, storage, transportation to disposal. It has established a waste disposal ledger to record in detail the amount of waste generated and disposed of to form a traceable and monitorable closed loop of management.

General solid waste management organizational structure



Hazardous waste management organizational structure



🌿 Waste-related strategies

In strict compliance with in-house requirements such as the Environmental Factor Identification and Evaluation Control Procedure, KTC conducts routine environmental risk management to identify, assess and monitor environmental impact risk factors during its operations.

KTC follows the zero waste philosophy and minimizes the amount of waste that needs to be landfilled or incinerated through responsible production, consumption, recycling, and treatment. When it comes to waste disposal, the Company shifts from a linear "resource-product-waste" model to a "resource-product-recycled resource" closed-loop system to minimize waste generation and maximize resource value.

🌿 Waste disposal measures

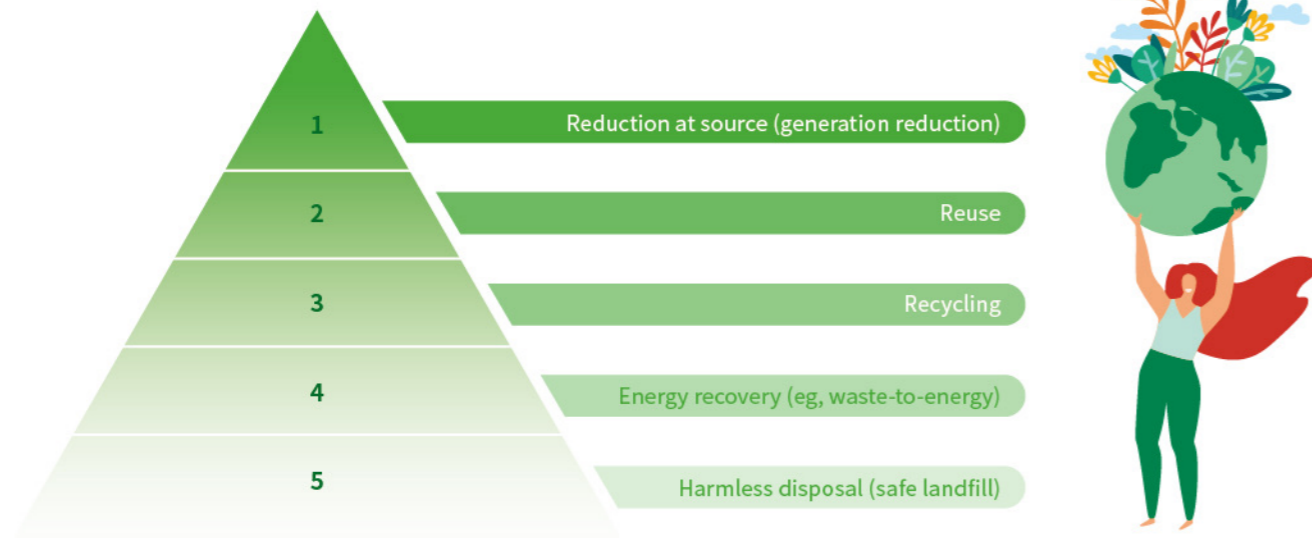
KTC handles waste generated during production and operations in strict accordance with laws and regulations, such as the Environmental Protection Law of the PRC and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes, and based on the requirements of the Waste Management Regulations in-house.



KTC's waste disposal measures



Waste management pyramid



Waste disposal indicators and targets

Significant environmental aspect	Target	Indicator	Management solution
General waste disposal	All production waste is processed daily by resource disposal specialists.	All types of waste identified based on the classification of environmental factors are disposed of in accordance with regulations.	The waste is categorized and collected by each production department and transported to the recycling area, where qualified recyclers engage in classified recycling on a daily basis.
Hazardous waste disposal	Reduce environmental impacts through the disposal of hazardous waste in accordance with regulations.	All environmental factors are identified, and all identified solid, liquid, and hazardous waste is disposed of in accordance with regulations.	<ol style="list-style-type: none"> Maintain proper signage at solid, liquid, and hazardous waste collection points and centralized storage areas. Send all solid, liquid, and hazardous waste to a third-party recycling vendor. Require hazardous waste disposal companies to have a hazardous materials handling license.

Water resource management

Water governance

KTC attaches great importance to water resource management. The Company has established a sound water governance system, integrating water resource management into its corporate governance and ESG management framework. At the supervision and decision-making level, the Board of Directors has created an ESG Committee headed by the Chairman, which is responsible for approving the Company's water resource management strategies, objectives and annual plans, monitoring their implementation, and regularly assessing water resource-related risks and opportunities. At the execution level, the Company's headquarters has set up a department dedicated to the coordination of full-process management from water withdrawal, use, discharge, to reuse, allowing for dynamic monitoring of water use through an information system.

Water resource management measures

KTC adheres to the principles of conservation priority, efficient utilization, and scientific management in water resource management. Through the adoption of diversified measures tailored to local conditions, the Company minimizes the development and use of water resources in production and operation processes. By resolutely eliminating any form of water waste, it strives to reduce water intensity in operations year by year.

KTC's water resource management measures

- Wastewater treatment**
 KTC pretreats domestic sewage in septic tanks and discharges it into the municipal sewage pipe network after meeting the standards. The Company entrusts industrial wastewater to qualified hazardous waste disposal units for standardized disposal to ensure safety and compliance throughout the wastewater management process.
- Water conservation**
 The Company utilizes sensor-based water valves and water-saving equipment in workshop toilets to reduce water consumption; it assigns dedicated personnel to strengthen the maintenance and management of water-saving facilities to ensure their normal operation. Through the installation of water-saving devices on faucets in the canteen, it significantly reduces employees' water use during cleaning. For park greening and irrigation, it has dedicated irrigation pipes. It uses automatic rotating sprinklers to allow for more area covered per unit water, reducing water consumption and improving water utilization.
- Water recycling**
 The Company uses central air conditioning water towers to recycle water. Due to the evaporative cooling of cooling towers and the circular flow of water, the heat generated by air conditioning units is released into the atmosphere, allowing cooling water to continuously cool the units. A closed pipe connection is created at the air conditioning condenser outlet to prevent impurity contamination. The condensate is channeled into the dedicated storage tank, and purified water is reinjected directly into the cooling tower. In this way, a circulation loop is established, leading to reduced reliance on municipal water.

Water resource management indicators and targets

To improve the efficiency of water resource utilization, KTC has set clear water management goals centered around reducing water consumption and increasing water reuse.

Water consumption targets: The Company aims to reduce water consumption per unit of product by 15% in the short term (2025-2027) and achieve water replenishment in the long term (2030).

Water reuse targets: The Company aims to increase the industrial wastewater reuse rate to over 85% to promote the recycling of water resources. By creating a closed-loop reuse system, it significantly increases the amount of water reused through the use of treated wastewater for non-potable purposes such as cooling and rinsing.

As the Company's operations continue to expand, its water consumption may fluctuate due to factors such as factory size adjustments, office layout optimization, and personnel changes. Based on current operations, it aims to keep the annual volatility of water consumption at its headquarters office building below 5% over the next five years and to reduce per capita consumption.

KPIs	Indicator	Unit	2023	2024	2025
	Total water withdrawals	t	246,457	420,046	381,643
	Total water consumption	t	200	220	240
	Water consumption per RMB million of revenue	t/RMB million	0.018	0.0163	0.0165
	Total water recycling and reuse	t	6,200	6,200	6,200
	Water recycling and reuse rate	%	96.88	96.57	96.27

To further improve the quality of environmental information disclosure, water resources statistics indicators have been refined in this report, with total water withdrawals and total water consumption listed separately. The figures in the previous report (2023) are consolidated figures. That is, the statistical method for these indicators in this report has changed.

Circular economy

Circular economy-related governance and measures

KTC always places the circular economy concept at the core of its sustainability strategy. It deeply implements the requirements of national policies such as the Circular Economy Promotion Law of the PRC and the 14th Five-Year Plan for Circular Economy Development and strictly complies with ISO 14001 (environmental management system) and GB/T 23331 (energy management system) standards. Apart from a green closed loop for the entire product lifecycle, it has created a special committee on the circular economy, which is directly led by senior management to coordinate resource recycling, green design and supply chain collaboration.

In active alignment with the national "dual carbon" goals, KTC integrates the requirements of the Evaluation Specifications for Green Manufacturing in the Electronic and Electrical Industry and the Regulations on the Management of the Recycling and Disposal of Waste Electrical and Electronic Products into the entire production process. Thanks to modular design optimization at the product design level, the dismantlability rate can reach 92%, with an over 30% increase in lifespan and a 25% reduction in waste rate. The use of recycled metal materials reduces primary resource mining by 40% and production energy consumption by 15%.

Raw materials and packaging materials

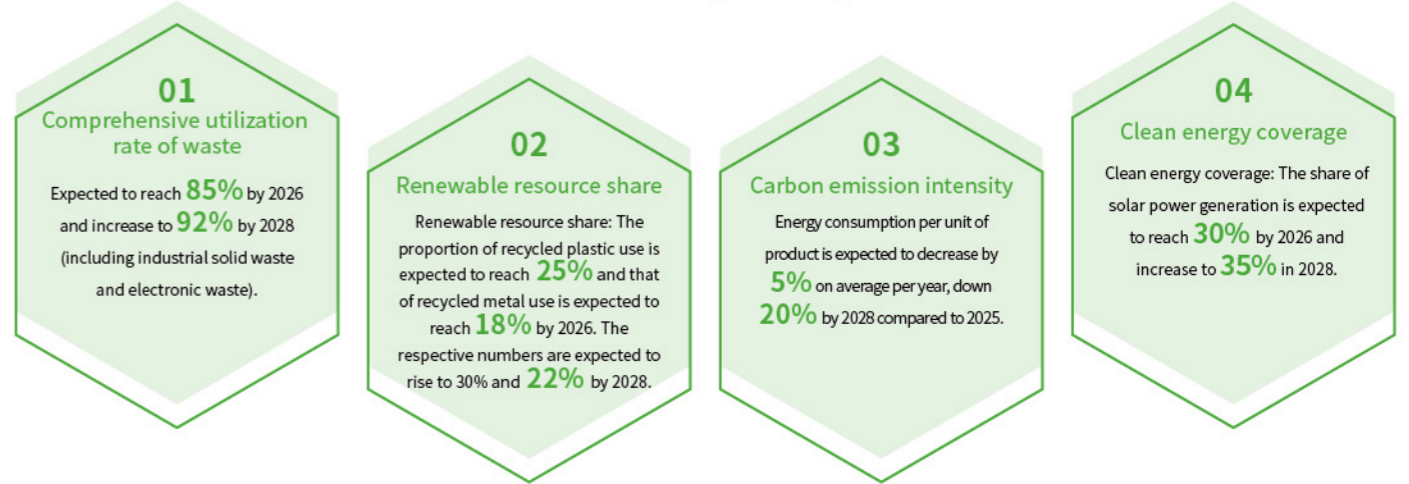
In the raw material procurement process, KTC follows the circular economy concept strictly and incorporates the principles of "reduction, reuse, and recycling" throughout the entire supply chain. By replacing primary metals with secondary metals and virgin plastics with recycled plastics, the Company improves the recycling of raw materials and reduces production costs. It encourages raw material suppliers to obtain carbon footprint certification. Through the establishment of a regional procurement network, it prioritizes local suppliers and favors eco-friendly materials in procurement. With these, it aims to achieve a dynamic balance between economic benefits and environmental protection and minimize adverse environmental impact in procurement processes.

KTC requires suppliers to recycle and reuse packaging materials to increase the number of recycling times. The classification and recycling of general solid waste generated during production not only meet the requirements of a circular economy but also reduce costs and increase efficiency. The Company achieved 95% general solid waste recycling at its plants in 2025 (with almost full coverage).

Circular economy goals

KTC has integrated the circular economy into its five-year plan, with clear objectives and paths to resource recycling enhancement.

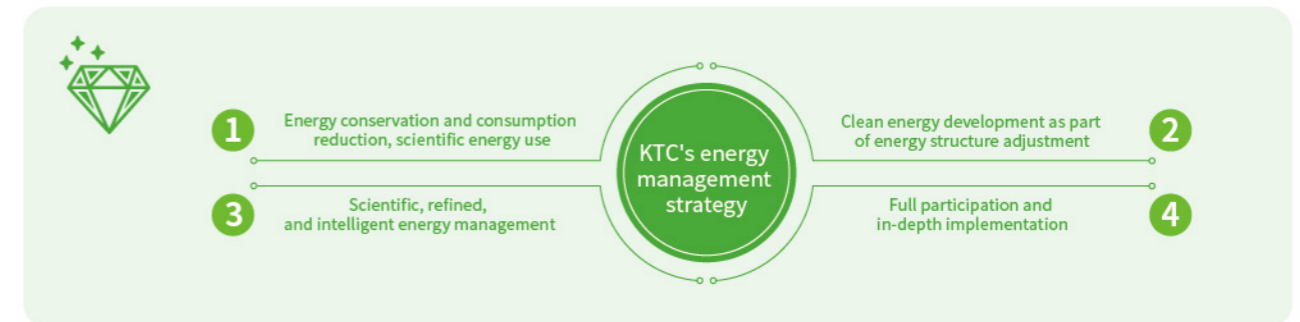
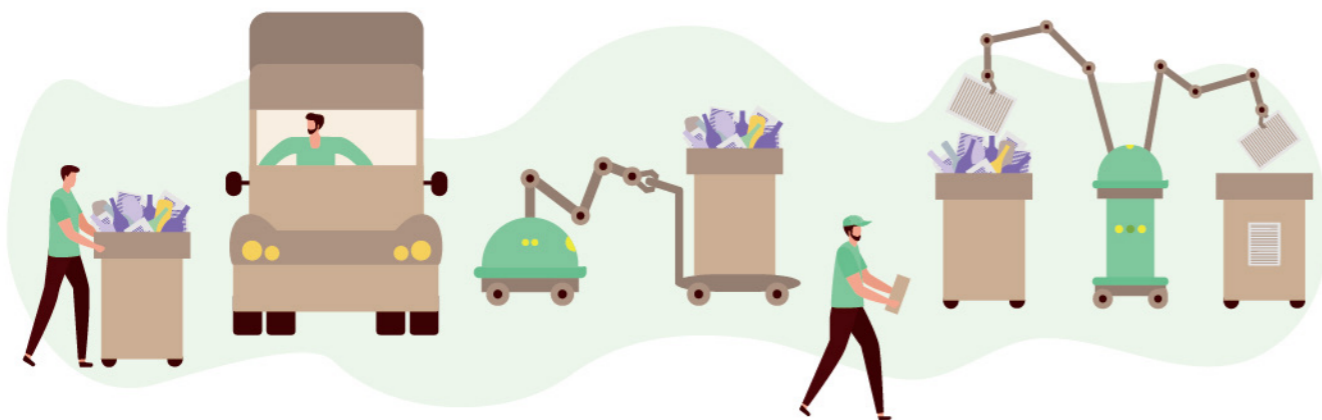
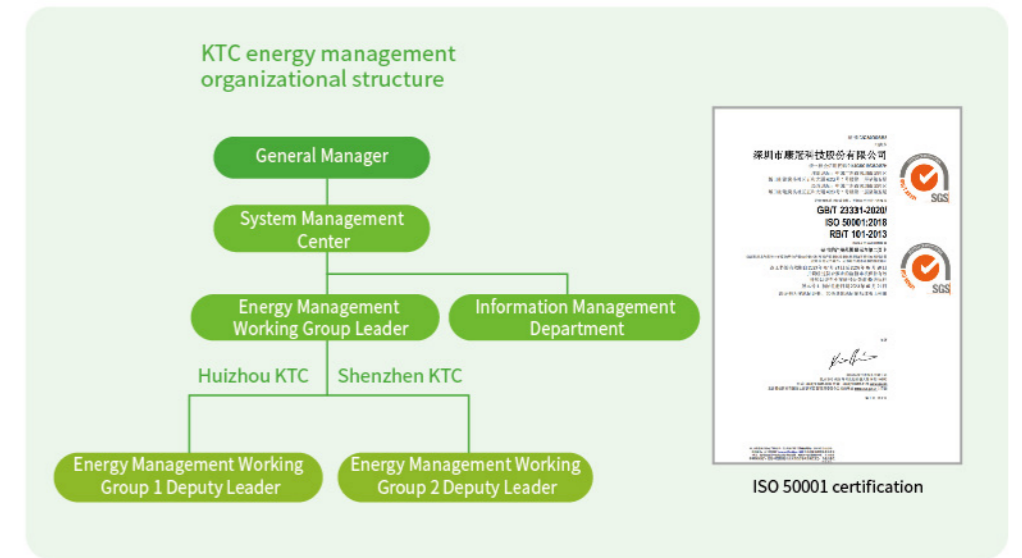
Circular economy-related goals



Energy management

Energy-related governance and strategies

KTC advances its green and low-carbon transformation with the ISO 50001 energy management system and introduces its framework and guidelines to support sustainable energy development to allow for the standardized and sustainable use of energy. In response to the national carbon peaking and carbon neutrality strategy, the Company curbs its electricity consumption and further reduce carbon emissions through the construction of photovoltaic power generation projects, the use of more energy efficient equipment, and the implementation of an energy management system.



Energy management measures

KTC strictly abides by laws and regulations such as the Energy Conservation Law of the PRC and pays close attention to new energy-saving and energy utilization technologies. It promotes equipment upgrade projects for energy saving and efficiency enhancement to continuously improve comprehensive energy utilization.

Energy utilization and energy-saving transformation

- 1 Energy management platform application:** The Company has built an energy management platform to work in conjunction with intelligent systems such as power supply and distribution management, air compressor management, air conditioning management, and photovoltaic power station management. The platform enables functions such as real-time plant and equipment energy monitoring, data collection and analysis, energy budget management, carbon emissions management, abnormal energy consumption warning, and automated control and scheduling for refined and intelligent energy management.
- 2 Photovoltaic power stations:** The Company completed the first and second phases of the photovoltaic power station at its Huizhou plant in 2022 and 2024, respectively, and the photovoltaic power station at its Shenzhen plant in 2025, with an average annual power generation of over 9.5 million kWh, equivalent to a carbon emissions reduction of 5,563t.
- 3 Lighting energy-saving transformation:** The Company vigorously promotes the energy-saving renovation of lighting in factories. By replacing ordinary LED lamps with high-efficiency energy-saving LED lamps, it improves the luminous efficiency by 80% while reducing wattage per lamp from 16W to 7.5W, resulting in a 50% decrease in electricity consumption. It has installed 23,330 energy-inefficient lamps through replacement projects, saving about 2.16 million kWh of energy and reducing carbon emissions by about 1,267t annually.
- 4 Freight AGVs:** The Company replaces fuel-powered trucks with automatic charging AGVs for the movement of materials between workshops. While cutting transportation costs, the change from gasoline to electricity reduces the use of fossil fuels, setting a successful example for energy structure transformation. The project reduces gasoline consumption by about 28,800L and carbon emissions by about 64.9t annually.
- 5 Central air conditioning energy efficiency upgrade:** The Company has built two large-scale centralized air conditioning systems with chilled water storage. Compared to traditional multi-split air conditioning systems, they can improve overall energy utilization by more than 10% and save over 500,000 kWh of electricity per year.

Energy management indicators and targets

KTC has set up an energy management working group, which establishes targets and energy indicators annually given the identified organizational environment, risks, and opportunities, coupled with laws and regulations, Company requirements, industry requirements, customer requirements, and other energy-saving initiatives, and in accordance with the corporate energy policy. Based on the established energy targets, in conjunction with the Company's realities including energy use, energy types, and energy-saving potential, energy-consuming departments are gathered together for discussion and confirmation. The targets are, based on historical data and reality, further broken down into departmental energy indicators, which are then reviewed and implemented by energy-consuming departments.

	Indicator	Unit	2023	2024	2025
KPIs	Total comprehensive energy consumption	TCE	5,981.68	6,898.54	6,070.53
	Comprehensive energy consumption intensity per RMB million of revenue	TCE/RMB millionTCE	0.45	0.44	0.56
	Direct energy consumption	TCE	717.62	920.78	927.17
	Indirect energy consumption	TCE	5,264.06	5,977.76	5,143.35
	Clean energy consumption	TCE	717.62	920.78	927.17
	Share of clean energy in total energy consumption	%	12.00	13.35	15.27

Ecosystem and biodiversity conservation

In the face of increasing global stakeholder interest in ecosystems and biodiversity, KTC will continue to monitor and respond to the potential impact of business activities on ecosystems and biodiversity. In strict compliance with relevant national laws, regulations and policies, including the Opinions on Further Strengthening the Protection of Biological Diversity, the Law of the PRC on Prevention and Control of Soil Contamination, and the Regulation on Groundwater Management, the Company identifies and assesses the potential impacts of its operational activities on ecosystems to minimize these impacts.

Based on the principle of "suitable trees for suitable sites", KTC scientifically selects and plants tree species that are suited to local climates to add a touch of greenery to the environment. In 2025, the Company supported the improvement of the park's ecological environment with 1,432.92 square meters of ground cover plants.

Currently, KTC has no facilities located in biodiversity-sensitive areas, and it has not recorded any incidents of damage to the surrounding ecological environment or biodiversity during its operations. It promises to avoid or minimize damage to forest resources and biodiversity, and to protect the integrity and stability of the natural ecosystem.

Climate actions

KTC attaches great importance to the impact of climate change on its operations. The Company has stated support for the Task Force on Climate-Related Financial Disclosures (TCFD) initiative. With reference to the TCFD initiative framework, it has identified climate-related risks and opportunities that may affect it and taken effective countermeasures. It highlights Climate actions as a key strategic priority for enhancing corporate resilience and driving long-term development. With the concept of sustainable development, it consistently drives both corporate and society's green transformation, and transforms climate risks into development opportunities for the sake of coexistence and common prosperity for itself, the environment, and society as a whole.

Climate risk management framework

KTC has established a Board of Directors-led ESG governance system and multi-layered management structure. The ESG Committee is responsible for overseeing climate-related risks and opportunities to ensure strategies and policies comply with national and international standards. A Climate Action Task Force established under the ESG Working Group integrates resources across production, R&D, finance, and other departments for closed-loop management. Simultaneously, the Company has developed a climate risk management system to address operational risks stemming from climate change.

KTC's Board of Directors includes independent non-executive directors from climate risk and sustainability backgrounds, covering areas such as policies and regulations, low-carbon technologies, risk management, and financial analysis. By organizing regular specialized climate and environmental training, the Company continuously enhances the professional competence of relevant personnel to ensure the scientific and targeted nature of governance decisions.

KTC has established a routine climate information reporting mechanism so that the governing body obtains relevant information in a timely and accurate manner through monthly ESG briefings and quarterly Board of Directors meetings. Business units and functional departments regularly submit information on climate-related data indicators, risk and opportunity identification results, and goal completion statuses to the competent body. The competent body summarizes, analyzes, and validates the information before reporting to management. Management incorporates climate-related information into annual corporate sustainability reports and presents them to the Board of Directors for review.



Climate-related strategies

KTC identifies climate-related risks and opportunities by referencing the latest domestic and international policy requirements and industry standards for Climate actions.

Major climate-related impacts

KTC's total greenhouse gas emissions from its operations and throughout its value chain are relatively low and have an overall manageable impact on the climate. From an environmental perspective, the Company maintains low carbon emissions intensity across its own operations and upstream and downstream value chain in the industry, with limited potential impact on the regional ecological environment and global climate governance. From both economic and social perspectives, it continues to deliver green products and services to stakeholders through low-carbon transformation, highlighting its value in helping society achieve low-carbon goals.

Climate-related risks and opportunities

Based on its business model, value chain, industry characteristics, and stakeholder communication, KTC has screened and identified the climate-related risks and opportunities it faces, and analyzed the current and expected financial impacts and impact periods for each risk and opportunity. The expected impact period is divided into short-term (about 1 year), medium-term (about 5 years), and long-term (to 2050), coinciding with the Company's short-term development plan for the next year, medium-term development plan for the next five years, and long-term development plan through the middle of this century, respectively.

Risk/opportunity type	Risk/opportunity factor	Impact period	Risk/opportunity description	Financial impact	Response
Transformation risks	Increasingly tightening climate information disclosure requirements	Short, medium, and long term	Amid rising regulatory standards for climate information disclosure, it is necessary to improve the disclosure system and strengthen data accounting and reporting to ensure compliance with standards	Current: Consulting and labor costs in disclosure preparations. Expected: Continued investment in disclosure mechanism optimization in the short, medium, and long term, at a manageable overall cost	Create a climate data accounting system, bring in a professional team for disclosure process optimization, and establish a regular information disclosure mechanism
	Stricter environmental oversight throughout the product	Short, medium, and long term	Stricter environmental oversight from product development and production to abandonment makes it necessary to align with lifecycle environmental standards through increased investment in compliance management	Current: Low cost associated with product environmental impact assessments. Expected: Increased investment in full-process management in the short and medium term; stable costs with standardization in the long term	Integrate environmental requirements into product design and development, enhance environmental control in production processes, and establish an environmental assessment system throughout the product lifecycle
	Deepening carbon pricing mechanisms and carbon tax/quota policy implementation	Short, medium, and long term	Due to the introduction of carbon taxes and the tightening of carbon emissions quotas, the need to pay taxes or purchase quotas for high-emission production processes drives up operating costs	Current: No carbon tax or quota-related expenditures yet. Expected: Some of the pressure coming from taxes and fees post policy implementation to be offset by emissions reduction	Set corporate targets for carbon emissions reduction, optimize production processes for lower carbon emissions, and make reasonable plans for the use of carbon emission quotas
	Elevated renewable energy substitution requirements	Short, medium, and long term	Policies promoting the substitution of fossil fuels lead to fluctuations in green electricity procurement costs and pressures for investment in self-built photovoltaic projects	Current: Green electricity procurement costs. Expected: Continued investment in green electricity procurement/photovoltaic construction in the short and medium term; lower costs with economies of scale in the long term	Develop distributed photovoltaic projects and sign long-term purchase agreements with green electricity providers to gradually increase the proportion of renewable energy use
	Low-carbon technology upgrades and increased innovation requirements	Short, medium, and long term	In the context of low-carbon transformation, it is necessary to continuously invest in R&D to promote low-carbon upgrades in production processes and product technologies	Current: R&D investment in low-carbon technologies and products. Expected: Continued R&D investment in the short, medium, and long term, with some of the costs to be offset by green revenue	Establish a special low-carbon R&D project, with a focus on the R&D and implementation of energy-saving technologies and low-carbon production processes for display products
	Shifting market preference for low-carbon/e-co-friendly products	Short, medium, and long term	The demand for high energy efficiency, low-carbon display products is increasing. Lagging technological iteration may lead to customer loss and market share reduction	Current: No significant impact on revenue; a slight increase in revenue from low-carbon products. Expected: Manageable investment. The continuous performance optimization of low-carbon products can ensure stable revenue growth	Focus on the R&D of high energy efficiency displays and improve the low-carbon performance indicators of products to meet the market's green demand

	Carbon reduction policy pass-through to the supply chain	Short, medium, and long term	Upstream suppliers raise raw material prices in the face of increased operating costs due to carbon reduction policies. Insufficient climate response on the part of upstream and downstream partners can cause supply chain disruptions	Current: No wild fluctuations in raw material pricing; no related impact on the supply chain. Expected: Potential supply chain disruptions amid procurement cost fluctuations in the short, medium, and long term	Establish green supply chain standards, sign sustainable procurement agreements with suppliers, build a diversified supplier system, and prioritize partners with strong climate resilience	
Acute physical risks	More frequent extreme weather events such as floods, heat waves, and storms	Short, medium, and long term	Extreme weather events tend to damage production facilities, disrupt supply chain logistics, and create instability in regional energy supplies, thus affecting production and operations	Current: No related incidents; no financial losses. Expected: Possible facility maintenance and production downtime costs; overall manageable risk	Strengthen production facilities and equipment, establish supply chain logistics emergency plans, build an energy supply backup guarantee system, and purchase property-related insurance	
Chronic physical risks	Extreme high/low temperatures caused by abnormal weather conditions	Short, medium, and long term	Abnormal temperatures may lead to power shortages and increased costs for production environment control, potentially affecting the stable operation of production lines	Current: No significant impact on production and operations; no additional cost increases. Expected: Slightly higher cooling/heating costs, with a limited impact on operations in the short, medium, and long term	Optimize the energy control system in workshops, establish a power supply monitoring mechanism, and use energy-saving temperature control equipment for energy consumption reduction	
	Increased pressure of water shortages	Long term	Climate change is causing water shortages and increasing the cost of water for production, which may affect the security of water supply in production processes	Current: Stable supply of production water, with no additional water costs. Expected: A slight increase in water costs in the long term, but no major risk to water supply security	Promote technological upgrades for production water recycling, build a water consumption monitoring system, and establish stable supply cooperation with local water authorities	
Opportunities	Low-carbon technology upgrades and innovation breakthroughs	Short, medium, and long term	Amid the trend of low-carbon transformation, increasing R&D investment in energy-saving displays and low-carbon production technologies helps to build technological strengths and product competitiveness	Current: R&D costs associated with investment in low-carbon technologies. Expected: Lower operating costs and new green business growth after the implementation of technological achievements	Focus on the R&D of high energy efficiency displays and low-carbon technologies (including intelligent energy management) and accelerate the industrial application of scientific and technological advances	
	Growing demand for low-carbon/high energy efficiency display products	Short, medium, and long term	The global green transition is driving demand for high energy efficiency displays. Meeting this demand can open domestic and foreign markets and boost	Current: Steadily increasing revenue from low-carbon products; higher revenue from overseas green operations. Expected: Increasing revenue share from low-carbon products along with further market share expansion in the short, medium, and long term	Develop high energy efficiency displays, expand low-carbon application scenarios such as smart energy and remote collaboration, and enhance green product promotion globally	
	Energy efficiency improvement and renewable energy utilization	Short, medium, and long term	Energy-saving renovations and photovoltaic installations reduce energy consumption and operating costs while enhancing energy supply security and cost competitiveness	Current: Energy-saving renovation investment and photovoltaic construction costs. Expected: Operating cost optimization through significantly reduced energy expenditures in the medium, and long term	Promote energy-saving renovations of production facilities, develop distributed photovoltaic projects on a large scale, and establish an intelligent energy management system	
	Green collaboration across the supply chain and value chain resilience enhancement	Short, medium, and long term	Developing eco-friendly materials and low-carbon processes in collaboration with upstream and downstream partners can help maximize resource efficiency across the entire chain and build a highly resilient and sustainable supply chain	Current: Costs associated with investment in green R&D and cooperation in the supply chain. Expected: Reduced supply chain compliance costs and improved supply chain operational efficiency in the medium and long term	Design a green supply chain management system, develop low-carbon materials/production processes together with partners, and cultivate key green suppliers	

▲ Climate response strategy and transformation plan

To systematically address climate change and seize the opportunities of low-carbon transition, KTC has developed a climate transition plan covering operations, products, and the value chain.

1. Deepening operational decarbonization: We will continue to expand rooftop photovoltaic installations at our own sites and increase our green electricity procurement, with plans to significantly raise the proportion of renewable energy use by 2030.
2. Driving green product innovation: We will increase R&D investment in low-power display technology and eco-friendly materials to ensure continued leadership in the energy efficiency standards of new products.
3. Building a resilient value chain: We will establish a mechanism for supplier carbon management capacity evaluation and collaboration enhancement, prioritizing the inclusion of partners with excellent environmental performance.

▲ Climate adaptability assessment

In response to the increasingly significant physical impacts of climate change, KTC has launched a systematic climate adaptability assessment aimed at identifying potential vulnerabilities and developing targeted measures to strengthen long-term operational and value chain resilience.

With a focus on our production facilities, key supply chain nodes, and major market areas, we have conducted a preliminary analysis of physical risks such as extreme heat, heavy rainfall and typhoons referencing recognized climate scenarios (such as IPCC SSP). The assessment combines factors such as geographical locations, asset characteristics, and business continuity dependencies.

1. Production facilities: In view of the risks of water supply disruptions or power problems that extreme weather could cause, we have moved to promote the construction of a rainwater harvesting system at our plants while assessing the installation of backup power sources and enhancing the disaster resistance of plant roofs and drainage systems.
2. Supply chains: We identify regional single-source suppliers vulnerable to climate events and enhance overall supply chain resilience by diversifying procurement sources, sharing weather warnings, and collaboratively developing business continuity plans.
3. Products and services: We analyze changes in market demand, assess the long-term impact of climatic conditions, such as high temperatures and humidity, on product durability and reliability, and feed information back to R&D, design and quality testing standards.

🌿 Climate management indicators and targets

KTC has set phased, verifiable emissions reduction targets in line with the standards of the Science Based Targets initiative (SBTi). The short-term focus is on continuously increasing operational energy efficiency and the proportion of green electricity used, while the medium- and long-term focus is on driving low-carbon transformation across the value chain through green innovation.

	Indicator	Unit	2023	2024	2025
KPIs	Total greenhouse gas emissions	tCO ₂ e	24,569.68	27,933.89	22,596.82
	Scope 1 greenhouse gas emissions	tCO ₂ e	131.07	124.01	105.91
	Scope 2 greenhouse gas emissions	tCO ₂ e	24,438.61	27,809.88	22,490.91

Note: To enhance data comparability and accuracy, this report revisits the greenhouse gas emission goals in the 2023 report, mainly due to improved statistical coverage, updated data sources, and optimized accounting methods.

🌿 Carbon emissions reduction measures

In the global effort to address climate change, KTC integrates carbon emissions reduction into its operations and strategy to systematically promote a green and low-carbon transformation. In response to the national dual carbon goals, the Company is committed to reducing its carbon footprint across its offices, operations, transportation, and product lifecycle through technological innovation and energy efficiency improvements.

▲ Green products

At KTC, we incorporate the environmental concept into our product design and R&D. Our intelligent display products use energy-efficient designs and eco-friendly materials to help end-users reduce electricity consumption. By providing energy-efficient, durable, and more recyclable products, we indirectly support upstream and downstream partners and consumers in reducing their environmental impact.

▲ Green transportation

A global operator, KTC derives about 80% of revenue from overseas markets. Logistics is also a crucial area for us to fulfill our environmental responsibility and reduce our carbon footprint. Specifically, ocean freight, trailer services and domestic transportation are all key links in our logistics supply chain. Therefore, we are systematically promoting green transportation transformation. In terms of ocean freight, we prioritize partners with environmental certifications and optimize routes and loading efficiency to reduce carbon emissions per unit of freight. For landside logistics, we prefer companies with electric trailer fleets, optimize transportation routes, and leverage higher-altitude warehousing for potential energy conversion into kinetic energy, thereby improving energy efficiency and protecting the environment.

▲ Green office

KTC adheres to the concepts of energy conservation and emission reduction and low-carbon office practices. Through our systematic management mechanism and regular publicity and education, we aim to create an energy-saving and low-carbon working environment.

Green office initiatives

1. KTC promotes environmental policies, systems, and knowledge through channels such as bulletin boards, subscription accounts, intranet, regular meetings, and information sessions to enhance employees' energy-saving awareness. We encourage employees to adopt green habits, such as turning off lights when leaving a room and using only what is needed and recycling as much as possible, to create a low-carbon environment where they all participate and voluntarily comply.
2. As for lighting and air conditioning management, we promote the use of energy-saving lamps and the turning off of lights when not in use. We implement strict air conditioning temperature controls and require employees to keep temperatures no lower than 26°C in summer and no higher than 20°C in winter. Employees must switch off desktop monitors when leaving for short periods and turn computers and sockets off when leaving for extended periods or at the end of the day. Dedicated personnel are assigned to conduct daily inspections to ensure that unnecessary power sources are turned off and lights are not left on or in standby mode for extended periods.
3. In terms of water conservation, we advocate the consumption of drinking water on demand, replace disposable cups with reusable ones in meetings and daily office operations, and strengthen inspections of water-using equipment for timely reporting of leaks.
4. Regarding office supplies, we advocate paperless office and promote electronic approval and online document collaboration and storage to reduce paper consumption for printing. We choose to rent printers and have toner cartridges and batteries recycled by specialized companies to promote the standardized disposal of hazardous waste. In 2025, we saw a significant reduction in major office supplies: office paper consumption decreased by 14.93% year on year; toner cartridge consumption dropped by 34% year on year; and battery consumption declined by 89% year on year.

	Indicator	Unit	2023	2024	2025
KPIs	Electricity saved by green office	TCE	764.25	989.8	1,904.5
	Paper weight saved by green office	t	/	16.05	1.09
	Water saved by green office	t	/	/	421,881





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Response to SDGs

- 9 产业、创新和基础设施
- 12 负责任消费和生产
- 13 气候行动
- 17 促进目标和实现的伙伴关系

Product quality and safety

Product quality-related governance

KTC strictly adheres to quality-related laws, regulations and standards in all its operating locations worldwide, including the Product Quality Law of the PRC and the Standardization Law of the PRC. According to international standards, such as China RoHS, EU RoHS, EU REACH, the US TSCA, EU POPs, German GS PAHs, the EU Battery Directive, and the EU Packaging Directive, the Company strictly controls the quality and safety of product materials. As of 2025, it acquired international management system certifications such as ISO 45001, ISO 9001, ISO 14001, QC 080000, ISO 27001, and ISO 50001 and reported no product quality and safety law violations.

KTC has created a documented quality management system, introduced a Quality, Environment and Safety Manual, and developed systems for different management functions, such as the Product Certification Control Procedure, the Non-Conformity Control Procedure, the Conformity Assessment Procedure for Hazardous Substance Management, the Incoming Quality Control Specification, and the KTC Environmental Substances Management Regulations. All of the Company's departments must, in strict accordance with the requirements of the Quality, Environment and Safety Manual, consciously implement the principles outlined in the Manual and rigidly enforce all provisions herein to ensure product quality and safety.

▲ KTC quality system certifications



To verify product quality and management capabilities, KTC pursues and secures certifications and accreditations from reputable organizations at home and abroad. Its core products meet industry and international quality and safety certifications, such as CB, CE, CCC, and UL, as well as energy efficiency standards, paving the way for enhanced customer trust and market access.

▲ Core product quality and safety certifications



Through long-term operations, KTC has gained recognition from the government and industry for its practices in product quality, corporate credit, and sustainable development. Among its honors are a top 100 private enterprise in Guangdong province, a top 100 manufacturing enterprise of the year, an enterprise credit rating certification, and a typical case of private enterprises developing new quality productive forces.



Product quality management risks and opportunities

In accordance with its ESG governance requirements, KTC has systematically identified and assessed operational risks and opportunities related to product quality, with a view to building a more resilient quality management system and seizing market opportunities in the context of high-quality development.

In terms of risks, product quality defects may lead to increased customer complaints, higher after-sales costs, brand reputation damages, and even compliance disputes and trade barriers, posing challenges to the Company's financial performance and market position. Supply chain quality fluctuations and raw material inconsistency could also have a potential impact on production stability and product reliability.

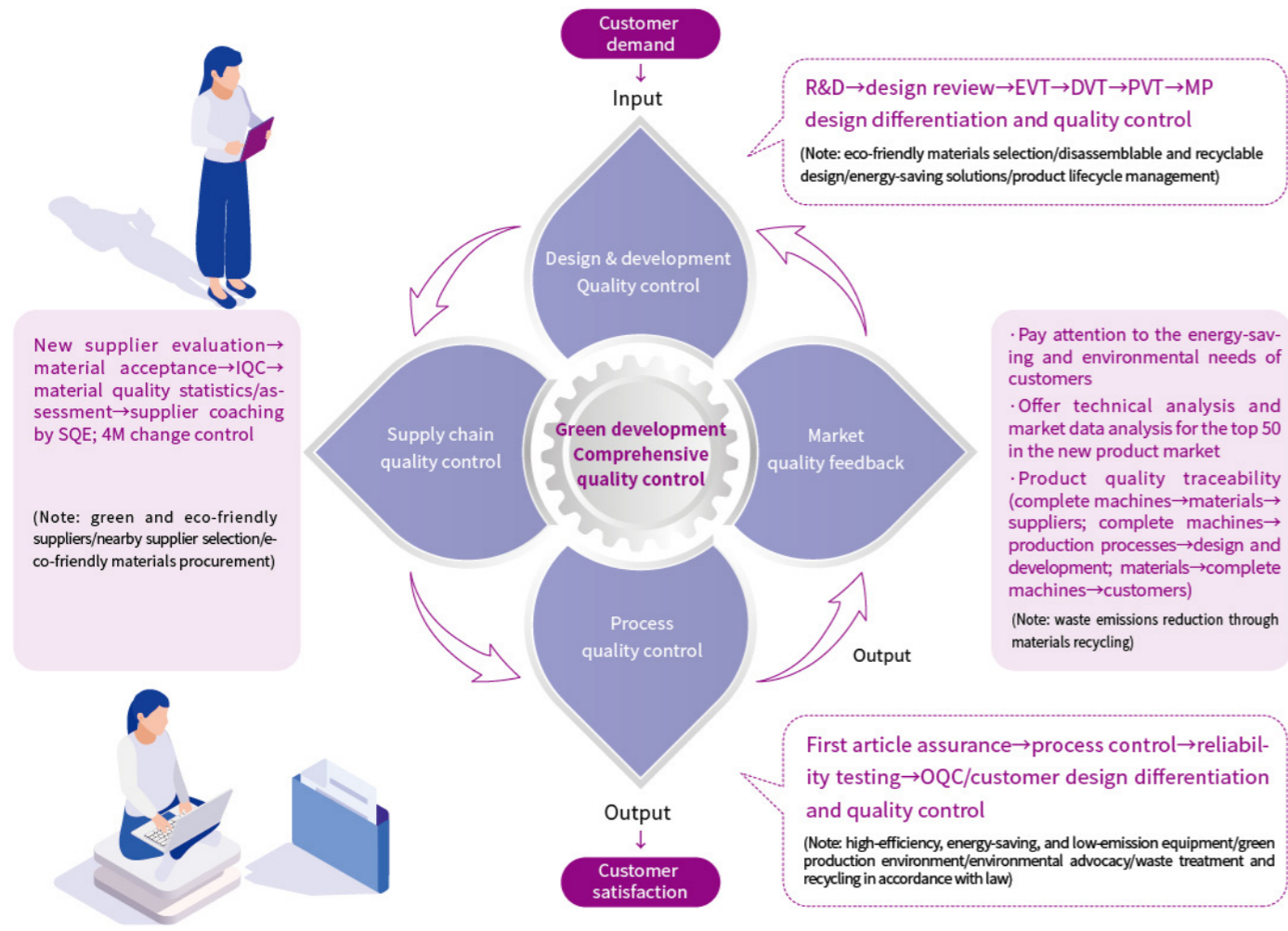
In terms of opportunities, by improving product quality consistency, reliability, and durability, the Company can not only enhance customer trust and satisfaction and establish a differentiated competitive advantage, but also reduce repair and warranty costs and improve resource utilization efficiency. High-quality product performance also helps to expand into high-end markets, pursue green certifications and standards recognition, and enhance the brand image in sustainability contexts, laying the foundation for long-term value creation.

Product lifecycle management

To systematically fulfill its commitments to product safety, quality excellence, and sustainable development, KTC has established and continuously improves a quality management system throughout the product lifecycle.

▲ Full-process quality control and continuous improvement mechanism

KTC has set up standardized quality control nodes and improvement mechanisms that cover the entire process from product design, raw material procurement, manufacturing to after-sales service. By systematically applying advanced quality management methods and combining monthly quality target statistical analysis and annual review, the Company promotes process optimization and product quality improvement to achieve closed-loop management with an emphasis on prevention and continuous improvement.



▲ Multi-level product quality testing system

At KTC, we have established a full-process testing mechanism that covers incoming inspection, process monitoring, and finished product testing, enabling strict monitoring and data traceability for key quality indicators to ensure that products meet the design and specification requirements at each stage.

Quality culture building

KTC is keenly aware that outstanding product quality stems not only from rigorous systems and processes, but also from a deeply ingrained quality culture involving all employees. To this end, the Company has systematically conducted a series of quality management-themed training and culture promotion sessions. In 2025, it organized more than 30 quality culture promotion and training sessions for over 5,000 employees across departments such as production, engineering, R&D, and quality, aiming to internalize the core principles that promote quality first and continuous improvement into the activities of employees.



Quality management-themed training



Handling of non-conforming products and quality & safety accidents

KTC has established a systematic and transparent process and management system for non-conforming product handling, which covers the entire process from internal non-conforming product control to product recalls, to ensure the effective prevention and decisive response to potential quality risks.

In terms of internal process control, KTC has developed the Non-Conformity Control Procedure, defining a clear mechanism for the identification, isolation, review, and handling of non-conforming products. Any products found to be non-compliant with established standards during inspection or testing are immediately identified and isolated to prevent unintended use or distribution. Subsequently, the Quality Department organizes a root cause analysis and implements standardized handling procedures such as rework, scrap or special approval based on the review results. To prevent recurrence at the source, all actions must be documented and corrective and preventative measures implemented.

For products already on the market, KTC has formulated the Product Recall Control Process, clarifying the recall conditions, tiered response mechanisms, cross-departmental collaboration responsibilities, and open communication processes. Once a systemic defect that may affect consumer safety or rights is identified, the Company will start the traceability system to accurately identify affected product batches and their distribution paths, and implement recall plans efficiently and in accordance with laws and regulations to minimize social risks and protect consumer rights.

Product quality management indicators and targets

KTC has dedicated statistics employees to track the accomplishment of quality targets on a monthly basis for summarization and analysis. In case of non-compliance, the Company promptly pushes the quality review and improvement report to the responsible departments, urging them to conduct root cause analysis and implement corrective and preventive actions, so as to establish a closed-loop management mechanism of "planning-execution-inspection-improvement".

In addition, the Company systematically assesses and reviews the achievement of its annual quality objectives at the end of each year to identify shortcomings and opportunities for improvement in the management system and establish an annual quality improvement plan for continuous optimization.

KPIs

To continuously improve its quality performance, the Company has designed measurable, traceable quality KPIs: Product delivery on-time rate: **≥ 90%**;
 Customer satisfaction score: **≥ 92**; and
 HSF qualification rate: **100%**.

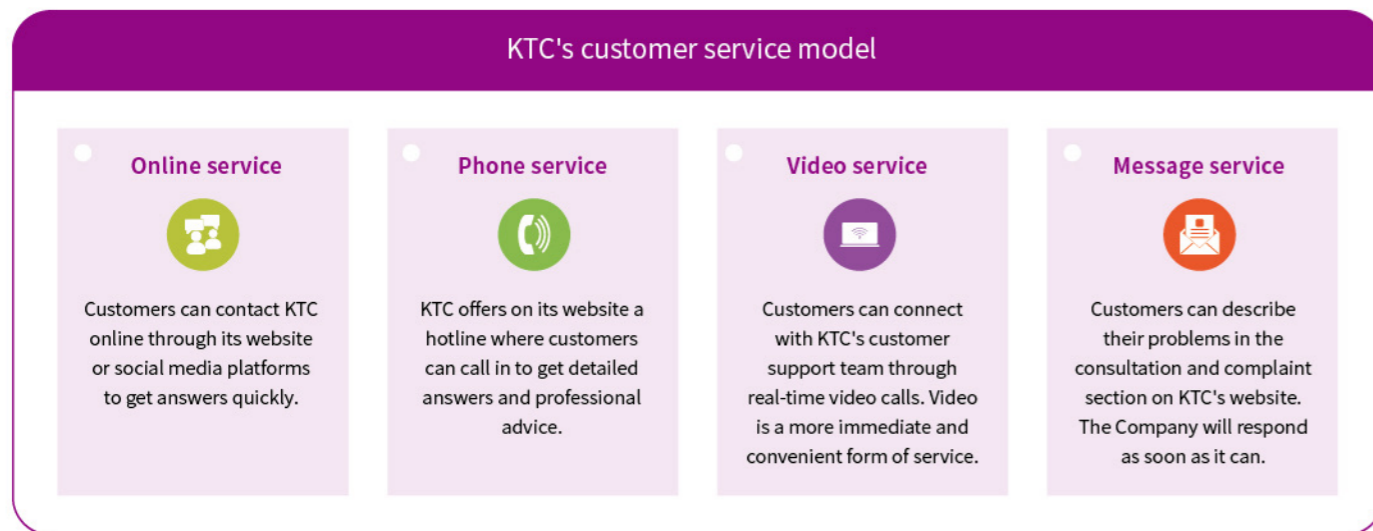
2025

Percentage of certified raw materials **100%** Product recall rate **0.54%** Product acceptance rate **99.42%**
 Product yield **97.48%** Product return rate **0.88%**

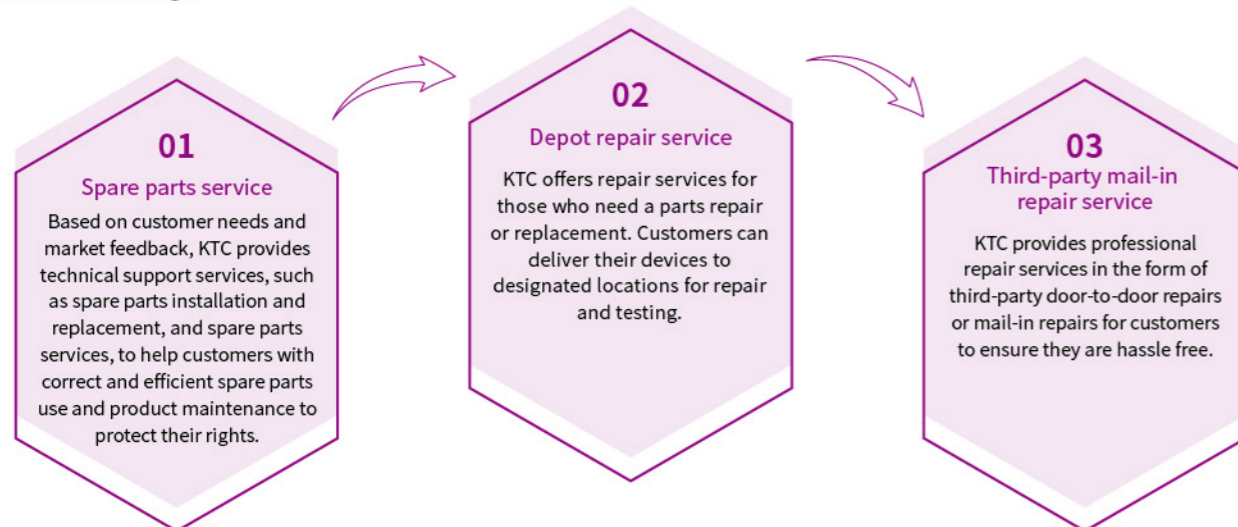
Customer service philosophy and process

KTC adheres to the service concept of "putting customers first and creating affection". Through technological innovation and refined management, the Company ensures that its products and services can meet diverse customer needs, consistently exceed expectations, and maximize value for clients. In response to the needs of different customers, it has developed and continuously optimized customer service methods and processes to ensure that users solve problems in the first place and enjoy the best quality of service experience.

To drive the improvement of products and user experience, KTC has set up an After-Sales Service Department, which serves the domestic market and expands internationally to ensure high-standard services for customers worldwide. The Company also provides diversified customer service approaches and rich service processes. To allow access to service support more conveniently, it has a dedicated service window, including phone calls, video chats, emails and other instant forms of communication, in place so that users can choose the way they want to ask questions, provide feedback, or seek help.



In addition, KTC has established a diversified service system encompassing spare parts supply, depot repair, and third-party mail-in repair, to answer service requests in various scenarios and meet diverse user needs throughout the product lifecycle. The Company deeply understands and responds accurately to the personalized needs and expectations of individual customers, and delivers customized services and specialized support based on real scenarios. By continuously optimizing the service experience, it enhances user engagement to increase its brand value and market image.



Customer feedback handling

▲ B2B customers

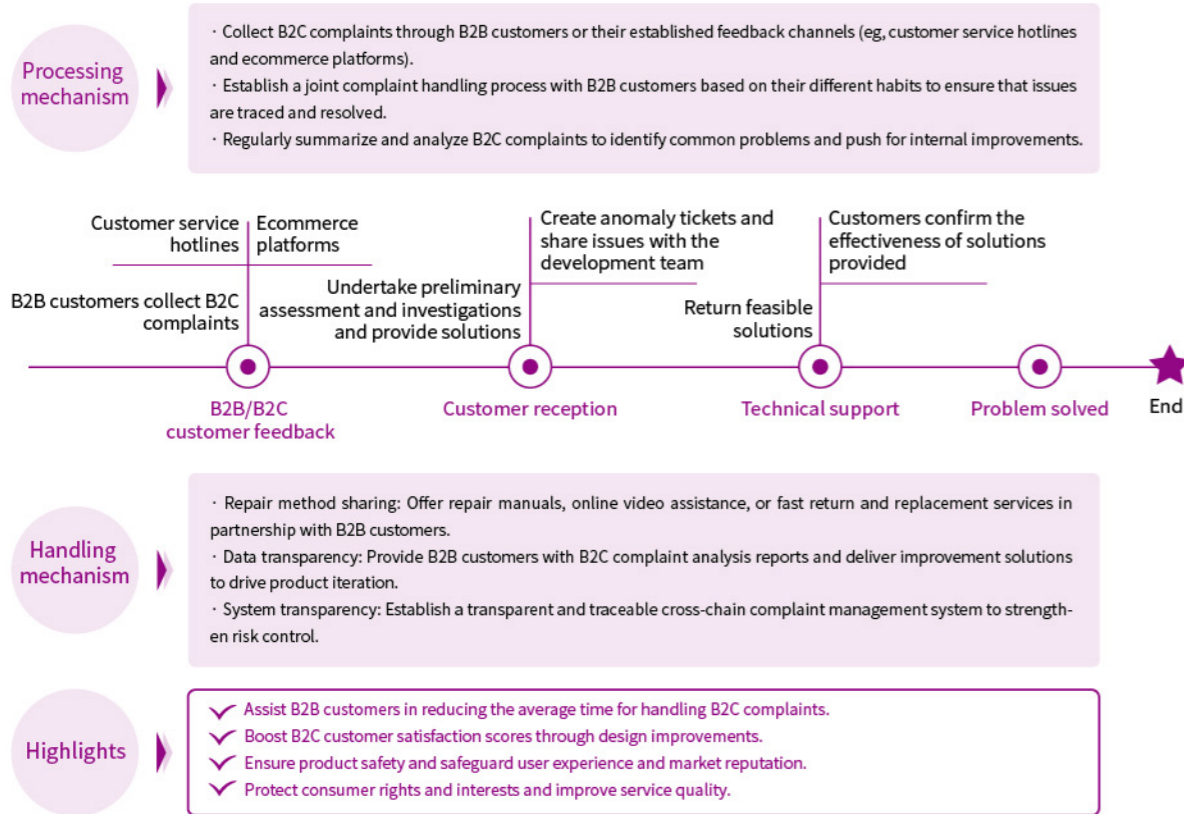
To enhance B2B customer relationship management and deepen understanding of B2B customer needs, KTC has systematically integrated customer complaints, grievances, and negative public opinion into a unified complaint management system. The Company has formulated the Product and Service Control Procedure and the Abnormal Feedback Processing Specification, which clearly define key elements such as the definition of complaint, responsibility allocation, and process flow. It analyzes in depth the complaints received and uses the established information feedback mechanism to ensure timely information transmission, effective coordination and tracking, issue escalation, and progress and result tracking. In this way, it creates a complete closed-loop management system for handling user problems.



▲ B2C customers

Throughout the user service process, KTC has established diversified customer communication channels to ensure timely response to user needs. The Company collects B2C customer complaints through B2B customers or their established feedback channels (such as customer service hotlines and ecommerce platforms). It requires customer support staff to determine the effectiveness and type of inquiries and the Technical After-Sales Department to implement the processing mechanism. Based on the type of problems reported, it contacts customers within two working hours, and dispatches technicians for debugging within 24 hours. It completes general software fault handling within 72 hours and hardware fault handling within 2-4 weeks. Through these, it keeps the inquiry closure rate at 100%.

B2C customer feedback handling process



Responsible marketing and inclusive product lines

Responsible marketing/management system

KTC has established a joint working group on responsible marketing led by the Marketing Department and assisted by the Legal Department, the Product Department, and the Board Secretary Office. The Marketing Department serves as the primary responsible department. The Company uses the Social Media Operation and Management Specification and the Online Information Release Application Form as core systems to strengthen the foundation for marketing compliance management. We understand deeply that marketing communication goes beyond just business activity but also entails heavy responsibility towards consumers and society.

We solemnly promise the following

- Facts & transparency—no misleading claims:** All our product promotions, technical parameters and service commitments are based on facts. We ensure the information is accurate, clear, and unambiguous and eliminate any form of false, exaggerated or misleading advertising.
- Technological innovation and value orientation:** Our marketing focuses on real value that technological innovation brings to users, not hype or gimmick. We are committed to educating the market to help consumers make informed purchasing decisions.
- Integrity and fair competition:** In market competition, we embrace the principle of integrity, respect competitors, and uphold business ethics to win the market with excellent products and high-quality services and maintain a healthy and fair industry ecosystem.
- User respect and privacy protection:** In marketing activities, we protect user information security in strict accordance with data privacy regulations and respect users' rights to know and choose.
- Sustainable communication for social good:** We integrate the concepts of sustainable development and green consumption into our marketing communication and advocate the use of energy-saving and eco-friendly products to lead the industry and society towards a better future.

Inclusive product design

KTC always believes that technological advancements should benefit all. While ensuring product universality, we pay special attention to the needs of the following vulnerable groups:

Inclusive product design

- For visually impaired people:** Our software center has developed the "voice assistant" and "screen reader" functions and made them standard features in many smart display products. With simple voice commands, visually impaired users can easily perform operations such as changing channels, checking the weather, and playing specific content. In terms of user interface (UI) design, we offer "high contrast mode" and "extra-large font UI size" options, significantly improving the viewing and operating experience for visually impaired and elderly users.
- For hearing impaired and elder people:** We focus on optimizing and promoting the intelligent subtitle feature, which supports real-time subtitle generation and display across various video formats and subtitle size and color adjustments, to help hearing impaired users enjoy audio-visual content without barriers. We also offer an "easy mode/senior-friendly mode," greatly reducing the use barriers for elderly users with an extremely simplified interface, large and clear icons, and one-click access to core functions.
- For children in areas with weak education:** Our educational smart display products have filtered, healthy online educational resources built in. Through anti-glare and blue light filtering technologies at the hardware level, we reduce damage to children's eyesight caused by long-term reading to provide safer and more comfortable learning tools for children in areas with insufficient educational resources.

Customer satisfaction survey

In 2025, KTC conducted a global customer satisfaction survey in relation to the entire product and service process. By systematically collecting customer feedback and accurately analyzing the key factors that impact satisfaction, the Company identified its product and service shortcomings to provide data support for targeted optimization, customer recognition, and market competitiveness and align long-term stable development with user demand.

Satisfaction survey process

The customer satisfaction survey is led by the After-Sales Service Department, in collaboration with Marketing, Business and other relevant departments. Standardized closed-loop management is achieved throughout the process of questionnaire design, distribution, collection, and statistical analysis.

Satisfaction survey process

- Questionnaire design:** The survey focuses on five main areas of customer concern: quality, delivery, service, flexibility, and cost performance. Quality covers performance, appearance, packaging, etc. Delivery encompasses timeliness and reliability. Service involves the provision of hazardous substance information and complaint handling. Flexibility includes product development speed and diversity. Satisfaction scores are set at five levels: very satisfied (100), satisfied (80), somewhat satisfied (60), neutral (30), and dissatisfied (0), to ensure that the scoring criteria are clear and quantifiable.
- Distribution and collection:** A questionnaire survey is conducted and distributed to customers at home and abroad. The questionnaires are collected following submission by scanning and emailing to ensure feedback completeness.
- Statistical analysis:** The After-Sales Service Department is fully responsible for questionnaire statistical summaries and data analysis. Based on the scores, it analyzes the level of satisfaction (performance) on each indicator and identifies key issues in customer feedback and areas of improvement.

Satisfaction survey results

During the reporting period, a total of 476 customer complaints were received. The complaint response rate and the case closure rate were both 100%, and the customer satisfaction score was 90.5.

Data security and privacy protection

Data security and privacy protection system

KTC places great importance on data and customer privacy, having established a full-process, multi-level information security management framework. Through management organization establishment, standards formulation, and process building, the Company has created a customer privacy and data security management system to protect its customer information and guarantee the security of its network information systems. It strictly complies with the laws and regulations applicable to all its operating locations worldwide, such as the Cybersecurity Law of the PRC, the Data Security Law of the PRC, and the Personal Information Protection Law of the PRC. As part of its data security and privacy protection management system, it has developed nearly 50 internal rules, including the Information Security Management System Requirements, the Information Security Risk Management Procedure, the Trade Secret Management Procedure, the Information System Access and Use Monitoring Management Procedure, and the Information Security Communication and Coordination Management Procedure.

Currently, KTC has achieved ISO 27001 information security management system certification. Based on the ISO 27001 requirements and corporate business characteristics, the Company has developed the Information Security Management Manual and established an information security and IT service management system aligned with business operations. During the reporting period, it recorded zero major incidents of data breaches or customer privacy leaks. Going forward, it will continue to optimize the system and employ advanced security technologies to safeguard the trust of all its stakeholders with higher standards.



Data security and privacy protection measures

In the digital age, data security and privacy protection is key to sound corporate operations and social responsibility undertaking. KTC has built a full-process, multi-level data security guarantee system from the aspects of technical controls and institutional management to ensure the security of user information and corporate data.

Technical controls

Endpoint security protection: Ensure data storage and processing security through technical means and mitigate data leakage risks caused by physical loss or logical vulnerabilities.

Network perimeter protection: Monitor and filter incoming and outgoing data traffic through mechanisms such as firewalls and intrusion detection systems to prevent attacks from penetrating the internal network and ensure the integrity and confidentiality of data transmission.

Server consolidation management: Implement security enhancements for the server hardware and software environment, including operating system configuration optimization, vulnerability patching, and access control.

Data disaster recovery mechanism: Ensure that core data can be quickly recovered in extreme situations, such as hardware failure, natural disasters, or human error, through backup and disaster recovery strategies to minimize the impact of data loss on operations.

Institutional building

Hierarchical access control: Establish a strict data access permission management system and assign data access permissions based on role requirements to ensure data use within the authorized scope.

Security awareness training: Conduct regular data security training for employees to enhance their security awareness and operational compliance, thereby eliminating the risk of data leakage from within.

Continuous compliance improvement: Conduct regular internal audits and external assessments to improve the Plan-Do-Check-Act (PDCA) cycle.

To address potential data security incidents, we have established a sound emergency response mechanism. In the event of data breaches and other security incidents, we can execute our emergency response plans quickly to cut losses in a timely manner and liaise with the affected parties according to the established procedures to minimize the impact of incidents.

We understand that data security and privacy protection is a long-term and ongoing task. Going forward, we will continue to invest resources, keep up with technological trends, and constantly improve protection measures to safeguard the data security of our customers and partners and create a safe and trustworthy digital environment.

Data security and privacy protection indicators and targets

To fulfill its social responsibilities and protect customer rights, KTC has set the following data security and privacy protection targets:



- 1 Zero compliance violations:** Ensure 100% data processing compliance with laws, regulations, and regulatory requirements, such as the Cybersecurity Law and the Personal Information Protection Law, and strive for zero major violations in all compliance audits and inspections.
- 2 Zero major safety incidents:** Have the prevention of major data breaches in mind as the key objective and strive for zero major data security incidents annually through continuous investment in technical controls and personnel management.
- 3 Continuous capability enhancement:** Systematically enhance data protection awareness among all employees to ensure 100% training coverage for relevant personnel on an annual basis; continuously optimize the incident response process through emergency drills to minimize the impact of potential incidents.

We will conduct annual reviews and dynamically adjust the above targets to ensure the effective implementation of protective measures and safeguard data security.



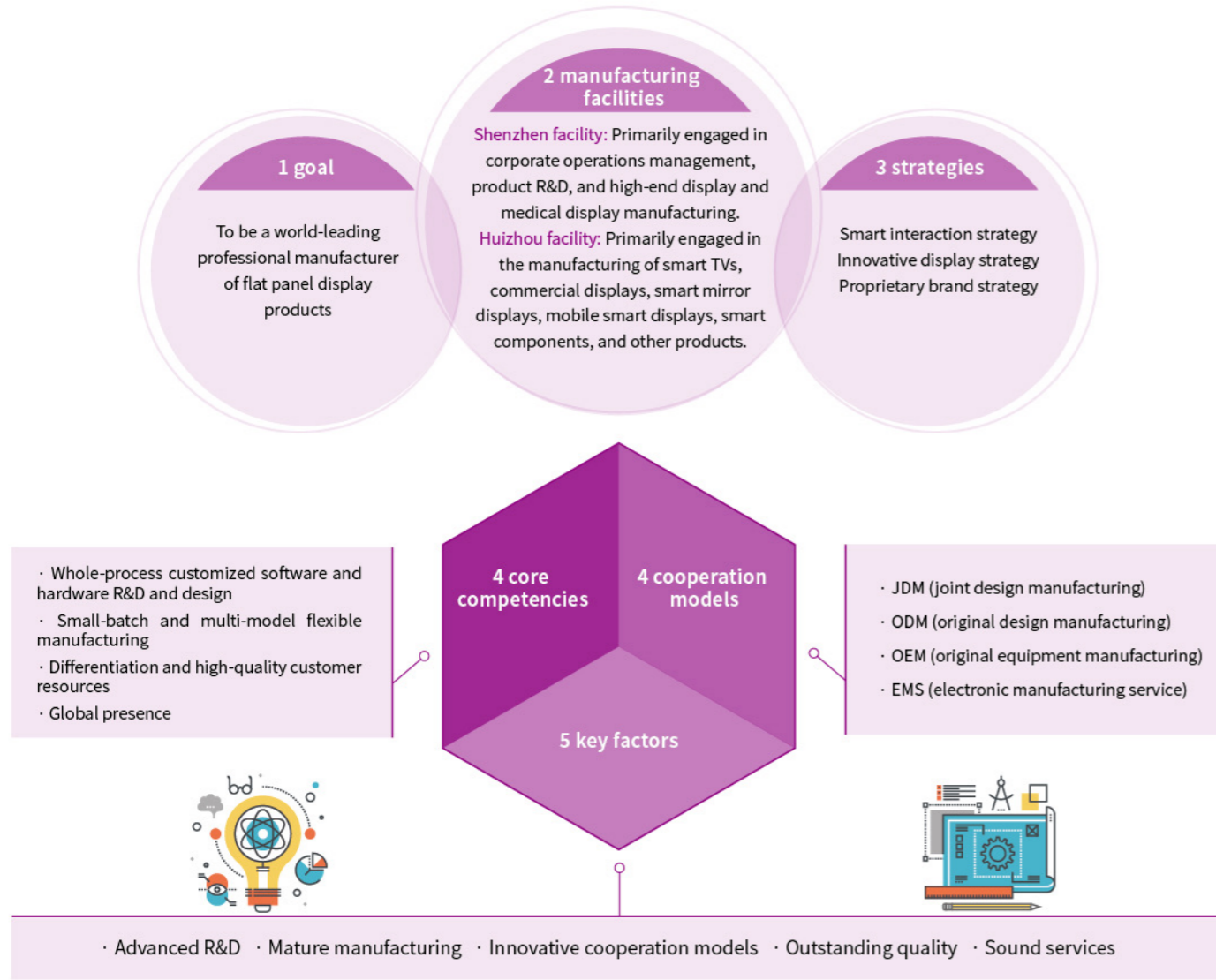
Technological innovation

Innovation-driven strategy

KTC adheres to the core concept of independent R&D. The Company is committed to independent innovation in the software and hardware chain, including product designs, drive systems, interactive systems, intelligent main control boards, power supply ICs, backlight display modules, and intelligent touch modules, and has formed a completely independent intellectual property system. At the core technology level, it builds a solid technological moat upon large amounts of experimental data and practical experience in key areas, including touch technology, wireless screen sharing, motion sensing, voice technology, writing technology, splicing technology, heat dissipation technology, color reproduction, acoustic technology, optical display and data transmission.

Leveraging profound technological accumulation and independent innovation, KTC promotes the deep integration of cutting-edge AI technologies and the R&D and design of display products amid the rapid rise of AI technologies. At a time when cutting-edge technologies are rapidly reshaping the display product industry landscape, the Company seizes the opportunities of technological innovation with a forward-looking and innovative approach. While continuously enhancing the immersive, interactive experience, it also keeps expanding into new business areas to reinforce its industry leadership through innovation. It is committed to providing more innovative and practical display solutions for consumers.

▲ KTC's innovation-driven strategy



▲ R&D management system

▲ Innovation system

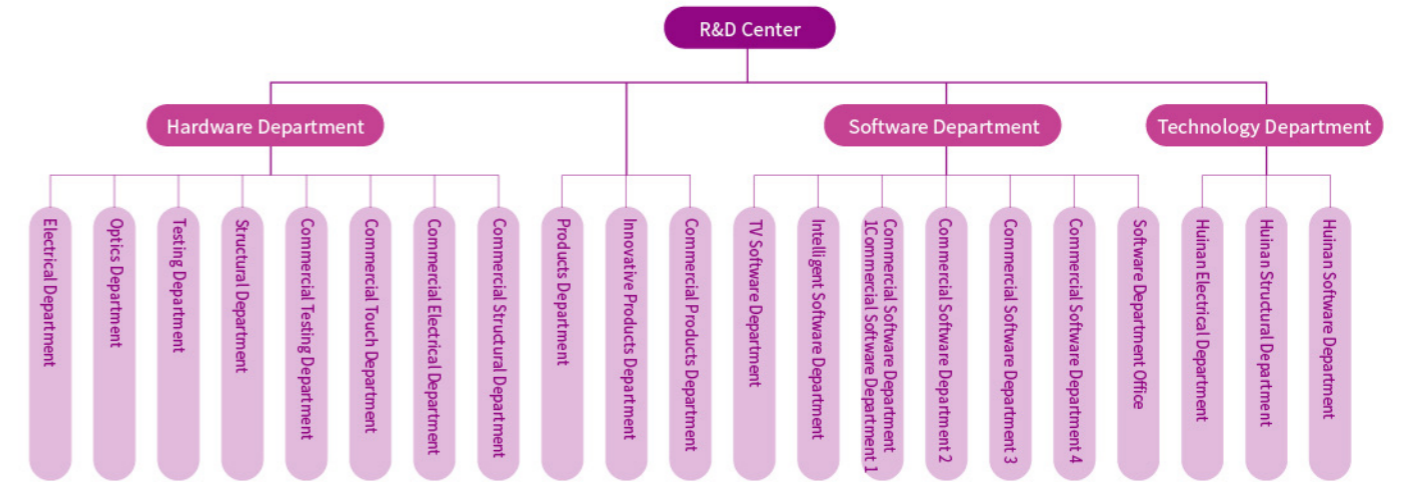
Since the establishment of its R&D Department, KTC has, based on its development realities, developed and continuously improved an innovation system and processes tailored to its operations. Currently, the Company has formulated and implemented institutional documents such as the KTC Innovation Incentive Management Regulations, comprehensively promoting technological and management innovation at the incentive mechanism level. To further standardize full-process R&D innovation management, accelerate new product development and new technology promotion and application, coordinate the allocation of R&D funds, and achieve scientific R&D financial management, it has established a series of systematic documents including the R&D Expense Accounting Regulations, the Financial Budget Management Procedures, the New Product Development Process, the Software Development Process, and the New Solution Development Process.

▲ R&D team

With a professional team of over 1,600 R&D design engineers, KTC can quickly respond to the flexible product needs of customers in different countries, under different certification systems, and across various operating systems and signal interfaces. The Company's full-process customized software and hardware R&D and design capabilities not only provide solid support for its "low-cost, low-volume, and multi-model customized production" and solution services, but also consolidate its technological innovation strength.



▲ R&D center organizational structure



▲ R&D platforms

KTC has established a global display technology innovation center and a higher-level talent training and research innovation platform, leveraging R&D platforms including the Guangdong Intelligent Flat Panel Display Engineering Technology Research Center, Guangdong Industrial Design Center, Shenzhen Enterprise Technology Center, Shenzhen Industrial Design Center, and Shenzhen Postdoctoral Innovation Practice Base. The Company has international development experience in core cutting-edge technologies such as AI large model application technology, AI image recognition and target detection technology, touch technology, wireless control technology, motion sensing, voice technology, writing technology, splicing technology, heat dissipation technology, color reproduction, acoustic technology, optical display and data transmission.

KPIs	Indicator	Unit	2023	2024	2025
	R&D spending	RMB10,000	61,687	64,730	60,497
Number of R&D employees	/	1,552	1,682	1,679	
Percentage of R&D employees	%	21.06	20.32	22.16	
R&D spending as % of revenue	%	4.59	4.15	4.18	
Number of high-tech enterprise certifications	/	6	6	6	
Number of specialized and innovative "Little Giant" enterprise certifications	/	1	1	1	
Number of specialized and innovative small and medium-sized enterprise certifications	/	4	4	4	

▲ Industry-academia-research collaboration

Faced with diverse business scenarios, KTC believes in industry-academia-research collaboration as the key for technological breakthroughs and ecosystem building. Leveraging its postdoctoral innovation practice base and its joint postgraduate training bases with major universities, the Company focuses on the cutting-edge fields of mini/micro LED, AI vision, and product carbon footprint and uses a model of "university mentors + industry mentors" for joint postdoc and graduate student training to deepen the industry-academia integration mechanism.



When it comes to talent development in higher education institutions, the Company has established a joint postgraduate training base with Southern University of Science and Technology, a joint technology research center with Wuhan University of Technology, a joint teaching and research practice base with the Chinese University of Hong Kong, Shenzhen, and joint graduate training with Guilin University of Technology.

In terms of industry-academia collaboration, the Company promotes talent training and scientific research exchanges. It has established employment bases with Nanchang University and Xiangtan University and conducted research cooperation with Xiamen University. Leveraging the Shenzhen Postdoctoral Innovation Practice Base, it implements talent programs through an industry-academia-research collaboration model. Through industry-academia collaboration, it not only promotes talent training and research development, but participates in educational initiatives, contributing to social technological advances and talent development.

Industry-academia-research cooperation projects



R&D achievements

KTC is deeply involved in smart interactive display technology, and attaches great importance to cutting-edge technology & product R&D and resource investment. By the end of 205, the Company had 1,485 valid authorized patents and software copyrights, including 124 invention patents, 528 utility model patents, 195 design designs, and 638 software copyrights.

KTC and five of its subsidiaries, including KTC Commercial, KTC Automotive, Horion, Horion Software, and KTC Medical, are recognized as national high-tech enterprises; KTC is recognized as a national manufacturing single-item champion enterprise and a Guangdong provincial manufacturing single-item champion enterprise; KTC Commercial is recognized as a national specialized and innovative "Little Giant" enterprise.

The Company's major R&D technologies (selected)

Touch and writing technology



High-precision infrared touch control supports smooth writing by multiple people. Pressure-sensitive writing and a variety of shortcut functions are achieved when paired with an infrared intelligent pressure-sensitive stylus.

Projection technology



The photoelectric effect of liquid crystals is utilized. By controlling liquid crystal arrangement and adjusting light transmittance, color imaging is achieved for good color reproduction, high sharpness, and clear text.

RGB backlight technology



Independent backlights individually control three primary colors—red, blue, and yellow—opening the door to innovative simultaneous light and color control capabilities. High color gamut coverage makes it possible to reproduce the true, natural colors of red, green and blue accurately.

LED direct display technology



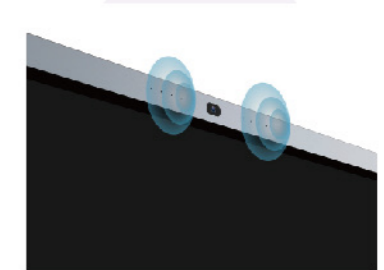
LED direct display technology and full flip-chip COB packaging technology allow large size, good ink color consistency, and ultra-high contrast.

High-bright display technology



Flip-chip LED technology and wide-temperature LCD technology allow for ultra high bright display. Even in bright light, the displays remain clear and vivid and run stably and reliably.

Speech algorithm technology



Support AGC, ANR, AEC, dereverberation, and sound source localization, as well as long-distance sound pickup and smart volume equalization, and localize a speaker direction accurately to deliver a stable, smooth, and high-quality double talk experience in conference settings.

Indicator		Unit	2023	2024	2025
KPIs	Number of valid patents during the reporting period	/	683	732	847
	Number of invention patents applied to core business operations	/	89	113	124
	Number of invention patent applications during the reporting period	/	31	52	54
	Number of new invention patents granted during the reporting period	/	30	24	11
	Number of software copyrights	/	525	583	638

Science and technology ethics

KTC strictly complies with national laws, regulations and industry standards regarding science and technology ethics. The Company has established basic internal management systems such as the Technological Innovation Ethical Risk Management System, the R&D Code of Conduct, and the Data Security and Ethical Specification, defining the basic principles and requirements of science and technology ethics.

In terms of organizational setup and operation, the Legal Department is responsible for leading efforts to go through the compliance requirements related to technology ethics and examine the compliance of ethical review conclusions. The Information Management Department focuses on ethics-related technical controls including data security and privacy. The AI Development Department conducts special assessments of ethical risks in the R&D and application of AI technology. A cross-departmental joint meeting mechanism is established during daily operations, under which monthly communication and coordination meetings are held to coordinate and promote ethical management-related work. For major R&D projects or special ethical issues, a special working group can be formed consisting of key personnel from the three departments to conduct joint reviews and assessments.

During the reporting period, the Company did not receive any penalties from authorities for science and technology ethics violations or conduct any major internal investigations or rectifications arising therefrom.

Digitalization and intelligence

At KTC, we further promote the work, approach and value of digitalization and intelligence in our production processes. Driven by data, we have built a digital ecosystem, covering the entire process—from design through production and management to service.

▲ Core concepts and top-level design

KTC's digital and intelligent upgrades follow the key principles of "data-driven intelligent decision-making and green leadership." The top-level design can be summarized as follows: one foundation, two-wheel drivers, and three-in-one development.

Core principles

- 1 One foundation (digitalization):**
We have built a unified data collection and governance platform that connects key equipment and sensors through industrial IoT (IIoT) technology. By combining multi-dimensional data sources such as production equipment parameters, environmental variables, material batch information, and energy consumption data, the platform eliminates information silos and provides high-quality data fuel for advanced analytics.
- 2 Two-wheel drivers (quality and eco-friendliness):**
Intelligent quality management and green intelligent manufacturing are our two key drivers. The former aims to embed quality into every process step; the latter seeks to maximize reduction in energy and materials consumption through full-process data perception and optimization.
- 3 Three-in-one (intelligent, green, and integrated) development:**
We understand deeply that intelligence is the technological foundation for green development, and the deep integration of the two will spawn new business models and competitive advantages.

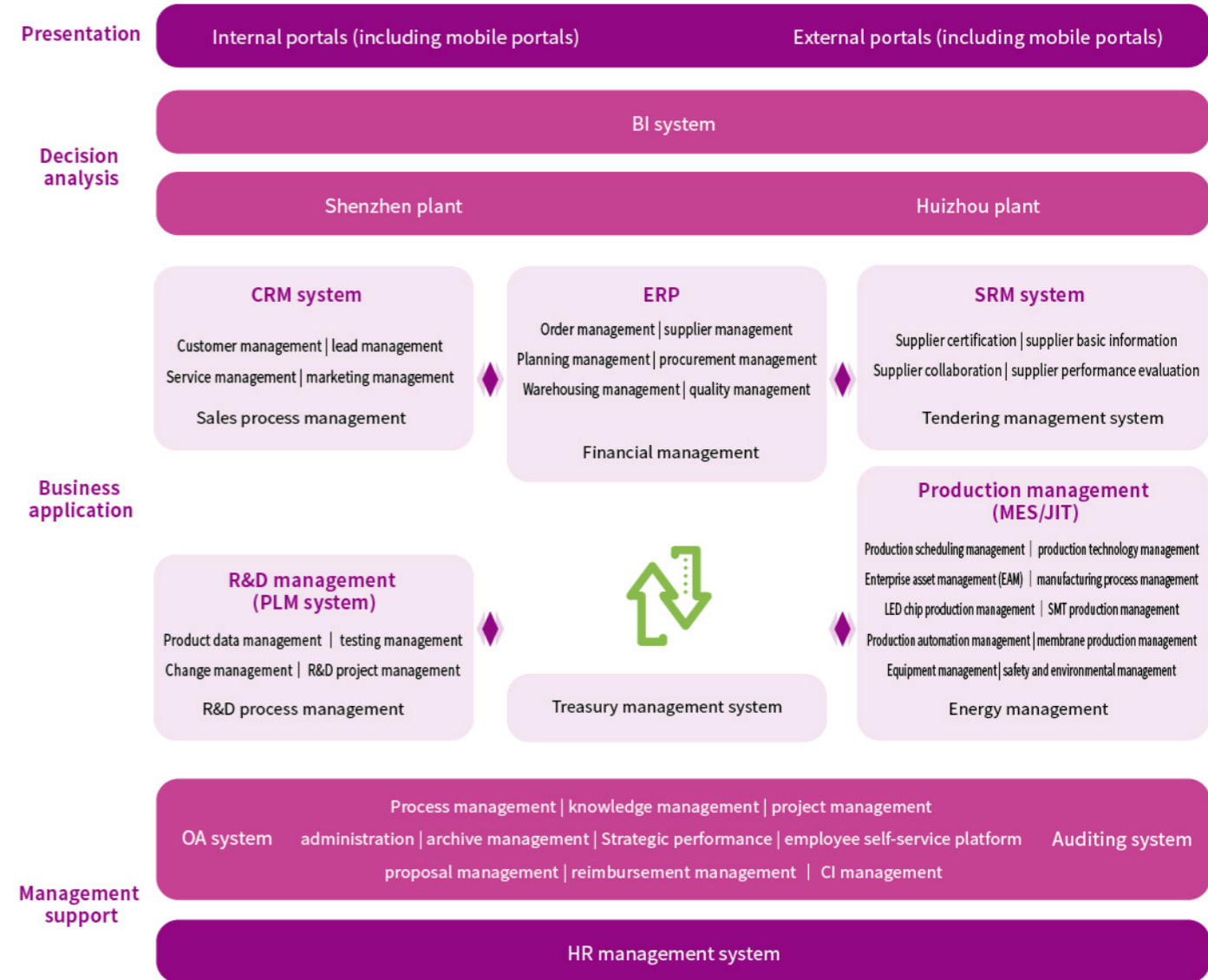
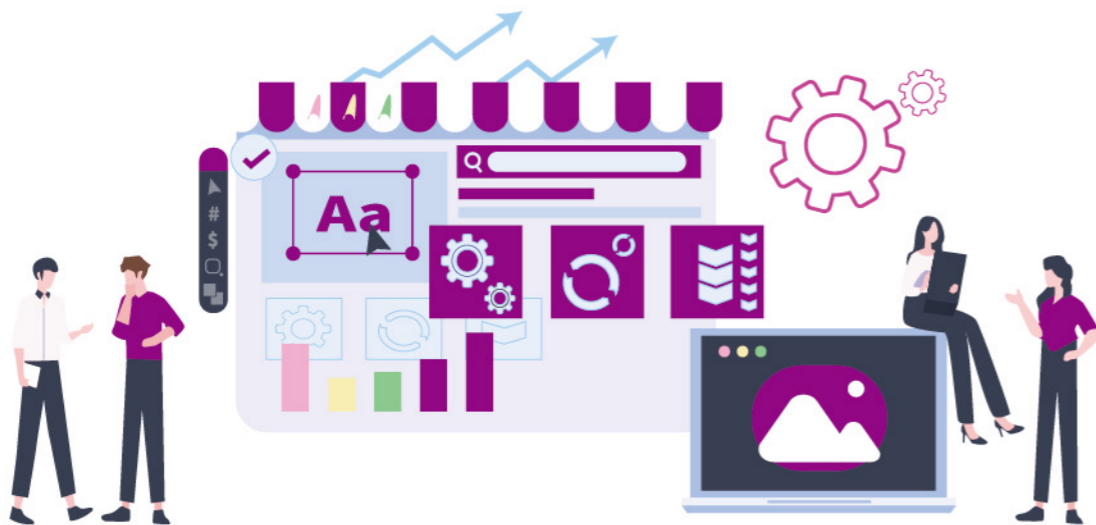
▲ Digital and intelligent operation platform building

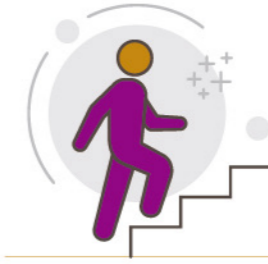
KTC's super factories extensively utilize next-generation information technologies such as the industrial internet, big data, and AI for digital workshop and smart factory construction, with a focus on the interconnection of equipment, intelligent transformation of key processes, and intelligent control of production processes and management methods.

Intelligent production process: Implement enterprise resource planning (ERP) system integration to enable IT-based and digital production management and allow for optimized management of quality, information, technology, and resources.

Intelligent production decision-making: Provide better data reference for production decision-making through the combination of enterprise management, product lifecycle management, supplier bidding and other systems.

Intelligent equipment management: Change the traditional management model, timely analyze and optimize scheduling issues in production process transformation, and reasonably schedule production.





People
orientation

and unity drive growth



Response to SDGs

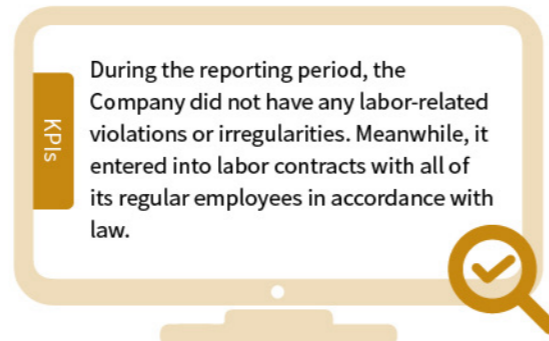


Employment

Employment management system

KTC supports international norms such as the United Nations Universal Declaration of Human Rights, the International Bill of Human Rights, the International Labour Organization (ILO) core conventions, the United Nations Guiding Principles on Business and Human Rights, and the Responsible Business Alliance Code of Conduct, and follows local laws and regulations in operating locations. Meanwhile, the Company strictly abides by laws and regulations such as the Labor Law of the PRC, the Labor Contract Law of the PRC, the Social Insurance Law of the PRC, the Special Rules on the Labor Protection of Female Employees, and the Regulation on Paid Annual Leave for Employees.

In employment, KTC adheres to the principles of fairness, transparency, and equality. The Company has formulated and implemented internal policy documents such as the KTC Human Resources Management Manual, the Social Responsibility Management Manual, and the Human Resources Control Procedure. Moreover, it distributes the KTC Employee Handbook to employees, clearly defining employee rights and obligations. It ensures entitlement to relevant benefits for employees in accordance with law and supervises employment management activities.



Employment impact, risks and opportunities

KTC strictly abides by the Labor Law of the PRC, the Labor Contract Law of the PRC and other laws and regulations concerning labor and social security systems, as well as relevant local policies. In the process of talent recruitment and training, the Company upholds the principle of equal employment to create a diverse and inclusive working environment.

Risk/opportunity	Response
Labor dispute risk	The Company signs labor contracts with its employees according to the law, safeguarding employee rights in areas such as compensation, rest and vacation, workplace health and safety, social insurance and welfare, trade union membership, and participation in union activities.
Child labor/forced labor risk	The Company firmly opposes all forms of child labor and forced labor and guards against legal and reputational risks caused by improper employment.
Employment discrimination risk	The Company recruits outstanding talent that aligns with its development in strict accordance with the principles of internal priority, person-job fit, cultural fit, and job-related avoidance. By precisely aligning recruitment needs with the hiring departments, it clearly defines job descriptions, requirements, compensation and benefits, and interview procedures in the recruitment process to ensure information transparency. It emphasizes inclusivity in selection, regardless of geography or gender. By avoiding interference from personal relationships and backgrounds and rejecting any form of discrimination based on race, age or gender, it promotes an inclusive, equitable employment environment and ensures compliant operations and brand reputation.

Employment strategy

KTC's employment development strategy is set out by the Board of Directors and implemented by management. The Human Resources Department is responsible for compensation and benefits, diversified employment, employee rights protection, employee training, and other related work. In close alignment with its talent strategy and business objectives, the Company conducts regular talent reviews and demand forecasts, and creates talent plans that emphasize both quantity and quality. It adheres to a combination of internal training and external recruitment, with differentiated selection criteria and development paths for different positions.

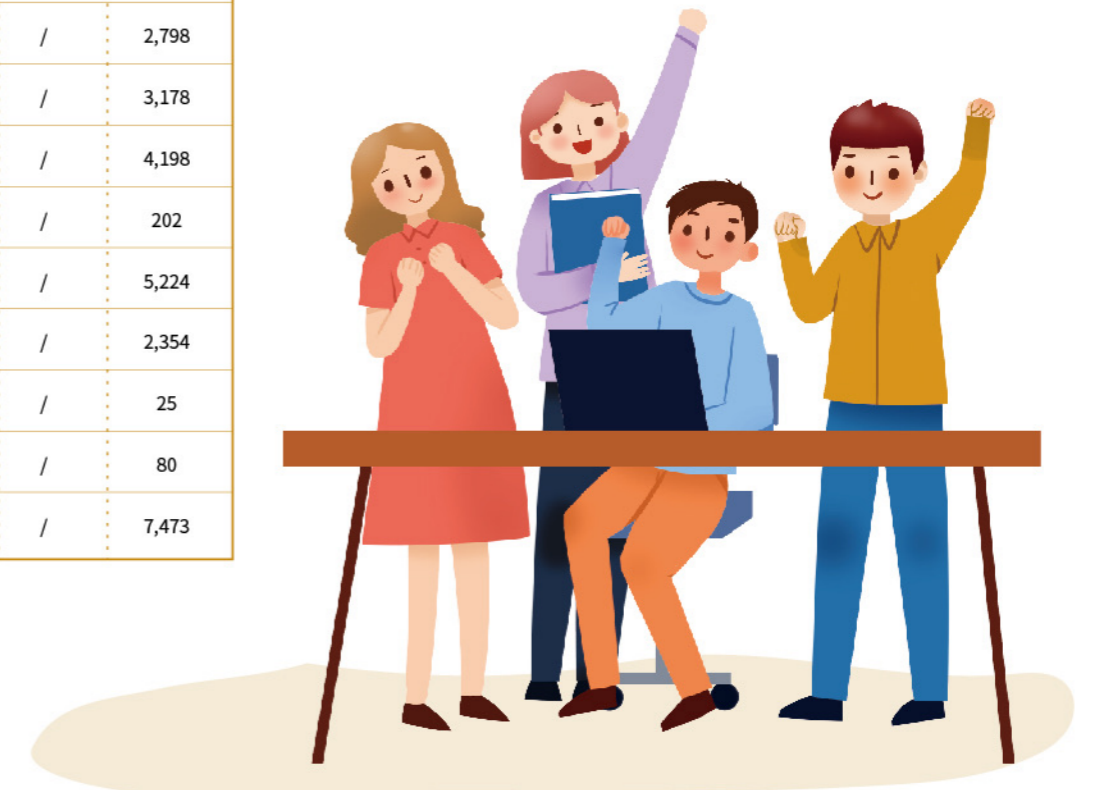
For middle and senior management positions, KTC prioritizes internal promotions, with an emphasis on core competencies such as strategic vision, leadership, and change management, using performance and value alignment as the core evaluation criteria. For lower-level positions, the Company brings in fresh graduates and strategic personnel, while improving internal training and promotion mechanisms to build a balanced and stable talent structure. Through the use of competency models and performance management systems, it promotes precise matching of people and jobs and mutual growth of individuals and the organization, so as to build a talent pipeline that supports sustainable corporate development.

Employment indicators and targets

In accordance with internal rules, such as the KTC Human Resources Management Manual, the KTC Promotion Management System, and the Anti-Discrimination Control Procedure, KTC clarifies the management requirements for diversified and equal employment and adopts unified compliance standards in the unified recruitment and employee management process.

KTC applies the principle of equality in areas of employment, compensation, training and promotion. In recruitment and internal management, the Company does not discriminate or treat anyone differently based on race, color, religion, gender, sexual orientation, national origin, age, genetics, disability, marital status, or other factors not related to specific job duties to provide employees equal employment and development opportunities in accordance with law.

By category	Unit	2025
Total number of employees	/	7,578
Number of male employees	/	4,780
Number of female employees	/	2,798
Number of employees aged under 30	/	3,178
Number of employees aged 30-50	/	4,198
Number of employees aged over 50	/	202
Number of employees with college degree or below	/	5,224
Number of employees with undergraduate degree or above	/	2,354
Number of senior managers	/	25
Number of middle managers	/	80
Number of grassroots employees	/	7,473



Employee welfare and care

Employee compensation system

KTC implements a compensation system focused on the job standard salary. Built upon job value and individual contribution, the Company's compensation structure is divided into fixed pay and variable pay based on incentive needs. Furthermore, in the process of compensation and incentive system development, the Company continuously seeks employees' opinions, before establishing compensation management and incentive mechanisms considering job responsibilities and performance assessment.

Company compensation structure

- Fixed pay includes base salary, job salary, education subsidies, seniority salary, and allowances and benefits.
- Variable pay includes performance-related pay, overtime pay, perfect attendance bonuses, year-end profit sharing bonuses, and special rewards.
- Job standard salary consists of job salary and performance pay, reflecting job responsibilities and performance.
- Compensated wages include base salary, educational salary, seniority salary, overtime pay, perfect attendance bonuses, and benefits and allowances; incentive pay
- Includes year-end profit sharing bonuses and special rewards.



	Indicator	Unit	2023	2024	2025
KPIs	Average compensation per employee	RMB10,000	14.30	14.61	15.09
	Labor contract signing rate	%	100	100	100
	Social insurance coverage	%	100	100	100



Employee welfare and care

Welfare guarantee

KTC offers employees competitive pay, benefits, and social insurance in accordance with law, as well as statutory holidays, annual leave, sick leave, and other State-stipulated leave arrangements to improve their sense of happiness. Meanwhile, the Company provides internal and external training resources and career development opportunities that help employees enhance their skills and advance their career. In addition, it has a comprehensive employee welfare system covering meal allowances, accommodation support, holiday benefits, health support, and cultural activities to support employees' work-life balance.

Type	Content
Meal allowances	Provide meal allowances and refreshments for employees during work days.
Special gifts	Give gifts to employees on their birthdays and those who have reached a certain length of service.
Holiday benefits	Present holiday gifts and organize related activities for employees during traditional festivals such as the Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival.
Life support	Provide employees with dormitories for free, talent housing at preferential rents, and housing subsidies.
Health care	Arrange health checkups, buy medical insurance, and organize health lectures and sports activities for employees.
Cultural activities	Hold sports activities such as badminton and table tennis competitions, organize team building activities and year-end reviews, and support activities of interest.
Paid leave	Provide paid leave to employees in accordance with law.

Employee care

To enrich employees' leisure life, KTC regularly organizes a variety of cultural and recreational activities such as holiday celebrations, sports competitions, hiking, and travel. The Company also creates and financially supports employee interest groups to hold regular events. Its employees can participate in the various training and activities offered by these groups based on personal interests.

Employee sports club activities

KTC organizes sports and team building events to provide employees with opportunities to participate in sports and activities that interest them.



KTC family day 2025

In 2025, KTC organized the family day event, inviting family members of employees to visit the Company and learn about the work environment.



Female employee support

In strict compliance with relevant laws and regulations, KTC has created a safety and health risk assessment mechanism for pregnant and postpartum female employees, and provides female employees with baby care rooms, maternity leave, and occupational health protection.



KTC has hosted a group yoga event to help female employees relax and release stress. In the meantime, the Company has held a Women's Day themed event for female employees, using exclusive gifts and delicate refreshments to convey warmth and care. Moreover, it has partnered with Shenzhen Longgang District Maternal and Child Health Hospital on "two cancer" (breast cancer and cervical cancer) screenings for female employees to offer them health protection through early detection and prevention.



Notice of free "two-cancer" screenings for cervical and breast cancer
December 11, 2025 Administration Department

Dear colleagues in Bantian,
We are offering free "two-cancer" screenings for cervical and breast cancer in partnership with Shenzhen Longgang District Maternal and Child Health Hospital. Experts will be on-site to provide information on cervical and breast cancer prevention and treatment as well as free screenings. For colleagues who registered by scanning the QR code in September, please attend this event on December 12, 2025 (9:00am-12:00nn) at the open space near the bulletin board in the residential area on the Company's Bantian campus.



KTC upholds the people-oriented concept and provides special employees with care and support. The Company has created a mutual aid fund to financially support employees and their families in need due to illness, disasters, etc. During the reporting period, it provided RMB415,393.5 to employees from disadvantaged backgrounds through the mutual aid fund to alleviate their difficulties and provide necessary support and assistance. It also offers marriage and childbirth allowances for employees and scholarships for their children to express its care for employee families. As part of its family day event, it invites employee families to visit and get to know the Company to enhance family understanding and support for the work of their loved ones. In accordance with law, it pays pension insurance premiums to provide protection for employees' retirement life. It prioritizes employee well-being and is committed to creating a safe and stable working environment.

Employee communication and participation

Besides an employee communication and participation mechanism, KTC has established a labor union in accordance with law, and holds regular workers' congresses. Through meetings, proposal solicitation and other methods, it collects opinions and suggestions from employees to ensure their right to engage in corporate affairs discussions.

▲ Employee satisfaction survey

In 2025, KTC conducted an annual employee satisfaction survey to understand employee comments and suggestions on its management, work environment and related matters. A total of 7,578 employees participated in the survey, achieving a 100% response rate. Survey results showed high employee satisfaction with work assignments and supervisory support, at 97% and 98.17%, respectively. The survey also indicated employee concerns about overtime arrangements, sources of work stress, and material incentives, with 90.21% believing that raising wages was key to boosting work motivation. The Company has analyzed the survey results and studied improvements based on the feedback received, and will introduce optimization arrangements into its management work practices going forward.

2025 workers' congress

On June 30, 2025, KTC held a workers' congress meeting, bringing together employee and union representatives. During the meeting, attended by employee representatives from departments such as R&D, production, quality control, procurement, and administration, the Company gathered opinions from employees in different roles.



Campaign to collect business management suggestions

KTC has launched a campaign to solicit employee suggestions on business management, with feedback received in areas such as management and operations, product R&D, manufacturing, and marketing. Some of these proposals have already been implemented. By the end of November 2025, the Company received 903 valid suggestions, and awarded 49 proposals for a total of RMB49,200.



Examples of representatives' proposals include:

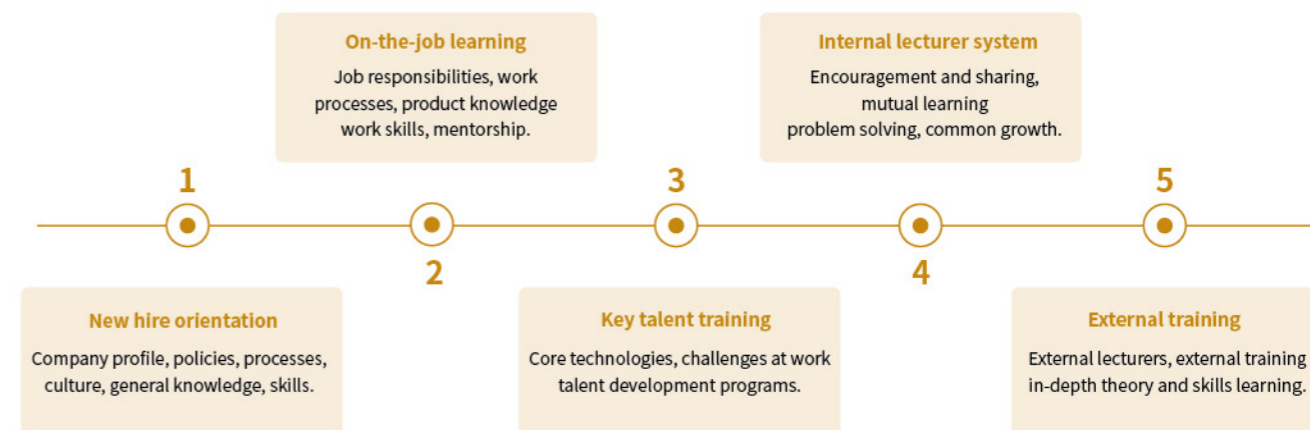
- ✓ using ceramic blades to unbox materials to reduce the risk of scratching materials and cutting operators;
- ✓ placing hair dryers in the restrooms on each floor of the office building; and
- ✓ continuously soliciting suggestions and improving review and incentive mechanisms.

Employee training and development

Training and development management system

KTC has integrated talent training into its development plan, and formulated and implemented institutional documents including the Annual Training Plan, the Training Assessment Management System, the Internal Lecturer Management System, the External Training Management Regulations, and the Reserve Talent Training Program to build a training management system. The training covers job skills enhancement, leadership empowerment, and talent development, supporting employees' professional development and career progression. The Company develops annual training plans for all employees and provides training sessions that align to job requirements and development.

▲ Employee training program system



▲ Employee training program system

Category	Content
New employee orientation	KTC conducts monthly onboarding training for new employees, covering topics such as Company overview, management systems, system management, and product line visits. It runs follow-up assessments after training. Through its new employee mentorship program, it provides on-the-job guidance and support to new hires, helping familiarize them with business processes and related safety requirements.
Job skills training	The Company provides skills training tailored to job requirements and opportunities for external learning and exchanges. The training is designed to meet the job demands, covering professional skills, software operation, project management, etc.
Management and leadership training	The Company organizes and conducts management training courses, such as managerial role positioning and self-cognition and management skills enhancement, as part of management skills training.
Internal lecturer system	The Company has established an internal lecturer management mechanism, under which it organizes annual selections for internal lecturers to build a certified internal lecturer team. During the reporting period, there were 32 internal lecturers. These internal lecturers conduct pre-job training, on-the-job business training, and institutional and regulatory training to support internal corporate training efforts.
External training management	The Company provides specialized training by hiring external lecturers, organizing employees to participate in external training, and supporting on-the-job education. Based on its development plan and staffing levels, it develops an annual training plan.

Case study

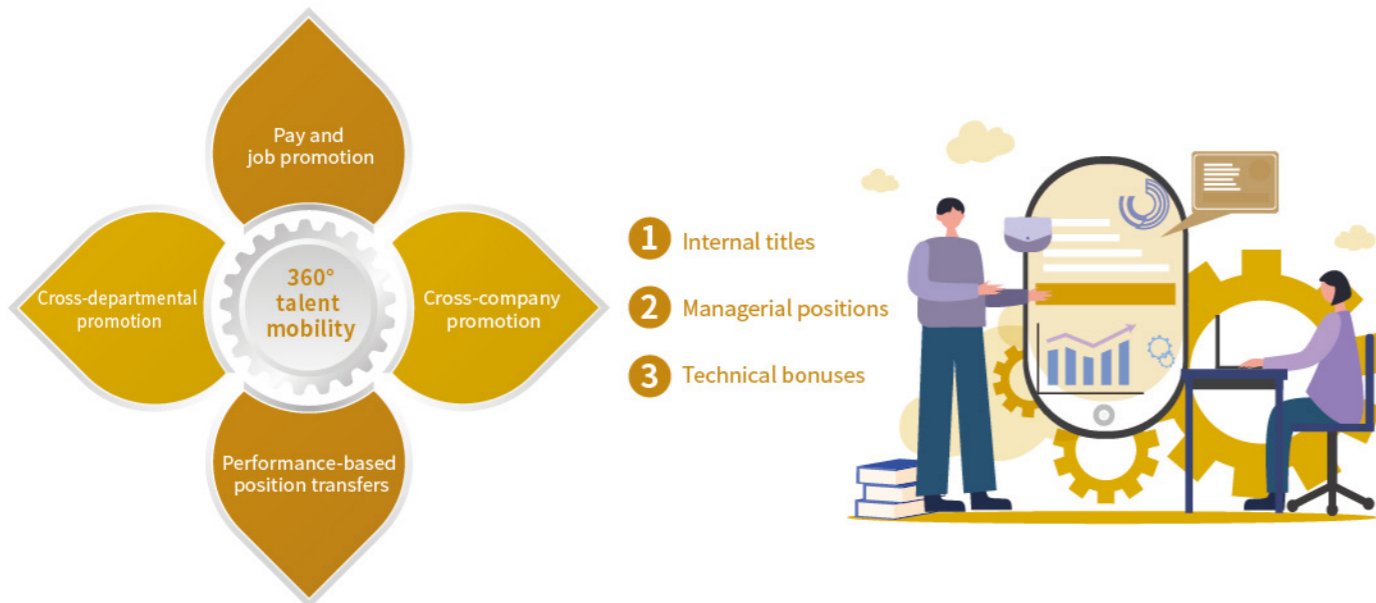
The Company's leadership training, skills training, and employee orientation programs



▲ Employee promotion and talent retention

KTC has formulated the KTC Promotion Management System. With support from a mentor system and an internal lecturer system, the Company has established a dual-track career development system for employee growth. For professional and operational positions, it is necessary to undergo talent evaluation and performance reviews, in addition to employee qualification and job suitability assessments. For professional and operational positions, it is necessary to undergo professional tests, practical operations or debriefings based on job categories.

In addition, the Company implements diversified incentive measures and has formulated the KTC Key R&D Position Management Specification. Based on different business stages and job categories, it has introduced incentive arrangements for management, core personnel, key staff, and industrial and research/technology employees. It has long-term equity incentive plans in place to stabilize key talent and drive the improvement of the talent pipeline.



KPIs

Number of employees receiving regular performance and career development reviews
 2023: 100%; 2024: 100%; 2025: **100%**

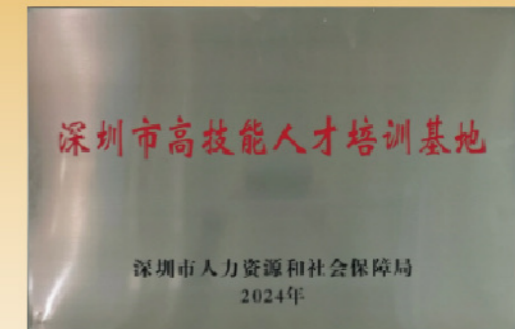
Percentage of employees receiving regular performance and career development reviews
 2023: 7,370 (including 2,650 females and 4,720 males)
 2024: 8,276 (including 2,879 females and 5,397 males)
 2025: **7,578** (including **2,798** females and **4,780** males) ✓

▲ Vocational skills support

KTC has established a systematic vocational skills training system covering the entire career lifecycle of employees. Based on industry technology trends, corporate strategic needs, and employee growth stages, the Company continuously optimizes training content and formats. It uses a diverse approach—combining theoretical teaching, hands-on training, case studies, and mentorship—to strengthen the integration of knowledge transfer and practical application. By enabling experience sharing and skills development, it creates an organizational atmosphere for continuous and mutual learning and exchanges to support employees in improving their abilities through on-the-job practice and creating value during their growth process. It possesses vocational skills appraisal qualifications, and all its training programs and vocational skills appraisal certifications are nationally recognized, ensuring nationwide applicability and industry recognition.

KTC vocational skills appraisal qualifications

In 2024, the Company was recognized as a high-skilled talent training base (offline) in Longgang, Shenzhen, making it an important carrier of regional skilled talent cultivation.



In 2025, the Company was recognized by the SFTU as an industrial workers training center, tasked with the social responsibilities of improving industrial workers' skills and empowering them.

With the approval of the Shenzhen Municipal Human Resources and Social Security Bureau, the Company established a Postdoctoral Innovation Practice Base in Shenzhen in 2025, entering a new stage of integrated development of high-end talent development and scientific research innovation.



Training and development impact, risk and opportunity analysis

Through systematic employee training needs surveys, KTC accurately identifies capability gaps and skills deficiencies in business development to avoid problems such as misalignment between training and actual needs and inefficient resource input, in addition to key training areas required for core skills enhancement and organizational development. During the training implementation process, the Company keeps track of course quality, teaching effectiveness and employee feedback through training satisfaction surveys to promptly identify deviations in process execution or deficiencies in content design and make targeted optimizations. At the same time, it summarizes high-quality teaching models and course resources to form replicable and scalable training experience.

Furthermore, KTC gains a deeper understanding of implicit training needs, implementation challenges, and potential demands through employee interviews, and identifies potential obstacles early on in the training implementation process to improve training arrangements. Simultaneously, the Company collects suggestions from frontline employees regarding skills enhancement and career development to enable continuous optimization of training content. Based on operational management recommendations and corporate strategic planning, it aligns its training system with business development goals, with a focus on capacity building needs in key areas such as digital transformation and talent pipeline development. By integrating surveys and feedback, it promotes a closed-loop mechanism for training management across planning, implementation, and optimization to make the training more targeted and effective.

Training and development strategies

To support its sustainable development strategy and expand its talent pool, KTC has established a systematic, tiered, and categorized learning and development framework. Based on the framework, which covers employees' different career stages and job functions, the Company designs differentiated training for new hires, key technical personnel, and managers. It focuses on key areas such as professional skills enhancement, leadership development, industry knowledge updates, and personal career planning, with a diversified, tiered talent development path to ensure that employee capabilities match job requirements.

KTC encourages all employees to participate in training system building and learn as they go along. Through a continuous learning mechanism, the Company helps employees keep abreast of industry trends and professional skill requirements, thereby continuously improving their overall quality and ability to perform their duties. Not only does the training system support employees' career development and skills enhancement, but it strengthens teamwork and innovation capabilities, providing talent support for the Company's stable operation and long-term development.

Training and development indicators and targets

By the end of 2025, KTC invested a total of RMB415,500 in employee training. Employee training coverage reached 100%, with a total of 743,188 hours of training and an average of 104.37 hours per employee.

By category	2023	2024	2025
Investment in employee training (RMB10,000)	54.28	59.11	48.79
Employee training coverage (%)	99.69	100.00	100.00
Number of employee training sessions	2,646	3,452	5,378
Average training hours per employee (h)	89.88	97.63	104.37



Employee health and safety

Health and safety management system

KTC has established the occupational health and safety management system in accordance with applicable laws and regulations across its operating locations, such as the Law of the PRC on Work Safety, the Law of the PRC on the Prevention and Control of Occupational Diseases, and the Regulation on Work-related Injury Insurance. As part of occupational health and environmental management, the Company carries out regular occupational hazard site detection and conducts pre-employment, on-the-job and post-employment body checks for its employees. It provides annual occupational health and safety training for all employees, highlighting occupational hazards and protection requirements for specific positions.

KTC implements occupational health management work according to the requirements of the ISO 45001 occupational health and safety management system, ISO 14001 environmental management system, and Responsible Business Alliance (RBA) certifications. KTC, KTC Commercial, and Huizhou KTC have passed level 3 work safety standardization acceptance tests and formulated contingency plans for work safety incidents. By the end of 2025, KTC, KTC Commercial, and Huizhou KTC all obtained the ISO 45001 occupational health and safety management system certification.

In daily management, KTC conducts occupational health training for all employees annually to elucidate the relevant knowledge and clarify potential hazards in the workplace and protective measures. Occupational hazard site detection is carried out annually, and occupational hazard evaluation and results announcements are made every three years to ensure that employees learn about their health status at the workplace in a timely manner. Regarding employee health protection, the Company organizes pre-employment, on-the-job, and post-employment occupational health checkups for relevant employees annually, helping them understand their health status and adopt appropriate prevention and management measures. The Company provides corresponding labor protection equipment for different positions based on their characteristics to reduce or avoid occupational hazards. During the reporting period, it provided work-related injury insurance for all employees to give them basic guarantees. It has informed employees of the possible occupational hazards and their consequences, occupational protection measures, and job treatments to ensure that employees make career choices based on full information.

Occupational health certifications

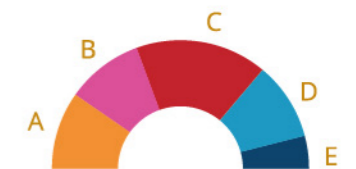
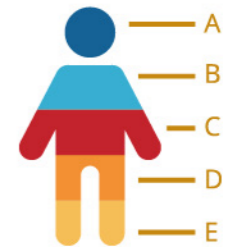


Health and safety risk identification and assessment

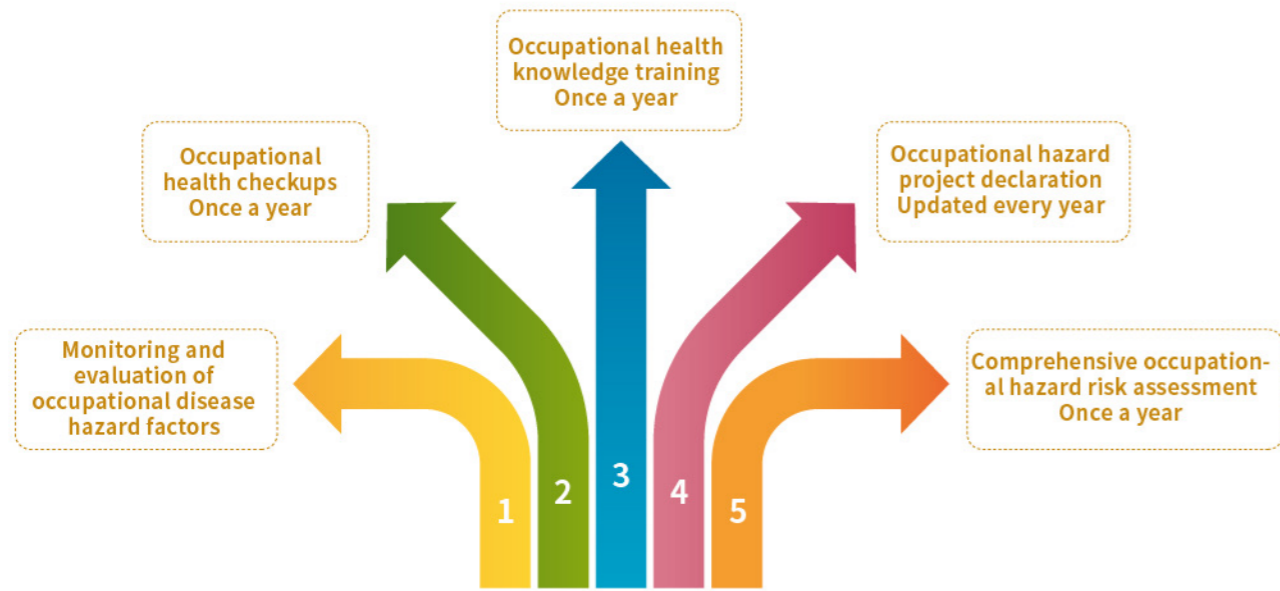
KTC has an occupational health risk identification and management process in place and conducts systematic management around occupational hazard factor monitoring, risk assessment, and health protection. On a regular basis, the Company carries out occupational hazard factor monitoring and assessment to identify potential occupational hazard factors during production and operation, assess the impact on employee health, and adopt corresponding control measures based on the monitoring results.

In terms of employee health management, KTC organizes an occupational health checkup for employees in relevant positions every year to keep abreast of changes in their health. The Company conducts occupational health knowledge training once a year to improve employees' awareness of occupational hazard factors, protective measures, and emergency response requirements.

Meanwhile, KTC updates information on occupational hazard project declaration annually to ensure that relevant information is consistent with actual production and business activities. The Company conducts a comprehensive occupational hazard risk assessment once a year to analyze the identified risks and manage them by category, improve occupational health management practices, and reduce occupational health risks.



▲ Occupational health risk identification and management process



KPIs	Indicator	Unit	2023	2024	2025
	Number of employees exposed to occupational health hazards	/	214	402	333
Coverage of occupational disease examinations for employees	%	100	100	100	

Health and safety strategies and measures

▲ Work safety measures

KTC has established a sound work safety accountability mechanism. Its Safety Management Team, composed of environment, health and safety (EHS) related personnel, is responsible for approving Hazard Identification and Risk Assessment Records. Its Engineering Department works with its various departments to identify hazards and assess risks and to generate company-level Hazard Identification and Risk Assessment Records. All its various departments collaborate on and participate in relevant identification and assessment work and fill in Hazard Identification and Risk Assessment Records as required as part of classified safety risk management.

KTC and its subsidiaries have continued to promote the standardization of safety production. During the reporting period, KTC reported no production safety accidents above general level or negative safety events.

▲ Safety culture building

During the reporting period, KTC carried out diversified activities centered on culture safety building. Through safety training, fire emergency drills, safety knowledge promotion on the Weixin official account, and first aid practical training, the Company continuously improved employees' safety awareness and emergency skills.

Cardiopulmonary resuscitation training

The Company provides cardiopulmonary resuscitation training, which combines professional knowledge and practical experience, to enhance employees' emergency response capabilities. More than 100 of its employees have passed the assessment and obtained completion certificates. By further enhancing employees' response to emergencies, it promoted the deepening and implementation of safety culture at the organizational level.



▲ Occupational health protection measures

In strict accordance with the Law of the PRC on the Prevention and Control of Occupational Diseases as well as local laws and regulations in overseas operating locations, and based on the requirements of the ILO Occupational Safety and Health Convention, KTC continuously strengthens occupational health management and improves its occupational health and safety management system. Under the guidance of institutional documents such as the Occupational Health Management System, the Occupational Health and Safety Management Manual, and the Occupational Health Management Procedure, the Company implements occupational hazard prevention and control measures.

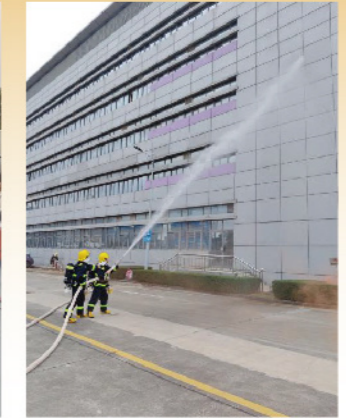
KTC carries out an EHS hazard identification and risk assessment at least once a year and implements categorized management of the risks identified. "Significant risks" and "high risks" identified in the assessment are included in the Unacceptable Risk List and Control Plan for priority management and follow-up. Except for "negligible risks," all other risks are subject to corresponding control strategies as part of efforts to reduce occupational health risks.

KTC conducts occupational hazard factor detection annually to keep up with occupational hazards at the workplace. For identified occupational hazard factors, it installs bulletin boards in production areas and provides personal protective equipment based on job requirements. Additionally, it equips employees with facilities and equipment such as fresh air conditioning, earmuffs, and dusts to ensure their occupational health and safety in the work environment.

▲ Emergency management

To improve employees' response to emergencies, KTC attached great importance to and regularly organized emergency exercises during the reporting period. Immersed in simulated emergencies such as fires, employees could learn and master the right emergency response skills. Through regular exercises, employees' emergency response capabilities have improved so significantly that they can respond rapidly to emergencies with the right actions.

Fire drills



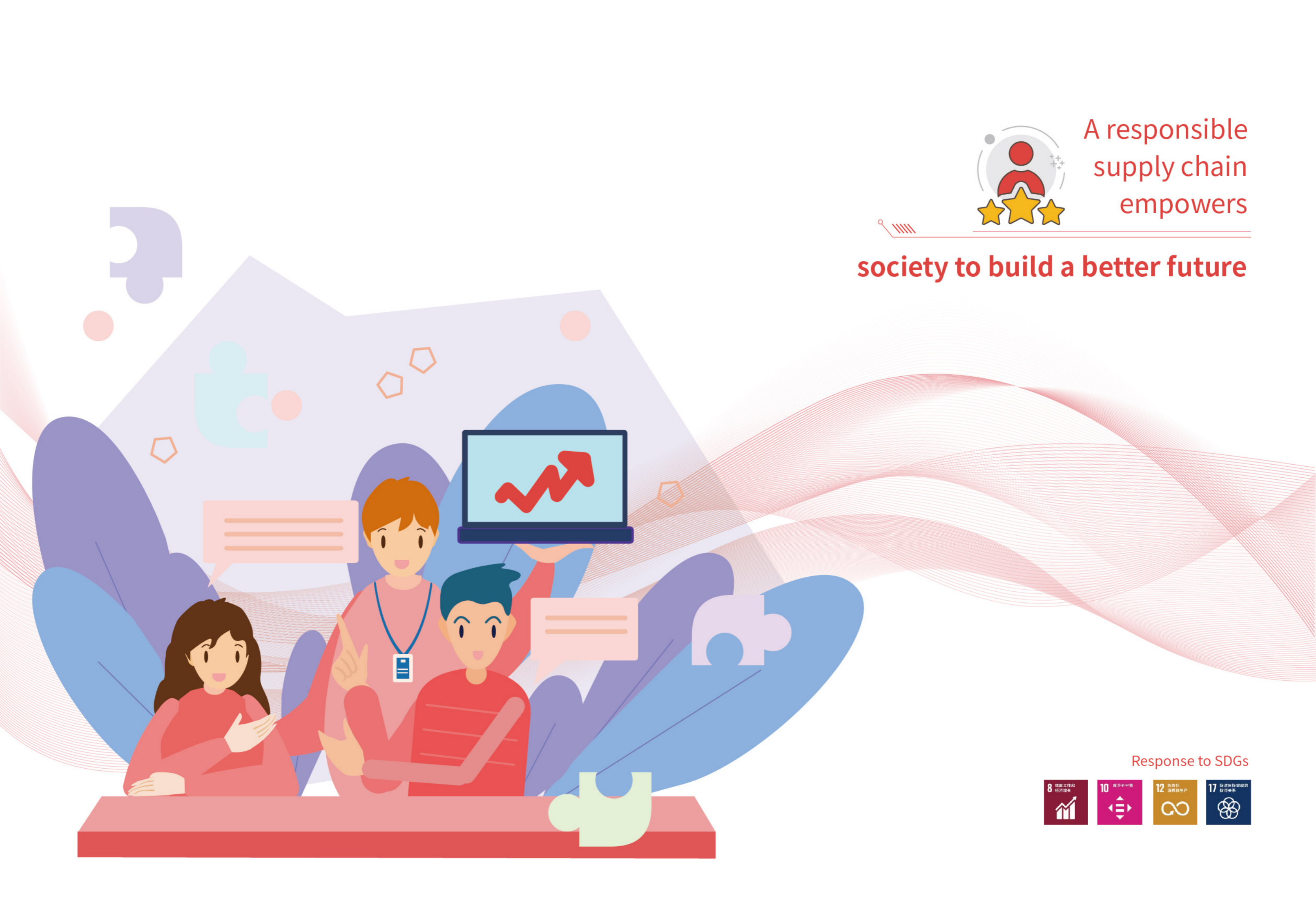
Health and safety indicators and targets

By category	Unit	2023	2024	2025
Investment in work safety	RMB10,000	110	145	170
Investment in work-related injury insurance	RMB10,000	75.69	109.79	178
Work-related injury insurance coverage	%	100	100	100
Number of entities with ISO 45001 certification	/	3	3	4
Number of work-related employee deaths	/	0	0	0
Number of major safety accidents	/	0	0	0



A responsible supply chain empowers

society to build a better future



Response to SDGs



Responsible supply chain

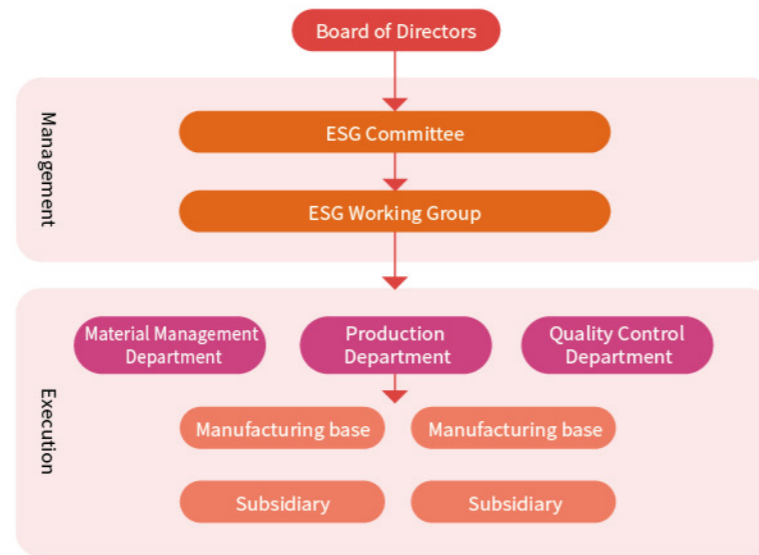
KTC is committed to building and maintaining a secure, reliable, sustainable and resilient supply chain. Through a systematic management mechanism, we embed ESG requirements into the lifecycle from supplier selection, evaluation, and cooperation, to development to ensure the stability, compliance, and long-term value of our supply chain.

Supply chain management system

KTC has a sound supply chain management system designed to ensure a long-term, stable supply of goods, services and raw materials related to its business. During the reporting period, the Company further clarified the responsibility structure for responsible supply chain management. A cross-functional responsible supply chain expert team was created, led by the ESG Working Group and in partnership with departments such as Materials, Production, and Quality Control. Each business unit was tasked with promoting the implementation of supply chain management requirements by relevant subsidiaries and responsible supply chain collaboration with upstream and downstream partners.

Supply chain governance framework

KTC conducts refined classification and management of suppliers. Based on procurement needs for different materials, the Company establishes and implements differentiated strategies including classified and graded supplier management, single-source dependency elimination for key materials, supplier support, cost control, and performance evaluation. To ensure supply chain sustainability, it has established a sound policy system for each key link of the value chain, including institutional documents such as the Procurement Management Control Procedure, the Sunshine Cooperation Agreement, the Other Stakeholder Requirements, and the New Supplier Evaluation Report. The Resources Center is responsible for the development and daily management of material suppliers to ensure a stable and reliable supply system.



Supply chain management system	
The Company's supply chain risk management objectives	Continuous supply guarantee: Ensure the continuous availability of critical materials and services. Cost efficiency: Optimize costs, including procurement, transportation, inventory, and production costs. Flexible response to market changes: Quickly respond to shifting market demand and supply chain disruptions. Quality management: Ensure the quality of products and services meets Company and industry standards. Sustainability and compliance: Ensure the environmental and social sustainability of the supply chain and comply with relevant regulations.
Specific plans	Supplier management: Establish a list of qualified suppliers and conduct regular evaluations and audits to ensure supplier quality and reliability. Inventory strategy: Implement appropriate inventory management strategies, such as safety stock buffers and JIT production, to reduce inventory costs and ensure timely supply of raw materials. Contract management: Share risks with suppliers through contract terms, ensure supply continuity, etc.
Risk response mechanism	Risk assessment: Conduct regular supply chain risk assessments to identify potential supply chain risks. Risk monitoring and reporting system: Establish a real-time monitoring system to promptly report risks such as supplier performance, material shortages, and transportation disruptions. Business continuity plan: Develop contingency strategies, such as alternative suppliers, backup production lines and inventory buffers, to ensure business continuity in the event of supply chain disruptions.
Measures and their effects	Supply chain integration: Integrate internal and external supply chain processes to enhance efficiency and transparency. Technology use: Adopt technologies such as ERP and SRM (supplier relationship management) to enhance supply chain visibility and management. Training and development: Provide supply chain management and risk management training to internal teams to strengthen their professional capabilities. Performance evaluation: Regularly evaluate the effectiveness of supply chain management based on the supply chain performance evaluation system and adjust strategies according to the evaluation results.
Continuous improvement	Continuous improvement mechanism: Continuously refine supply chain management strategies based on market and technological developments. Supplier cooperation and development: Establish long-term partnerships with suppliers to jointly develop and improve the efficiency and reliability of the entire supply chain.

KPIs	Indicator	Unit	2023	2024	2025
	Total number of suppliers	/	1,373	1,510	1,661
Local supplier procurement rate	%	80	75	78	

Supply chain management measures

Regarding supplier management, KTC has established policies throughout the entire supplier lifecycle for the Resources Center to standardize management and procedures on supplier onboarding, auditing, quality management and improvement. Supplier-related policies include the New Supplier Audit Report, the Supplier Reevaluation Management Regulations, and the Procurement Management Control Procedure. The Company conducts regular (semi-annual/annual) supplier performance evaluations, covering aspects such as quality, cost, delivery, and service. In accordance with the audit mechanism requirements, supplier quality engineers (SQE) develop audit plans for suppliers of different levels and keep audit records to further enhance supplier lifecycle management.

Supplier onboarding

KTC has established the supplier review control process and procedures for supplier onboarding and conducts preliminary assessment based on the supplier information obtained from various channels. First, the Company favors enterprises with quality, QC 080000, ISO 14001, and ISO 45001 certifications in evaluation and assesses the implementation by suppliers of the RBA Code of Conduct. Second, the Company prioritizes suppliers with good product quality, affordable pricing, sound after-sales service, strong supply capacity, and timely delivery. The Company sends a Supplier Survey Form to the suppliers deemed appropriate after evaluation for them to complete and then send back to its Procurement Department for review. Procurement organizes R&D, quality, and engineering departments to assess new suppliers for their compliance and sustainability performance.

Supplier assessment

During assessments, KTC focuses on supplier performance in environmental and social risk management, such as environment, quality, and labor rights, and has formulated regulations including the Supplier Reevaluation Management Regulations, the Procurement Management Control Procedure, and the Supplier Rating and Price Comparison Management. Suppliers are re-evaluated every six months based on criteria such as price, delivery, service, RBA compliance, secure trade & quality, and environment & safety. The full score is 100. Suppliers are rated AAA (best) if they score 85 or above, AA (second best) if they score between 60-85, and A (general) if they score below 60.

Supply chain risk management

At KTC, we identify key suppliers (based on the quantity or importance of supplied materials) to pinpoint areas of supply chain risk and develop a risk management strategy. For highly dependent raw materials, we have introduced a second or third supplier to lower the risk of single supplier dependence. Based on the inventory strategy, we adjust inventory levels and maintain appropriate safety stock for high-risk materials in case of short-term supply disruptions. We regularly evaluate supplier performance on indicators like prices, on-time delivery rates, company basics, yields, and online defect rates as the basis of supplier selection and management.



If there are reasonable grounds to believe that a supplier is risky, we will immediately devise, adopt and implement a risk management plan with upstream suppliers and other stakeholders based on its specific position in the supply chain to prevent or mitigate specific risks. We will immediately suspend or terminate cooperation with very high-risk suppliers. We will continue to monitor and track the implementation and completion of risk management plans, and assess periodically the effectiveness of their implementation. We will conduct monitoring and supplementary assessments of risks that need to be mitigated when the actual situation or supply chain changes.

Supply chain ESG management

KTC requires its suppliers to include social responsibility clauses in the Other Stakeholder Requirements to ensure that they understand and participate in social responsibility system management and operations. It asks its suppliers to ensure a safe and healthy working environment for employees and not to use forced labor. By the end of 2025, it evaluated all of its existing and new suppliers from an ESG perspective.

Supply chain integrity building

KTC has set high standards of business ethics for its suppliers and partners, requiring them to develop formal business ethics policies. By signing the Procurement Agreement and the Sunshine Cooperation Agreement with suppliers, the Company ensures that they adhere to the principles of confidentiality and procurement transparency. It builds long-term relationships with suppliers on the basis of fairness, impartiality, openness, and integrity to prevent harm to the legitimate interests of both parties.

Conflict minerals statement

KTC's operations do not involve conflict minerals. The Company follows the US Dodd-Frank Act, the EU Conflict Minerals Regulation, and the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains, and promises not to purchase or use the materials sourced directly or indirectly from conflict and high-risk areas, including but not limited to tin, tantalum, tungsten, cobalt and gold.



Common progress with the industry

Supplier training

KTC organizes events such as supplier conferences and irregular meetups to empower the supply chain for sustainable win-win cooperation. Meanwhile, it organizes business and quality training for suppliers through quality training camps to promote management and service quality requirements.

Supplier training



Leading industry development

Deep engagement and mutual learning go hand in hand for industry common prosperity

KTC believes that if you want to go fast, walk alone; and if you want to go far, walk together. Based on the principles of openness, collaboration, and win-win, we are actively involved in industry ecosystem building. By engaging deeply with industry associations, leading/participating in the formulation of key standards, and sharing cutting-edge achievements at top industry events, we tackle technological challenges, standardize market order, and redefine application boundaries in collaboration with industry partners to move China's smart display industry towards global high-end manufacturing.



Deep engagement and mutual learning go hand in hand for industry common prosperity

Through deep engagement with industry associations, KTC leads the industry's sustainable development

KTC is not only a key member of several industry associations, but also a director unit of the influential China Video Industry Association/Shenzhen Computer Industry Association. We take an active part in the associations' annual planning, policy advice, and industry self-discipline activities, serving as an organizer and key planner for the development of industry white papers and the organization of international exhibitions.

KTC leads the formulation of standards to build a technological moat and green benchmark

In recent years, KTC has been deeply involved in the formulation of nearly 20 national and group standards, reflecting its comprehensive technological leadership. The Company translates its technological strengths and sustainability commitment into industry norms, aiming to raise the technical threshold and product quality across the industry and set an industry benchmark in social responsibility areas such as information security, visual health, and green environmental protection.

KTC debuts cutting-edge products at a major global industry exhibition

On May 22, 2025, KTC was invited to participate in the Global AI Device Expo 2025 and the 6th Shenzhen Global AI Expo (GAIE) at Shenzhen Convention & Exhibition Center. The event, themed "Connect the World and Start the Future with AI Devices", brought together the world's top technology companies. We made a stunning appearance with our intelligent terminal products and solutions centered around AI+. At the opening ceremony of the event, we introduced our latest product under our own brand, the KTC mobile smart screen.



Ecosystem synergy and industrial incubation

(1) Empower industrial chain upgrades; promote modern industrial craftsmanship

As an industrial workers training base in Shenzhen, KTC provides systematic training, including on intelligent display manufacturing and quality management, for players across the value chain. The move not only enhances the skills of our in-house staff, but also opens our manufacturing standards and experience to upstream and downstream partners, as we take on the responsibility of producing quality artisans for the industry to promote the upgrading of the industrial workforce.

(2) Internalize technology transfer; incubate emerging businesses

We have realized the cross-domain application of our core technologies. For example, we have introduced the mini LED backlight technology to in-vehicle displays and completed the mass production and delivery of the first batch of products. This closed loop of "technology incubation - industrialization" has opened new business avenues for us, driving strong revenue growth from innovative display products.

(3) Foster an industrial synergy ecosystem; drive technological innovation

At KTC, we have built a vibrant industry collaboration network by organizing and participating in industry exchanges. At the Greater Bay Area AI+ intelligent terminal display innovation seminar we co-organized, we shared with industry guests our technical solutions across key scenarios such as AI+ office, AI+ education, AI+ health care, and AI+ entertainment, and discussed new industry solutions with our upstream and downstream value chain partners.

Fair treatment of small and medium-sized enterprises

During the reporting period, KTC earnestly fulfilled its social responsibility by treating small and medium-sized enterprises equally and positioning them as an indispensable part of the supply chain. Through procurement process optimization and strengthened communication and exchanges, the Company established a level-playing field for medium, small and micro-sized suppliers, ensuring equal treatment for all partners, and focused on building long-term partnerships to jointly create an inclusive, win-win business ecosystem.

Social contribution and rural revitalization

Social contribution

KTC stays committed to giving back to society through practical actions. Through welfare support and community building, the Company continuously contributes to the sustainable development of society.

Disaster response and charitable donations

In 2024, KTC donated RMB1 million to the Pingyuan County Charity Association for flood control and disaster relief in Meizhou, and raised RMB198,300 in donations from its employees and partners. The Company and its Chairman spent a cumulative RMB3,660,700 to donate critical equipment such as ambulances and CT scanners to medical institutions and provide financial and teaching equipment support to schools for the development of education and healthcare. For the support of specific groups, the Company started a targeted donation project at the Shenzhen Longgang Charity Association, whereby it donated RMB50,000 to people in difficulty. The Chairman and management contributed RMB300,000 to the Huizhou Ganghui Love Foundation's efforts to help children with hearing impairment.



Volunteer services and community care

KTC has established a regular volunteer service system to enable deep involvement in community governance and care. The Huizhou KTC Volunteer Service Team has long been engaged in volunteer services such as traffic guidance, school guarding, environmental plogging, and security patrols, allowing KTC to complete more than 1,209 hours of volunteer time in 2025. KTC has organized employees to participate in community support activities such as Party-mass service center duty rotas, traffic guidance, and voluntary blood donation. Furthermore, KTC has partnered with the Shenzhen Happiness Charity Foundation to conduct home visits and provide care for children with special needs, bringing warmth to the local community and families of workers in new forms of employment.



Green operations and industry leadership

KTC integrates the green concept throughout its entire operational chain, and implements energy conservation and emissions reduction, with national green factory certification and Guangdong-Hong Kong-Macao Greater Bay Area carbon footprint labeling certification. Furthermore, the Company supports ecological conservation through concrete actions, as evidenced by the donation of 21 saplings worth RMB24,000 for the "Green and Beautiful Bantian" initiative. At the value chain level, the Company promotes environmental audits for its key suppliers, and contributes to the formulation of 34 national and group standards related to supply chains and carbon footprint to lead the industry's low-carbon transition.



Rural revitalization

In response to national calls, KTC has integrated support for rural revitalization into its social responsibility practices, contributing to rural development through diversified assistance. In 2024-2025, the Company invested more than RMB1.32 million in rural revitalization, benefiting villages in places such as Guangdong, Jiangxi, and Guizhou. The Chairman was honored as the Responsible Business Leader of 2024, and the Company received the 2024 Public Welfare Practice Award, the Shenzhen May Day Labor Medal, and the Guangdong Provincial Advanced Collective.

Hours of volunteer activities (h): **1,209**
 Number of participants in volunteer activities: **175**
 Average volunteer service hours per employee (h): **6.9**
 Total investment in public welfare and charity: **RMB2,371,200**
 Number of demobilized military personnel employed: **96**



Smart countryside

Leveraging its business strengths in the intelligent display field, KTC focuses on providing equipment support to rural and poverty-alleviated areas. From 2024 to 2025, the Company and its Chairman donated equipment, including intelligent conference tablets and KTC mobile screens, worth over RMB570,000 to hospitals, schools, and government agencies in Guangdong's Pingyuan and Jiangxi's Yugan, helping to advance the digitalization of local healthcare, education, and government services.



Industrial assistance

KTC supports rural specialty industries through the procurement of poverty alleviation agricultural products. In 2025, the Company purchased lychees worth RMB9,250 through its buy-to-support program.

广东网上银行电子回单				
付款人	户名	深圳市建冠科技股份有限公司	户名	海丰县赤坑联村带农文旅发展有限公司
	账号	9550880084689900144	账号	600441561162
	开户银行	广发银行股份有限公司惠州分行营业部	开户银行	广东海丰农村商业银行股份有限公司
交易币种	人民币	交易标识	钞	
交易金额	9,250.00			
交易流水号	806823847473			
交易时间	2025-07-21	交易状态	成功	
备注				
附言	行政办公费			

* 银行重要提示: 电子回单可重复打印, 请注意核对, 请勿重复记账使用。

图单生成时间: 2025-07-21

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Multi-channel donations

KTC continues to support rural revitalization through multiple channels. In 2025, the Chairman donated RMB500,000 to Pingyuan County for rural revitalization efforts in Shizheng Town and RMB200,000 to the Pingyuan County Chamber of Commerce for work on the Hundred-Thousand-Ten-Thousand Project, which promotes high-quality development of 100 counties, 1,000 towns, and 10,000 villages, in Pingyuan County. The Company has participated in the "June 30" Rural Revitalization Assistance Campaign multiple times, donating a total of RMB40,000 to the Shenzhen Longgang Charity Association for the "10,000 private enterprises revitalizing 10,000 villages" initiative to support rural revitalization. Furthermore, it mobilized employees to donate books, clothing, and other items in support of teachers who have come to Xinjiang from Longgang for aid purposes as part of the Bantian Volunteer Association and Shu Xiang platform's rural revitalization program benefiting millions.



In 2025, the Company's investment in rural revitalization amounted to **RMB945,000**, benefiting a total of **200,000** people.



Quantitative performance table

▲ Governance KPIs

Indicator	Unit	2023	2024	2025
Number of ESG-themed training sessions	/	1	1	1
Number of participants in ESG-themed training sessions	/	27	29	33
Number of Board of Directors meetings	/	8	10	12
Number of Board of Directors proposals reviewed	/	47	40	45
Board member attendance rate	%	100	100	100
Number of shareholders' meetings and extraordinary shareholders' meetings	/	3	2	3
Number of Audit Committee meetings	/	5	6	7
Number of Remuneration and Appraisal Committee	/	5	4	6
Number of Nominating Committee meetings	/	1	1	2
Number of Board of Directors members	/	7	7	7
Number of independent directors	/	3	3	3
Share of independent directors	%	42.86	42.86	42.86
Share of independent directors on the Audit Committee	%	66.67	66.67	66.67
Share of independent directors on the Nominating Committee	%	66.67	66.67	66.67
Share of independent directors on the Remuneration and Appraisal Committee	%	66.67	66.67	66.67
Number of investor surveys	/	8	7	4
Number of responses to investor queries on the exchange's interactive platform	/	56	44	33
Number of external announcements	/	169	138	165
Number of commercial bribery and corruption cases	/	1	0	0
Number of anti-commercial bribery and anti-corruption training sessions	/	4	4	4
Number of directors covered by anti-commercial bribery and anti-corruption training	/	7	7	7
Percentage of directors covered by anti-commercial bribery and anti-corruption training	%	100	100	100
Number of management members covered by anti-commercial bribery and anti-corruption training	/	13	13	13
Percentage of management members covered by anti-commercial bribery and anti-corruption training	%	100	100	100
Number of employees covered by anti-commercial bribery and anti-corruption training	/	7,370	8,276	7,578
Percentage of employees covered by anti-commercial bribery and anti-corruption training	%	100	100	100
Amount involved in lawsuits or major administrative penalties due to unfair competition	/	0	0	0

▲ Environmental KPIs

Indicator	Unit	2023	2024	2025
Total environmental investment	RMB10,000	450	655	603
Amount of environmental administrative penalties	RMB10,000	0	0	0
Number of environmental protection publicity and training sessions	/	18	18	20
Number of participants in environmental protection publicity and training	/	7,370	8,276	7,578
Amount of administrative penalties for pollutant emissions	RMB10,000	0	0	0
Total volume of industrial wastewater	m ³	11.19	11.73	11.21
Total volume of domestic wastewater	m ³	336,562	399,032	362,550
Total volume of wastewater discharge	t	336,574	399,044	362,561
COD emissions	t	0.16	0	0
BOD emissions	t	0.06	0.06	0.06
NH3-N emissions	t	0.00025	0.00025	0.00025
TN emissions	t	0	0	0
TP emissions	t	0	0	0
Total exhaust gas emissions	m ³	921,380,000	930,000,000	972,100,000
NOx emissions	t	0	0	0
SOx emissions	t	0	0	0
VOC emissions	t	0.51	34.60	22.40
PM emissions	t	0.002	0.002	0.011
Total wastes generation	t	10,423.05	12,352.53	10,615.07
Harmless waste generation	t	10,399.03	12,325.63	10,586.01
Hazardous waste generation	t	24.02	26.89	29.06
Total water withdrawals	t	246,457	420,046	381,643
Total water consumption	t	200	220	240
Water consumption per RMB million of revenue	t/RMB million	0.018	0.0163	0.0165
Total water recycling and reuse	t	6,200	6,200	6,200
Water recycling and reuse rate	%	96.88	96.57	96.27
Packaging material usage	t	13,813	18,446	22,117
Total comprehensive energy consumption	TCE	5,981.68	6,898.54	6,070.53
Comprehensive energy consumption intensity per RMB million of revenue	TCE/RMB million	0.45	0.44	0.56
Direct energy consumption	TCE	717.62	920.78	927.17
Indirect energy consumption	TCE	5,264.06	5,977.76	5,143.35
Coal consumption	TCE	0	0	0
Petrol consumption	L	58,638.17	55,412.3	47,844.80
Diesel consumption	L	1,594.56	1,564.07	1,677.40

Indicator	Unit	2023	2024	2025
Liquefied petroleum gas consumption	L	0	0	0
Electricity consumption	MWh	40,849.62	55,631.08	48,959.17
Steam consumption	TCE	0	0	0
Clean energy consumption	TCE	717.62	920.78	927.17
Share of clean energy in total energy consumption	%	12.00	13.35	15.27
Solar consumption	TCE	717.62	920.78	927.17
Total greenhouse gas emission	tCO2e	24,569.68	27,933.89	22,596.82
Scope 1 greenhouse gas emissions	tCO2e	131.07	124.01	105.91
Scope 2 greenhouse gas emissions	tCO2e	24,438.61	27,809.88	22,490.91
Electricity saved by green office	TCE	764.25	989.8	1,904.5
Paper weight saved by green office	t	/	16.05	1.09
Water saved by green office	t	/	/	421,881

▲ Social KPIs

Indicator	Unit	2023	2024	2025
Percentage of certified raw materials	%	100	100	100
Amount involved in major safety and quality incidents related to products and services	RMB10,000	10,658,452.75	8,761,558.90	9,727,420.67
Product recall rate	%	0.54	0.74	0.54
Product acceptance rate	%	99.42	99.38	99.42
Product yield	%	98.18	98.17	97.48
Product return rate	%	0.6	0.38	0.88
Number of customer complaints	/	427	586	476
Customer satisfaction rate	%	91.5	91.76	90.5
Amount involved in data security incidents and customer privacy breaches during the reporting period	RMB10,000	0	0	0
R&D spending	RMB10,000	61,687	64,730	60,497
Number of R&D employees	/	1,552	1,682	1,679
Percentage of R&D employees	%	21.06	20.32	22.16
R&D spending as % of revenue	%	4.59	4.15	4.18
Number of high-tech enterprise certifications	/	6	6	6
Number of specialized and innovative "Little Giant" enterprise certifications	/	1	1	1
Number of specialized and innovative small and medium-sized enterprise certifications	/	4	4	4
Number of valid patents during the reporting period	/	683	732	847
Number of new invention patents granted during the reporting period	/	30	24	11
Number of invention patent applications during the reporting period	/	31	52	54
Number of invention patents granted during the reporting period	/	89	113	124
Number of software copyrights	/	525	583	638
Total number of employees	/	7,370	8,276	7,578
Number of male employees	/	4,720	5,397	4,780
Number of female employees	/	2,650	2,879	2,798
Number of employees aged under 30	/	3,326	3,521	3,178
Number of employees aged 30-50	/	3,870	4,514	4,198
Number of employees aged over 50	/	174	241	202
Number of employees with college degree or below	/	5,365	5,897	5,224
Number of employees with undergraduate degree or above	/	2,005	2,379	2,354
Number of senior managers	/	23	24	25
Number of middle managers	/	84	85	80
Number of grassroots employees	/	7,263	8,167	7,473
Number of ethnic minority employees	/	957	1,110	912
Number of new hires	/	6,274	7,416	3,944

Indicator	Unit	2023	2024	2025
Number of labor disputes	/	1	2	5
Total employee compensation	RMB10,000	105,380.26	120,951.71	114,314.94
Average compensation per employee	RMB10,000	14.30	14.61	15.09
Labor contract signing rate	%	100	100	100
Social insurance coverage	%	100	100	100
Non-compensation benefits	RMB10,000	93.94	61.98	48
Number of employees who took parental leave during the reporting period	/	202	269	300
Number of employees who returned to work after parental leave during the reporting period	/	202	269	300
Employee training spending	RMB10,000	54.28	59.11	48.79
Employee training coverage	%	99.69	100	100
Total number of employee training sessions	/	2,646	3,452	5,378
Average training hours per employee	h	89.88	97.63	104.37
Employee satisfaction rate	%	94.69	93.64	94.08
Number of safety education and training sessions	/	72	127	151
Number of participants in safety education and training	/	528,984	1,051,052	1,175,535
Average safety education and training hours per employee	h	108	139	147
Safety education and training coverage	%	99.69	100	100
Investment in work safety	RMB10,000	110	145	170
Investment in work-related injury insurance	RMB10,000	75.69	109.79	178
Work-related injury insurance coverage	%	100	100	100
Investment in work safety liability insurance	RMB10,000	20	25	30
Work production liability insurance coverage	%	100	100	100
Employee occupational health checkup coverage	%	100	100	100
Number of entities with ISO 45001 certification	/	3	3	4
Number of cases of occupational diseases	/	0	0	0
Number of work-related employee deaths	/	0	0	0
Work-related injury rate	%	0.19	0.38	0.13
Number of work days lost to work-related injuries	/	248.5	1,124.69	728.06
Number of major safety incidents	/	0	0	0
Total number of suppliers	/	1,373	1,510	1,661
Local supplier procurement rate	%	80	75	78
Supplier integrity clause signing rate	%	100	100	100
Number of supplier training sessions	/	5	7	9
Number of suppliers covered by supplier training	/	20	26	34

Indicator	Unit	2023	2024	2025
Number of participants in volunteer activities	/	220	551	175
Average volunteer service hours per employee	h	3.5	6.6	6.9
Total investment in public welfare and charity	RMB10,000	619.01	531.52	237.12
Number of demobilized military personnel employed	/	50	77	96
Proportion of demobilized military personnel employed	%	0.8	1.04	1.16
Investment in rural revitalization	RMB10,000	488.04	39	94.51
Number of beneficiaries from rural revitalization	/	200,000	7,000	200,000

Indicator index

Dimension	No.	Issue	Corresponding clause	Section
Environmental	1	Climate actions	No. 21-No. 28	Climate actions
	2	Pollutant emissions	No. 30	Pollutant emissions
	3	Waste disposal	No. 31	Waste disposal
	4	Ecosystem and biodiversity conservation	No. 32	Ecosystem and biodiversity conservation
	5	Environmental compliance management	No. 33	Environmental compliance management
	6	Energy utilization	No. 35	Energy management
	7	Water resources utilization	No. 36	Water resource management
	8	Circular economy	No. 36	Circular economy
Social	9	Rural revitalization	No. 39	Rural revitalization
	10	Social contribution	No. 40	Social contribution
	11	Innovation	No. 42	Technological innovation
	12	Science and technology ethics	No. 43	Science and technology ethics
	13	Supply chain security	No. 45	Responsible supply chain
	14	Fair treatment of small and medium-sized enterprises	No. 46	Fair treatment of small and medium-sized enterprises
	15	Product and service safety and quality	No. 47	Product quality and safety
	16	Data security and customer privacy protection	No. 48	Data security and privacy protection
	17	Employment	No. 50	People orientation and unity drive growth
Sustainability-related governance	18	Due diligence	No. 52	Due diligence
	19	Stakeholder engagement	No. 53	Stakeholder engagement
	20	Anti-commercial bribery and anti-corruption	No. 55	Commercial bribery and corruption risks
	21	Anti-unfair competition	No. 56	Anti-unfair competition and anti-monopoly

Feedback

Dear readers,

Thank you for reading the 2025 Sustainability and ESG Report of KTC. To continuously enhance the management of sustainability reports, we particularly hope to hear your comments and suggestions. Please help answer the questions in the feedback form and send it back to us.

Address: No. 4023 Wuhe Avenue, Bantian Subdistrict, Longgang District, Shenzhen

Phone: 0755-33001308

Fax: 0755-33615999

Your information:

Name:	Phone:
Employer:	Fax:
Position:	Email:

Feedback form

Choice questions (please tick "✓" in the corresponding box):

Please evaluate the degree to which the report reflects the significant impact of KTC on the economy, society and environment:

Very good Good Fair Poor Very poor

Please evaluate the response and disclosure of stakeholder concerns in this report:

Very good Good Fair Poor Very poor

Please evaluate the clarity, accuracy, and completeness of the information, indicators, and data disclosed in this report:

Very good Good Fair Poor Very poor

Please evaluate the readability of this report:

Very good Good Fair Poor Very poor

Please provide a comprehensive evaluation of the KTC's 2025 Sustainability Report:

Very good Good Fair Poor Very poor

Open questions

What suggestions do you have for KTC's ESG work?

What valuable ESG information do you think this report provides for you?

What additional ESG information do you think should be disclosed in this report?