Kingstate Sustainability Report

2025

Contents

■ About This Report

This is 2025 Kingstate Electronics Corp. Sustainability Report, published by "Kingstate Electronics Corp." (hereinafter referred to as "Kingstate Electronics Corp.," "we," "our" or "Kingstate").This report aims to communicate Kingstate's management measures and plans regarding sustainability issues in an open and transparent manner. Through this report, we hope that all stakeholders will gain a full understanding of ourcommitments and achievements in Green Environment, social responsibility, employee well-being, corporate governance and risk management.

■ Reporting Period and Scope

The information disclosed in this report covers Kingstate's principles and actions in the areas of "Corporate Governance," "Green Environment," and "Social Engagement" for the period from January 1, 2025, to December 31, 2025; significant events are disclosed through June 30, 2026. The content of this report primarily focuses on "Kingstate Electronics Corp.," the corporate headquarters located in Taiwan. The operational sites covered in the report include the Taiwan headquarters, Kingstate Dongguan and Kingstate Suzhou. Financial data is disclosed in accordance with the scope of the consolidated financial statements, while social responsibility activities cover select overseas subsidiaries within the Group.

■ Global Sustainability standard

This report was prepared in accordance with the latest Sustainability Reporting Standards (GRI Standards 2021) published by the Global Reporting Initiative (GRI). It also aligns with the "Code of Practice for Sustainable Development of Listed and OTC-Traded Companies" and references the United Nations Sustainable Development Goals (SDGs) to comprehensively showcase the results of our sustainability initiatives. In addition, we have referenced the relevant hardware industry indicators established by the Sustainability Accounting Standards Board (SASB) and the full text of this report is available in ESG section of Kingstate's official website.

■ Contact Information

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■ Report Issuance

Current Version: August 2026
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志業永續，善盡地球公民之責
豐碩永續，力保股東投資權益

Chairman
Yentang Chang

■ Message from the Chairman

The world is at a critical turning point in climate resilience and supply chain transformation. Geopolitical conflicts, extreme weather events and food security crises have reshaped the global economic environment. Amid increasingly stringent international sustainability standards and Taiwan' s launch of the "First ESG Assessment," sustainable business operations have become essential to long-term competitiveness. As a key partner in the global electroacoustic industry, Kingstate recognizes that strong governance and low-carbon transformation directly influence the sustainability of the entire supply chain. We are therefore embedding sustainability into our core operations and advancing initiatives across environment, society and governance:

I. Green Manufacturing and Climate Transition (E)

Since 2021, Kingstate has conducted greenhouse gas inventories and is progressively implementing third-party verification and science-based carbon reduction planning. We continue to strengthen environmental and product certifications, promote low-carbon design and improve energy efficiency. We are also enhancing ESG risk assessment across our supply chain and working with partners to reduce Scope 3 emissions.

II. Acoustic Innovation and Social Inclusion (S)

We continue to advance acoustic technologies for smart home, automotive electronics and AI applications, creating safer and smarter solutions that enhance quality of life. We are committed to community development through charitable support, emergency relief and volunteer programs. Internally, we promote diversity, equity and inclusion (DEI), employee well-being and a safe and healthy workplace.

III. Corporate Governance and Operational Resilience (G)

Strong governance is the foundation of resilience. Kingstate continues to strengthen Board oversight, information transparency and the integration of ESG performance into business decisions. We also enhance information security and our Business Continuity Plan (BCP) to maintain operational resilience amid geopolitical and market uncertainties. Sustainability is a continuous journey. Moving forward, Kingstate will uphold our values of "Integrity, Innovation and Pursuit of Excellence," working with stakeholders to build a low-carbon, resilient and sustainable future for the electroacoustic industry.

1. Acoustic Expert

1.1 About Kingstate

Company Profile	
Company Name	Kingstate Electronics Corporation
Stock Code	3206
Chairman of the Board	Yen Tang, Chang
Established	1977/7/24
Counter Time	2007/2/8
Company Headquarters	9F, No. 69-11, Sec.2, JhongJheng E. Rd., Danshui Dist, New Taipei City 251402, Taiwan
Locations	Taipei Headquarters, Dongguan Kingstate, Suzhou Kingstate
Product Line	Piezo Buzzer, Magnetic Buzzer, Speaker, Receiver, MEMS Microphone, ECM, Acoustic Module, TWS Wireless Earbuds, Headset, Bluetooth Wearable Device, Smart Device, Wireless Alarm, IoT Product, Digital Smart Hearing Aid
Capital	NTD 589 million (as of 2025/12/31)
Number of workers	733 (as of 2025/12/31)
Revenue Size	NTD 3.19 billion (2025)

■ Total Sound Solution Expert

Established in July 1977, Kingstate is the first professional acoustic company in Taiwan to obtain ISO quality management certification. Since its establishment, we have continued to devote ourselves to the research, development and production of electro-acoustic products such as buzzers, speakers, microphones, receivers, MEMS microphone modules, audio modules, TWS, Bluetooth headsets, smart hearing aids, etc. We have always adhered to the service philosophy of "Providing our customers with high-quality and total sound solutions".

Kingstate’ s headquarters is located in Taipei, Taiwan and we have established production bases in Dongguan, Pingnan and Suzhou, China. With a strong team of R&D, design, manufacturing, marketing and quality management, we are actively expanding the territory of electro-acoustic products across the world.

Over the years, Kingstate’ s products have been favored by international manufacturers and are widely used in AI industry, smart home, consumer electronics, information technology, home appliances, automotive electronics, security, medical and industrial equipment and other related fields.
We have always been in the forefront of the industry in terms of quality management and have obtained ISO9002, ISO9001, ISO14001, IATF16949, ISO45001, ISO13485, QC080000, RBA, ISO14064-1, ISO14067, ISO50001 and other certifications.

Since 2006, we have fully implemented the European Union's RoHS and Reach regulations for environmental processes and testing and have strictly adhered to the Electronic Industry Code of Conduct (EICC), sourcing raw materials only from environmentally and socially responsible suppliers and ensuring that metals in the raw materials supplied to us are not sourced from conflict zones. These are Kingstate’ s continuous pursuit of quality and our firm commitment to it.

■ Business Philosophy (Core Value)

Its business philosophy is the core of Kingstate’ s values, reflecting the company’ s unique vitality and competitiveness. Like a rock, this philosophy remains steady over time—unshaken and immovable like a mountain. It shapes the mindset and behavior of every employee, forming a culture of strong execution.

- Integrity

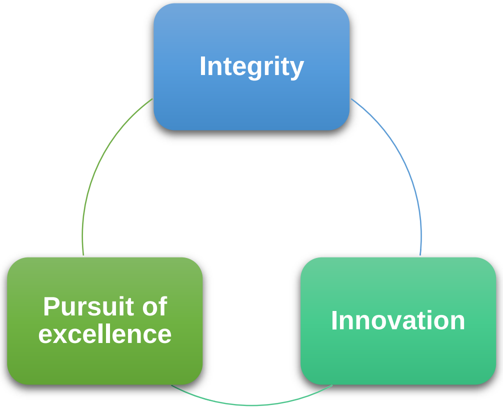
The foundation of Kingstate’ s values.

- Innovation

The driving force behind our growth and strategic direction.

- Pursuit of Excellence

Every Kingstate team member embraces a broad perspective, works with mutual trust and faces challenges with optimism, resilience and a relentless drive for excellence.



1.2 History & Milestone

1977
Established Kingstate Electronics Corp.

1993
ISO 9002 Quality Management System Certification

1996
Establishment of the Kingstate Dongguan Plant

2000
ISO 9001 Quality Management System Certification

2001
TL9000 Quality Management System Certification for the Telecommunications and Electronics Industry

2004
ISO 14001 Environmental Management System Certification

2005
Established the Kingstate Suzhou Plant
TS16949 Automotive Quality Management System Certification

2007
Officially Listed on the Stock Exchange

2011
Apple MFi Certified Factory

2013
Accumulated over 100 technical patents
Enhancing product value through high sound pressure levels and miniaturization

2014
Established Skype Lync Audio Laboratory

2015
QC080000 Certification for Hazardous Substance Process Management System

2017
Expansion of the Remote Microphone Voice Quality Testing Laboratory

2018
IATF 16949 Automotive Quality Management System Certification

2019
Established ALEXA AQT Voice Testing Laboratory

2020
ISO 45001 Occupational Health and Safety Management System Certification
RBA 6.0 Responsible Business Alliance Certification

2021
ISO 13485 Medical Device Quality Management System Certification

2022
ISO 14064-1 Greenhouse Gas Inventory Standard

2023
ISO 14067 Carbon Footprint Assessment Certificate
ISO 50001 Energy Management System Certification

2024
ISO 27001:2022 Information Security Management System Certification
RBA 8.0 Responsible Business Alliance Code of Conduct Certification

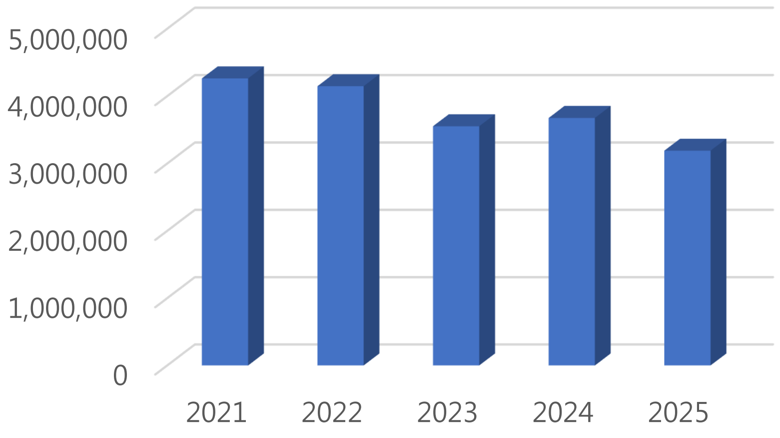
1.3 Financial Performance

In 2025, Kingstate’ s consolidated operating revenue was NT$3.19 billion, a decrease of NT$486 million compared to 2024, representing a decline of 13.21%.

Net operating profit for 2025 was NT$140 million, a decrease of NT$89 million compared to 2024, representing a decline of 38.65%. The primary reason was the decrease in operating revenue.

Net income before tax for 2025 was NT$174 million, a decrease of NT$162 million from 2024, representing a decline of 48.11%.

Non-operating income in 2025 decreased by NT$73 million compared to 2024, primarily due to foreign currency exchange valuation losses.



Revenue (NTD: Thousand)

Historical Revenue and Income Statements					
Unit: Thousands of New Taiwan Dollars	2021	2022	2023	2024	2025
Revenue	4,262,959	4,146,996	3,552,984	3,675,973	3,190,460
Operating Costs	3,655,813	3,326,603	2,775,978	2,883,845	2,527,929
Gross Profit	607,146	820,393	777,006	792,128	662,531
Operating Expenses	464,793	557,302	461,531	562,483	521,641
Marketing Expenses	157,150	183,874	141,575	158,627	139,967
Administrative Expenses	187,374	240,882	226,576	274,417	257,745
R&D Expenses	107,740	100,600	93,139	129,960	121,107
Expected Credit Loss and Gain	12,529	31,946	241	-521	2,822
Operating Profit	142,353	263,091	315,475	229,645	140,890
Non-operating Income (Expenses)	38,918	61,555	81,308	106,100	33,322
Net Income Before Tax	181,271	324,646	396,783	335,745	174,212
Income Tax Expense	49,958	112,531	112,665	118,345	50,314
Net Income for the Period	131,313	212,115	284,118	241,741	119,142
Non-Controlling Interests	0	0	0	-24,341	4,756
Other Comprehensive Income for the Period	7,644	18,518	-10,963	46,981	3,138
Total Comprehensive Income for the Period	138,957	230,633	273,155	264,381	127,036
Earnings Per Share	2.39	3.60	4.82	4.10	2.02
GRI-Specific Disclosure Expenditure Items					
Employee Salaries and Benefits	614,906	577,829	488,657	567,804	463,639

2. Sustainable Management

2.1 Sustainability Commitment
2.2 Stakeholder Communication Status
2.3 Materiality Analysis and Identification

2.1 Sustainability Commitment

■ Kingstate's Vision and Mission

Adhering to its corporate vision of "Pursuing Excellence for the Greater Good," We are committed to realizing its vision of becoming a "comprehensive expert in professional acoustic solutions" and striving to bring sound to the world. For over four decades, Kingstate has remained united in fostering a positive corporate culture, listening to the voices of all stakeholders and upholding a spirit of excellence and continuous improvement to ensure perfection in every task. Through ongoing review and improvement, Kingstate firmly implements its management philosophy. In terms of sustainable development practices, Kingstate strictly adheres to relevant principles and is committed to fulfilling its ESG sustainability commitments.

- Implementing Corporate Governance
- Promoting Environmental Sustainability
- Promoting Social Welfare
- Enhancing Disclosure of Corporate Sustainability Information

■ Sustainability Task Force Mission

On March 8, 2022, the Board of Directors of Kingstate Electronics Corp. approved the appointment of a Corporate Governance Officer and established the Corporate Governance and Sustainable Development Committee on May 3, 2022. The Board established four task forces under the Committee, composed of members from various departments, to drive the implementation and advancement of corporate sustainability. Each task force continues to organize courses and training sessions to familiarize members with key regulations, international sustainability issues and trends, while also collecting stakeholder-related materiality issues, feedback and best practices to address economic, environmental and social issues.

■ Kingstate Sustainability Policy

Environmental Sustainability

- Environmental Sustainability Management
- Greenhouse Gas Management
- Operational Carbon Reduction Management
- Supply Chain Management
- Green Procurement

Social Engagement

- Strategic Planning and Implementation of Public Welfare Initiatives
- Community Engagement
- Social Responsibility
- Corporate Image

Risk Management

- Information and Communication Security Risk Management
- Intellectual Property Risk Management
- Climate Change Risk Management
- Financial Risk Management
- Operational Risk Management

Corporate Governance

- Stakeholder Communication
- Board of Directors / Shareholders' Meeting
- Corporate Governance Assessment
- Organizational Strategy
- Integrity & Legal Compliance
- Shareholder Rights

2.2 Stakeholder Communication Status

Kingstate defines stakeholders as individuals, groups, or organizations that influence Kingstate or are influenced by Kingstate. Kingstate's stakeholders include government and regulatory authorities, employees, shareholders and investors, customers, suppliers and community groups. Through diverse communication channels, we identify the issues of concern to our stakeholders. Based on this, we determine material issues and formulate relevant management policies and implementation plans to address the needs and expectations of our stakeholders.

Stakeholders	Priority Issues	Communication Channels, Response Methods and Communication Frequency	Importance to Kingstate	Communication and Implementation Results
Government and Regulatory Authorities	Regulatory Compliance	Participation in policy discussions and forums organized by regulatory authorities on an ad hoc basis	We comply with applicable laws and regulations, strengthen compliance management, employee training and risk monitoring and promote transparent communication to mitigate legal and operational risks and support Kingstate's sustainable development.	Participate in briefings on the latest regulations and seminars on sustainability issues organized by government agencies to stay abreast of the latest regulatory developments and strengthen our sustainability initiatives.
	Customer Protection and Communication	Cooperate with regulatory authorities' supervision and audits		
	Corporate Governance	Meet with regulatory authorities and establish direct channels for communication		
	Risk Management	Hold annual risk management meetings		
	Contact Person	Ms. Lin, hr@kingstate.com.tw		
Employees	Employee Benefits	Announcements regarding various employee benefits (health checkups, group insurance, club activities), event information, important operational updates and annual performance evaluations are issued as needed	Employees are Kingstate's most valuable asset. We prioritize employee welfare, provide a safe and supportive work environment, implement effective incentive programs and ensure lawful and reasonable labor management to maximize employees' potential and promote Kingstate's success and sustainable development.	2025 Employee Opinion Survey: The participation rate for this survey reached 90%. Survey results: On a scale of 1 to 5, the overall average satisfaction score was 4.43, reflecting that the majority of employees hold a positive view of Kingstate.
	Employee Evaluation Mechanism	Quarterly Labor-Management Meetings		
	Occupational Safety and Health	Semi-Annual Fire Drills		
	Contact Person	hr@kingstate.com.tw Ms. Lin		
Shareholders and Investors	Corporate Governance	Material Announcements: Public Information Observation Station, Real-Time Announcements of Important Information	Announcing material information, publishing financial reports and holding investor briefings are key to Kingstate's communication with shareholders and investors. We ensure information is transparent, accurate, timely and compliant, while strengthening communication channels and corporate governance to build stakeholder trust.	The Annual General Meeting of Shareholders was held on May 29, 2025.
	Operational Performance	Operational Performance: Regular Monthly Announcements of Financial and Business Information		In fiscal year 2025, Kingstate received inquiries from more than 50 investors via telephone; Kingstate spokesperson personally provided timely and accurate information to address investors' concerns.
	Shareholder Engagement	Holds an annual shareholders' meeting, publishes an annual report and a sustainability report and conducts investor briefings as required		
	Contact Information	KS3200@kingstate.com.tw, Ms. Zhang		
Client	Service Quality	Annual customer satisfaction surveys conducted by the Marketing Department	We prioritize customer needs and satisfaction to enhance customer loyalty, optimize products and services and gain a competitive edge in the market. Building strong customer relationships and implementing effective customer management strategies are key to Kingstate's success.	2025 Customer Satisfaction Survey Results: Quality 90, Delivery Time 85, Service 92.5, Complaint Handling 90; Overall Performance 88.75; Overall Average 89.25. Overall satisfaction remained stable, with Service receiving the highest rating, reflecting strong team professionalism and efficiency. Delivery time remains an area for improvement and we will continue optimizing processes to enhance customer experience.
	Product and Service Responsibility	Update Kingstate website to enable customers to quickly access product and service information		
	Technology R&D	Provide testing equipment and technical support Consult with customers on product applications		
	Contact	info@kingstate.com.tw, Ms. Chen		
Suppliers	Sustainability Strategy	Regular supplier evaluations; signing of guarantees pledging non-use of environmentally restricted substances and integrity and anti-corruption commitments, with 100% of major suppliers having signed these agreements; and two-way communication with suppliers	We establish solid, mutually beneficial partnerships with suppliers. While ensuring commercial interests, we jointly promote ESG social responsibility and Green Environment to build long-term, stable supply chain relationships and achieve a win-win outcome.	1. Supplier Commitment: In Year 114, 100% of new suppliers signed the "Supplier Social Responsibility Commitment." 2. Supplier Audits: 135 key suppliers were audited on environmental, fire safety and labor conditions. 3. Corrective Actions: 100% of identified deficiencies were corrected by the end of Year 114. 4. Results: All evaluations were satisfactory, with no partnerships terminated for serious ESG violations.
	Contact	mf@kingstate.com.tw Mr. Chen		
Community Groups	Corporate Image	Active participation in forums and seminars organized by various civic and academic organizations	Kingstate is better able to fulfill its social responsibilities and engage in community development.	2025 Social Care Activities: Expenditures: NT$ 80,960 Donations: MT$ 882,169, Volunteer 338.5 hours, Blood Drive: 244 61,000 cc

2.3 Materiality Analysis and Identification

In accordance with the GRI Standards (2021), Kingstate identified highly material issues that have a significant impact on both "Kingstate" and "external economic, environmental and social aspects" based on Kingstate's operational activities, business relationships and supply chain conditions, through engagement with stakeholders and discussions with relevant department heads. "Double Materiality" refers to the process by which a company identifies issues that should be prioritized for management by considering both stakeholder perspectives and the impact of those issues on Kingstate's profitability, reputation and operational risks. We conduct an annual sustainability materiality analysis and discussion, gathering information from multiple sources on changes in issues of public concern and stakeholder feedback. We also refer to international sustainability reporting standards and indicators to assess the impact of these issues, develop materiality strategies and analyses and establish management policies and objectives to implement the identification of material issues and sustainability risk management.

■ Analysis Steps and Explanation

1 Understanding the Organizational Context

Based on Kingstate's operational status and industry-related activities, we identify the issues of concern to six categories of stakeholders and consider potential risks or opportunities, as well as possible impacts and effects, mapping potential impacts to 16 sustainability issues.

2 Identification of External and Internal Impacts

Based on stakeholder feedback and interactions, the Sustainability Development Committee and department supervisors assess the actual or potential impacts and opportunities of each issue from various perspectives.

3 Management Guidelines Proposal

Each responsible department, based on the evaluation results and in accordance with Kingstate's operational regulations, formulates management policies and goals for each issue and implements them accordingly.

4 Determination of Material Sustainability Issues

After discussions and resolutions by the Sustainability Development Committee, 9 major issues were identified and approved. These issues are mapped to GRI themes and the information is disclosed accordingly.

■ Materiality Assessment Results

Impact on Kingstate	Issue	Impact on the Economy, Environment and People
9	Climate Strategy	9
3	Energy Management	4
7	Sustainable Supply Chain	7
3	Biodiversity	4
7	Corporate Governance	6
8	Information Security	6
7	Quality Management	7
6	Business Ethics	6
4	Human Rights	3
4	Social Engagement	3
4	Economic Impact	5
7	Workplace Safety	7
8	Talent Development	6
8	Compensation & Benefits	6
5	Responsible Minerals	6
5	R&D and Innovation	5

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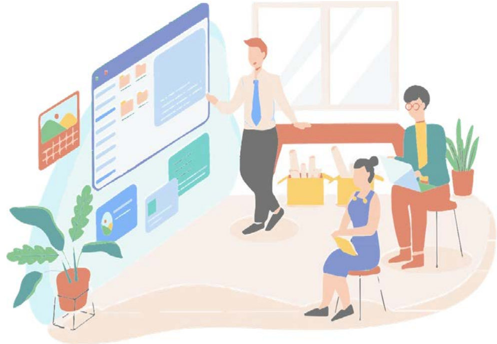
2.3 Materiality Analysis and Identification

■ Material Issues and Impacts

Key Themes	Material Issues	Value Chain Impact Hotspots			Impact Assessment				Management Approach and Relevant Sections
		Upstream	Operational Aspects	Downstream	Impact on Kingstate		Toward the Environment, Economy and People		
					Positive	Negative	Positive	Negative	
Climate Action	Climate Strategy	○	○	○	6	3	4	5	4.1 Climate Change 4.2 Greenhouse Gas Management 4.3 Energy Management 4.4 Water Resource Management 4.5 Waste Management
	Sustainable Supply Chain	○	○		5	2	3	4	3.6 Supply Chain Management
Corporate Governance	Corporate Governance		○		5	2	5	2	3.1 Governance Organization
	Information Security		○	○	4	5	2	4	3.4 Information Security
	Quality Management	0	○	○	4	3	5	2	1.2 History and Development 3.6 Supply Chain Management
	Integrity & Legal Compliance		○		5	1	5	2	3.2 Integrity & Legal Compliance
Human Capital	Workplace Safety	○	○		6	2	5	1	5.4 Inclusive Workplace and Health Care
	Talent Development	0	○	○	6	2	6	1	5.2 Talent and Training
	Compensation and Benefits		0		6	3	5	1	5.3 Benefits and Communication



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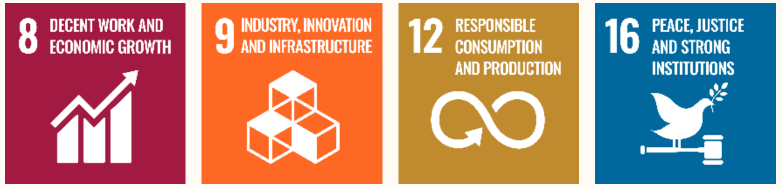
3. Corporate Governance

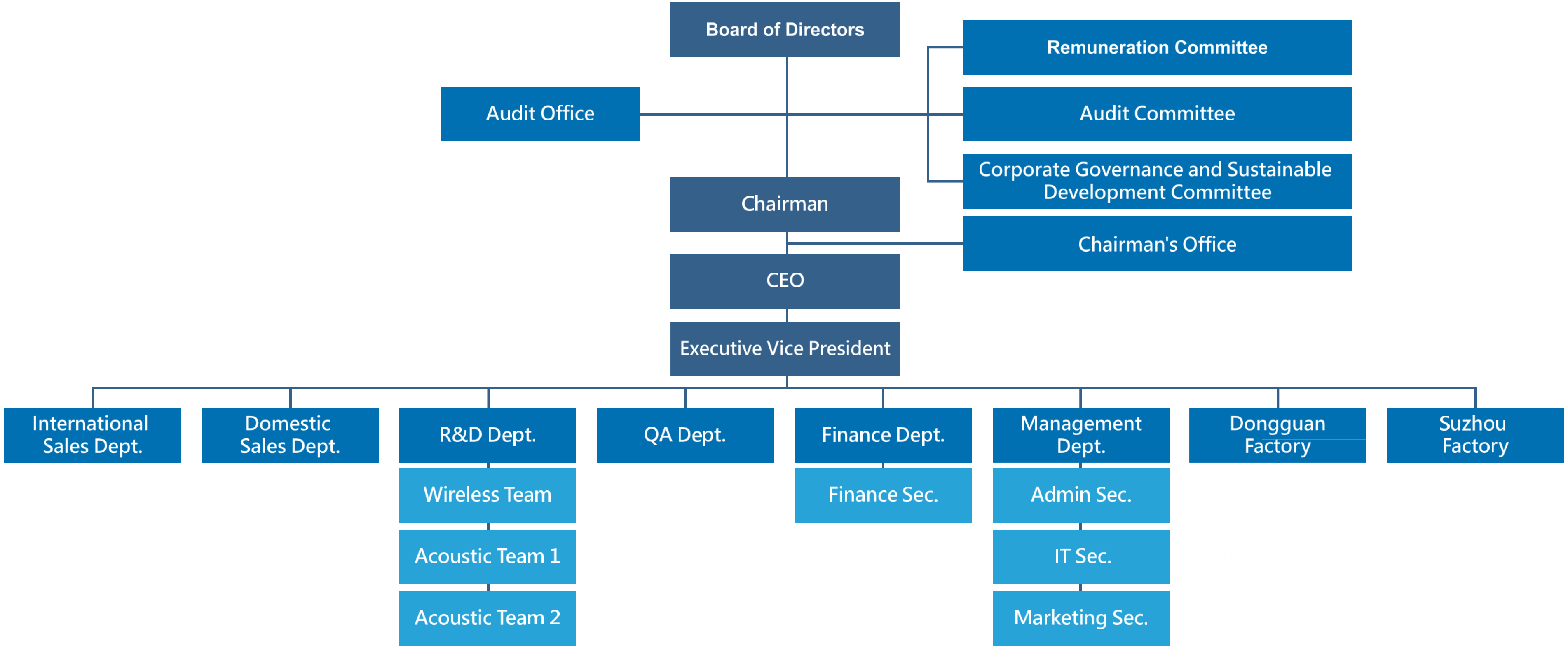
3.1 Governance Structure
3.2 Integrity & Legal Compliance
3.3 Risk Management
3.4 Information Security
3.5 Regulation Compliance
3.6 Supply Chain Management
3.7 Intellectual Property



3.1 Governance Structure

The Board of Directors is Kingstate's highest governing body. To strengthen the Board's structure and ensure a well-defined division of responsibilities, three functional committees—the Remuneration Committee, the Audit Committee and the Corporate Governance and Sustainability Committee—have been established under the Board. In accordance with their respective responsibilities, each committee oversees and discusses key operational matters covering economic, environmental and social (ESG) issues as well as risk management and reports regularly to the Board of Directors. For details regarding the number of members, terms of office, powers, key priorities and corporate governance operations of each committee, please refer to pages 17–27 of Kingstate's *2025 Annual Report to Shareholders* and the relevant sections of this report.

■ Organization Chart of Kingstate Group



3.1 Governance Structure

■ Roles and Oversight in Sustainability Governance

• Board of Directors Oversight of Sustainability Initiatives: Kingstate's Board of Directors is the highest supervisory body for sustainable development, overseeing long-term strategies, policies, objectives and implementation. The Corporate Governance and Sustainable Development Committee formulates sustainability strategies and policies based on Kingstate's vision and material issues and submits them to the Board for approval. The Risk Management Subcommittee conducts an annual materiality assessment, incorporating input from senior management and stakeholders to identify key ESG issues and report the results to the Board. Working groups under the Committee are responsible for sustainability strategies, projects, risk assessments and response measures. They meet quarterly to review risks and progress, while the Head of Corporate Governance regularly reports key developments to the Board.

• Sustainability Information Disclosure Management: The Corporate Governance and Sustainable Development Committee coordinates sustainability disclosures. Working groups collect and verify relevant data, which is consolidated by the Head of Corporate Governance and submitted to the Board for review. Following approval, the annual sustainability report is prepared and published.

• Performance Evaluation of Sustainability Management The Board oversees sustainability performance evaluation. In 2025, the Corporate Governance and Sustainable Development Committee reported to the Board twice, on August 5 and December 23, covering sustainability initiatives including integrity and legal compliance, intellectual property, information security, social responsibility, strategic goals and stakeholder engagement. The Board reviews sustainability performance and provides guidance for improvements and strategy adjustments. Through quarterly meetings, it continuously monitors key ESG issues, targets and implementation results, guiding Kingstate in establishing short-, medium- and long-term sustainability goals and action plans while enhancing corporate governance and sustainability performance.

Meeting Dates	Agenda Items	Resolution Results
August 5, 2025	2025 ESG Mid-Year Implementation Report	Approved by a resolution of all directors present
December 23, 2025	2025 Corporate Governance Implementation Report and 2026 Implementation Plan	Approved by a resolution of all directors present

■ Continuing Education on Sustainability

To strengthen directors' expertise and corporate governance, Kingstate provides regular training in corporate governance, ESG, risk management, internal controls, finance and sustainability. Annual courses enhance directors' knowledge of economic, environmental and social issues and strengthen the Board's risk management capabilities. In 2025, total training hours for all Board members reached 60 hours. Details are provided on page 22 of the Annual Report.

- **Directors' participation in sustainability-related training is as follows**

Type	Date	Course/Seminar Name	Number of Participants	Hours
In-Person Course	November 4, 2025	Trends in Sustainability Disclosure—Publication, Impact and Response to IFRS S1 and S2 Sustainability Disclosure Standards	9	3
In-Person Course	December 23, 2025	Trump 2.0: Disrupting the Global Economic Order—Impacts and Strategies for Response	9	3
In-Person Course	August 12, 2025	AI Development and Cybersecurity Risks	1	3
In-Person Course	September 1, 2025	Carbon Credit Trading Mechanisms and Carbon Management Applications	1	3

■ Procedure for Submitting Agenda Items to the Board of Directors

Business Units with Responsibilities Proposals → Functional Committees Reports, Discussions and Resolutions → To the Board of Directors Report, Discussion and Resolution

3.1 Governance Structure

■ Board of Directors Performance Evaluation

To implement corporate governance and enhance the functions of the Board of Directors and its functional committees, Kingstate established the "Board of Directors Performance Evaluation Guidelines" in November 2020 and conducts an annual performance evaluation of the Board of Directors in accordance with these guidelines (the 2025 evaluation covers the period from January 1, 2025, to December 31, 2025).

● Internal Board of Directors Performance Evaluation Methods and Standards

Kingstate's Board of Directors performance evaluation process is planned, executed and compiled by the Shareholder Services Unit of the Administration Department. It is conducted using an "internal self-assessment questionnaire," and the scope of the evaluation covers four major areas: evaluation of the Board's overall operations, self-performance evaluations by individual directors, evaluation of the Remuneration Committee's operations and evaluation of the Audit Committee's operations.

The results of the performance evaluation will serve as an important . After the Shareholder Services Unit of the Administration Department completes the collection, consolidation and analysis of the questionnaires, it submits the results to the Board of Directors in the first quarter of the following year and, based on proposals put forward by directors. This process aims to continuously improve the operational effectiveness of the Board of Directors and its various functional committees.

● Report to the Board of Directors on the Results of the Internal Performance Evaluation of the Board of Directors

Kingstate has completed the 2025 internal performance evaluation of the Board of Directors, the Remuneration Committee and the Audit Committee. The evaluation results were reported at the Board meeting held on March 3, 2026 and the required public disclosure was completed in accordance with regulations. The achievement rates for various evaluation items this year ranged from **93.76% to 96.93%**, with overall evaluation results all reaching "Excellent" or higher. This indicates that the operational mechanisms of Kingstate's Board of Directors and its various functional committees are sound, their execution is effective and the current systems are generally well-established. No directors proposed any recommendations for improvement during the current fiscal year.

● Internal Assessment Methods and Standards for Board of Directors Performance

The results of the performance evaluations of the Board of Directors and its functional committees, based on the Board's internal self-assessment and the self-assessments of individual directors, are as follows:

Scope of Evaluation	Evaluation Method	Assessment Content	Average Achievement Rate
Individual Board Members	Self-Assessment by Board Members	(1) Understanding of Kingstate's Goals and Objectives	96.93%
		(2) Understanding of Directors' Responsibilities	
		(3) Level of Participation in Company Operations	
		(4) Management of Internal Relationships and Communication	
		(5) Directors' Professional Competence and Continuing Education	
		(6) Internal Control	
Board of Directors	Board of Directors' Self-Assessment	(1) Level of Involvement in Company Operations	93.76%
		(2) Enhancing the Quality of Board of Directors Decision-Making	
		(3) Board of Directors Composition and Structure	
		(4) Selection and Continuing Education of Members of the Board of Directors	
		(5) Internal controls	
Remuneration Committee	Remuneration Committee Internal Self-Assessment	(1) Level of Involvement in Company Operations	94.55%
		(2) Understanding of the Responsibilities of Functional Committees	
		(3) Improving the Quality of Decision-Making by Functional Committees	
		(4) Composition and Selection of Functional Committee Members	
Audit Committee	Internal Self-Assessment of the Audit Committee	(1) Level of Involvement in Company Operations	95.04%
		(2) Understanding of the Responsibilities of Functional Committees	
		(3) Improving the Quality of Decision-Making by Functional Committees	
		(4) Composition and Selection of Functional Committee Members	
		(5) Internal controls	

3.1 Governance Structure

■ Board of Directors Structure and Operations

• Selection and Diversity of Members of the Board of Directors

Under Article 15 of Kingstate's Articles of Incorporation, directors are elected by shareholders for three-year terms under a candidate nomination system. Shareholders holding 1% or more of issued shares and the Board may nominate candidates, subject to Board review and shareholder election. Kingstate's Board consists of 9 directors, including 5 directors and 4 independent directors, with the Chairman serving as Board Chair. Members bring diverse professional expertise and industry experience to support effective oversight and decision-making. As of the end of 2025, independent directors and female directors each accounted for 44% of the Board, supporting professionalism, diversity and sound corporate governance. Details of directors' backgrounds and concurrent positions are provided on pages 4–6 of the 2025 Annual Report.

Current Term		May 31, 2024, to May 30, 2027
Members	Directors	Yentang Chang (Chairman), David Peng, World Vision Unites Group (Rep. Gary Chang), Fu Tai Construction Co., Ltd. (Rep. Miao-Fen, Duan) and Bai Le Co., Ltd. (Rep. Miao-Fen, Duan).
	Independent Directors	Fang Chu, Hsieh, Rih Sheng, Chen, Yu Jhen, Jhou

Item	Category	Percentage
Gender	Male	55.55%
	Female	44.44%
Age	29 years old or younger	0%
	30–50 years old	22.22%
	51 years old and older	77.78%

• Board of Directors Operations

Kingstate generally holds Board of Directors meetings once per quarter. A total of 6 Board of Directors meetings were held in 2025 (January 1, 2025–December 31, 2025), with attendance as follows:

Title	Name	Actual Attendance (or Absence)	Number of times attended by proxy	Actual Attendance Rate (%)
Chairman	Yentang Chang	6	0	100%
Director	Representative of Bai Le Co., Ltd.: Duan Miaofen	6	0	100%
Director	World Vision Unites Group Representative: Fang Feimin	6	0	100%
Director	David Peng	6	0	100%
Director	Fu Tai Construction Co., Ltd. Representative: Gary Chang	6	0	100%
Independent Director	Fang Chu, Hsieh	6	0	100%
Independent Director	Li Mei, Chen	6	0	100%
Independent Director	Rih Sheng, Chen	6	0	100%
Independent Director	Yu Jhen, Jhou	6	0	100%

• Conflict of Interest Mechanism

Kingstate's Chairman also serves as General Manager. The Chairman's industry knowledge and understanding of Kingstate's business and strategies help align Board decisions with management execution, enhancing decision-making efficiency. Kingstate has established independent directors, the Audit Committee and the Remuneration Committee to provide objective oversight. Kingstate's Board and committee regulations include conflict-of-interest provisions. Directors must disclose conflicts involving themselves, close relatives, or related companies and recuse themselves from discussion and voting when necessary. Relevant conflicts and recusals are recorded in meeting minutes to ensure transparency and fairness. Directors and executives also complete annual related-party transaction declarations, which are reported to the Audit Committee. Kingstate has had no cases in which a director or executive failed to comply with recusal requirements, influenced Board decisions, or harmed Kingstate's interests.

3.1 Governance Structure

■ Performance Evaluation and Compensation Linkage for Directors and Executives

- Compensation Structure and Determination Process: Under Article 25 of Kingstate's Articles of Incorporation, director and senior executive compensation is reviewed by the Compensation Committee and approved by the Board of Directors, considering industry standards, individual performance, operational results and ESG performance. Details of 2025 remuneration are provided on pages 11–15 of the Annual Report.

- Linkage Between Senior Executive Compensation and Sustainability Performance: Kingstate incorporates ESG objectives into senior executives' variable compensation. Since 2024, four key sustainability goals have been included in performance evaluations: sustainability regulatory compliance, participation in sustainability activities, occupational safety and health and annual greenhouse gas reduction targets. As performance is evaluated semiannually, these goals serve as a basis for performance bonuses.

- Key ESG metrics for senior executives include: A) General Manager/Executive Vice President: ESG resource integration and sustainability implementation (10%) B) Assistant General Manager and above: Client ESG standards, green electricity usage, recycled materials in R&D, GHG reduction and ESG resource allocation, each weighted at 10% according to function. C) The Corporate Governance Officer reviews progress and continuously promotes ESG performance targets.

- Link Between Director Compensation and Performance Evaluation: Kingstate conducts an annual Board performance evaluation, with results provided to the Compensation Committee as a reference for director compensation. Director compensation is determined based on operational performance, individual contribution, sustainability performance and industry benchmarks. Performance Evaluation Weightings: 1. Operational Performance – 35%: Achievement of net income and EPS targets. 2. Individual Performance – 30%: Board evaluation, self-assessment and committee assessment. 3. Sustainability Performance – 25%: Green product innovation, energy management, occupational safety, legal compliance, sustainability reporting, corporate governance and other Board-approved ESG priorities. 4. Industry Benchmark – 10%: Comparison with director compensation among listed companies in the same industry or peer group.

In addition to performance evaluations, director compensation reflects management involvement and committee responsibilities:
1. Chairman/General Manager: Participates in daily management and serves as statutory representative.
2. Executive Directors: Participate in Kingstate's actual management.
3. Independent Directors: All serve on the Audit and Compensation Committees, participating in meetings, discussions and resolutions.
Accordingly, their compensation is higher than that of ordinary directors.

- **Resignation and Retirement Policies for Directors and Senior Management**

Notice periods and severance pay for directors and senior management comply with local regulations and are consistent with those of other employees. No additional payments or benefits are provided beyond severance pay.

- **Recovery Mechanism**

If a director or employee commits misconduct or violates Kingstate's Code of Ethical Conduct, compensation or incentives are subject to the applicable disciplinary measures under the Code.

■ Compensation Ratio

In fiscal year 2025, Kingstate's ratio of the highest-paid individual (General Manager) to median annual total compensation (excluding that individual) was 5.9:1, down from 7.3:1 in 2024, indicating a narrowing compensation gap and a more balanced structure. The ratio of the highest-paid individual's compensation increase to the median employee increase was 0.8:1, down from 1.33:1 in 2024, demonstrating Kingstate's commitment to balanced employee compensation growth without widening pay disparities.

Item	2025	2024	2023
The ratio of the highest-paid individual's total annual compensation to the median total annual compensation of all employees in the organization (excluding the highest-paid individual)	5.9:1	7.3:1	7.8:1
The ratio of the percentage increase in the annual total compensation of the highest-paid individual in the reporting organization to the median percentage increase in the annual total compensation of all employees of the organization (excluding the highest-paid individual)	0.8:1	1.33:1	9.8:1

3.1 Governance Structure

■ Audit Committee Operations and Membership

Kingstate’ s Audit Committee consists of four independent directors (three women and one man). The current term of the Audit Committee runs from May 31, 2024, to May 30, 2027. The Audit Committee meets at least once per quarter; for details on the Committee’ s operations, please refer to pages 23–27 of the Annual Report of the Shareholders’ Meeting.

The Audit Committee is responsible for reviewing the fair presentation of Kingstate’ s financial statements, the appointment, removal and assessment of the independence of the certified public accountants, the effective implementation of internal controls, compliance with laws and regulations and the management of potential risks. Its primary responsibilities are as follows:

- Establishing or amending the internal control system in accordance with Article 14-1 of the Securities and Exchange Act
- Assessing the effectiveness of the internal control system
- Establishing or amending procedures for handling significant financial and business transactions—such as the acquisition or disposal of assets, engaging in derivative transactions, lending funds to others, or providing endorsements or guarantees for others—in accordance with Article 36-1 of the Securities and Exchange Act
- Matters involving the personal interests of directors
- Significant asset or derivative transactions
- Significant loans, endorsements, or guarantees

● Information on the Audit Committee’ s Participation in Board of Directors Meetings

In fiscal year 2025, the Audit Committee held a total of 6 meetings (January 1, 2025–December 31, 2025). Attendance was as follows:

Title	Name	Actual Attendance	Actual Attendance Rate
Audit Committee Member	Fang Chu, Hsieh	6	100%
Audit Committee Member	Li Mei, Chen	6	100%
Audit Committee Member	Rih Sheng, Chen	6	100%
Audit Committee Member	Yu Jhen, Jhou	6	100%

■ Operation and Membership of the Compensation Committee

Kingstate’ s Compensation Committee consists of three independent directors (two women and one man). The current term runs from June 18, 2024, to May 30, 2027. The Compensation Committee meets at least once per quarter. For details on the Committee’ s operations, please refer to page 43 of the Annual Report of the Shareholders’ Meeting.

● Information on the Operations of the Remuneration Committee

In fiscal year 2025, the Remuneration Committee held a total of 4 meetings (March 11, 2025 – December 31, 2025). Attendance was as follows:

Title	Name	Actual Attendance	Number of Meetings Attended by Proxy	Actual Attendance Rate
Convener	Fang Chu, Hsieh	4	0	100%
Compensation Committee Member	Li Mei, Chen	4	0	100%
Compensation Committee Member	Rih Sheng, Chen	4	0	100%

■ Operation and Membership of the Corporate Governance and Sustainability Committee

Kingstate’ s Board of Directors is the highest oversight body for sustainability, responsible for reviewing strategies, goals and major issues and supervising implementation. On March 8, 2022, Kingstate established the Corporate Governance and Sustainability Committee, headed by the Chief Corporate Governance Officer. The Committee comprises five subcommittees: Environmental Sustainability, Employee Welfare, Social Engagement, Corporate Governance and Integrity and Risk Management, each led by the relevant manager to advance sustainability initiatives.

● Operations of the Corporate Governance and Sustainability Committee

In fiscal year 2025, the Corporate Governance and Sustainability Committee held 2 meetings to review annual sustainability initiatives and plan priorities for the following year. On August 5 and December 23, 2025, the Head of Corporate Governance reported 2025 sustainability performance, material issue management and the 2026 sustainability plan to the Board. The Board reviewed related strategies, objectives and results to strengthen sustainability governance and long-term corporate value.

3.2 Integrity & Legal Compliance

■ Principles, Policies and Code of Conduct for Integrity & Legal Compliance

Kingstate has established its Business Integrity Policy and Code of Business Integrity in accordance with relevant guidelines, with an independent oversight unit monitoring unethical conduct and follow-up actions. The Code is implemented upon approval by the Board of Directors. To promote business integrity, Kingstate requires employees, suppliers and other stakeholders to sign relevant commitments, provides communication and training through emails and sessions and conducts supplier due diligence to ensure partners meet integrity standards.

● Establishing Communication Channels and Whistleblower Mechanisms

Kingstate provides independent reporting channels, including written reports, telephone and email, allowing employees, suppliers and stakeholders to anonymously report suspected violations or submit inquiries regarding the Code of Business Integrity. Reports are handled according to established procedures, with progress updates provided. Cases involving directors or managers are reported to independent directors. Reporting Channels : Hotline: (02) 2809-5651 ext. 1593, Ms. Lin Email: hr@kingstate.com.tw Mailing Address: 10F, No. 69-11, Sec. 2, Zhongzheng East Road, Tamsui District, New Taipei City 251402, Designated Unit: Corporate Governance and Integrity Management Task Force. Telephone reports are documented and confirmed by the whistleblower where possible. If the whistleblower declines to sign, the receiving unit may record and assess the report accordingly.

● Standard Procedure for Handling Reports and Complaints

Pursuant to Article 23 of Kingstate's Code of Business Integrity, Kingstate has established the Whistleblowing and Complaint Management Procedures to prevent illegal or unethical conduct, protect stakeholders' interests and promote transparent and fair operations. The mechanism encourages internal and external reporting and ensures timely and impartial handling: Receipt: Verify information and formally register the case. Investigation: Conduct an independent investigation, including evidence collection and interviews. Resolution: Confirmed violations are subject to disciplinary action based on severity, including termination of employment or business agreements. Improvement: Implement corrective measures to prevent recurrence. Reporting: Regularly communicate investigation results and actions to the complainant and report them to the Board of Directors.

In fiscal year 2025, Kingstate received a total of 0 reports.

● Integrity Standards for Stakeholders

Date	Date	Documents Requiring Signature	Signature Rate
New Employees	Upon Hiring	Integrity and Confidentiality Pledge / Confidentiality and Patent Rights Agreement / Agreement on the Protection of Employee Privacy and Compliance with the Code of Business Ethics	100%
Current Employees	Every six months	Undertaking on the Use of Computer Resources / Conflict of Interest Disclosure Form (Procurement + Quality) / Customer Confidentiality Agreement	100%
Governance Units and Management	Annually	Declaration of Compliance with Integrity Principles / Internal Procedures for Handling Material Information and Preventing Insider Trading	100%
New Suppliers	Prior to Contract Signing	Anti-Commercial Bribery Agreement for Related Parties / Conflict Minerals Declaration / Supplier Commitment to Comply with the RBA Code of Conduct / Procurement Contract / Supplier Anti-Terrorism Commitment / Environmental Substance Questionnaire (ROHS 2.0) / Kingstate EU REACH SVHC Declaration for 241 Substances /National Standard (VOCs) Volatile Organic Compounds Compliance Certificate / Supplier Integrity, Ethics and Confidentiality Commitment / EU REACH Regulation Awareness Notice	100%
Existing Suppliers	At the Time of Contract Signing	Stakeholder Anti-Commercial Bribery Agreement / Conflict-Free Metals Declaration / Supplier Commitment to Comply with the RBA Code of Conduct / Purchase Contract / Supplier Anti-Terrorism Commitment / Environmental Substance Survey Form (RoHS 2.0) / Kingstate EU REACH SVHC 241 Substances Declaration /National Standard (VOCs) Volatile Organic Compounds Compliance Certificate / Supplier Integrity, Integrity and Confidentiality Pledge / EU REACH Regulation Awareness Notice	100%

● Commitment to the Integrity in Business Operations Policy

Policy Guidelines	Approving Authority	Implementing Agency	Announcement Link
Company Code of Ethical Business Conduct	Board of Directors	Administrative Department	https://www.kingstate.com.tw/upload/files/constitution111-09.pdf

● Total financial losses resulting from legal proceedings related to the Anti-Competitive Conduct Act: NT$ 0

3.2 Integrity & Legal Compliance

■ Personal Data Protection Policy and Implementation Status

• Personal Data Protection Management

Kingstate protects the personal data of employees, customers, suppliers and other stakeholders in compliance with the Personal Data Protection Act and relevant regulations, continuously strengthening its data protection system.

• Policy and Scope

In October 2014, Kingstate established the Personal Data Protection Management Measures and Privacy Protection Policy, applicable to all operational locations. Personal data is collected, processed and used only for lawful purposes and protected through appropriate security measures.

• Management Mechanism

Relevant departments manage personal data according to their responsibilities and conduct annual inventories. The latest inventory was completed in December 2025: A) Administrative Department: Employee data. B) Business Units: Customer data. C) Quality Assurance Department: Supplier data. Departments maintain data registries and conduct risk assessments to ensure compliance.

• Information Security and Network Management

Kingstate implements layered security measures, including firewalls, antivirus software, encrypted communications and access controls. Network access follows the principle of least privilege, supported by authorization procedures, usage logs, spam filtering and data transmission controls.

• Education and Training

On December 11, 2025, Kingstate conducted "Personal Data Protection and Information Security" training, totaling 41 participant-hours, covering regulations, security management and practical cases. Management Performance: A) Annual personal data inventory completed in 2025. C) No major personal data breaches in 2025. B) No regulatory penalties for violations of the Personal Data Protection Act in 2025. D) Continued training to strengthen employees' data protection and information security awareness.

■ Internal Audit and Management of Insider Trading Prevention

The Board of Directors has established a professional and independent Audit Department and has appointed full-time internal auditors. In addition to meeting the qualification requirements set by the Securities and Futures Bureau, these auditors undergo annual continuing education in internal audit. We submit the annual roster of internal auditors as required by law and continuously audits and supervises various internal management functions to enhance operational performance.Communication Between Independent Directors, the Head of Internal Audit and the Certified Public Accountant: Our independent directors gain an understanding of Kingstate's business and financial status through regular audit reports and financial statements and communicate with the Head of Internal Audit and the Certified Public Accountant as needed. Frequency of communication between independent directors and the Head of Internal Audit: At least once a year. Details of the matters discussed during these meetings can be found on page 25 of the Annual Report of the Shareholders' Meeting. Kingstate conducts its business in accordance with the principle of integrity. To prevent the improper disclosure of material inside information that could affect the stock price, Kingstate has established the "Regulations on the Prevention of Insider Trading" and incorporated them into its internal control system to ensure the effective implementation of insider trading prevention measures.

● Specific Implementation of the Insider Trading Prevention Management System

- At least once a year, Kingstate conducts educational sessions on the "Regulations on the Prevention of Insider Trading" and relevant laws and regulations for current directors, managers and employees. For newly appointed directors and managers, such sessions are arranged within three months of their appointment, while for new employees, the Human Resources Department conducts these sessions as part of pre-employment training.
- In 2025, Kingstate conducted educational sessions for incumbent directors, managers and employees on December 26 and December 30, respectively. A total of 133 participants attended, with a cumulative training duration of 5 hours. Course content included: the Measures for the Prevention of Insider Trading, changes in insider shareholdings, laws and regulations related to insider trading and case studies.
- Kingstate regularly reminds directors that they are prohibited from trading stocks during the blackout period prior to the announcement of financial reports (30 days before the annual report and 15 days before the quarterly report). Kingstate also sends proactive email alerts before the start of the blackout period.

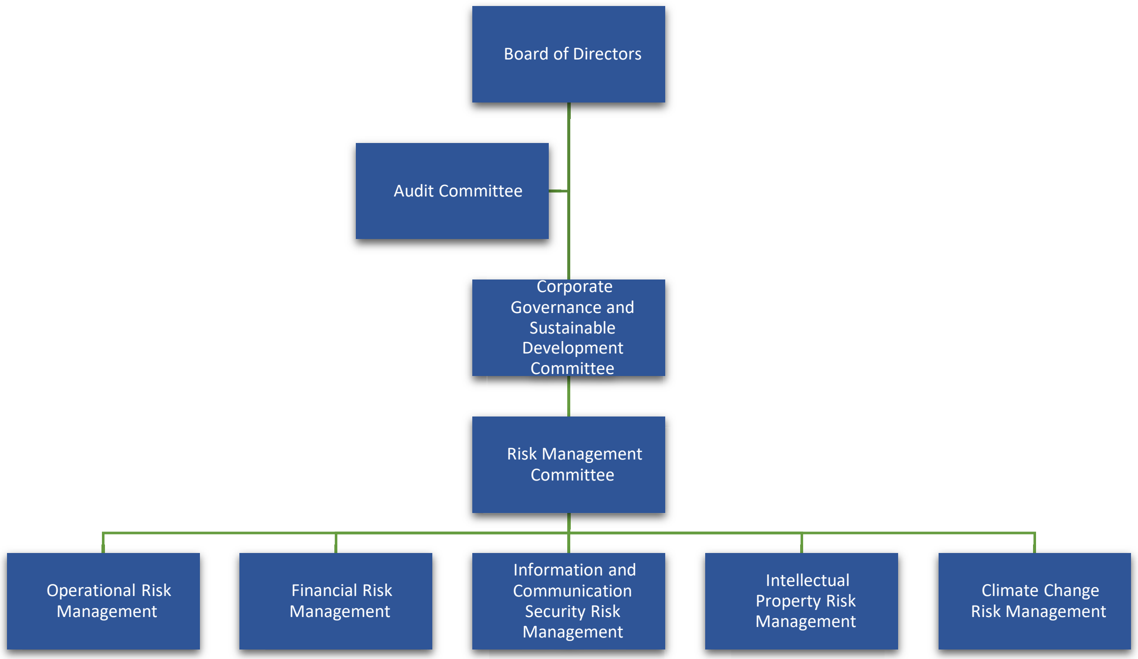
KINGSTATE

3.3 Risk Management

■ Risk Management Mechanism

Kingstate has established a comprehensive risk management structure, policies and procedures covering operational, information security, intellectual property, financial and climate change risks. The Executive Vice President oversees implementation and annually coordinates relevant departments to execute risk management measures, promoting an organization-wide risk control mechanism. Department heads integrate risk assessment and control into daily operations. For uncertainties that may affect business operations, responsible units conduct assessments before implementation to strengthen the professionalism, effectiveness and foresight of risk management.

■ Risk Management Organizational Structure



■ 2025 Risk Management Policy Reporting on Sustainability Implementation to the Board of Directors

Kingstate actively promotes the implementation of risk management mechanisms, convenes regular meetings of the Risk Management Team and reports on its operations to the Board of Directors once a year. Kingstate' s "Risk Management Team" held a risk management meeting on June 26, 2025 and reported to the Corporate Governance and Sustainability Committee. The report, based on assessments of information security risks, intellectual property risks, financial risks, operational risks and climate change risks associated with environmental, social and governance (ESG) issues, established various risk management policies, key management priorities and specific response measures. On August 5, 2025, the Committee submitted a report to the Board of Directors detailing the activities carried out by Kingstate' s Risk Management Team, Kingstate' s key risks and related preventive and contingency measures. The Board of Directors regularly reviews progress toward Kingstate' s established strategies and objectives and, when necessary, urges Kingstate to adjust its direction to meet stakeholder expectations and align with international standards.

3.3 Risk Management

■ Risk Issues and Countermeasures

In response to rapid and dramatic changes in the external business environment and industry competition, Kingstate Electronics Corp. Risk Management Team works with the primary responsible parties for each risk category to classify potential risk issues by priority level andformulate response strategies. They identify issues in the risk distribution quadrant for the current year that require urgent attention and resolution to ensure timely action is taken to mitigate the impact of risks on operations. Moving forward, for issues rated at Risk Level 3 or higher, the Risk Management Team requires the responsible personnel in each unit to incorporate these into their focus areas for improvement and implement early risk mitigation measures.

Key Risk Areas	Risk Issues	Mitigation Measures
Information Security Risks	Antivirus software database has not been updated to the latest version	1. Deploy advanced AI-based security software appropriate for the server' s criticality. 2. Regularly check the update status of antivirus software.
	Unauthorized Access to Computer Equipment and Software	1. Update the Group Policy version and periodically review administrative policies. 2. Periodically review the permissions and appropriateness of privileged accounts.
	Social engineering attacks or phishing intrusions	1. Increase the frequency of training and awareness campaigns. 2. Update training course content to reflect the latest hacker techniques.
	Server/Network Equipment Failures	Allocate an annual budget to replace outdated equipment in accordance with the replacement plan.
	Data Loss in Critical Core Systems	1. Review backup results daily in accordance with the backup plan and resolve any backup anomalies. 2. Conduct disaster recovery drills at least once a year to verify the validity of backup files. 3. Implement a secondary backup mechanism to enhance backup security.
	Cybersecurity Incidents Involving Hacker Intrusions	1. Regularly review operating system security updates and keep the system up to date. 2. Implement network segmentation in the network architecture to strengthen network access control security and reduce the risk of hacker intrusions. 3. Periodically review firewall access rules to prevent the opening of unnecessary connection channels.
Intellectual Property Risks	Punitive Damages Resulting from Malicious Infringement of Intellectual Property	1. Establish a risk monitoring system to track intellectual property infringement risks and the effectiveness of countermeasures. 2. Closely monitor changes in relevant laws and regulations to ensure Kingstate' s intellectual property protection strategy complies with the latest regulatory requirements.
	Avoid Infringing on Others' Valid Patents	1. Regularly monitor the market for instances of infringement, particularly with regard to competitors and high-risk markets. 2. Periodically review the compliance of R&D processes and product designs to ensure they meet patent regulations. 3. Mitigate patent infringement risks through technology partnerships and cross-licensing agreements.
	Intellectual Property Documentation and Confidentiality	1. Conduct regular security audits to identify vulnerabilities and misconduct related to the safeguarding of confidential information. 2. Develop internal and external communication strategies for intellectual property leak incidents to promptly notify stakeholders. 3. Establish partnerships with law firms to ensure timely access to legal support in the event of a leak.

3.3 Risk Management

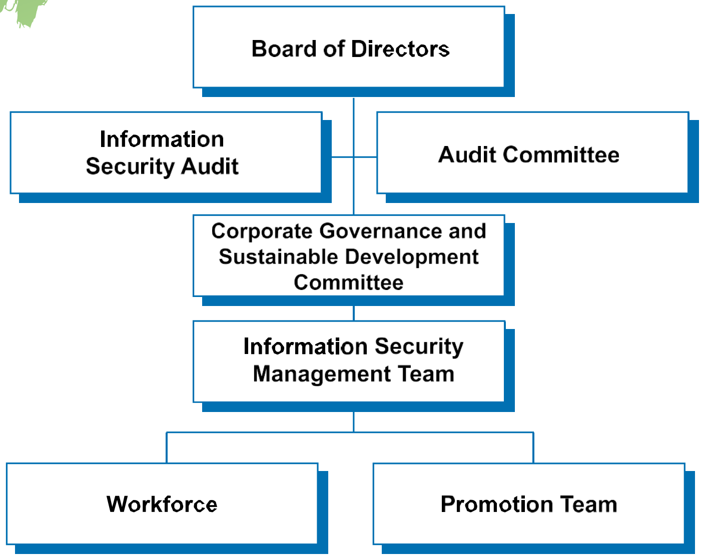
■ Risk Issues and Countermeasures

In response to rapid and dramatic changes in the external business environment and industry competition, Kingstate Electronics Corp. Risk Management Team works with the primary responsible parties for each risk category to classify potential risk issues by priority level andformulate response strategies. It identifies issues in the high-priority quadrant of the annual risk distribution that require urgent attention and resolution, ensuring timely action to mitigate the impact of risks on operations. Moving forward, for issues rated at Risk Level 3 or higher, the Risk Management Team requires the responsible personnel in each unit to incorporate them into their focus areas for improvement and implement early risk mitigation measures.

Key Risk Areas	Risk Issues	Mitigation Measures
Financial Risk	Foreign Exchange Risk	Kingstate' s finance department has dedicated personnel to assess exchange rate fluctuations and manage the impact of such fluctuations on Kingstate.
	Risks Associated with Slow-Moving Inventory	These measures are strictly implemented at each control point and are regularly audited by designated personnel.
Operational Risk	U.S. Tariffs	We continue to refine our existing protective measures
	Decoupling from China	Continuously refine existing protective measures
	Market Competition and Product Strategy	1. Expanding the product line with price advantages 2. Adopt a modular product approach to reduce pressure from low-price competition 3. Accelerate patent development to ensure product uniqueness
	Customer Relationship Management	Continuously improve existing security measures
	Emergency Response to Factory Incidents	1. Reduce the lead time required for planning related to unexpected incidents 2. Continuously improve existing protective measures
Climate Change Risks	Climate Change Risks to Kingstate and Its Employees: Physical Risks / Extreme Weather Events / Transition Risks / Changes in Regulatory Policies and Laws / Financial Risks	1. Regular inspections and preventive maintenance. 2. Make appropriate adjustments to facilities to address these risks. 3. Regularly develop risk prevention plans and conduct simulation drills. 4. Identify regulatory requirements and train and educate employees on risk mitigation. 5. Conduct regular third-party carbon audits and certifications and implement corresponding energy-saving and carbon-reduction measures to achieve year-over-year reductions. 6. Enhance corporate reputation and customer confidence through ISO 14064-1, ISO 14067 and ISO 50001 audits and certification.
	Climate Change Risks for Suppliers, Subcontractors and Their Employees: Physical risks / Extreme weather events / Transition risks / Changes in regulatory policies and laws / Financial risks	1. Perform regular maintenance and upkeep of facilities and equipment; conduct tabletop exercises and training sessions; communicate energy-saving and carbon-reduction concepts and methods to promote synchronized implementation across the supply chain; and train and educate all employees on energy conservation and carbon reduction. 2. Communicate energy-saving and carbon-reduction concepts and methods to promote synchronized implementation across the supply chain.
	Impact of climate change risks on business partners, such as customers and their employees: physical risks / extreme weather events / transition risks / changes in regulatory policies and regulations / financial risks	1. Enhance corporate reputation and customer confidence through ISO 14064-1, ISO 14067 and ISO 50001 inventories and certification. 2. Identify regulatory requirements and train and educate employees on risk mitigation. 3. Periodically evaluate policies and regulations.

3.4 Information Security

■ Information Security Organization



■ Responsibilities and Management Measures of the Information Security Organization

To implement information security governance and proactively address information security threats, Kingstate has established a comprehensive information security protection and management system; through the implementation of a clear division of responsibilities and continuous reviews, we comprehensively enhance corporate resilience to fulfill our commitment to business continuity and safeguard the rights and interests of stakeholders.

- **Governance Structure and Responsibilities**

On March 8, 2022, Kingstate approved the appointment of a Corporate Governance Officer and established the Corporate Governance and ESG Sustainability Committee. Under its Risk Management Subcommittee, the Information Security Management Subcommittee, chaired by the Chief Information Officer, oversees information security policies, implementation, risk assessments and compliance audits. The Chief Corporate Governance Officer provides annual reports to the Audit Committee and Board of Directors on information security performance, major issues and future development.

- **Organizational Structure and Resource Allocation**

Kingstate adopts a coordinated information security approach, with centralized planning by headquarters and local implementation by overseas subsidiaries to strengthen overall protection. Each year, Kingstate assesses international information security threats and protection needs, allocates a dedicated budget and invests the necessary technology and resources to continuously enhance its security resilience.

- **Policy Objectives and Implementation**

Kingstate' s information security policy focuses on ensuring the confidentiality, integrity and availability of information assets while strengthening proactive defenses to minimize operational impacts from security incidents. Taiwan headquarters and overseas subsidiaries conduct regular reviews to assess protection effectiveness and update policies as needed, implementing the PDCA cycle to continuously enhance Kingstate' s digital resilience.

- **Risk Assessment and Mitigation Measures**

Kingstate has established a multi-layered information security protection system covering networks, systems and endpoints, while recognizing that no system can eliminate all risks. We continuously review and adjust defense mechanisms to protect core functions such as manufacturing, operations and financial accounting from emerging cyber threats. Kingstate has also established information security incident reporting and emergency response procedures, coordinated by the Information Security Management Team. Incidents are addressed and operations restored within the RTO, followed by Root Cause Analysis, forensic review and CAPA to prevent recurrence and strengthen business resilience.

3.4 Information Security

■ Information Security Management Policy

Kingstate has established information security management regulations and technical standards to ensure the confidentiality, integrity and availability of operational information assets. We aim to embed information security into daily operations, protect stakeholder privacy and business confidentiality and continuously strengthen a proactive Information Security Management System to address evolving security threats.

Information Security Framework

- Highest Oversight: The Board of Directors reviews information security performance and risk assessments at least annually and provides strategic guidance.
- Management Unit: The Information Security Management Team formulates, implements and reviews information security policies and regulatory compliance.
- Review Mechanism: Regular management reviews assess security KPIs and project progress using the PDCA cycle for continuous improvement.
- International Standards: Information security procedures are established in accordance with ISO/IEC 27001 principles.

Information Security Risk Management

- Asset and Risk Assessment: Conduct regular information asset inventories and risk assessments, allocating controls based on risk levels.
- System Stability and Continuity: Develop BCPs and DRPs based on asset importance and risk to maintain critical system availability and minimize disruptions.
- Incident Response: Implement standardized IRP procedures for rapid isolation, reporting, response and forensic investigation to limit damage and prevent recurrence.
- Threat Intelligence: Join TWCERT/CC to obtain the latest cybersecurity intelligence and strengthen proactive defenses.

System Security Protection

- Asset and Risk Assessment: Conduct regular information asset inventories and risk assessments, allocating controls based on risk levels.
- System Stability and Continuity: Develop BCPs and DRPs based on asset importance and risk to maintain critical system availability and minimize disruptions.
- Incident Response: Implement standardized IRP procedures for rapid isolation, reporting, response and forensic investigation to limit damage and prevent recurrence.
- Threat Intelligence: Join TWCERT/CC to obtain the latest cybersecurity intelligence and strengthen proactive defenses.

Enhancing Cybersecurity Awareness

- Social Engineering Drills: Conduct regular phishing and social engineering simulations for all employees, using results to strengthen training and address high-risk areas.
- General Cybersecurity Training: Provide at least 3 hours of annual cybersecurity training for all employees, covering emerging threats, policies and security responsibilities.
- Ongoing Awareness: Promote cybersecurity regulations, risk cases and best practices through announcements, emails and instant messaging.
- Role-Based Training: Provide tailored cybersecurity training for IT staff, developers and senior executives based on their specific responsibilities.

3.4 Information Security

■ Annual Report on Information and Communications Security Management Resource Allocation and Implementation Results

To comprehensively safeguard the confidentiality, integrity and availability (CIA) of Kingstate' s information assets and to strengthen the resilience of our digital operations with dynamic adaptability, we continued to adopt a risk-based resource allocation strategy this year and implemented multi-layered defense measures. The specific and tangible achievements in technical protection, institutional governance and awareness-building for this year are detailed below:

- **Infrastructure and Defensive Technology Deployment**
  - ◆ Hardware Infrastructure
    - Network & Transmission Security: Deploy a high-availability dual-server next-generation firewall architecture to monitor and filter malicious traffic and strengthen network perimeter protection.
    - Remote Access & Identity Management: Use encrypted VPN connections with MFA, applying Zero Trust principles to reduce credential theft and unauthorized access risks.
    - Core Network Resilience: Implement high-availability core networks, dual-core switches and UPS systems to eliminate single points of failure and maintain business continuity.
    - Data Storage & Protection: Use secure NAS systems with RAID fault tolerance and hot-swappable drives to protect data and minimize hardware failure risks.
  - ◆ Software Systems
    - Advanced Threat Defense: Kingstate adopts a risk-based, tiered endpoint protection strategy. Core servers use AI deep-learning protection for proactive, millisecond-level defense against ransomware and zero-day threats. Secondary servers and employee endpoints use next-generation antivirus with behavior monitoring and sandbox isolation, while multi-layered email filtering blocks phishing threats at the gateway.
    - Data Protection & Recovery: Kingstate uses multi-tiered, automated backups for critical systems and conducts regular recovery drills to ensure data reliability and business continuity. We are also planning air-gapped/offline backups to protect critical data from ransomware and advanced cyberattacks.
    - Infrastructure Virtualization: Server virtualization improves resource utilization, system flexibility and disaster recovery while reducing physical servers, data center power consumption, cooling needs and carbon emissions.

■ Information Security Governance and Policy Framework

Adhering to the principles of compliance and integrity, Kingstate has established and continuously optimized its information security management system in full accordance with international standards and relevant regulations issued by regulatory authorities. Through dual-track investments in both institutional governance and technical safeguards, the Group has comprehensively enhanced the resilience of its information security defenses. Specific achievements are as follows:

- Management System: Kingstate implements Group-wide information security procedures based on ISO 27001, requiring all employees to comply and strengthening information governance, risk management and internal controls.
- International Certification: Kingstate has adopted a phased approach to Group-wide certification. Its Chinese subsidiary has obtained ISO 27001 certification, valid through January 10, 2027, following third-party assessment.
- Risk-Based Management: Information assets are classified and assessed based on confidentiality, integrity, availability, threats and vulnerabilities. Assessment results guide the allocation of security budgets and resources, prioritizing high-risk areas.
- Backup & Disaster Recovery: Backup and off-site/offline recovery mechanisms are continuously optimized according to asset risk levels to minimize downtime and data loss during major incidents.
- Compliance & Policy Updates: Kingstate regularly reviews and updates information security policies and procedures in line with the latest government cybersecurity requirements.

3.4 Information Security

■ Employee Security Awareness and Professional Competence

To ensure effective information security policy implementation, Kingstate considers human risk control a key element of corporate governance. We strengthen employees' information security awareness while enhancing the expertise of dedicated security personnel, building a strong organizational "human firewall." Training results for this year are as follows:

Personnel Type	Course Name	Training Focus	Number of Participants	Hours (H)	Total Hours (H)
General Employees	Cybersecurity Risks of Generative AI	Emerging Technology Protection	52	1.5	78
General Employees	Personal Data Protection and Information Security	Basic Compliance Awareness	52	1	52
General Employees	Social Engineering Phishing Email Drill	Real-World Defense Drills	52	0.5	26
Information Security Professionals	Cybersecurity Incident Overview and Preventive Measures	Incident Response	2	2.5	5
Information Security Personnel	Essential Knowledge for Cybersecurity Awareness	Professional Skills Enhancement	2	2	4
Cybersecurity Professionals	Information Security Management for Listed and OTC-Traded Companies	Regulatory Compliance Implementation	2	1.5	3

■ Information Security Governance Verification and Internal and External Independent Audits

Kingstate conducts regular internal and external audits to assess the effectiveness of its information security policies, infrastructure and risk management and continuously strengthens its defense strategy based on audit results.

- **Routine Operational Monitoring and System Health Management**

  Kingstate conducts 24/7 monitoring of core information systems and network infrastructure to detect and address anomalies promptly. Automated monitoring tracks critical services and performance in real time to ensure operational continuity. Weekly backup reviews verify the completeness and execution of backup plans. These measures ensure data availability and strengthen business continuity.

- **Periodic Infrastructure Maintenance and Preventive Management**

  Kingstate conducts monthly security health checks on all servers to identify potential threats and maintain protection. Quarterly UPS tests verify power switchover and supply stability. These measures ensure continuous operation of critical equipment during unexpected power outages.

- **Independent Information Security Audits and Compliance Governance**

  Kingstate conducts regular internal IT audits to assess compliance risks and identify potential vulnerabilities. The PDCA cycle is applied to continuously improve information security controls. External certified public accountants conduct annual independent information security reviews alongside financial reporting and internal control assessments. These reviews verify compliance with the latest regulatory requirements and strengthen overall security governance..

■ Customer Privacy Protection

Kingstate regards the protection of customer privacy as a core operational responsibility and implements data governance through continuously upgraded information security systems and standards. During the reporting period, Kingstate maintained an excellent compliance record, with no substantiated complaints of customer privacy violations and no complaints received from regulatory authorities regarding privacy breaches. Through comprehensive information security monitoring and preventive mechanisms, Kingstate effectively mitigated the risk of data breaches, achieving zero incidents of data loss, theft, or unauthorized disclosure during the reporting period, thereby continuing to safeguard customer trust.

On December 23, 2025, Kingstate reported to the Board of Directors on the newly established information and communication security management policies and procedures, as well as the current status and implementation of information security management.

3.5 Regulation Compliance

■ Regulatory Compliance

Kingstate adheres to the principles of lawful operations and integrity in governance. In accordance with domestic and international laws and regulations, as well as the compliance requirements of major clients, the Group systematically identifies and complies with relevant domestic and international regulations and standards. The Group designates dedicated personnel to regularly collect, update and review government regulations in the jurisdictions where its various operational sites are located, such as:

- **International IEC standards and requirements related to the electronics industry**
- **Green Environment, occupational safety and health, labor and social responsibility**
- **Information security, cybersecurity and personal data protection**
- **Energy management, fiscal and tax systems, corporate governance and low-carbon transition**
- **Intellectual property rights and conflict-free raw material procurement policies, etc.**

We have signed confidentiality agreements with each client and supplier. All contracts with clients or suppliers are first reviewed internally and then by Kingstate's legal counsel to mitigate legal and regulatory risks. Kingstate has also established the "Confidential Document Management Procedures" to ensure that product design patents, related technical data, samples and other information pertaining to Kingstate, clients, suppliers, partners and government or other relevant parties are effectively protected, thereby safeguarding the interests of clients and all relevant parties. At the same time, Kingstate proactively applies for patents for technologies independently developed each year to ensure that product shipments to countries and regions designated by clients do not infringe on intellectual property rights, lead to technical disputes, or violate laws and regulations. Each year, we continuously monitor for any complaints regarding breaches of confidentiality related to product design patents or technical data from customers, third-party partners, certification bodies, commissioned testing laboratories, local governments, non-governmental organizations and our own employees.

To ensure the implementation and effective enforcement of regulations, the Group has not only introduced a regulatory and compliance tracking system but also continuously provides training and compliance awareness programs for all employees and suppliers. This enhances everyone's compliance awareness and sense of responsibility, ensuring that sound legal judgment and ethical standards are upheld in all business decisions. Kingstate will continue to monitor global regulatory trends and industry developments, establishing early warning and response capabilities as a vital foundation for Kingstate's sustainable development.

Category	Number of Payments 2025 (Unit: Cases)	Amount Paid 2025 (Unit: NT$)
Fines Imposed in Fiscal Year 2025	0	0
Fines Incurred in Previous Years	0	0

■ Explanation of Material Regulatory Violations

Kingstate did not experience any material regulatory violations in 2025.

3.6 Supply Chain Management

■ Supplier Management Policy and Commitment

● Kingstate established its Supplier Management Policy, approved by the Board of Directors on August 9, 2022. The policy requires suppliers to comply with regulations on environmental protection, occupational safety and health and labor rights, supporting the development of a sustainable supply chain.

● Proactive and Specific Requirements
During supplier selection and annual evaluations, Kingstate explicitly requires suppliers to meet the following standards:

(1) Green Environment: Suppliers must comply with environmental regulations, promote energy conservation and carbon reduction and prioritize eco-labeled or recycled products. Key suppliers are encouraged to conduct GHG inventories and obtain ISO 14001 certification.

(2) Occupational Safety and Health: Suppliers must provide a safe workplace and prevent occupational accidents. Key suppliers should establish an ISO 45001-based management system.

(3) Labor Rights: Suppliers must prohibit child and forced labor, discrimination and protect freedom of association and collective bargaining, while complying with legal wage and working-hour requirements.

(4) Information Security and Privacy Protection:

✓ Information Security Compliance: Suppliers must establish information security management mechanisms to ensure that technical documents, trade secrets and personal data exchanged with Kingstate are strictly protected, thereby preventing data breaches or unauthorized access.

✓ Privacy Protection: Suppliers involved in the processing of personal data are required to strictly comply with local privacy protection laws and regulations and to implement data de-identification or access controls to ensure the privacy of stakeholders' information.

✓ Priority Consideration: Suppliers certified under the ISO 27001 Information Security Management System will be given priority for long-term partnerships.

■ Selection Criteria and Audit Status

Vendor Selection: The procurement department selects suitable suppliers from the list of qualified suppliers based on specific requirements.

- The Procurement Department selects qualified suppliers based on delivery, quality, price and payment terms. Qualified supplier lists may be shared among Head Office, Kingstate Dongguan and Kingstate Suzhou and are updated as needed. Updates are jointly reviewed by Engineering and Quality and approved by the General Manager's Office.
- For the procurement of new materials, it is necessary to confirm whether the procurement item has HSF requirements. If it is an HSF item, procurement must be made from suppliers that have passed HSF certification. If the supplier is not HSF-certified, they must meet the HSF requirements before procurement can proceed.
- Selection of Certification and Testing Bodies: If the customer specifies a body, select the one designated by the customer; if the customer does not specify, select a body that meets international and national certification standards, holds valid certificates or reports, complies with domestic and international laws and regulations as well as industry requirements and is recognized by the customer.
- Calibration Laboratories: Must hold ISO 17025 certification and be approved by the China National Accreditation Service for Conformity Assessment (CNAS) to issue CNAS-certified certificates. They must also have the calibration scope covering our company's instruments and be well-known within the certification industry and widely accepted by customers.
- Suppliers of instruments, equipment, or software must be located in the Pearl River Delta and have relevant R&D and manufacturing expertise. Agents without adequate repair, maintenance, or after-sales capabilities are prohibited. Exceptions require written approval from the using department and Procurement Department heads.
- Legal and Regulatory Requirements: In addition to the environmental laws and regulations mentioned above, if a customer has specific legal or regulatory requirements regarding the country of receipt, the country of origin, or the customer's designated destination country, the business unit must, upon receiving such notification, communicate these requirements in writing to the Procurement and Quality Assurance departments. The Procurement and Quality Assurance departments shall then notify the supplier and require compliance (for example, certain customers may require that raw materials not be sourced from the Republic of the Congo or its neighboring countries and regions).

In 2025, annual audits were completed for 63 suppliers (representing 32% of all suppliers). The audit items were: (1) system documentation; (2) material control; (3) process control; (4) process control; (5) engineering control; and (6) RBA. All suppliers passed this year's audits.

3.7 Intellectual Property

■ Intellectual Property Risk Management Plan

● Trade Secret Management and Protection

Kingstate protects its core technologies, R&D achievements and trade secrets through policies, contracts, information security, access controls and employee training.

• Personnel Confidentiality: New employees sign a Confidentiality and Intellectual Property Agreement covering IP ownership, confidentiality and non-compete obligations. Upon departure, employees complete handover procedures and reaffirm their continuing confidentiality obligations.

• Partner Confidentiality: NDAs are signed with customers, suppliers, vendors and partners to protect confidential information and define IP ownership and breach liability.

• Physical & Information Security: Access is granted based on job requirements. Visitors must register and be accompanied. Individual accounts, password management and tiered access controls protect systems and data.

• Document & Data Management: Physical and electronic documents are managed through designated storage and role-based access controls to safeguard confidential information.

• Training & Awareness: Regular IP and trade secret training is provided, with new employees receiving confidentiality and IP training.

Disclosure Methods

Kingstate discloses its intellectual property management system and annual implementation through its website and annual report and reports IP and risk management to the Board of Directors at least annually to strengthen governance and management effectiveness.

● Disclosure Methods

Kingstate has established the "Intellectual Property Policy and Management Plan" and discloses its intellectual property management system and annual implementation status on Kingstate website and in the annual report; furthermore, Kingstate reports on the implementation of intellectual property management and risk management to the Board of Directors at least once a year to continuously strengthen intellectual property governance and improve management effectiveness.

■ Status of Intellectual Property Risk Management Implementation

Kingstate continues to implement its intellectual property management system and regularly reports on its implementation to the Board of Directors. The Corporate Governance and Sustainability Committee reported on the implementation of intellectual property risk management to the Audit Committee on August 5, 2025 and to the Board of Directors on December 23, 2025, overseeing the implementation of the intellectual property management system, risk control and improvement measures. The key implementation activities for fiscal year 2025 are as follows:

Item	Description of Implementation Plan
1	Revised and improved the intellectual property management system, including the development of product patent application forms, patent creation guidelines and patent evaluation forms; revised the patent incentive policy; and continued to establish procedures for the acquisition, maintenance and utilization of intellectual property.
2	Complete an inventory of patent annual fees; review the usage status and product relevance of the 128 patents already obtained; and evaluate and maintain them based on their practical utility to enhance the effectiveness of intellectual property management.
3	Submit 8 patent applications in fiscal year 2025; as of the end of 2025, the cumulative total of patent applications filed in various countries over the years reached 298, of which 7 were invention patents, accounting for approximately 5% of the total filed applications. The patent portfolio aligns with Kingstate's product strategy and the internal "Patent Information" management page is updated regularly.
4	Continued intellectual property training: • On July 1, 2025, a course titled "Intellectual Property and Patent Application Practices" was conducted, with 10 participants and a training duration of 1 hour; new employees also received basic intellectual property training and signed confidentiality agreements. • On December 18, 2025, a course titled "Intellectual Property Management and Profitability Strategies (Part 2)" was conducted, with 19 participants and a training duration of 1 hour.
5	We continued to implement intellectual property risk management and regularly reported on the implementation of intellectual property management to the Corporate Governance and Sustainable Development Committee, the Audit Committee and the Board of Directors. No major intellectual property infringement or litigation cases occurred in fiscal year 2025 and the intellectual property management system operated effectively.

4. Green Environment

4.1 Climate Change
4.2 Greenhouse Gases
4.3 Energy Management
4.4 Water Resource Management
4.5 Waste Management
4.6 Biodiversity
4.7 Natural Carbon Sinks

4.1 Climate Change

Climate change has become one of the most pressing global challenges of the 21st century. The frequency and intensity of extreme weather events continue to increase, posing a significant threat to global environmental, economic and social stability. Kingstate fully recognizes the potential impact of climate change on its operations and supply chain and regards it as a critical issue affecting its long-term development. To respond effectively, we continuously review and refine our measures in areas such as oversight and governance, risk and opportunity assessment and strategies and objectives, based on climate change-related issues. The implementation status of each area is detailed below:

■ Management of Climate Change-Related Risks and Opportunities

● Board of Directors and Management Oversight and Governance of Climate-Related Risks and Opportunities

Kingstate' s Board of Directors serves as the highest decision-making body for risk management. It is responsible for appointing and overseeing Kingstate' s management and ensuring the achievement of Kingstate' s operational objectives. The Board is also responsible for confirming the overall effectiveness of the risk management and internal control systems, ensuring that Kingstate can maintain sound development in a dynamic market environment and appropriately address climate change-related risks. The Executive Vice President is responsible for coordinating and directing the implementation and operation of the risk management program, while each department is responsible for executing various business risk management measures. Management oversees the implementation of climate risk response and opportunity utilization plans across all internal departments, ensuring that each department establishes clear objectives and responsibilities and executes them according to plan to mitigate the potential impacts of climate change.In addition, Kingstate holds annual risk management meetings to provide the Board of Directors with updated reports, assess key issues and response strategies related to climate risks and ensure that decisions are based on the latest risk assessment results. The Board of Directors and management maintain close collaboration to ensure Kingstate can make sound and effective decisions in the face of the challenges posed by climate change and related risks. At the same time, Kingstate actively seeks opportunities to drive business growth and long-term competitiveness through innovation and sustainable development strategies, ensuring Kingstate' s steady development amid global environmental trends.

● How Climate Risks and Opportunities Affect Kingstate' s Operations, Strategy and Finances (Short-Term, Medium-Term, Long-Term)

Kingstate attaches great importance to potential impacts of climate change on its operations and finances and proactively develops response plans, aiming to strengthen the organization' s climate resilience and ensure sustainable operations. Kingstate has defined short-term (within 5 years), medium-term (5 to 10 years) and long-term (10 years or more) time horizons to assess the potential operational and financial impacts of climate risks and opportunities, thereby facilitating the planning of actions to address climate-related challenges and opportunities.

Types	Climate-Related Issues	Short-Term	Medium Term	Long-term	Response Measures
Physical Risks	■ Heavy precipitation and extreme drought. ■ Rising average temperatures.	■ Extreme precipitation causes road damage and transportation difficulties, which in turn affect the supply chain, forcing customers to temporarily suspend receiving shipments. ■ Government-mandated work stoppages due to extreme weather result in fewer working days, which in turn affect production schedules and delay delivery dates. ■ Power outages caused by extreme weather result in equipment damage and disrupt production and delivery schedules.	■ Severe water shortages have a significant adverse impact on manufacturing and the product supply chain. ■ As climate change intensifies, the likelihood and severity of natural disasters are increasing, leading to higher insurance costs.	■ Rising average temperatures will lead to a continuous increase in electricity consumption and the use of cooling water for equipment, further driving up operating costs and increasing carbon emissions.	■ Develop detailed contingency plans for different levels of water scarcity, including measures such as production adjustments, water usage prioritization and the activation of alternative water sources. Strengthen employee training on energy conservation awareness and encourage habits such as turning off lights and unplugging unused electrical equipment. ■ Assess flood risks at the plant site and develop emergency response measures. ■ Promote regular maintenance of air conditioning equipment throughout the green supply chain to ensure it operates at optimal efficiency.

4.1 Climate Change

■ Management of Risks and Opportunities Related to Climate Change

Types	Climate-Related Issues	Short-term	Medium-term	Long-term	Response Measures
Transition Risks	■ Rising market prices for raw materials. ■ Increased market emphasis on sustainability and low-carbon standards, leading to stricter customer requirements. ■ The government is strengthening carbon reduction policies and increasing greenhouse gas emission fees.	■ Companies face additional operating costs due to the imposition of carbon taxes. ■ Costs are rising due to investments in energy-saving equipment to meet carbon reduction targets.	■ Suppliers are passing on costs due to the impact of renewable energy regulations and carbon taxes. ■ Regulatory requirements mandating that companies increase their use of renewable energy are placing additional investment and operational pressures on them.	■ As market demands for low-carbon transition increase, revenue from non-low-carbon products is gradually declining. ■ Failure to meet customers' environmental and sustainability standards leads to a decline in orders, impacting corporate revenue.	■ Monitor government support programs for emissions reduction and make full use of subsidy and incentive mechanisms to lower corporate operating costs. ■ Commit to innovating green products to reduce energy consumption and environmental impact.
Opportunities	■ Policy incentives. ■ Improve resource efficiency. ■ Use low-carbon energy sources.	■ Implement energy-saving technologies to reduce water and electricity consumption, thereby lowering operating costs. ■ Invest in high-efficiency, energy-saving equipment to improve energy utilization.	■ Accumulate carbon credits through government incentives and partnerships to support carbon emission reduction initiatives. ■ Promote sustainable water use to achieve water conservation and water recycling, thereby reducing water consumption.	■ Continuously develop new product lines to meet the market' s growing demand for low-carbon products. ■ Apply for carbon credits and plan to enter the carbon trading market to facilitate the trading and management of carbon assets.	■ Plan to actively participate in government-sponsored carbon reduction incentive programs to secure policy support and incentives. ■ Phase out outdated equipment and upgrade systems to improve energy efficiency and reduce energy waste. ■ Focus on the research and development of low-carbon products to enhance their environmental value and competitiveness.

- **Describe the financial impact of extreme weather events and transition actions**

Item	Description	Financial Impact
Extreme Weather Events	Extreme weather events may impact Kingstate' s operations and supply chain logistics	Extreme weather or supply chain disruptions may affect operations and logistics, leading to reduced production capacity and lower revenue
Transition Initiatives	Opportunities that climate change may present at this stage include the development of low-carbon products and services, as well as strengthening Kingstate' s resilience to climate change	Developing Low-Carbon Solutions: Driven by sustainability trends, demand for low-carbon products and services is rising, presenting opportunities for revenue growth

4.1 Climate Change

■ Management of Risks and Opportunities Related to Climate Change

● How the Processes for Identifying, Assessing and Managing Climate Risks Are Integrated into the Overall Risk Management System

Kingstate has established a comprehensive risk management organizational structure and formulated clear management policies and procedures to ensure that the risk management framework comprehensively covers operational, information security, intellectual property, financial and climate change risks. At the same time, we have formally incorporated climate change risk management into our risk management policies and procedures to ensure Kingstate can effectively address climate-related challenges.

Risk management is executed by the Executive Vice President, who convenes relevant departments annually based on different risk types to implement risk management measures, emphasizing a comprehensive risk control mechanism that involves all employees. Department heads are required to implement risk assessment and control in their daily management operations, ensuring that risk management extends beyond the policy level and is deeply integrated into actual operations. Regarding uncertainties that may affect Kingstate's operations, Kingstate requires all responsible units to conduct prudent assessments prior to implementation to ensure the professionalism and foresight of risk management strategies. In terms of climate change risk management, Kingstate identifies key risk issues based on the outcomes of risk management meetings, formulates mitigation measures and reports regularly to the Board of Directors to ensure Kingstate can proactively address the risks and opportunities posed by climate change and maintain sustainable development.

● If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts should be described

In the assessment reports published by the IPCC, four climate change scenarios are presented using Representative Concentration Pathways (RCPs), summarized as follows:

- RCP2.6 is a low-emission scenario that limits global warming to within 2°C (compared to pre-industrial levels) and is also known as the 2°C scenario.
- RCP4.5 is a medium-emission scenario that does not meet the 2°C limit or the 1.5°C target and is projected to result in a temperature increase of approximately 2.4°C.
- RCP6.0 is a medium-to-high emissions scenario in which greenhouse gas emissions peak around 2060 and begin to decline toward the end of this century; projected to result in a temperature rise of 2.8°C.
- RCP8.5 is consistent with current policies and represents a high-emission scenario; the temperature increase could reach 4.3°C and it is also considered to represent a "business-as-usual" scenario.

Kingstate selected two different climate change scenarios for evaluation, as follows:

Scenario Assumptions	Scenario Description Assumptions	Financial Impact
High-Risk Scenario (RCP8.5)	Global carbon emissions continue to rise and extreme weather events occur frequently, leading to supply chain disruptions, rising energy costs and higher carbon taxes.	Under the high-risk RCP8.5 scenario, frequent extreme weather events and continuously rising carbon emissions will have multifaceted negative impacts on revenue, costs, profits, cash flow and asset values; climate change will pose significant challenges to Kingstate's financial position. Kingstate will need to address a series of adverse effects, including rising policy costs, energy cost volatility, losses from natural disasters and supply chain disruptions, with the impact expected to exceed 1%.
Low-Risk Scenario (RCP2.6)	With global efforts to actively reduce carbon emissions and the widespread adoption of low-carbon technologies, companies must accelerate their green transition to meet market demand.	Under the low-risk RCP2.6 scenario, the financial impacts faced by companies are relatively mild and highly predictable. Although companies will need to bear policy costs (such as carbon taxes), initial capital expenditures for the energy transition and additional costs associated with supply chain adjustments, these initial investments will yield long-term competitive advantages as carbon emission policies are gradually implemented and the market shifts toward a green transition.Companies will be able to benefit from growing market demand for sustainable products and reduce the risk of energy price volatility. From a financial perspective, this is likely to increase Kingstate's market share, expand revenue streams and improve its overall financial health, with an impact of less than 0.1%.

4.1 Climate Change

■ Management of Risks and Opportunities Related to Climate Change

● Indicators and Targets for Identifying and Managing Physical and Transition Risks

To effectively manage climate-related risks, Kingstate has established a comprehensive transition plan to mitigate the impact of climate change on operations and ensure compliance with global carbon reduction trends and regulatory requirements. The plan covers key areas such as carbon emissions management, energy transition, carbon reduction in the supply chain and the application of green technologies. Through a systematic risk identification mechanism, it ensures Kingstate can maintain steady growth while addressing the challenges posed by climate change.

Contents of the Transition Plan

- Greenhouse Gas Management and Carbon Reduction Strategy: Implement ISO 14064 at the factory level to conduct carbon inventories, establish short-, medium- and long-term carbon reduction targets and continuously evaluate carbon reduction performance to ensure the achievement of the 2050 carbon neutrality goal.
- Energy Mix Optimization: Gradually increase the proportion of renewable energy used at manufacturing facilities to reduce reliance on traditional energy sources and comply with government carbon levy and carbon trading mechanism requirements.
- Low-Carbon Transformation of the Supply Chain: Requiring suppliers to improve their ESG compliance and adopt low-carbon manufacturing technologies to ensure collective carbon reduction across the entire supply chain.
- Green Products and Innovation: Develop eco-friendly materials and low-carbon products to meet customer demand for sustainable products and enhance market competitiveness.
- Identification and Management of Physical and Transition Risks

Physical Risks	Through operational risk assessment mechanisms, monitor the potential impacts of climate change on production, the supply chain and logistics and establish contingency plans, such as enhancing disaster prevention capabilities, strengthening water resource management and improving energy resilience.
Transition Risks	Monitor government support programs for emissions reduction, leverage subsidy and incentive mechanisms to lower corporate operating costs and commit to innovating green products to reduce energy consumption and environmental impact.
Key Metrics and Targets	■ Greenhouse Gas Emission Reduction Target: Reduce emissions by 8% in fiscal year 2026 compared to fiscal year 2025 and continue to reduce emissions annually to steadily advance toward long-term carbon reduction goals. ■ Recycled Materials Usage Target: Increase the proportion of recycled materials in product design by 4% in fiscal year 2026 compared to fiscal year 2025, promote a circular economy and reduce resource consumption. ■ Green Electricity Usage Target: Increase the proportion of green electricity used in fiscal year 2026 by 10% compared to fiscal year 2025, reducing reliance on traditional energy sources. ■ By 2030, increase the proportion of renewable energy used to ensure that 15% of factory electricity consumption comes from renewable sources. ■ Achieve carbon neutrality by 2050

Through the above plans and risk management measures, Kingstate will continue to strengthen its capacity to address climate risks, ensure sound business operations and promote sustainable development.

4.1 Climate Change

■ Management of Risks and Opportunities Related to Climate Change

● Pricing Principles

To address the global transition toward net-zero emissions, Kingstate is integrating environmental sustainability into its operations and strategies. Starting in 2026, Kingstate plans to implement an Internal Carbon Pricing (ICP) system to incorporate carbon emission costs into operational and investment decisions, driving low-carbon transformation and carbon asset management.

◆ Internal Carbon Price Setting Criteria and Considerations

NT$300 per tCO_2e

This pricing strategy is primarily based on two key considerations:

- Regulatory Alignment: The internal carbon price aligns with Taiwan's carbon fee mechanism and market expectations, keeping Kingstate's reduction assessments consistent with external policies.
- Operational Flexibility: A moderate initial price minimizes financial impact and resistance, helping employees and management gradually adopt the concept that "carbon has a price."

◆ Scope of Application

- Energy-Saving Improvement Projects
- Renewable Energy Installation

Return on Investment = Electricity Savings + Benefits from Internal Carbon Pricing

This directly aligns with the principle of "incorporating carbon costs into decision-making."

◆ Annual Review and Dynamic Adjustment Mechanism

Internal carbon pricing is a dynamic management mechanism. Kingstate has established a periodic review mechanism led by the Head of Corporate Governance to ensure alignment with international carbon markets and domestic regulations.

• Carbon Price Review: Assess carbon market trends, regulatory changes and Kingstate's reduction progress to determine whether the internal carbon price should be increased to strengthen reduction incentives.

• Scope Expansion: Evaluate system maturity and consider extending internal carbon pricing to supply chain procurement, new product development and overseas facilities to deepen green transformation.

● Information on greenhouse gas emission scopes, planning timelines and annual progress toward targets

For climate change mitigation, Kingstate uses greenhouse gas emissions as the primary quantitative indicator and is committed to reducing its carbon footprint. We promote eco-friendly and recycled materials, set recycled-material targets in product design and increase the use of green electricity to reduce overall emissions. Where carbon offsets or RECs are used, their source and quantity will be disclosed.

- Greenhouse Gas Emission Reduction Target: Reduce emissions by 8% in fiscal year 2026 compared to fiscal year 2025 and continue to reduce emissions annually to steadily advance toward long-term carbon reduction goals.
- Recycled Material Usage Target: Increase the proportion of recycled materials in product design by 4% in fiscal year 2026 compared to fiscal year 2025, to promote a circular economy and reduce resource consumption.
- Green Electricity Usage Target: Increase the proportion of green electricity used in 2026 by 10% compared to 2025, thereby reducing reliance on traditional energy sources.
- 2030 Goal: Increase the share of green energy; 15% of factory electricity consumption will come from renewable energy.
- 2040 Goal: Achieve zero growth in CO_2 emissions and ensure that total carbon emissions do not increase further.
- 2050 Goal: Achieve carbon neutrality and reach net-zero emissions through energy transition, carbon capture technologies and carbon offset mechanisms.

● Greenhouse Gas Inventory, Verification Status, Reduction Targets, Strategies and Specific Action Plans

As a company with a capitalization of less than NT$ 5 billion, we are required under the Sustainability Roadmap for Listed Companies to conduct an individual company greenhouse gas inventory by 2026 and complete verification by 2028.

4.1 Climate Change

Management of Risks and Opportunities Related to Climate Change			
Pricing Principles			
Kingstate plans to implement an Internal Carbon Pricing (ICP) system in 2026 to integrate carbon costs into operational and investment decisions, driving low-carbon transformation and strengthening carbon asset management.			
Basis and Considerations for Setting Internal Carbon Prices			
Item	**Details**	**Key Considerations**	**Management Objective**
Internal Carbon Price	NT$300 per tCO_2e	Align with Taiwan's carbon fee mechanism and market expectations to ensure our carbon reduction criteria remain consistent with external policies.	Incorporate carbon costs into operational and investment decisions to establish the concept that "carbon has a price."
Implementation Principles	Official implementation beginning in 2026	Maintain a moderate price in the initial phase to avoid placing an excessive financial burden on business units and reduce resistance to the system's implementation.	Balance operational and financial flexibility to establish a solid foundation for low-carbon transition.
Scope of Application and Calculation of Investment Returns			
Scope of Application	Energy-Saving Improvement Projects	Renewable Energy Installation	Assessment of Other Low-Carbon Investments
Calculation of Investment Returns	Electricity Savings	Benefits from Internal Carbon Pricing	Total Investment Benefits = Electricity Savings + Benefits from Internal Carbon Pricing
Annual Review and Dynamic Adjustment Mechanism			
Assessment of Carbon Price Adequacy	We periodically review the internal carbon price based on regulatory changes, carbon market trends and Kingstate's carbon reduction progress.	Corporate Governance Officer	Maintain sufficient incentives for substantive carbon reduction.
Scope Expansion Assessment	Assess system maturity and consider extending it to supply chain procurement, product development and overseas facilities.	Head of Corporate Governance	Comprehensively enhance Kingstate Electronics Corp.'s capacity for green transformation.
Scope of Greenhouse Gas Emissions, Planning Timeline and Annual Targets			
Kingstate uses GHG emissions as the primary climate mitigation metric, while promoting eco-friendly and recycled materials and increasing green electricity use. If carbon offsets or RECs are used, their sources and quantities will be disclosed..			
Target Year	**Management Indicators**	**Quantitative Targets**	**Action Plan**
2026	Greenhouse Gas Emissions	Reduce emissions by 8% compared to 2025 and continue to reduce them annually.	Continuously review, improve manufacturing processes and enhance energy efficiency.
2026	Use of Recycled Materials	The proportion of designs using recycled materials will increase by 4% compared to 2025.	Promote a circular economy and reduce the consumption of virgin resources.
2026	Use of Green Electricity	The proportion of green electricity usage will increase by 10% compared to 2025.	Increase the use of renewable energy and reduce dependence on traditional energy sources.
2030	Renewable Energy	15% of the factory's electricity consumption will come from renewable energy.	Expand the deployment of green energy infrastructure and the procurement of green electricity.
2040	Carbon Emissions Management	Achieve zero growth in CO_2 emissions.	Ensure that total carbon emissions do not increase further.
2050	Net-Zero Emissions	Achieve carbon neutrality.	Achieve net-zero through energy transition, carbon capture technologies and carbon offset mechanisms.

Greenhouse Gas Inventories, Assertions and Action Plans	
Applicable Regulations for Kingstate	As a listed or OTC-listed company with a capitalization of NT$ 5 billion or less, Kingstate follows the Sustainability Roadmap for Listed and OTC-Listed Companies.
Inventory Timeline	Complete the individual company's greenhouse gas inventory by 2026.
Assurance Timeline	Complete greenhouse gas inventory verification/validation by 2028.

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4.2 Greenhouse Gases

■ Strategies, Methods and Goals for Greenhouse Gas Management

Greenhouse Gas Management and Reduction Targets

Guided by the principle of environmental sustainability, Kingstate actively addresses the challenges of climate change and is committed to reducing greenhouse gas emissions from its operations. By introducing energy-saving equipment, improving energy efficiency, adopting green electricity and conducting carbon footprint assessments, Kingstate is steadily moving toward its vision of net-zero carbon emissions.To actively address climate change and advance toward our net-zero emissions goal, Kingstate conducts greenhouse gas inventories in accordance with the guidelines of the ISO 14064-1:2018 standard.

Greenhouse gas emissions cover the following three major categories:

Category 1 (Direct Greenhouse Gas Emissions): Emissions from our own equipment and facilities, such as diesel generators, cafeteria stoves, company vehicles, refrigeration equipment, carbon dioxide fire extinguishers and septic tanks.

Category 2 (Indirect Greenhouse Gas Emissions from Energy): Emissions resulting from purchased electricity.

Category 3 (Other Indirect Greenhouse Gas Emissions): Includes activities in the upstream and downstream supply chain, such as raw material transportation, product ground transportation, waste transportation, employee commuting, raw material procurement and solid waste disposal.

Short-Term Goals (by the end of 2026)	Mid-Term Goals (by the end of 2030)	Long-Term Goal (2050)
Quantitative Target: Reduce total greenhouse gas emissions by 8% compared to 2025. Action Plan: Continue to optimize energy efficiency and promote energy-saving and emissions-reduction projects at all facilities.	Quantitative Target: Reduce greenhouse gas emissions by 35% compared to the base year. Energy Transition: Increase the proportion of green energy used and ensure that 15% of factory electricity consumption comes from renewable energy. Technology Upgrades: Gradually introduce low-carbon manufacturing technologies to optimize the carbon footprint across the product lifecycle.	Sustainability Vision: Achieve Kingstate' s carbon neutrality goal. Strategic Measures: In response to global net-zero initiatives, comprehensively achieve the net-zero emissions vision through energy transition, investment in carbon capture (CCUS) technology R&D and carbon offset mechanisms.

Greenhouse Gas Strategy and Specific Action Plan

Guided by our core principle of environmental sustainability, Kingstate actively addresses the challenges posed by climate change and is committed to reducing greenhouse gas emissions generated during our operations. To achieve our long-term goal of net-zero carbon emissions, we have established a comprehensive greenhouse gas management strategy. By introducing energy-efficient equipment and technologies, we are comprehensively improving energy efficiency across production and operational phases, while gradually increasing the proportion of renewable energy used and actively procuring green electricity to replace traditional energy sources.

Specific Actions:

Energy Efficiency Improvements: We have introduced energy-saving equipment and, starting in 2023, established an ISO 50001 Energy Management System to optimize production processes.

Renewable Energy Application: Expanding the share of renewable energy usage; for example, the Shipai plant has installed a rooftop solar photovoltaic power station with an annual power generation capacity of 300,579 kWh.

Supply Chain Management: Requiring suppliers to adopt low-carbon manufacturing technologies and promoting the use of eco-friendly and recycled materials.

4.2 Greenhouse Gases

■ Greenhouse Gas Emissions

In accordance with the ISO 14064-1:2018 standard for greenhouse gas (GHG) accounting and reporting, the Company completed its 2025 GHG emissions inventory. The results indicate Scope 1 emissions of 124.41 tCO_2e, Scope 2 emissions of 1,029.39 tCO_2e and Scope 3 emissions of 9,045.38 tCO_2e, with a GHG emissions intensity of 3.2 tCO_2e per million NTD in revenue. In 2025, total GHG emissions (sum of Scopes 1, 2 and 3) amounted to 10,199.18 tCO_2e. Regarding decarbonization performance, total annual emissions dropped by 2,333.28 tCO_2e compared to the 2024 baseline, representing an emissions reduction of approximately 18.6%.To ensure data integrity and standardized governance, the Company established a GHG inventory framework adhering to ISO 14064-1 standards and the Ministry of Environment' s GHG Verification Guidelines. We conduct annual GHG inventories for our Suzhou and Dongguan manufacturing sites and undergo third-party independent assurance. From 2023 to 2025, Hangzhou Wantai Certification Co., Ltd. conducted external audits pursuant to ISO 14064-1:2018, issuing a verification statement that confirms compliance with audit criteria, achieving a reasonable level of assurance and satisfying the materiality threshold.

◆ Greenhouse Gas Emissions Analysis Table

Greenhouse Gas Emissions	2025	2024	2023	2022
Scope 1 (tCO_2e)	124.41	178.67	206.29	190.38
Scope 2 (tCO_2e)	1,029.39	1,477.18	1,440.89	1,358.12
Scope 3 (tCO_2e)	9,045.38	10,876.61	19,594.73	8,717.11
Total Emissions (tCO_2e)	10,199.18	12,532.46	21,241.91	10,265.61
Emissions Intensity (tCO_2e/10 million in revenue)	3.2	3.41	5.96	2.48

- Scope 1 Data Scope: Completed for the parent company and subsidiaries: Kingstate Electronics (Dongguan) Co., Ltd. and Kingstate Electronics (Suzhou) Co., Ltd.; Scope 2 Data Scope: Completed for the parent company and subsidiaries: Kingstate Electronics (Dongguan) Co., Ltd. and Kingstate Electronics (Suzhou) Co., Ltd.; and Scope 3 Data Scope: Completed for the parent company and subsidiaries: Kingstate Electronics (Dongguan) Co., Ltd. and Kingstate Electronics (Suzhou) Co., Ltd.
- The greenhouse gases included in the calculation are carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and nitrogen trifluoride.
- The scope of greenhouse gas emission intensity calculations includes greenhouse gases generated under Scope 1, Scope 2 and Scope 3.

◆ **Other indirect greenhouse gas emissions (Categories 3–6) in 2025 totaled 9,045.38 tCO2e. The breakdown of emissions by category is as follows:**

Breakdown of Indirect Greenhouse Gas Emissions (Categories 3–6, including subcategories)		Emissions (tCO_2e)
Category 3: Indirect greenhouse gas emissions from transportation		487.4 tCO_2e
3.1	Upstream Transportation and Goods Distribution	36.05 tCO2e
3.2	Downstream transportation and freight distribution	426.83 tCO2e
3.3	Employee commuting	24.52 tCO2e
3.4	Customer and visitor transportation	immaterial
3.5	Business travel	immaterial
Category 4: Indirect greenhouse gas emissions from products used by the organization		8,557.98 tCO_2e
4.1	Purchased Goods	8,511.93 tCO2e
4.2	Capital goods	immaterial
4.3	The treatment of solid and liquid waste	46.05 tCO_2e
4.4	Asset Use	immaterial
4.5	The use of services not described in the above subcategories	immaterial
Category 5: Indirect greenhouse gas emissions from the use of the organization' s products		0 tCO2e
5.1	Emissions or removals during the product use phase	immaterial
5.2	Downstream leased assets	0 tCO2e
5.3	Product End-of-Life	0 tCO2e
5.4	Investments	immaterial
Category 6: Indirect greenhouse gas emissions from other sources		0 tCO2e

4.3 Energy Management

Energy Usage Policy and Reduction Targets			
Energy Usage Policy			
Kingstate has established an energy management system with a dedicated task force from the Administration and Quality Assurance Departments to monitor energy use across operational sites. Through regular inventories and data tracking, we develop energy-saving plans with short-, medium- and long-term goals. As energy conservation and carbon reduction are core sustainability strategies, Kingstate invests in high-efficiency equipment, smart energy-saving solutions and renewable energy such as solar power. Through reducing consumption, improving efficiency and increasing green electricity use, we continue to advance low-carbon transformation.			
Energy Reduction Targets			
Target Category	Short-Term Targets (2026)	Mid-Term Targets (2030)	Long-Term Goals (2050)
Quantitative Targets	Reduce total electricity consumption by 5% compared to 2025.	Actively participate in the RE100 initiative by expanding the installation of on-site solar photovoltaic systems and procuring green electricity to ensure that 15% of factory electricity consumption comes from renewable energy.	In line with the global trend toward net-zero emissions and the RE100 vision, fully achieve 100% renewable energy use.
Specific Measures	Implement energy audits, data-driven monitoring and energy-saving improvement plans; prioritize the adoption of high-efficiency equipment and smart energy-saving designs to reduce operational electricity consumption.	Continue to expand solar photovoltaic systems, increase the procurement of green electricity, adjust the energy mix and raise the proportion of renewable energy used.	Adopt forward-looking energy-saving technologies and optimize overall operational processes to maximize energy efficiency, moving toward carbon-neutral operations and sustainable business practices.
Implementation Measures and Management Mechanisms			
Renewable Energy and the Circular Economy	Solar photovoltaic systems have been installed on unused rooftops at various plant sites; it is estimated that self-generated and self-consumed green electricity output will reach 300,000 kWh by 2026. Additionally, 321,000 kWh of green electricity was procured through the green power certificate trading platform at a cost of approximately NT$1,775,000 and Kingstate continues to seek diverse renewable energy sources that offer economies of scale.		
Energy Conservation and Smart Manufacturing	Automated equipment has been introduced to enhance production efficiency and optimize process yield to reduce raw material waste. Green design principles have been incorporated into product and packaging design, utilizing recyclable and renewable materials. Kingstate is promoting a "Recycled Materials Policy" to practice circular utilization, turn waste into resources and reduce waste.		
Green Supply Chain Management	We formulated the "Supplier Management Policy," which was approved by the Audit Committee and the Board of Directors on August 9, 2022 and subsequently implemented. The policy covers requirements related to Green Environment, GHG management, occupational safety, RBA & CSR, RBP, NBCUniversal, HSF, CTPAT, CFSI and more and works with suppliers to promote resource recycling and sustainable development.		
Energy Management System	The Dongguan and Suzhou plants simultaneously implemented the ISO 50001:2018 Energy Management System starting in October 2023 and obtained third-party certification by the end of the year. Senior management established an energy management policy requiring compliance with energy regulations, improving energy efficiency and reducing energy consumption. Each department was assigned clear responsibilities for energy conservation and continuous improvement is ensured through data analysis and internal audits.		
Specific Energy-Saving Achievements	In 2022, the Shipai Plant installed a rooftop solar photovoltaic power station, generating 300,579 kWh of green electricity annually and reducing carbon emissions by approximately 300 tCO_2e — equivalent to planting 17,000 trees.The Shipai Plant implemented a business travel management system, utilizing vehicles from new energy ride-sharing platforms and the high-speed rail, resulting in a carbon reduction of approximately 1.85 tCO_2e . In 2025, the Suzhou Plant encouraged employees to prioritize switching to new energy vehicles, reducing the proportion of gasoline-powered vehicles from 95% to 90% and calculated energy savings based on the reduction in fuel consumption.		
Management Outcomes and Continuous Improvement			
Kingstate has established clear goals and action strategies in the areas of energy management, renewable energy use, energy conservation and consumption reduction and the green transformation of the supply chain. Through the establishment of systems, data tracking and practical actions, we continuously review and improve our efforts to steadily advance low-carbon transformation and sustainable development.			

KINGSTATE

4.3 Energy Management

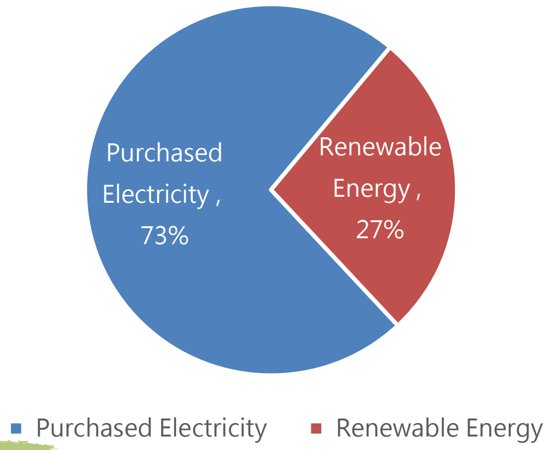
■ Energy Consumption

Kingstate' s total energy consumption for fiscal year 2025 was 8,330.90 GJ, with 73% coming from purchased electricity, 27% from renewable energy and 0% from other energy sources. We installed solar panels at its Dongguan plant to replace the non-renewable energy sources used in the past, generating a total of 623.898 kWh for self-consumption in fiscal year 2025.

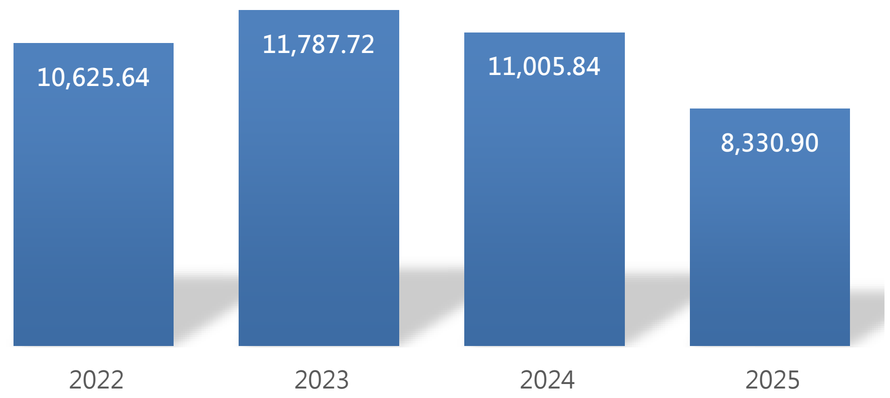
◆ Energy Consumption Analysis Table

Energy Consumption Categories	2025	2024	2023	2022
Gasoline (liters)	21,720	19,817.00	20,933.00	13,893.00
Diesel (liters)	3,151.2	4,581.00	4,408.00	4,479.00
Liquefied Petroleum Gas (kg)	360	504	504	504
Electricity—Renewable Energy (kWh)	623,898.00	304,835.00	335,095.00	48,588.00
Electricity - Non-Renewable Energy (kWh)	2,046,296.00	2,729,088.00	2,915,236.00	2,885,445.00
Total Energy Consumption (GJ)	8,330.90	11,005.84	11,787.72	10,625.64
Energy Intensity (GJ)	4.8	4.46	3.32	2.56

Share of Energy Consumption in 2025 (Unit: billion joules, GJ)



Total Energy Consumption (Unit: billion joules, GJ)



4.4 Water Resource Management

Water Resource Management and Reduction Targets

Kingstate has long been committed to water conservation and Green Environment and actively promotes water-saving measures. Starting with water conservation in daily operations, we are dedicated to maximizing the efficiency of available water resources. In 2025, Kingstate's total water consumption was 36,756.86 cubic meters, with water sources comprising 98.74% municipal water and 1.26% recycled water.

In terms of water conservation strategies, Kingstate actively launched various water-saving projects in 2025. The specific implementation details are as follows:

- Equipment Upgrades and Optimization: We enhanced the air conditioning condensate recovery system and optimized the cooling water recirculation and reuse process, effectively improving the utilization of available water resources.
- Smart Monitoring and Inspections: We monitored water usage anomalies at our facilities through data analysis and conducted inspections of the water supply networks at our Suzhou and Dongguan plants to reduce unnecessary waste.
- Company-wide Environmental Awareness Training: We conducted training sessions for employees on energy and water conservation to foster a positive workplace culture, such as turning off the water when not in use.
- Statistics show that average per-capita water consumption in 2025 decreased by 1.31 cubic meters compared to 2024, representing a reduction of approximately 3.9%, demonstrating initial success in water conservation.

Short-Term Goals (by the end of 2026)	Mid-Term Goals (by the end of 2030)	Long-Term Goal (2050)
Quantitative Target: Reduce total water consumption by 5% compared to 2025.	Quantitative Target: Reduce total water consumption by a cumulative 15% compared to 2025 and increase the process water recycling rate to 30% or higher.	Quantitative Target: Achieve "zero growth in total water consumption" at all operating sites and reach a water recycling and reuse rate of at least 50% across all facilities.
Specific Actions: Fully implement a smart water meter monitoring system and conduct inspections of aging water supply networks and leak prevention projects at the Suzhou and Dongguan facilities.	Specific Actions: Invest in the construction of a reclaimed water reuse system to treat domestic wastewater and process cooling water for reuse in on-site landscaping and toilet flushing, thereby reducing reliance on tap water.	Specific Actions: Moving toward the vision of water neutrality, we ensure that key manufacturing processes achieve a closed-loop water cycle, minimizing environmental impact.

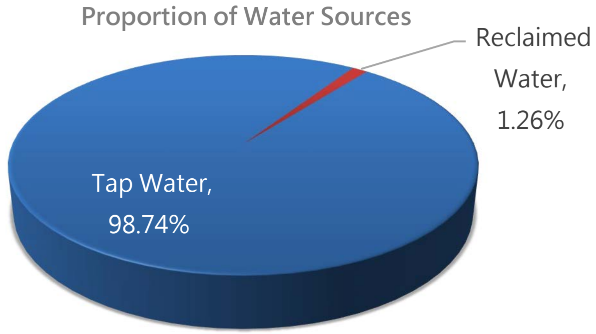
Discharge Water Management

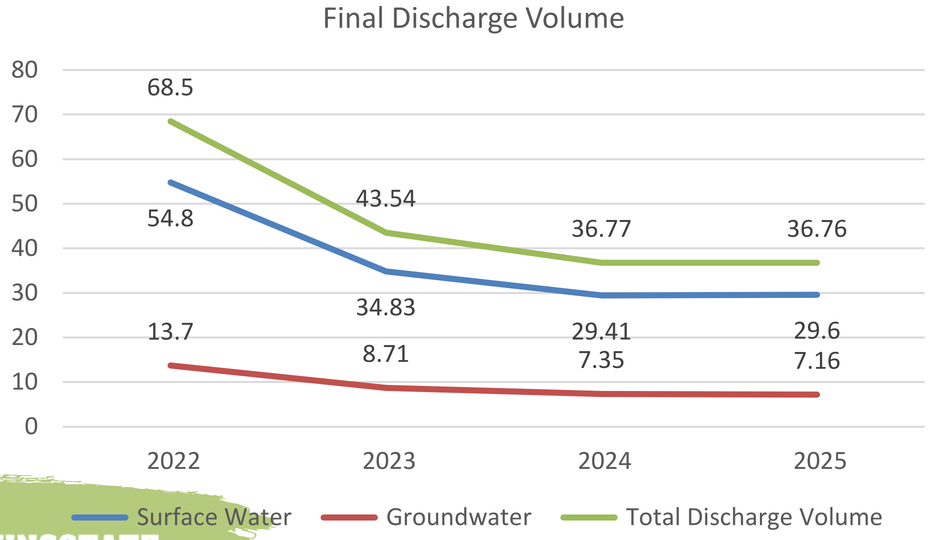
Wastewater generated at all of Kingstate's facilities is properly treated through on-site wastewater treatment facilities and discharged only after meeting discharge standards. In addition to internal water quality testing, Kingstate commissions third parties to conduct wastewater sampling and analysis to prevent environmental impacts from wastewater discharge and ensure that wastewater quality consistently complies with local discharge standards.

4.4 Water Resource Management

■ Water Usage

Kingstate has long been committed to water conservation and Green Environment and actively promotes water-saving measures. Starting with water conservation in daily operations, we are dedicated to maximizing the efficiency of available water resources. In 2025, Kingstate' s total water consumption was 36,756.86 cubic meters, with water sources comprising 98.74% municipal water and 1.26% reclaimed water.





◆ Water Withdrawal and Consumption in Water-Stressed Areas

Project (Unit: thousand cubic meters)	2025	2024	2023	2022
Water from third parties	36.76	36.77	43.54	68.5
Total Water Withdrawal	36.76	36.77	43.54	68.5
Total Discharge Volume	36.76	36.77	43.54	68.5
Total Water Consumption	-	-	-	-

◆ Water Intake

Water Withdrawal Categories (Unit: thousand cubic meters)	2025	2024	2023	2022
Groundwater	0.46	0.46	N/A	NA
Third-party water	36.3	36.3	43.54	68.5
Total Water Withdrawal	36.76	36.77	43.54	68.5

◆ Discharge Status

Discharge Destination Category (Unit: 1,000 cubic meters)	2025	2024	2023	2022
Surface Water	29.6	29.41	34.83	54.8
Groundwater	7.16	7.35	8.71	13.7
Total drainage volume	36.76	36.77	43.54	68.5

4.5 Waste Management

Waste Management and Reduction Targets

Kingstate continues to promote waste reduction and the efficient use of resources, actively fulfills its responsibility for Green Environment and is committed to reducing the environmental impact of its operations and throughout the product life cycle.

Environmental Awareness and Training for All Employees: To strengthen environmental awareness among all employees, Kingstate regularly promotes knowledge related to Green Environment and waste management. Topics covered include hazardous waste classification and disposal regulations, resource recycling and reduction principles, green manufacturing and sustainable development goals.In addition, through internal communications (such as e-newsletters and bulletin boards), we continuously emphasize the importance of "reduction at the source, sorted recycling," and "reducing hazardous waste," encouraging all employees to actively participate in environmental initiatives and fostering a green workplace culture.

Product Design and Supply Chain Waste Reduction Strategies: During the product design phase, we are committed to enhancing modularity and component integration, which not only reduces material waste but also helps extend product lifespan and improve recycling efficiency.At the same time, in terms of supply chain management, we encourage and gradually promote the adoption of reusable packaging materials and biodegradable, eco-friendly materials by our suppliers. This initiative not only effectively reduces waste generation and hazardous waste disposal costs but also aligns with the trend toward greener and low-carbon product packaging.

In accordance with ISO 14001 management procedures, Kingstate has established a dedicated management unit to effectively track the sources, generation and management measures for waste and to conduct detailed analyses and responses to actual and potential impacts related to waste. Kingstate's waste management objectives are as follows:

Short-Term Goals (by the end of 2026)	Mid-term Goals (by the end of 2030)	Long-Term Goals (by 2050)
Quantitative Targets: Reduce total waste volume by 8% compared to 2025 and achieve a 5% reduction in hazardous waste. Key Initiatives: Establish a precise waste sorting management system to increase employee sorting accuracy to 95% or higher.	Efficiency Improvement: Reduce waste generated per unit of product by 20% compared to 2025 and reduce hazardous waste by 15%. Resource Recovery: Continuously refine systematic improvements to increase the waste recycling and reuse rate to 70%.	Sustainability Vision: Move comprehensively toward the sustainable goal of "Zero Landfill." Circular Economy: Establish a waste management system covering the entire product life cycle; incorporate circularity considerations from the product design stage; reduce hazardous waste to the minimum permitted by law where no alternatives exist; and realize a long-term blueprint for resource recycling and corporate sustainability.

Greenhouse Gas Strategy and Specific Action Plan

Kingstate continues to promote waste reduction and the efficient use of resources, actively fulfilling its responsibility for Green Environment and is committed to reducing the environmental impact of its operations and throughout the product life cycle.

2025 Implementation Status and Circular Economy Policy

Circular Economy Policy: During the product design phase, we strive to enhance modularity and component integration to reduce material waste and extend product lifespan, while simultaneously promoting a "Recycled Materials Policy."

Supply Chain Waste Reduction: We encourage suppliers to adopt reusable packaging materials and biodegradable, eco-friendly materials to align with green packaging trends and reduce disposal costs.

Environmental Awareness and Training for All Employees: To strengthen environmental awareness among all employees, Kingstate regularly conducts educational sessions on Green Environment and waste management. Topics covered include regulations for the classification and disposal of hazardous waste, principles of resource recycling and waste reduction, green manufacturing and sustainable development goals.In addition, through internal communications (such as e-newsletters and bulletin boards), we continuously emphasize the importance of "reduction at the source, sorted recycling," and "reducing hazardous waste," encouraging all employees to actively participate in environmental initiatives and fostering a green workplace culture.

4.5 Waste Management

■ Waste Generation

The total amount of waste generated by Kingstate in 2025 was 16.805 metric tons, comprising hazardous waste and non-hazardous industrial waste. Of this total, 0.995 metric tons was hazardous industrial waste, accounting for 6%; 15.81 metric tons was non-hazardous industrial waste, accounting for 94%.

Kingstate primarily entrusts a licensed waste management company to handle waste through recycling, incineration and landfilling.

In 2025, Kingstate disposed of or transferred a total of 16.805 metric tons of waste, of which 6% of the hazardous waste was recycled.

Apart from the aforementioned waste, all other waste is uniformly disposed of by licensed waste management companies; Kingstate directly disposed of 0 metric tons of waste in 2025.

◆ Waste Transferred from Disposal to Recycling Operations

Item (Unit: metric metric tons)	Disposal and Transfer Method	On-site Treatment	Off-site disposal	Total
Hazardous Industrial Waste	Preparation for Reuse	-	-	0
Hazardous Industrial Waste	Recycling	-	-	0
Hazardous Industrial Waste	Other Recycling Operations	-	0.995	0.995
Hazardous Industrial Waste	Total	-	0.995	0.995
Non-hazardous industrial waste	Prepared for reuse	-	-	0
Non-Hazardous Industrial Waste	Recycling	-	-	0
Non-hazardous industrial waste	Other Recycling Operations	-	15.81	15.81
Non-hazardous industrial waste	Total	-	15.81	15.81

◆ Summary Table of Industrial Waste Generation, Transfer from Disposal and Direct Disposal for the Past Four Years

Item (Unit: ton)	Type	2025	2024	2023	2022
Generation Volume	Hazardous Waste	0.995	3.00	-	1.3795
Generation	Non-hazardous waste	15.81	17.73	23.00	24
Generation	Total	16.805	20.73	23.00	25.3795
Amount of Waste Disposed of or Transferred (Recycled)	Hazardous Waste	0.995	3.00	-	1.3795
Disposal and Transfer (Recycling) Volume	Non-hazardous waste	15.81	17.73	23.00	24
Disposal and Transfer (Recycling) Volume	Total	16.805	20.73	23.00	25.3795
Amount Disposed of Directly	Hazardous waste	0	-	-	0
Amount Disposed of Directly	Non-hazardous waste	0	-	-	0
Amount Disposed of Directly	Total	0	-	-	0

4.6 Biodiversity

■ Biodiversity Policy Commitment

Kingstate integrates sustainability into its operations and corporate governance. In alignment with the UN SDGs, CBD and relevant regulations, Kingstate recognizes the importance of biodiversity and forest conservation in maintaining ecosystems and addressing climate change. Kingstate is committed to integrating "No Deforestation" principles into operations, pursuing "No Net Loss" and ultimately "Net Positive Impact," while promoting biodiversity and natural capital management. We commit to integrating the principles of biodiversity conservation and "No Deforestation" into its operational management, with the goal of achieving "No Net Loss" and moving toward "Net Positive Impact," and will continue to promote the following measures:

- **Avoid development in ecologically sensitive areas**

Avoid establishing operational sites or production facilities in globally or nationally significant biodiversity conservation areas, biodiversity hotspots and other highly ecologically sensitive areas to minimize impacts on natural ecosystems.

- **Reducing Environmental Impacts Across the Product Life Cycle**

We continuously optimize product design, production processes, pollution prevention and product lifecycle management to reduce potential negative impacts on the ecological environment and biodiversity.

- **Implementing Forest Conservation and No-Deforestation Commitments**

Comply with forest conservation laws and regulations in our operating regions and internationally; support legal and sustainable forest management; and refrain from participating in illegal logging, forest destruction, or other activities that cause deforestation.

- **Enhancing Biodiversity Education and Awareness**

Through training, awareness campaigns and volunteer participation, we continuously raise awareness among employees, customers, suppliers and other stakeholders regarding biodiversity conservation, zero deforestation and the protection of the natural environment, working together to put sustainable values into practice.

- **Supporting Nature Conservation Initiatives**

We actively participate in activities related to biodiversity conservation, tree planting and ecological restoration, aligning with the Convention on Biological Diversity and other international nature conservation initiatives to jointly promote the protection of natural capital and sustainable development.

■ Specific Implementation Status in 2025

- **Promoting Environmental Education**

Kingstate organized the "Discover the Wetlands" ecological education event at Guandu Nature Park on February 8, 2025, with approximately 50 employees participating. Through guided tours and on-site observations, employees gained a deeper understanding of wetland ecosystems, biodiversity and their roles in climate regulation and ecological balance. The event strengthened employees' ESG awareness and encouraged environmentally responsible practices in daily work and life.

- **Promoting Tree Planting and Greening on the Factory Premises**

On March 12, 2025, Kingstate Dongguan organized a tree-planting event and planted 20 trees of various species. The initiative enhanced green coverage, improved the ecological environment and supported biodiversity conservation. Kingstate will continue promoting greening and eco-friendly measures to strengthen natural capital management.

4.7 Natural Carbon Sinks

Kingstate recognizes the role of natural carbon sinks in climate mitigation, biodiversity conservation and ecological resilience. In alignment with Taiwan's 2050 Net-Zero Transition strategy, Kingstate integrates sustainability with its technological strengths to advance natural carbon sink initiatives and enhance its positive environmental impact.

■ Cross-Industry Collaboration and Support for Natural Carbon Sinks

Strategic Objective: Through collaboration with the government, academic institutions and nonprofit organizations, we will support conservation and restoration efforts for natural carbon sinks such as forests and wetlands, enhance Kingstate's natural capital management capabilities and lay a crucial foundation for achieving net-zero emissions.

- **Support for Forest Carbon Sink Conservation Programs**

Evaluate opportunities to collaborate with forestry authorities, local governments, or relevant public interest organizations to participate in natural carbon sink projects—such as afforestation, forest tending, or bamboo forest management—to support the sustainable management of forest resources.

- **Support Local Wetland and Blue Carbon Conservation**

In line with the environmental characteristics of the regions where Kingstate operates, evaluate participation in projects related to mangrove, estuary and wetland conservation to support urban greening and coastal ecosystem restoration, enhancing the resilience of the local natural environment.

■ Promoting Biodiversity Conservation Through Core Technologies

Leverage Kingstate's core technologies in acoustics, microphones and AI audio to develop innovative applications that support biodiversity monitoring and natural environment conservation, in response to the TNFD (Nature-related Financial Disclosures) initiative.

- **Promoting Ecological Acoustic Monitoring Applications**

Explore collaborations with research institutions, universities and environmental conservation organizations to utilize high-sensitivity acoustic modules and AI audio analysis technologies to establish ecoacoustic monitoring mechanisms for natural environments such as forests and wetlands, serving as a reference for biodiversity monitoring and natural resource management.

- **Strengthen Natural Capital Disclosure**

Gradually establish mechanisms for managing nature-related risks and opportunities and evaluate and disclose natural capital management outcomes in accordance with the TNFD framework.

■ Core Strategy 3: Promoting Green Products and Sustainable Packaging

Strategic Objective: Drive carbon reduction starting from product design and the source of the supply chain; encourage the use of sustainably sourced forest and bio-based materials to reduce the environmental impact throughout the product life cycle.

Implementation Measures

- **Promoting Sustainable Packaging Materials**

Continue to recommend to brand clients the use of FSC-certified paper and bio-based materials such as bamboo fiber and sugarcane bagasse to increase the recyclability of packaging materials and the proportion of sustainably sourced forest materials.

- **Enhancing Supply Chain Sustainability Management**

Encourage suppliers to jointly adopt environmentally friendly materials, gradually increase the proportion of sustainable materials used in product packaging and reduce resource consumption and carbon emissions.

■ Implementation Timeline

Implementation Phases	Period	Key Tasks
Phase 1: Assessment and Planning	2026–2027	Assess Kingstate's nature-related risks and opportunities, identify areas for collaboration on natural carbon sinks and establish a natural capital management mechanism.
Phase 2: Demonstration and Implementation	2027–2028	Promote sustainable packaging, ecological acoustic monitoring demonstration projects and collaborative projects on natural carbon sinks.
Phase 3: Scaling Up Results	Starting in 2029	Continue to expand the scope of natural carbon sink collaboration, gradually disclose TNFD and natural capital management outcomes and enhance Kingstate's positive impact on nature.

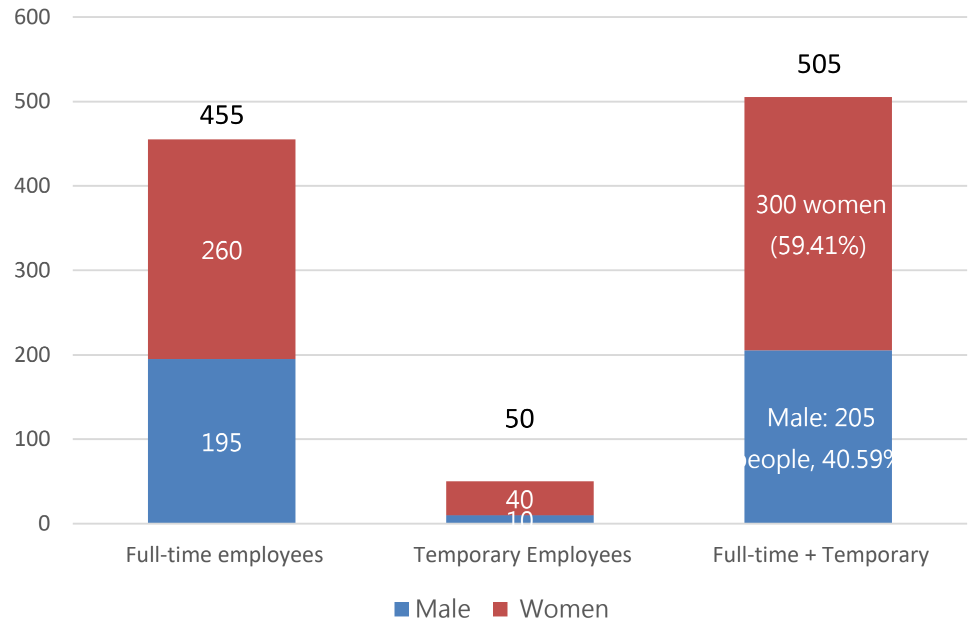
5. Friendly Workplaces & Social Engagement

5.1 Human Resources Development
5.2 Talent and Training
5.3 Benefits and Communication
5.4 Workplace Safety and Health Care
5.5 Social Engagement

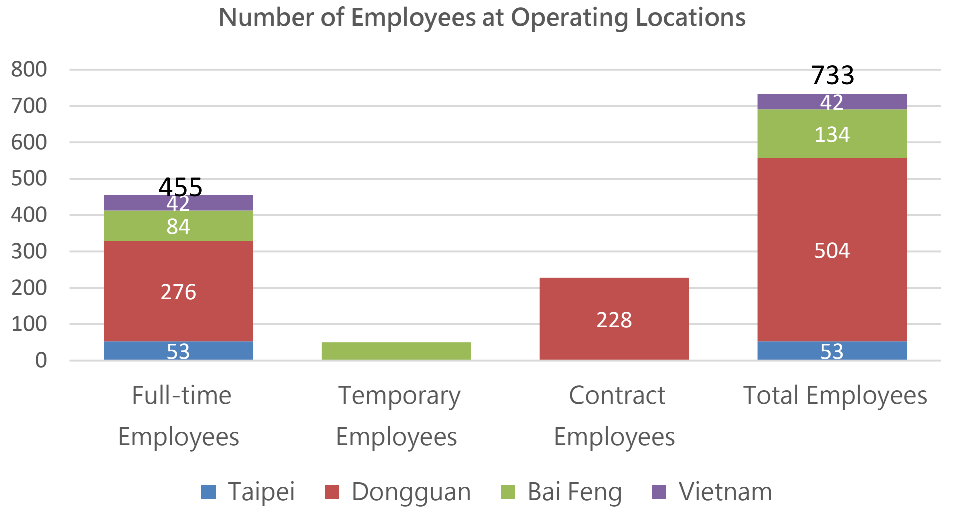
5.1 Human Resources Development

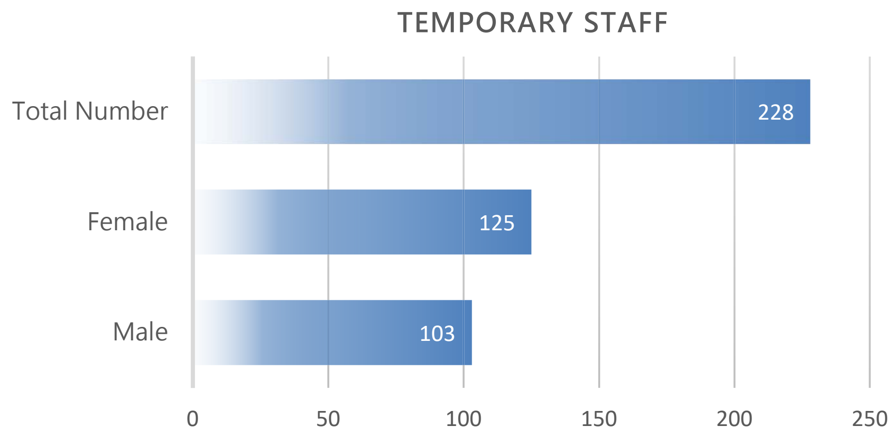
■ Employee Composition

As of the end of 2025, the Group employed 733 people, including 455 full-time, 50 temporary and 228 contract employees. The workforce remained stable over the past two years, reflecting steady workforce planning and allocation. Dongguan, our primary manufacturing hub, accounted for 68.8% of total employees, followed by Kingstate Suzhou at 18.3%, Taipei at 7.2% and Vietnam at 5.7%. Kingstate flexibly allocates employees across locations and employment types to balance operational efficiency and workforce flexibility. Women represented 59.41% of full-time employees, compared with 40.59% men, reflecting Kingstate' s commitment to equal employment opportunities and a diverse, inclusive and respectful workplace.



■ Number of Employees by Location



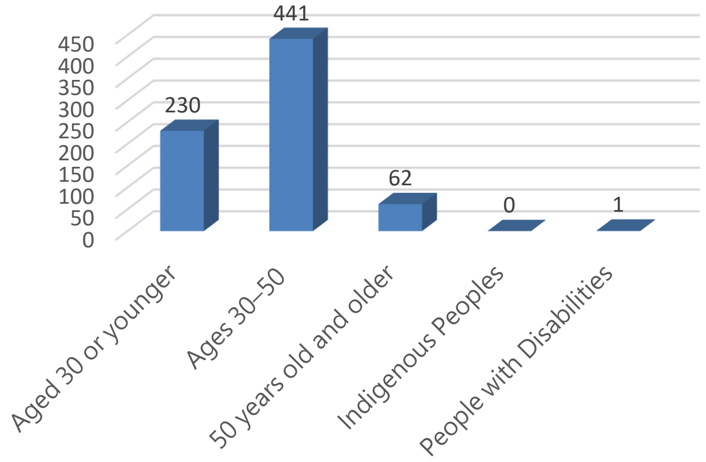


5.1 Human Resources Development

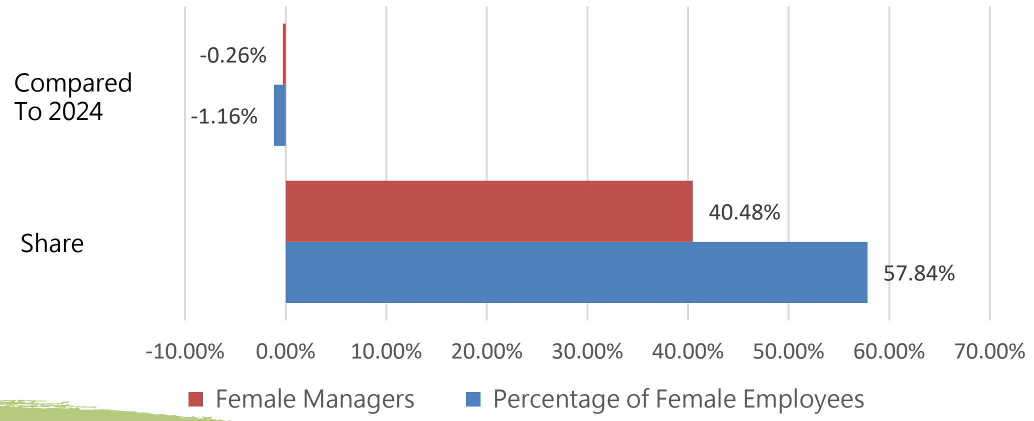
■ Employee Diversity, Inclusion and Equality

Kingstate values diversity, equality and inclusion. In talent recruitment, development, promotion and retention, we prioritize individual ability, expertise and performance, without discrimination based on gender, age, physical or mental condition, or other characteristics. We are committed to fostering a respectful, inclusive and supportive workplace. In 2025, employees aged 30–50 accounted for over 60% of the workforce, forming a mature and stable core workforce. Employees under 30 accounted for approximately 31%, reflecting our commitment to developing young talent, while those aged 50 and above accounted for about 8%. Kingstate promotes knowledge transfer, technical guidance and intergenerational collaboration to retain experience and expertise. Women accounted for 30% of senior executives and 44% of non-senior staff. We will continue to promote equal development opportunities and leadership programs, with a target of women representing at least 45% of management positions by 2030. We also support employment opportunities for people with disabilities and encourages experienced employees returning to the workforce or approaching retirement to continue contributing. Technical professionals account for 18.02% of the workforce and play a key role in R&D, process improvement and quality management. Through skills training, cross-departmental development and competency programs, Kingstate continues to strengthen technical capabilities and support sustainable growth and innovation.

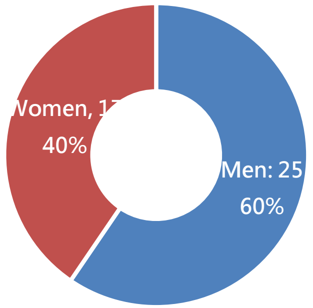
◆ Employee Diversity



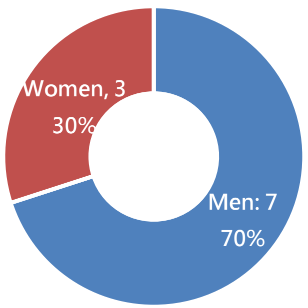
Analysis of the Proportion of Female Employees and Managers



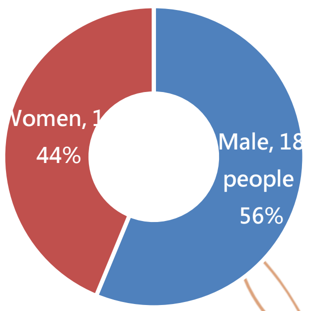
Gender Ratio Among Supervisors



Gender Breakdown of Senior Executives



Gender Breakdown of Non-Senior Executives



5.1 Human Resource Development

■ Gender and Age Distribution of Turnover Rates

In In 2025, the overall employee turnover rate decreased significantly from 2024, with the rate for women falling from 12.15% to 6.68% and for men from 11.49% to 2.73%, indicating improved talent retention. Turnover among employees aged 30 and under declined most significantly, while the 30–50 age group also showed a downward trend. The 50-and-over group maintained a low turnover rate, contributing to a more stable workforce structure. This improvement was mainly driven by enhanced compensation and benefits, training and career development, work environment and employee welfare. Primary turnover reasons included career development, personal planning and family factors.

Turnover Rate in 2025 Gender and Age Distribution	Female		Men	
	Number	Percentage	Number	Percentage
30 years old or younger	12	1.64%	8	1.09%
Ages 30–50	36	4.91%	9	1.23%
50 years old and older	1	0.14%	3	0.41%
Total	49	6.68%	20	2.73%
Percentage of Departures by Gender	71.01%		28.99%	

2024 Turnover Rate Gender and Age Distribution	Women		Men	
	Number	Percentage	Number	Percentage
30 years old or younger	65	7.18%	61	6.74%
Ages 30–50	43	4.75%	42	4.64%
50 years old and older	2	0.22%	1	0.11%
Total	110	12.15%	104	11.49%
Percentage of Departures by Gender	51.40%		48.60%	

■ Gender and Age Distribution Hiring Rate

The overall new hire rate in 2025 decreased compared to 2024, with the rate for women falling from 11.16% to 4.50% and that for men dropping from 9.17% to 3.68%. This indicates that Kingstate’ s staffing needs are stabilizing and the scale of recruitment has shrunk compared to the previous year.Specifically, the recruitment rates for those aged 30 and under and those aged 30 to 50 both decreased compared to 2024, reflecting that the organizational structure and workforce allocation have gradually stabilized; the number of new hires aged 50 and over remained at a low level, indicating that recruitment continues to focus primarily on middle-aged and young professionals.Overall, Kingstate continues to prioritize the utilization of existing talent resources through targeted recruitment, talent retention and internal development mechanisms to enhance workforce efficiency and maintain the organization’ s steady growth.

2025 New Hires Rate Gender and Age Distribution	Women		Male	
	Number	Percentage	Number	Percentage
30 years old or younger	18	2.46%	13	1.77%
Ages 30–50	14	1.91%	14	1.91%
50 years old and older	1	0.14%	0	0.00%
Total	33	4.50%	27	3.68%
Percentage of New Hires by Gender	55.00%		45.00%	

2024 New Hire Rate Gender and Age Distribution	Female		Male	
	Number	Percentage	Number	Percentage
30 years old or younger	41	4.53%	34	3.76%
Ages 30–50	59	6.52%	49	5.41%
Aged 50 or older	1	0.11%	0	0.00%
Total	101	11.16%	83	9.17%
Percentage of New Hires by Gender	54.89%		45.11%	

KINGSTATE

5.1 Human Resource Development

■ Human Rights Policy and Commitments

● Human Rights Commitments

To uphold fundamental human rights, Kingstate and its subsidiaries support international standards, including the UN Universal Declaration of Human Rights, UN Global Compact, UNGPs and ILO Core Conventions, while complying with applicable labor laws. On August 9, 2022, the Audit Committee and Board of Directors approved the "Human Rights Policy and Management Plan," which applies to Kingstate, its subsidiaries, suppliers, contractors and business partners to promote human rights protection.

- Respect and protect fundamental human rights, providing a fair, respectful and inclusive workplace.
- Prohibit discrimination, harassment, child labor, forced labor and human trafficking.
- Respect employees' freedom of association and collective bargaining rights.
- Provide a safe and healthy work environment & Establish fair grievance and redress mechanisms.
- Promote human rights management across the supply chain to mitigate related risks. risks.

● Scope of Application

Kingstate's human rights management system applies to Kingstate and all its subsidiaries and we jointly promote human rights protection and responsible procurement through supplier management, contractor management and collaboration mechanisms with business partners.

● Human Rights Due Diligence Process

Upholding human rights principles and international conventions, Kingstate has established a four-step human rights due diligence process:

- Risk Assessment: Regularly assess human rights risks across operations and the supply chain.
- Action: Integrate assessment results into management, require compliance from employees and partners.
- Monitoring: Maintain reporting channels and conduct supplier ESG audits.
- Disclosure & Remedy: Disclose results and provide appropriate remediation mechanisms..

● In 2025, we actively implemented human rights due diligence, with the following specific results:

- Supply Chain Human Rights Management: Human rights due diligence covered 135 suppliers, with a 100% signing rate for the Social Responsibility Commitment Letter. All deficiencies identified through ESG audits were rectified.
- Employee Communication and Protection: The 2025 employee satisfaction score reached 4.43/5, reflecting positive perceptions of the work environment and human rights protections.
- Whistleblowing and Complaints: An anonymous reporting channel is available through dedicated procedures. No human rights violation complaints were received in 2025.
- Human Rights Training: Human rights awareness is incorporated into annual training for directors, managers and employees, alongside integrity and legal compliance courses.
- Education and Training: To raise awareness of human rights protection among all employees, Kingstate conducts annual training sessions on human rights protection, extending these sessions to all business partners to reduce the frequency of human rights incidents. In fiscal year 2025, a total of five human rights-related training sessions were held, with a total of 284 training hours.

For details on the implementation of human rights management, please refer to pages 53–55 of the Annual Report to Shareholders. In addition, Kingstate has incorporated its human rights policy into supplier management procedures and the onboarding documents signed by new employees to ensure the policy's implementation.

Human Rights Policy	Human Rights Policy and Management Plan
Policy: Highest Decision-Making Body	Board of Directors
Oversight Body	Audit Committee
Audit Frequency	Every six months
Scope	All employees, customers, suppliers, contractors and female employees who are pregnant or have recently given birth
Investigation or Communication Mechanisms	Multiple reporting channels: including HR contact points, a dedicated email address, an internal suggestion platform and employee surveys, internal audits and supplier audits. Principles of Confidentiality and Protection Against Retaliation Timely Response and Two-Way Communication Initiation of Investigation and Handling Mechanisms Reporting to the Board of Directors or the Corporate Governance and Sustainability Committee Ongoing Monitoring and System Improvements
Mitigation and Remedial Measures	Formal Investigation and Written Explanation Immediate Remedial Actions Formal Apology and Communication Financial Compensation or Remedies Medical, Psychological, or Legal Assistance Arrangements for Return to Work Follow-up and Satisfaction Confirmation Disciplinary Action Against Responsible Personnel System revisions and risk prevention
Links to Policy Commitments`	https://www.kingstate.com.tw/upload/files/constitution112-21-1.pdf

KINGSTATE

5.2 Talent and Training

■ Talent and Training

Kingstate places great importance on employee development and regards talent cultivation and development as a key strategy for enhancing competitiveness. We have established a comprehensive education and training system and a diverse range of training programs aimed at helping employees enhance their professional skills, management capabilities and personal growth. Key Measures and Strategies

- **Formulation of the Education and Training Management Regulations**

We have established the "Education and Training Management Regulations" to clearly define the objectives and principles of education and training. Kingstate places great importance on enriching employees' knowledge and skills and regards training as a key means of improving work efficiency and quality.

- **Formulation of the Annual Training Plan**

Each year, specific annual training plans are formulated based on the training needs of each department. Kingstate is committed to continuously optimizing employees' professional competencies, ensuring their ongoing progress and growth.

- **Effective Utilization and Development of Human Resources**

We ensure that training plans are aligned with corporate development goals, so that employee growth remains consistent with Kingstate's long-term strategy. This strategy helps improve employee job satisfaction and loyalty while enhancing Kingstate's competitiveness and adaptability.

- **Continuous Optimization of Professional Competencies**

Through ongoing education and training, we continuously enhance employees' professional capabilities to address market changes and challenges. This not only supports employees' individual career development but also contributes to Kingstate's innovation and business growth.

In summary, through systematic Talent and Training strategies, Kingstate has not only enhanced employees' professional capabilities and work efficiency but has also effectively driven Kingstate's overall development and competitive advantage. This approach of using education and training to foster employee development effectively strengthens Kingstate's innovation capacity and market competitiveness.

■ Establishing a Career Competency Development Training Program

New Employee Training

- Helps new employees get to know Kingstate and provides an introductory overview of knowledge and skills, allowing employees to experience the corporate culture, build a sense of belonging and improve work efficiency

Professional Skills Training

- Helps employees master the specific skills and professional competencies required in their fields to continuously improve their work and enhance performance

Management Training

- Training programs for mid- to senior-level managers and future successors, designed to enhance their leadership, decision-making abilities, strategic thinking, management skills and comprehensive understanding of Kingstate's future development

Regulatory and Compliance Training

- Ensure employees comply with relevant laws, regulations and company policies, laying the foundation for a culture of corporate integrity and transparent operations

Occupational Safety Training

- Training on workplace safety, health protection, risk identification and emergency response

ESG Sustainability Training

- To ensure regulatory compliance and enhance corporate competitiveness, we provide cross-functional career development programs for ESG team members in addition to their core responsibilities

5.2 Talent and Training

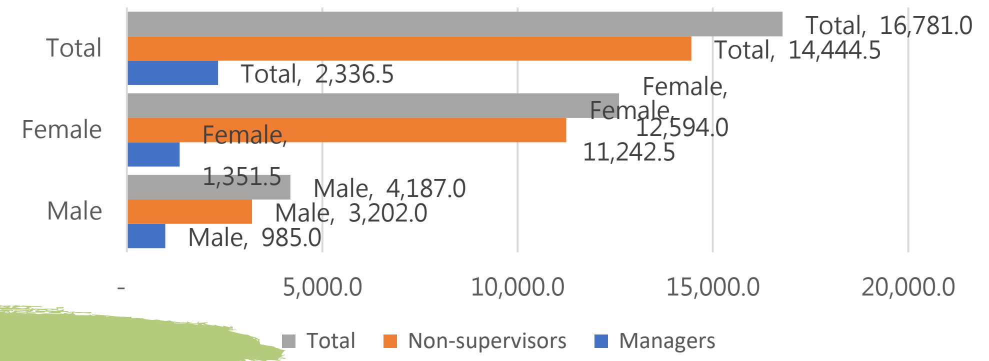
■ Implementation of Career Development Training

Categories of Competency Training	Number of Participants	Hours	Total Hours
A. New Employee Training	46	41.5	434.5
B. Professional Skills Training (including courses on R&D, quality assurance and job functions across various departments)	1,570	41.466	4,046
C. Management Training (including training for entry-level, mid-level, senior-level and successor development)	415	12.995	563
D. Legal and Compliance Training (courses required by local authorities)	408	6	1,080
E. Occupational Safety Training	1120	13.57	5,872.5
F. ESG Sustainability Training	623	38.292	1,257
G. Other	906	6	3,528

Kingstate supports career development by providing education and training opportunities to all employees. Total training hours reached 16,781, averaging 3.3Hrs per employee.

● Education and Training

Kingstate provides training to support employees' career development. In 2025, managers received an average of 8.79 training hours per person, while non-managers received 12.94 hours. Kingstate encourages managers to foster a learning-oriented workplace and support employees' participation in training, promoting continuous development and mutual growth.



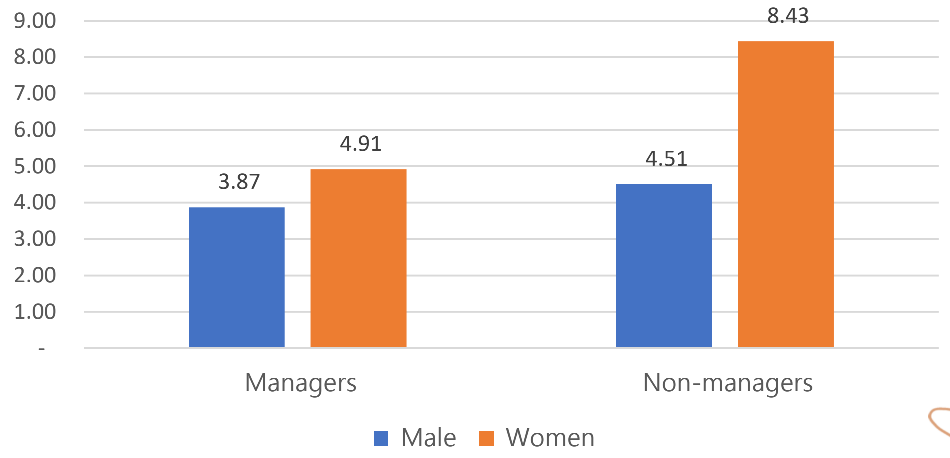
■ Average Hours of Employee Training

Average Hours of Employee Training	Managers	Non-managers
Male	3.87	4.51
Female	4.91	8.43
Average Hours (hours)	4.39	6.47

● Performance Evaluation

Performance evaluations support compensation decisions, career development and employee growth. Employees with outstanding performance are provided promotion opportunities and encouraged to take on leadership responsibilities.

In accordance with Kingstate's "Employee Evaluation Guidelines," performance evaluations are conducted semi-annually for employees who have completed probation and existing employees. Evaluations review goal progress and performance through specific examples, with 100% coverage achieved in 2025. Evaluation results are also used to develop targeted training plans, strengthening employee competencies and supporting organizational growth.



5.3 Benefits and Communication

■ Welfare Programs

To protect employee rights and enhance company cohesion, Kingstate provides employees with a comprehensive benefits system. In addition to basic rights mandated by law—such as labor and health insurance, special leave, maternity leave and parental leave—we also offer a wide range of employee benefits. We have established an Employee Welfare Committee in accordance with the law and allocate a percentage of monthly revenue as an employee welfare fund. The Committee is responsible for organizing company gifts for major holidays,birthday gifts, support for weddings, funerals and other celebrations, subsidies, company trips and club activities.

Company Welfare Measures
Employee Compensation (as stipulated in the Articles of Incorporation)
Year-End Bonus (based on operational performance)
Performance Bonus (based on operational performance)
Long-Service Awards for Senior Employees
Group Accident Insurance
Administrative Emergency Assistance
Training and Education Subsidies
Annual Health Checkup
Year-End Raffle and Dinner
Retention Bonus
Employee Stock Ownership Trust

Employee Welfare Committee Benefits
Annual Trip: Subsidies for domestic and international trips are provided each year
Subsidies for Club Activities
Gift money for weddings, funerals, celebrations, childbirth and employee birthdays
Gift money for Labor Day, Dragon Boat Festival and Mid-Autumn Festival
Hospitalization Condolence Allowance (for the employee, immediate family members, or spouse)

Government Regulations
Labor and health insurance, as well as pension benefits, are administered in accordance with applicable laws and regulations
Compensation for work-related injuries or illnesses in accordance with the Labor Standards Act
All other matters are handled in accordance with relevant laws and regulations

■ Long-Service Awards for Senior Employees

To express our gratitude to every Kingstate employee for their dedication and hard work—and especially to our long-serving employees for their perseverance over the years—we present annual bonuses and medals to employees with 10, 20, 30 and 40 or more years of service, thanking them for upholding Kingstate' s shared values.

■ Diverse Club Activities

We encourage employees to develop their personal interests and expertise through club activities. In 2025, there are three clubs: the Handicrafts and Creativity Club, the Hiking Club and the Reading and Arts Club. Each club holds activities once a month.

5.3 Benefits and Communication

■ Employee Compensation

The administrative department sets salary standards based on market conditions, Kingstate' s financial status and organizational structure. Compensation is determined by employees' professional capabilities, responsibilities, performance and achievement of operational goals, without gender or other discriminatory considerations. Kingstate provides employee, year-end and performance bonuses based on operational results. Under Article 25 of the Articles of Incorporation, at least 1% of annual profit is allocated for employee compensation and no more than 3% for directors' compensation, after offsetting accumulated losses. Eligible employees of controlling or subsidiary companies may receive such compensation in stock or cash.

■ Ratio of the difference in average annual compensation between male and female employees by job level, broken down by gender

Breakdown of male and female employees by job level, by gender Average Annual Compensation Gap Ratio	Annual Compensation (Women: Men)	Base Salary (Women: Men)
Supervisors	1.5:1	1.47:1
Non-supervisory	1:1.1	1.03:1

■ Leave Policy

● Retirement Provisions

To encourage employees to provide professional service and ensure a stable life after retirement, Kingstate has established the "Employee Retirement Regulations" and contributes to the employee retirement pension fund for each employee. At the same time, the "Pension Supervision and Management Committee" has been established in accordance with the law to oversee the management of pensions under the old system and the implementation of the retirement regulations. The contribution provisions for the new and old systems are as follows:

- Old Pension System: Kingstate contributes monthly to the retirement reserve fund in accordance with the Labor Standards Act, with funds managed by the Labor Retirement Reserve Fund Supervisory Committee and deposited with the Bank of Taiwan.
- New Pension System: In accordance with the Labor Pension Act, Kingstate contributes 6% of each employee' s monthly wages to their individual pension account..

Employees who meet the statutory retirement requirements may submit a retirement application. Upon completion of the procedures, those with service under the old system are eligible to receive retirement benefits under the old system. In 2025, there were 0 employees who applied for retirement.

● Leave of Absence with Pay

In accordance with the Labor Standards Act, Kingstate supports employees facing major life events such as childcare or serious illness by providing leave of absence with retention of position, subject to supervisor approval. In 2025, six employees (one male and five females) returned to work after childcare leave, achieving a 75% return-to-work rate. Kingstate continues to promote family-friendly policies to support employees' work-life balance, career development and long-term employment.

Return-to-Work and Retention Rates Following Parental Leave	Men	Women	Total
Number of Employees Eligible to Apply for Parental Leave During the Current Year	1	7	8
Number of people who applied for leave of absence during the current year	1	6	7
Number of Employees Expected to Return to Work After Parental Leave (A)	1	7	8
Number of Employees Who Were Scheduled to Return to Work After Parental Leave and Actually Did So (B)	1	5	6
Return-to-Work Rate (B/A)	100%	71.43%	75%
Number of Employees (C) Who Were Eligible to Return to Work and Did Return from Parental Leave in the Previous Year	0	6	6
Number of employees who have worked for more than 12 months after returning from parental leave (D)	0	6	6
Retention Rate (D/C)	%	100%	100%

5.3 Benefits and Communication

■ Employee Benefits

● Prioritizing Employee Health Care

Preventing obesity and the "three highs" (high blood pressure, high blood sugar and high blood lipids) among employees is a key health priority for Kingstate. Therefore, Kingstate has implemented proactive measures to promote employee health and reduce the incidence of obesity and the "three highs." The following are some specific measures and their results:

- Employee Health Management Program:

Free annual health checkups are provided to all employees in September, with a focus on risk assessments for hypertension, hyperlipidemia and hyperglycemia (the "three highs") as well as related health screening items.

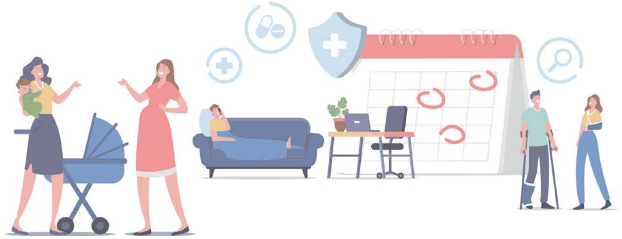
- Promoting Healthy Eating:

To encourage employees to adopt healthy eating habits, Kingstate regularly offers high-fiber, low-fat and low-sugar vegetarian meals through the meal ordering system every Friday to raise overall health awareness.

- Encouraging Exercise and Activities:

To improve employee health, Kingstate organizes group sports activities and has established an incentive program. In 2025, two walking competitions were held, with 40 participants from the Taipei headquarters accumulating a total of 28,480,393 steps and 99,358 squats.

These measures help reduce the risk of obesity and the "three highs" (high blood pressure, high blood sugar and high cholesterol), improve health, productivity and job satisfaction and reduce absenteeism and medical expenses. Incorporating employee health management into long-term development strategies strengthens corporate competitiveness and creates a win-win situation for both employees and Kingstate.



● Implementation of Employee Opinion Surveys

In March 2026, Kingstate conducted its 2025 Employee Opinion Survey anonymously, covering compensation and benefits, communication, work environment, sustainability and social responsibility and career development. The results serve as a basis for improving management systems and the workplace. Overall satisfaction reached 4.43/5. Category scores were: Compensation and Benefits 4.33, Communication 4.44, Work Environment 4.39, Sustainability and Social Responsibility 4.58 and Career Development 4.42. "Sustainability and Social Responsibility" received the highest score, reflecting strong employee recognition of Kingstate's ESG efforts.

■ Communication Channels

The communication mechanism provides employees with channels for immediate feedback and regular interaction, allowing Kingstate to listen to employees' voices, foster a harmonious work environment and create a win-win situation for both labor and management.

Communication Mechanisms	
Mechanism	Methods
Departmental Communication/Project Matters	Establish WeChat/Line groups
Communication on Company Strategy and Operational Development	Economic Policy Committee/Management Meetings
Cross-departmental Communication	Production and Sales Coordination Meetings / Management Meetings
Labor-Management Communication	Labor-Management Meetings / Employee Opinion Surveys
Welfare Policies and Implementation	Employee Welfare Committee Meetings
Issue Reporting and Information Inquiries	Employee Contact: hr@kingstate.com.tw
	Suggestion Box
Reports and Complaints	Hotline: (02) 2809-5651 ext. 1593
	Email: hr@kingstate.com.tw

5.3 Benefits and Communication

■ Marriage, Child-Rearing and Family Care Support Measures

Kingstate adopts a people-oriented talent philosophy and is committed to promoting work-life balance through marriage, childcare, family care, flexible work arrangements and employee welfare programs. In addition to statutory leave, Kingstate integrates existing welfare and employee care initiatives to provide support tailored to employees' needs at different life stages.

● Marriage and Childbirth Support

Kingstate provides marriage bonuses and childbirth subsidies to celebrate employees' important life milestones. In accordance with the law, we also provide marriage leave, prenatal checkup leave, paternity checkup and paternity leave, maternity leave, unpaid leave for childcare and other relevant leave types to safeguard employees' rights regarding marriage and childbirth. When employees returning from unpaid leave for childcare resume their duties, the administrative department and their supervisors assist with the transition to ensure their employment rights remain unaffected.

● Family Care Support

Kingstate provides family care leave in accordance with the law, assisting employees who need to care for their children, spouses, parents, or other family members eligible for care under the law. In cases of major family emergencies, hospitalization of the employee or a family member, or serious illness, Kingstate offers hospital visitation support and emergency assistance to alleviate the burden on employees' families.

In addition, employees who need to care for children, the elderly, or other family members may negotiate work arrangements with their supervisors; Kingstate provides appropriate work flexibility while balancing operational needs.

● Flexible Work Arrangements

Kingstate provides flexible work arrangements to help employees balance work and family responsibilities. Employees may adjust their start and end times within specified hours, while those unable to work due to injury, illness, or other circumstances may apply for work-from-home arrangements subject to job and operational needs. Kingstate will continue to review flexible work measures while ensuring information security, work quality and operational efficiency.

● Employee Benefits and Welfare

Kingstate continues to provide a diverse range of benefits, including holiday bonuses, birthday gifts, wedding bonuses, maternity/paternity allowances, funeral assistance, hospitalization assistance and emergency relief, establishing a comprehensive employee care system to support employees at different stages of their lives.

● Commitment to a Family-Friendly Workplace

Kingstate continues to promote a workplace that is supportive of marriage, child-rearing and family care. Through measures such as marriage and child-rearing support, family care assistance, flexible work arrangements and employee welfare programs, we help employees balance their work and family responsibilities. Moving forward, we will continue to review and update relevant policies in response to employee needs and legal trends to create a diverse, inclusive, equitable and supportive work environment, thereby enhancing employee well-being and Kingstate's sustainable competitiveness.

● Implementation Status and Results

Indicators	2025 Results
Number of Applications for Parental Leave	8 people (1 male, 7 females)
Return-to-Work Rate After Parental Leave	75%
Emergency Assistance Cases	4 cases
Flexible Work Hours Adoption Rate	100%
Flexible Work-from-Home	2 people
Employee Satisfaction	4.43 out of 5

5.4 Workplace Safety and Health Care

■ Incident Reporting and Handling Procedures

In accordance with the "Incident Investigation and Management Procedure," Kingstate has established a detailed process for handling incidents that occur within the organization. Incident Handling Process:

• **Incident Reporting and Initial Response:**
Employees must immediately report incidents to their supervisors. Supervisors complete incident reports, arrange assistance for injured personnel and secure the incident area to prevent further risks.

• **Accident Investigation:**
An investigation team is formed with relevant supervisors, management representatives, involved employees, witnesses and external personnel as needed. The team conducts an in-depth investigation within 48 hours to identify root causes and corrective and preventive measures.

• **Reporting and Communication:**
Reportable incidents, including fires, explosions, chemical spills and property damage, must be reported to headquarters within 24 hours. Corrective actions, responsible parties and completion deadlines are established and investigation results are communicated to affected employees and relevant external personnel.

• **Regulatory Compliance:**
All incident handling complies with applicable safety, health and environmental regulations. Kingstate maintains timely communication and effective response mechanisms to protect employees and company assets and support stable operations.

• **Occupational Disease Prevention:**
Kingstate provides regular health examinations for employees exposed to hazardous substances or engaged in specialized work. Employees requiring occupational health monitoring receive appropriate treatment or job adjustments, while occupational health conditions are systematically tracked.

• **Health Protection and Prevention:**
Kingstate strengthens occupational health awareness and guidance on the proper use of personal protective equipment (PPE), with particular attention to the occupational protection and health monitoring of female employees. Operations involving major hazards are continuously monitored to promote ongoing improvement in safety, health and environmental performance.

■ Monitoring and Measuring Environmental, Safety and Health Performance

An Implementation Committee has been established at Kingstate' s plant to oversee and inspect relevant operational controls, the achievement of environmental, safety and health objectives and compliance with laws and regulations; the Committee is also responsible for the calibration and maintenance of environmental, safety and health monitoring equipment.

● Employee Health Examinations

Personnel engaged in special operations (electricians, chemical handlers): Once a year. Personnel exposed to toxic and hazardous substances: Once a year.Cafeteria staff, janitors and support staff: once a year. Examinations are conducted by hospitals at the regional level or higher. If any adverse health conditions are detected during an examination, the employee should be reassigned to a different position. Upon discovery of an occupational disease, the case must be promptly reported to the relevant government administrative authorities (typically the Health Bureau or a specialized occupational disease prevention and control agency) in accordance with the Regulations on the Management of Occupational Diseases and the patient must receive specialized treatment until full recovery (or stabilization).

● Environmental, Safety and Health Specialized Inspections

Specialized environmental, safety and health inspections are conducted every six months. These inspections are organized by the Implementation Committee and focus on special operations, special equipment and specific locations, such as electric welding, lifting equipment, boilers and pressure vessels, flammable and explosive areas and the storage and handling of hazardous materials.

Monitoring and Measurement of Environmental, Safety and Health Operating Parameters: The Implementation Committee monitors and measures environmental, safety and health operating parameters in accordance with relevant documents. Currently monitored items include: noise measurements in workshops and at plant boundaries, discharge of screen-washing water, monitoring of air quality in screen-printing workshops and compliance inspections regarding the conditions of chemical use.

● Labor Discipline Inspections

The management unit conducts inspections of labor discipline in all departments in accordance with the requirements of labor discipline management regulations.

5.4 Workplace Safety and Health Care

■ Occupational Safety and Health Management System

To support sustainable business development and fulfill its corporate social responsibility, Kingstate places strong emphasis on occupational safety and health management. Kingstate obtained ISO 45001 certification in 2020 and continues to strengthen its occupational safety and health management system to reduce risks, prevent workplace injuries and health hazards, improve operational efficiency and provide a safe and healthy workplace.

- **Group Occupational Injury Categories, Number of Cases and Rates**

January–December 2025: Taipei and overseas facilities (including dispatched and temporary employees)—Number of occupational accidents: 0; Accident rate: 0%; Accident category: Unclassified electronic components manufacturing.

■ Measures to Protect the Work Environment and Employee Safety

- A company-wide fire safety inspection was completed in May 2025, with all areas meeting regulatory requirements. Daily safety inspections are also conducted in office areas, laboratories and warehouses.
- Access control, 24-hour security and video surveillance systems are in place to safeguard personnel and facility security.
- Kingstate has established emergency response and occupational safety guidelines, with designated safety, first-aid and fire safety personnel receiving required training.
- New and current employees receive training on occupational safety, SOPs, emergency response, fire safety and first aid.
- In 2025, two firefighting drills were conducted, training 12 participants for 72 total hours. Occupational safety and health management training covered 53 participants for 53 total hours.

■ Occupational Hazard Identification and Risk Assessment Process

Kingstate conducts occupational safety and health hazard identification and risk assessments in accordance with ISO 45001. The Environmental, Safety and Health Management Team evaluates and quantifies risks from each hazard source, with Levels 1–3 classified as major risks requiring improvement plans and management objectives.

Each year, departments conduct a comprehensive hazard identification and risk assessment, with results reviewed and updated according to operational conditions. Assessments are also conducted when production-site changes occur and personnel responsible for the process receive professional training.

■ Disaster Prevention and Emergency Response

Kingstate conducts annual fire drills at its industrial parks, establishes response measures and disaster recovery plans and ensures that employees are familiar with all fire safety information—including the use of firefighting equipment, on-site evacuation routes and relevant response procedures. An emergency response team is also in place. The Taipei headquarters and overseas facilities each conduct two emergency response and disaster prevention drills annually.

5.4 Workplace Safety and Health Care

■ Occupational Safety and Health Education and Training

Kingstate provides new employees with occupational safety and health training and assessments to strengthen safety awareness and operational skills. An annual training plan is developed based on regulations and operational needs. In 2025, all employees received training in occupational safety and health, emergency response and fire safety to enhance workplace safety and disaster preparedness.

■ Walk Together ♡ Stay Healthy Together

We believe employee health is essential to sustainable development. Walking events were organized across both sides of the Strait to encourage team participation, promote healthy lifestyles and enhance employees' fitness, stamina and work efficiency.

2025 Occupational Safety Training Statistics Table

Region	Course Name	Total Number of Participants	Total Hours	Average Hours
Taipei	Occupational Safety and Health Management Regulations	53	53	1
Dongguan	Work Safety Laws and Regulations	398	796	2
	Post-Holiday Safety Training for Resuming Work and Production	398	796	2
	Machinery and Equipment Safety Training	398	398	1
	Plant-wide Fire Emergency Evacuation Drill	398	796	2
	Road Traffic Safety Basics	398	398	1
	Basic Knowledge of Occupational Health and Safety	398	1,592	4
	Electrical Safety Training	398	796	2
	Hazardous Chemicals Safety Knowledge	12	24	2
Suzhou	Level 3 Safety Training	135	3240	24
	Hazardous Chemicals Management Training	1	8	8
	Workplace Safety Management Personnel Training	1	8	8
	Employee Occupational Health and Safety Training	129	516	4
	Workplace Safety Management Personnel Training	1	8	8
	Fire Drills, Fire Safety and Evacuation Procedures	134	536	4
	Explanation of Basic Work Safety Knowledge	39	78	2
	Stakeholder Control/Communication Management/Information Security Management Procedures	22	44	2
	Hazardous Chemicals Drills / Hazardous Chemicals Warehouse Management Training	6	12	2
	Training on Improving Safety Management Systems	134	402	3
	Hazardous Chemicals Management Training	1	8	8
	Hazardous Chemicals Management Training	39	78	2
	Traffic Safety, Occupational Safety and Workplace Safety	130	520	4
Vietnam	External Fire Safety Training	4	24	6
	Internal Fire Safety Training	15	60	4

■ Health Checkups and Management

Kingstate prioritizes employee physical and mental well-being. In addition to meeting legal requirements, Taipei headquarters provides annual health checkups exceeding regulatory standards, with contracted hospitals offering on-site medical consultations, follow-up care and referrals. In 2025, 47 employees participated in the Taipei headquarters health checkup, achieving an 88.68% participation rate. Employees with abnormal or high-risk results receive follow-up management to support early detection and treatment.

KINGSTATE

5.5 Social Engagement

■ Discover the Guandu Wetland ♡ Protect Biodiversity ♡ Create a Sustainable Future Together

To deepen employees' awareness of environmental conservation and put Kingstate's ESG sustainability philosophy into practice, Kingstate organized the "Discover the Guandu Wetland" ecological tour, guiding employees into Guandu Nature Park. Under the guidance of professional tour guides, participants gained an in-depth understanding of wetland ecosystems, migratory bird routes, native flora and fauna and the area's rich biodiversity. They also learned about the vital role wetlands play in maintaining ecological balance, conserving water resources, regulating the climate and sequestering carbon emissions.

The Guandu Wetlands are an important ecological habitat in Northern Taiwan, supporting diverse wildlife and migratory birds. Through on-site observation and interactive experiences, employees gained a deeper understanding of biodiversity and the importance of ecological conservation, while being encouraged to practice energy saving, carbon reduction, recycling and environmental stewardship in daily life. Kingstate believes sustainability extends beyond business operations to environmental protection, biodiversity and social responsibility. We will continue promoting ESG activities such as environmental education, nature experiences and public welfare initiatives to strengthen employees' sustainability awareness and work with stakeholders toward a sustainable future.

■ Supporting the Vulnerable ♡ Long-term Donations to Leshan ♡ Donations to the Junyi Education Platform ♡ Donations to the Children's Welfare Alliance

Kingstate has long supported the UN SDGs and ESG principles, with sustained support for Leshan Care Home through donations, charitable meals and Santa Claus outreach activities. These initiatives provide care and support for children with physical and intellectual disabilities, helping promote their health, independence and social inclusion, in line with SDGs 3 and 10.Kingstate also makes annual donations to organizations such as the Junyi Education Foundation and Children's Welfare Alliance to support children in remote and disadvantaged areas, reduce educational inequality and advance SDG 4: Quality Education. Looking ahead, Kingstate will continue promoting meaningful philanthropic initiatives, strengthening its social responsibility and working with stakeholders to build a more inclusive and sustainable society.

Happy Mount | 均一教育平台 Junyi Academy | 兒福聯盟 Child Welfare League Foundation

5.5 Social Engagement

■ Supporting the Tamsui Cup Soccer Tournament ♡ Deepening Local Ties

Kingstate is committed to supporting local communities through public welfare and social participation. In 2025, Kingstate sponsored the “Tamsui Cup” Soccer Tournament to promote youth sports, teamwork, fair competition and community engagement. The four-day tournament attracted 125 teams from Taiwan and overseas, including Japan, Thailand, Malaysia and Hong Kong, with nearly 2,000 players participating. Through its support, Kingstate contributed to local soccer development, cross-cultural exchange and youth talent cultivation.

■ United by Love ♡ Blood Donation Drive ♡ Lending a Helping Hand

Kingstate actively collaborates with blood donation centers to organize blood drives and encourages businesses and shops within its industrial park to participate. Each blood donation can help save lives and support medical needs.Through these initiatives, Kingstate contributes to health and well-being while promoting social inclusion and corporate social responsibility. Kingstate will continue supporting public welfare activities and working with the community toward common good and sustainable development..

TFA

台灣血液基金會 Taiwan Blood Services Foundation

■ International Aid ♡ Used Clothing and Shoes Save Lives

We regularly organize the “Used Shoes Save Lives” charity campaign, collecting gently used clothing, shoes and backpacks for the International Christian Care Association’s program and beneficiary communities in Africa. The initiative helps improve local living conditions, reduce health risks and support children’s access to education, contributing to the UN Sustainable Development Goals while encouraging employees and the community to promote a more equitable, inclusive and sustainable society..

■ Social Assistance ♡ Genesis Foundation ♡ Coin Donation Boxes ♡ Receipt Collection Boxes

Through social relief initiatives, we provide financial and material support to vulnerable groups, helping meet basic needs and convey care and warmth. In 2025, the Company participated in the Genesis Foundation’s “30 Meals for the Needy” year-end banquet and home-delivery program, supporting long-term care for patients in a persistent vegetative state and disadvantaged families. Employees were also invited to support the Chuang-Shih Foundation’s Banqiao Branch “Suspended Electric Transfer Equipment” fundraising campaign, helping improve care environments while reducing caregiver risks and enhancing residents’ safety and dignity. Inspired by the philanthropic efforts of the Spread Your Wings Foundation and Genesis Foundation, donation boxes are placed at the Company’s main reception desk to encourage employees and visitors to participate in charitable activities and jointly promote a more caring, fair and inclusive society.

ecpat TAIWAN 台灣展翅協會

舊鞋救命Step30

財團法人 創世社會福利基金會 Genesis Social Welfare Foundation

KINGSTATE

5.5 Social Engagement

■ Sharing and Passing on Knowledge ♡ Acoustics Knowledge Camp

The annual "Kingstate Acoustics Knowledge Camp" was co-organized with the Tamsui District Office for the first time, extending participation to schoolchildren throughout Tamsui. Through sound science, musical instrument acoustics and hands-on activities, the camp sparked children's interest in science and exploration. Incorporating the SDGs and Taiwan Earth Day's environmental principles, the event promoted environmental awareness and sustainable development. Activities included a knowledge quiz and hands-on Bluetooth speaker assembly, enabling children to learn through practice. Kingstate will continue supporting local education and science outreach to nurture future talent with sustainability awareness.

■ With Love ♡ A Barrier-Free Society

Integrating SDGs and ESG principles, the Company continues to support the Tamsui community through emergency relief funds and collaboration with the district office on vulnerable groups and social welfare initiatives. Regular care visits and phone calls are made to elderly residents living alone, providing companionship and understanding their needs. Kingstate also participates in local charitable activities, including distributing festive zongzi with Tamsui Tianyuan Temple to disadvantaged and homeless groups. In addition, participation in the Tamsui Christmas lighting ceremony helps strengthen community connections. Kingstate will continue promoting community care, social inclusion and sustainable development through diverse public welfare initiatives.

■ Joining Hands with Spread Your Wings ♡ to Combat Digital Sexual Violence

With the growing use of digital technology, online image abuse and digital sexual violence have become important social issues. Kingstate joined the Spread Your Wings Association's "Campaign to Prevent Digital Sexual Violence" to promote a safe, respectful and responsible digital environment. Through awareness initiatives, Kingstate strengthens employees' understanding of digital sexual violence, personal privacy, digital citizenship and cybersecurity, while promoting respect for bodily autonomy and image rights through the principles of "Do not film, distribute, forward, or remain a bystander.".

■ Annual Social Responsibility Initiative Results

1. Activity Expenditures: NT$ 80,960
2. Total Donations: NT$ 862,169
   (including voluntary donations from employees and their families)
3. Volunteer Participation: 82 person-times
4. Total Volunteer Hours: 338 hours
5. Blood Drive: A total of 244 units (61,000 cc) of blood were donated.
6. Total number of beneficiaries: 1,762 people

KINGSTATE

6. Appendix

6.1 GRI Index
6.2 SASB Index
6.3 Sustainability Disclosure Indicators

6.1 GRI Index

	Disclosure Item	Corresponding Chapter	Description	Page
GRI 2: General Disclosure 2021				
The organization and its reporting practices				
2 - 1	organization details	1.1 About Kingstate		6
2 - 2	Entities Included in Organization Sustainability Reporting	0.0 About This Report		3
2 - 3	Reporting Period, Frequency and Contact Person	0.0 About This Report		3
2 - 4	Restatement of Information	0.0 About This Report	No information was restated during the year	3
Activities and workers				
2 - 6	Activities, Value Chain and Other Business Relationships	1.1 About Kingstate 3.6 Supply Chain Management		6 31
2 - 7	Employees	5.1 Human Resources Development		51-54
2 - 8	Workers who are not employees	5.1 Human Resources Development		51-54
Governance				
2 - 9	Governance Structure and Composition	3.1 Governance Structure		15-20
2 - 10	Nomination and Selection of the Highest Governance Body	3.1 Governance Structure		15-20
2 - 11	Chair of the Highest Ggovernance Body	3.1 Governance Structure		15-20
2 - 12	Role of the Highest Governance Body in Overseeing the Management of Impacts	3.1 Governance Structure		15-20
2 - 13	Delegation of Responsibility for Managing Impacts	2.3 Materiality Analysis & Identification		12-13
2 - 14	The Role of the Top Governance Dept. in Sustainability Reporting	0.0 About This Report		3
2 - 15	Conflict of Interest	3.1 Governance Structure		15-20
2 - 16	Communication of Critical Concerns	3.1 Governance Structure		15-20
2 - 17	Collective Knowledge of the Highest Governance Body	3.1 Governance Structure		15-20
2 - 18	Evaluation of the Performance of the Highest Governance Body	3.1 Governance Structure		15-20

6.1 GRI Index

	Disclosure Item	Corresponding Chapter	Description	Page
2 - 19	Remuneration Policy	3.1 Governance Structure	Establishment of a Remuneration Committee	15-20
2 - 20	Process to Determine Remuneration	3.1 Governance Structure	Establishment of a Remuneration Committee	15-20
Strategy, Policy and Practice				
2 - 22	Statement of Sustainable Development Strategy	0.1 Message from the Chairman		4
2 - 23	Policy Commitments	3.2 Integrity & Legal Compliance 3.5 Regulation Compliance 3.6 Supply Chain Management 5.1 Human Resources Development 5.4 Workplace Safety and Health Care		21-22 30 31 51-54 61-63
2 - 24	Embedding Policy Commitments	3.2 Integrity & Legal Compliance 3.5 Regulation Compliance 3.6 Supply Chain Management 5.1 Human Resources Development 5.4 Workplace Safety and Health Care		21-22 30 31 51-54 61-63
2 - 25	Procedures for Remediating Negative Impacts	2.2 Stakeholder Communication Status 3.2 Integrity & Legal Compliance 3.5 Regulation Compliance		11 21-22 30
2 - 26	Mechanism for Seeking Advice and Raising Concerns	2.2 Stakeholder Communication Status		11
2 - 27	Compliance with Laws and Regulations	3.5 Regulation Compliance		30
2 - 28	Membership of the HKSA	-	Taiwan Electrical and Electronic Trade Association Taipei Electronic Components Business Association	-
Stakeholder Engagement				
2 - 29	Approach to Stakeholder Engagement	2.2 Stakeholder Communication Status		11
2 - 30	Collective Bargaining Agreement	-	No such agreement signed	-

6.1 GRI Index

Material Topics				
	Disclosure Item	Corresponding Chapter	Description	Page
GRI 3: Material Topics 2021				
3 - 1	Process to Determine Material Topics	2.3 Materiality Analysis & Identification		12-13
3 - 2	List of Material Topics	2.3 Materiality Analysis & Identification		12-13
Material Topic 1: Corporate Governance				
3 - 3	Management of Material Topics	3.1 Governance Structure 3.2 Integrity & Legal Compliance		15-20 21- 22
GRI 205 Anticorruption 2016	205-2 Communication and training about anti-corruption policies and procedures	3.2 Integrity & Legal Compliance		21-22
	205-3 Confirmed incidents of corruption and actions taken	-	No such thing	-
Kingstate Custom Topics: Risk Management Issues - Information Security		3.4 Information Security		26-29
Material Topic 2: Climate Action				
3 - 3	Management of Material Topics	3.6 Supply Chain Management 4.1 Climate Change		31 34-39
GRI 302 Energy 2016	302-4 Reduction of Energy Consumption	4.3 Greenhouse Gases 4.4 Energy Management 4.5 Waste Management		41-43 44-45 46-47
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	4.2 Greenhouse Gases		40-41
	305-2 Direct (Scope 2) GHG Emissions	4.2 Greenhouse Gases		40-41
	305-3 Direct (Scope 3) GHG Emissions	4.2 Greenhouse Gases		40-41
GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	3.6 Supply Chain Management		31
GRI 414 Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	3.6 Supply Chain Management		31

6.1 GRI Index

	Disclosure Item	Corresponding Chapter	Description	Page
Material Topic 3: Talent Assets				
3 - 3	Management of Material Topics	5.1 Human Resources Development 5.2 Talents and Training 5.3 Benefits and Communication 5.4 Workplace Safety and Health Care		51-54 55-56 57-60 61-63
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	5.2 Talents and Training		55-56
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	5.1 Human Resources Development		51-54
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	5.3 Benefits and Communication		57-60
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Benefits and Communication		57-60
	401-3 Parental leave	5.3 Benefits and Communication		57-60
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.4 Workplace Safety and Health Care		61-63
	403-2 Hazard identification, risk assessment and incident investigation	5.4 Workplace Safety and Health Care		61-63
	403-3 Occupational health services	5.4 Workplace Safety and Health Care		61-63
	403-4 Worker participation, consultation and communication on occupational health and safety	5.4 Workplace Safety and Health Care		61-63
	403-5 Worker training on occupational health and safety	5.4 Workplace Safety and Health Care		61-63
	403-6 Promotion of worker health	5.4 Workplace Safety and Health Care		61-63
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4 Workplace Safety and Health Care		61-63
	403-8 Workers covered by an occupational health and safety management system	5.4 Workplace Safety and Health Care		61-63
	403-9 Work-related injuries	5.4 Workplace Safety and Health Care		61-63
	403-10 Occupational diseases	5.4 Workplace Safety and Health Care		61-63

6.2 SASB Index

Topic	Indicator Number	Indicator Content	Report Content and Explanation
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	The acoustic components and headphone systems manufactured by Kingstate do not pose any information security risks related to their back-end processing, production, or customer usage.
Employee Diversity & Inclusion	TC-HW-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees	Senior management: 70% male, 30% female; Non-senior management: 56.25% male, 43.75% female Supervisors: 59.52% male, 40.48% female; Total workforce: 40.59% male, 59.41% female By employment type: 455 full-time employees, 50 temporary employees By age: Under 30: 25.97%; 31–50: 68.4%; 51 and older: 5.63% Technical staff account for 18.02% See Section 5.1, Human Resources Development
Product Lifecycle Management (IFRS S2: Industry-based disclosure requirements)	TC-HW-410 a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	The percentage of sales revenue from products manufactured by Kingstate that contain substances listed in IEC 62474 is 0%.Kingstate employs product data management through a dedicated database established by the GP team. By implementing full supply chain control of substances—from the supplier source through Kingstate' s design and manufacturing processes—we ensure that the constituent substances of all our components comply with customer requirements, environmental regulations, the IEC 62474 standard, hazardous substance test reports, Material Safety Data Sheets (MSDS), safety standards and compliance reports, with a 100% declaration completion rate. Please refer to sections 3.6 and 4.2 on Supply Chain Management and Greenhouse Gases.
	TC-HW-410 a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent Circular Economy	Products manufactured by Kingstate are not subject to EPEAT regulations
	TC-HW-410 a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	Products manufactured by Kingstate are not subject to energy efficiency certification requirements
	TC-HW-410 a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Kingstate manufactures electronic components and provides OEM contract manufacturing services; it does not market end-consumer products. Therefore, matters related to end-of-life disposal, recycling services and the weight of recycled materials are managed by the customer.

6.2 SASB Index

Topic	Indicator Number	Indicator Content	Report Content and Explanation
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent (Customer Managed Audit, CMA), by (a) all facilities and (b) high-risk facilities	(a) Number of Tier 1 suppliers audited / Total number of Tier 1 suppliers: (56/279) * 100% = 20% (b) Number of high-risk Tier 1 suppliers audited / Total number of high-risk Tier 1 suppliers: 100% VAP Equivalent Audit: A supplier audit conducted by a qualified audit team commissioned by Kingstate, using a supplier social responsibility RBA assessment form developed based on local laws and regulations, the RBA Code of Conduct, customer requirements, Kingstate's corporate social responsibility management regulations and other relevant applicable requirements.
	TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent (CMA) and (2) associated corrective action rate for (a) priority non conformances and (b) other non-conformances	All suppliers passed the audit; the non-compliance rate was 0%; there were no suppliers with non-conformities or requiring corrective action
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	KINGSTATE Group has established a green product management platform to implement source management of raw materials in the supply chain. Centered on the Dingxin T100 system, it integrates GP and other information platforms to form a comprehensive management information system. The Group requires all suppliers to commit to using responsibly sourced minerals and to strive to ensure that the minerals used in their products (e.g., tantalum,tin, gold and tungsten) used in its products. If a supplier uses conflict minerals, it is required to disclose smelter information and declare such use on the Kingstate Green Product Management Platform (GP); the supplier will then be notified to transition to alternative sources.Additionally, for suppliers using critical materials, we implement systematic audit procedures to manage their operational capabilities based on environmental and social risk factors. We also maintain robust hazardous substance management procedures to ensure the safe use of critical materials and have established an effective inventory management mechanism for critical materials to mitigate supply chain disruption risks. All materials fully comply with lead-free manufacturing requirements and meet the EU's RoHS Directive and halogen-free requirements. The compliance rate for hazardous substance control is 100%.
Activity Metric			
IFRS S2: Climate-related Disclosures	TC-HW-000.A	Number of units produced by product category	Total Production Volume: 192,856Kpcs Finished audio products: 17,576Kpcs Acoustic Components: 175,280Kpcs
	TC-HW-000.B	Area of manufacturing facilities	The facilities include Kingstate Dongguan and Kingstate Suzhou, with a combined floor area of 28,838 m² (square meters)
	TC-HW-000.C	Percentage of production from owned facilities	100% (including joint venture facilities)

6.3 Sustainability Disclosure Indicators

No.	Indicator	Indicator Type	Unit	Response
1	Total Energy Consumption, Percentage of Purchased Electricity and Renewable Energy Usage Rate	Quantification	Billions of joules (GJ). Percentage (%)	Total Energy Consumption: 8,330.90 GJ; Percentage of Purchased Electricity: 73%; Renewable Energy Utilization Rate: 27% , Other Energy: 0%.
2	Total Water Withdrawal and Total Water Consumption	Quantification	Thousands of cubic meters (M3)	36,756.86 M^3
3	Weight of Hazardous Waste Generated and Recycling Percentage	Quantification	Metric tons (t), Percentage (%)	Weight: 0.995 t Recycling Percentage: 100%
4	Description of occupational accident categories, number of cases and rates	Quantification	Rate (%), Number	Number of people: 0 (all general occupational accidents) Occupational injury rate: 0% No occupational accidents.
5	Disclosures on Product Life Cycle Management: Weight of End-of-Life Products and Electronic Waste and Recycling Rate	Quantification	metric tons (t), percentage (%)	Weight: 16.805 t Recycling Percentage: 100%
6	Description of risk management related to the use of key materials	Qualitative description	Not applicable	Please refer to 3.6 Supply Chain Management The KINGSTATE Group has established the "Green Product Inspection Procedures," which define the list of critical components in accordance with the regulations set forth in these procedures. Furthermore, in accordance with the Procurement Risk Management Procedures, when anomalies occur in the receipt of critical components, red or yellow alerts are issued based on the severity of the issue and corresponding control measures are implemented
7	Total monetary losses resulting from legal proceedings related to the Anti-Competitive Conduct Act	Quantified	NT	0; no such incidents occurred during the current fiscal year
8	Production volume of major products by product category	Quantification	Kpcs	Total product output: 191,351 Kpcs Audio Products: 15,591 Kpcs Acoustic Components: 175,670Kpcs

Every Sound Matters, Every Action Counts!

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