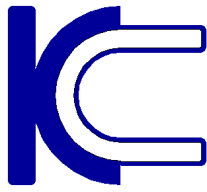


Stock Code: 6155



**KING CORE ELECTRONICS INC.**

**2024**

# **Annual Report**

**Website of the Annual Report/Market Observation Post**

**System Website: <https://mops.twse.com.tw/>**

**Information declaration website designated by Financial**

**Supervisory Commission: Ditto**

**Website for inquiring about related information on the**

**Company's annual reports: Ditto**

**Published and printed on April 15, 2025**

*This translated document is prepared in accordance with the Chinese version and is for reference only.  
In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.*

- I. Spokesperson: Tsai Yuh-Chiang ; title: General Manager**  
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- IV. External Auditors in the most recent year:**  
**Name: Lin Cheng-Wei and Chen Kuo-Shuai**  
**CPA Firm: Ernst & Young, Taiwan**  
**Address: 9F., No. 333, Section 1, Keelung Rd., Taipei**  
**Website: www.ey.com/home**  
**Tel: (02)2757-8888**
- V. Name of overseas stock exchange and method for accessing information on overseas negotiable securities: None**
- VI. Company Website: www.kingcore.com/tw**

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## One. To shareholders

Ladies and gentlemen!

First, thank you for taking time off your busy schedule to attend this year's shareholders' meeting. I hereby express the sincerest gratitude to all of you for your support and encouragement on behalf of the Company. Now, the Company's business operations in 2024 and future prospects are reported as follows:

### I. 2024 Business Report

#### (I) Outcomes in Implementation of 2024 Business Report

1. In 2024, the consolidated net operating revenue amounted to NT\$569,796 thousand, which increased by 4.63% compared with that in 2023.
2. In 2024, the consolidated operating profit was NT\$7,893 thousand, which increased by 11.78% compared with that in 2023.
3. In 2024, the consolidated operating gross profit after tax was NT\$84,771 thousand, which increased by 13.34% compared with that in 2023.

(II) Budget execution: the Company has not made its 2024 financial forecast open, so its budget execution needn't be disclosed.

#### (III) Revenue and profitability analysis

##### 1. Financial income and expense

Unit: NT\$ thousand

Item	2024	Percentage
Net operating revenue	569,796	100%
Operating cost	439,257	77%
Operating gross profit	130,539	23%
Operating expenses	122,646	22%
Operating profit	7,893	1%
Net non-operating revenue and expense	93,692	17%
Profit After Tax	84,771	15%
Operating gross profit after tax attributable to the parent company	84,771	15%

Note: Above financial information shall be indicated based on consolidated information specified by International Financial Reporting Standards.

##### 2. Profitability

Item	2024
Return on asset (%)	4.03
Return on shareholders' equity (%)	5.29
Operating profit to paid-in capital (%)	0.9
Net pretax profit to paid-in capital (%)	11.57
Profit margin (%)	14.88
EPS (NT\$)	0.97

Note: Above financial information shall be indicated based on consolidated information specified by International Financial Reporting Standards.

#### (IV) Research and development

For over 30 years, King Core has leveraged its expertise in magnetic materials, proprietary

ferrite core powder formulations, and advanced manufacturing know-how to actively engage in the field of electromagnetic wave and signal interference mitigation. The Company is dedicated to the continuous research and development of new technologies and products, earning a reputation in the industry as an authority in EMI solutions. King Core provides tailored project services and products to companies and research institutions facing EMI/EMC challenges. This steadfast dedication has solidified King Core's authoritative reputation as a premier solution provider for EMI challenges within the industry. It provides special product services for companies and research organizations which have EMI/EMC problems for solving. The specific R&D results include various sizes of ferrite cores and chip beads for EMI solutions, Multilayer, Wire-wound Inductors, Chip Bead and Common Mode Filters, and Wire-wound Power Inductors, etc. suitable for various frequency bands. Simultaneously, we have made significant strides in advancing wireless charging technologies, formulating electromagnetic wave shielding materials, and addressing high-frequency antenna requirements, catering to the specific needs of our clientele by delivering tailored solutions in these areas.

The Company has long been committed to the development of common-mode filters. By leveraging in-house ferrite core production, customized dimensional design, and specialized winding mechanisms, King Core enhances the applicability and performance of its products. Beyond meeting impedance requirements, the Company offers modular solutions tailored for high-pass, low-pass, and band-pass filtering across a wide frequency range—from hundreds of kHz to hundreds of MHz, and even up to several tens of GHz—to support various generations of HDMI 2.0 and USB 3.2 applications. Drawing on its expertise in ferrite materials, winding technology, and multilayer integration, the Company is actively developing solutions for next-generation communication protocols such as HDMI 2.1 and USB4. In addition, King Core applies advanced winding techniques to optimize S-parameters, addressing the needs of evolving communication standards including Automotive Ethernet Specifications (e.g., OPEN Alliance).

In recent years, to meet the growing demands of customers in mainland China and Europe, the Company has actively utilized its proprietary ferrite core materials and advanced winding technologies to develop common-mode filters (CM filters) compliant with the 100BASE-T1 and 1000BASE-T1 specifications under the OPEN Alliance Automotive Ethernet Specifications. These filters cover a wide frequency range from 1 MHz to several GHz and are optimized through enhanced material selection and process control to meet stringent automotive-grade requirements. With proven reliability and productivity, these products comply with the AEC-Q200 standard, positioning King Core as a trusted component supplier for the rapidly expanding automotive electronics and IoT industries.

In addition to conventional nickel-zinc ferrite materials, our wire-wound power inductors also adopt high-current-capable alloy materials, complemented by magnetic resin encapsulation technology. These features allow for highly customizable solutions tailored to diverse circuit design needs, supporting a wide range of sizes (2.0 mm to 10 mm) and inductance values (0.1  $\mu$ H to 1000 mH). Our product portfolio spans applications from general commercial-grade portable electronics devices to industrial servers and fixed power system modules, addressing requirements such as voltage step-up, step-down, and conversion. With continuous advancements in materials and process optimization, we offer tailored solutions for emerging demands while meeting the rigorous AEC-Q200 standards for automotive electronics.

To enhance outgoing product quality and inspection efficiency, the Company has introduced AI technology to advance automated optical inspection (AOI), gradually replacing manual inspection processes. On the aspects of testing and packaging, improvements have also been made in short-circuit and open-circuit detection, as well as S-parameter testing technologies.

In the spirit of excellence, we will continue to improve our technology and capabilities in equipment automation, magnetic material specialization, and product manufacturing technology management and continue to strive to improve product characteristics and reliability to meet various needs of customers.

## II. Summary of 2025 Business Plan

### (I) Operational guidelines

In 2024, global markets continue to be affected by tariffs and trade wars, geopolitical tensions, China's economic slowdown, and climate change. As supply chain structures evolve and industries related to AI and automotive electronics experience rapid growth, King Core has reaped the benefits of long-term investment and strategic planning. The Company has made significant progress in the development of inductive and EMI suppression components for these applications and continues to invest in the advancement of automotive electronics materials and RF components.

In response to the many changes in the macro environment, King Core continues to invest in Taiwan and expand its investment in Taiwan. In the third quarter of 2023, construction commenced on a new powder material production line and facility for magnetic core materials at the Company's Pingzhen Plant in Taoyuan, Taiwan. The designed production capacity for the powder materials is 300 metric tons per month. However, due to the lack of significant market growth in 2024 and labor shortages, the start of mass production has been postponed to the second quarter of 2025. By mitigating external disruptions to material supply and production processes, King Core ensures stability and reliability in its Taiwan-based supply chain and manufacturing operations. This strategy aims to instill confidence and satisfaction in customers, fostering stronger and deeper trust and collaboration with King Core.

King Core adheres to the principle that continuous research and development innovation is essential to grasp market trends, ensuring the Company's long-term and sustainable growth. We aspire to achieve growth in performance and profitability in the upcoming year through these efforts.

The solar power generation equipment set up by the Pingzhen Plant of the Company generated 468,652KWH power in total in 2024 and its cumulative power generation was up to 3,704,139KWH. This suggests that carbon emissions will be reduced by 1,945,760t when 6,436,709trees are planted and NT\$20,420 thousand will be earned from solar power generation. In the development of new energies, the Company will strengthen its contributions and efforts.

King Core's management team focuses its operations on the core principle of "identifying and fully satisfying customer needs". Continuously attuned to market demand fluctuations and future development trends, we actively collaborate and exchange ideas with various technical units to develop new materials and products. We aim to offer the most comprehensive product lineup, ensuring we meet the diverse needs of customers and the expectations of stakeholders. Additionally, we are committed to energy conservation, carbon reduction, environmental friendliness, employee welfare, fulfilling social responsibilities, and enhancing corporate governance. Building upon our core foundation in magnetic materials technology, King Core is committed to continuously strengthening our competitive advantage. With steady progress and determination, we are confident in achieving outstanding results, thus fulfilling our commitment to our shareholders' long-term trust and support and ensuring sustainable business operations.

## (II) Expected sales quantity and basis

The Company's expected sales quantity in 2025 is as follows:

Main products	Sales quantity (thousand pcs)
Ferrite cores	188,422
Chip inductors	757,580
Precision coils	114,355

Estimation basis:

- (A) Ferrite cores: The demand for EMI ferrite cores remains strong across a wide range of applications, including AI hardware, smart home appliances, automotive electronics, networking and IoT products, as well as power supply, automation, and industrial equipment. The Company will enhance the differentiation of its ferrite core products, expand its outreach to international customers, and maintain stable control over raw material supplies. The sales of ferrite core products are projected to grow in 2025.
- (B) Chip inductors: Demand for chip inductors is expected to grow steadily alongside the

emergence of next-generation intelligent products, including AI hardware, smart home appliances, automotive electronics, information technology products, networking and IoT devices, power supply systems, and industrial computers. Therefore, the Company will continue to expand and actively promote the sales of high power beads/inductors, ramp up mass production and sales of new ultra-thin ferrite products developed through chip processing technologies, and advance newly developed antenna inductor products. Sales of chip-type products is anticipated to grow in 2025.

- (C) Precision coils: The Company will strengthen application development, market promotion, and sales efforts for AI hardware, smart home appliances, automotive electronics, information technology products, networking and IoT products, power supply systems, and industrial computer products. The Company will adjust its customer and product portfolios by increasing the share of automotive electronics applications and inductor coil products, with a primary focus on enhancing profitability. Sales of coil-related products is projected to grow in 2025.

### (III) Vital production and sales policies

In order to achieve the above goals, the production and marketing policies we have adopted include: (1) Continuously increase productivity, increase automation, and reduce costs to fully grasp customers and the market. (2) Continue to upgrade manufacturing capacity, introduce AI equipment, increase production flexibility, and fully satisfy customer needs. (3) Actively develop new products and improve product reliability testing to meet the diversified needs of customers. (4) Actively develop niche products and markets, in order that the Company will become a comprehensive manufacturer of inductive products.

### III. The development strategy of the future

The Company will adopt a proactive yet steady growth strategy by recruiting professional talent and actively developing new products and markets. Building on its technological expertise and production capabilities in magnetic materials, the Company will continue to advance the development, manufacturing, and sales of EMI suppression and inductive components, with the goal of becoming a leading player in the industry.

As a global corporate citizen, King Core is committed to the implementation of various environmental protection, energy saving, and waste reduction initiatives, as well as the fulfillment of corporate responsibility and improvement of corporate governance. In addition to the installation of photovoltaic power generation facilities at the Taoyuan Pingzhen plant, the Company continues to promote various ESG-related activities.

### IV. The effect of the external competitive, legal, and macroeconomic environment

1. Products of the Company mainly include inductive elements, which are used for suppressing electromagnetic interferences, completing magnetic and wave filtration and converting waveforms. These years, governments of countries have attached more and more importance to electromagnetic interferences of electronic products. With constant increase in computing speed of related products such as electric vehicles, IoT, AI, 5G, intelligence home appliances, industrial equipment, medical devices and game machines, there has been growing demand for suppression of electromagnetic interferences and inductive elements. In addition, lifecycles of electronic products have become increasingly shorter. Swift changes occur to products and specifications. Because of this trend, the Company has obtained more and more opportunities. Meanwhile, it has faced greater challenges. To embrace these challenges, the Company has built a more powerful management team for improving its performances in different aspects such as research, development, manufacturing, sales and finance. Believe that the Company will get opportunities of business growth.
2. Tariffs and trade wars have impacted global supply chains, while increasingly stringent policy requirements imposed by Mainland China on Taiwanese companies operating there have affected the Company's sales performance and distribution strategy. These challenges have also created new opportunities for adjustment and growth. ESG-related issues such as energy saving and carbon reduction, environmental protection, corporate social



responsibility and corporate governance have become increasingly prominent. Regulatory authorities and customers have likewise raised their expectations and corresponding requirements in these areas. Customers increasingly demand high quality, rapid delivery, regulatory compliance, and strong development capabilities. At the same time, challenges in Taiwan such as labor availability, rising labor costs, environmental regulations, and energy usage are becoming increasingly complex. Striking a balance between quality, production capacity, environmental sustainability, and profitability, while optimizing the Company's assets to maximize shareholder value, remains a critical and ongoing challenge that King Core must continue to address with sustained effort.

3. Looking ahead to 2025, the lingering effects of trade tensions, climate change, regional conflicts, inflation, and rising costs are expected to continue impacting the global market landscape. Nevertheless, these challenges also present new opportunities across various sectors, including AI hardware, smart home appliances, automotive electronics, green energy, information and communication technology products, industrial computers, and medical equipment. The Company possesses advanced magnetic material technologies, which have been successfully applied to the development and production of multilayer chips and precision coils. These capabilities enable us to provide customers with comprehensive solutions for EMC countermeasures and inductive components. Looking ahead, the Company will continue to develop new products and specifications tailored to the evolving needs of target customers. We are committed to seizing opportunities for brand promotion and market expansion, implementing stringent quality standards, continuously refining mass production techniques, and ensuring the stable supply of raw materials. Our goal is to be our customers' most trusted partner in mitigating electromagnetic interference and to consistently deliver long-term value to our shareholders.

At last, heartfelt gratitude is hereby expressed to all of you for your cordial contributions, long-term support and encouragement. The most esteemed respect is hereby extended to all of you! Best wishes!

We would like to give you our best regards for the future ahead.

Chairman: Yang Cheng-Li

Managerial Personnel: Tsai Yuh-Chiang

Chief Accounting Officer: Yeh Mei-Ling

## Two. Corporate Governance Report

### I. Background information of Directors, Supervisors, General Manager, Vice General Managers, Senior Directors, and the heads of various departments and branches

#### (I) Directors' data

March 31, 2025 (book closure date); unit: share

Position	Nationality or place of registration	Name	Sex/age	Election (office taking) date	Term (Years)	Date when first elected	Shares held at the time of appointment		Number of shares in possession currently		Current shared held by spouse and children of minor age		Shareholding under the name of a third party		Experience (Education)	Office(s) concurrently held in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as other managers, directors, or supervisors			Remarks (Note 3)
							Quantity	Shareholding ratio	Quantity	Shareholding ratio	Quantity	Shareholding ratio	Quantity	Shareholding ratio			Position	Name	Relation	
Chairman (Natural person)	R.O.C.	Yang Cheng-Li	M 61-70 years	5/30/2024	3	11/29/1986	2,989,391	3.41	2,989,391	3.40	48,012	0.05	0	0.00	MBA, Tulane University Department of Business Executive Master of Business Administration, National Chengchi University Administration, National Chengchi University	Chairman of KING CORE ELECTRONICS INC. Chairman of KING CORE ELECTRONICS (SUZHOU) CO., LTD. (legal representative) Chairman of ALLIED BIOTECH CORP. (legal representative) Chairman of YI BAO SHOE MATERIAL CORP. Director of NCCU Academic Development Foundation Independent Director of SCIENTECH CORPORATION Director of SHENG BAO INVESTMENT CORP. Director of JIN BAO INVESTMENT CORP. Director of ZHENG BAO INVESTMENT CORP. Director (legal representative) of King Core (B.V.I.) Electronics Co., Ltd. Director of ULTIMATE BEYOND LIMITED Director of ImmoFund II Ltd. (legal representative) Independent Director of GIGA-BYTE TECHNOLOGY CO., LTD. Director of ImmoFund V Ltd. (legal representative) Independent Director of LITEMAX ELECTRONICS INC.	Director (legal representative)	Shyu Lih-Hwa	Spouse	N/A
Director (Natural person)	R.O.C.	Chuang Yung-Shun	M 71-80 years	5/30/2024	3	1/16/2000	2,913,305	3.32	2,913,305	3.32	41,895	0.05	0	0.00	EMBA of National Taiwan University MBA, Tulane University	Director of KING CORE ELECTRONICS INC. Chairman of AAEON TECHNOLOGY INC. (legal representative) Chairman of YANYOU INVESTMENT LIMITED (legal representative) Chairman of ONYX HEALTHCARE INC. (legal representative) Chairman of Aaeon Technology (Suzhou) Inc. (legal representative) Director of Outstanding Electronics (Dongguan) Manufacturer Co., Ltd. Director and General Manager of Outstanding Electronics MANUFACTURER(Danyang) Co., Ltd. Chairman of YANXIN INVESTMENT LIMITED Director of Consortium Legal Person Aaeon Cultural and Educational Foundation Chairman of ATECH OEM INC. Director of XAC AUTOMATION CORP. (legal representative) Director of LITEMAX ELECTRONICS INC. (legal representative) Director of SUNENGINE CORPORATION LTD. (legal representative) Director of TOP UNION ELECTRONICS CORPORATION Chairman of EVERFOCUS ELECTRONICS	None	None	None	Not applicable.

Position	Nationality or place of registration	Name	Sex/age	Election (office taking) date	Term (Years)	Date when first elected	Shares held at the time of appointment		Number of shares in possession currently		Current shared held by spouse and children of minor age		Shareholding under the name of a third party		Experiences (Education)	Office(s) concurrently held in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as other managers, directors, or supervisors			Remarks (Note 3)											
							Quantity	Shareholding ratio	Quantity	Shareholding ratio	Quantity	Shareholding ratio	Quantity	Shareholding ratio			Position	Name	Relation												
																Corp. Director of ALLIED BIOTECH CORP. Director of MACHVISION, INC. Director of Chengye Biomedical Investment Corporation Director of Suzhou Taiyong Electronics Factory Director of AAEON TECHNOLOGY SINGAPORE PTE. LTD. Director of AAEON TECHNOLOGY (Europe) B.V.I Director of AAEON TECHNOLOGY GMBH Director of ONYX Healthcare USA, Inc. Director of ONYX Healthcare Europe B.V.I Director of AAEON Electronics Inc. Director of Allied Oriental International Ltd. Chairman of Onyx Healthcare (Shanghai) INC. (legal representative) Director of Litemax Technology, Inc. Chairman of Mcfees Group Inc. Chairman of FULL INVESTMENT LIMITED Director of Fengxin Venture Capital Limited (legal representative) Chairman of iHELPER Inc. (legal representative) Director of WINMATE INC. (legal representative) Director of IBASE TECHNOLOGY INC. (legal representative) Independent Director of TAIFLEX SCIENTIFIC CO., LTD. Director of China University of Technology Chairman of JETWAY INFORMATION CO., LTD. (legal representative) Director of PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. (legal representative) Chairman of QOE TECHNOLOGY CO., LTD. (legal representative) Director of KING CORE ELECTRONICS INC. (SUZHOU) CO., LTD (legal representative) Chairman of Shenzhen Zhen King Electronics Components Co.,Ltd. (legal representative) Independent director of EVERFOCUS ELECTRONICS CORP.															
Director (Natural person)	R.O.C.	Kuo Kun-Chang	M 61-70 years	5/30/2024	3	3/1/2002	2,944,353	3.36	2,944,353	3.35	0	0.00	0	0.00	Department of Business Administration, National Chengchi University  Institute of Business Administration, Chinese Culture University Vice General Manager of NSC Securities Ltd. Lecturer in the Department of Business Administration, Shih Chien University	Supervisor of KING CORE ELECTRONICS (SUZHOU) CO., LTD (legal representative) Chairman of Shenzhen Zhen King Electronics Components Co.,Ltd. (legal representative) Independent director of EVERFOCUS ELECTRONICS CORP.	None	None	None	Not applicable.											
Director (Natural person)	R.O.C.	Hsieh Yu-Tien	M 71-80 years	5/30/2024	3	6/7/2006	53,873	0.06	53,873	0.06	0	0.00	0	0.00	Director of Business Administration, Chinese Culture University Vice General Manager of NSC Securities Ltd. Lecturer in the Department of Business Administration, Shih Chien University	Director of KING CORE ELECTRONICS INC. (legal representative) Independent Director of TAIWAN OASIS TECHNOLOGY CO., LTD.	None	None	None	Not applicable.											
Director (Corporate shareholder)	R.O.C.	SHENG BAO INVESTMENT CORP.	Not applicable	5/30/2024	3	1/16/2000	10,565,530	12.06	10,565,530	12.03	0	0.00	0	0.00	Not applicable.	Director of KING CORE ELECTRONICS INC.	Director of KING CORE ELECTRONICS INC.	None	None	None	Not applicable.										
Director (legal representative)	R.O.C.	Shyu Lih-Hwa	Female 61-70 years	5/30/2024	3	1/16/2000	48,012	0.05	48,012	0.05	2,989,391	3.40	0	0.00	Department of Business Administration, National Chengchi University	Director of KING CORE ELECTRONICS INC. (legal representative) Chairman of SHENG BAO INVESTMENT CORP. Chairman of Tian Ren He Yi Productions Co., Ltd. Supervisor of JIN BAO INVESTMENT CORP.	Chairman Yang Cheng-Li	Spouse	N/A												

Position	Nationality or place of registration	Name	Sex/age	Election (office taking) date	Term (Years)	Date when first elected	Shares held at the time of appointment		Number of shares in possession currently		Current shared held by spouse and children of minor age		Shareholding under the name of a third party		Experience (Education)	Office(s) concurrently held in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as other managers, directors, or supervisors			Remarks (Note 3)
							Quantity	Shareholding ratio	Quantity	Shareholding ratio	Quantity	Shareholding ratio	Quantity	Shareholding ratio			Position	Name	Relation	
Director (legal representative)	R.O.C.	Tsai Yuh-Chiang	M 51-60 years	5/30/2024	3	6/6/2012	842,305	0.96	842,305	0.96	109,057	0.12	0	0.00	Master of Business Administration, National Chengchi University Executive Vice President of KING CORE ELECTRONICS INC.	Director of ZHENG BAO INVESTMENT CORP. Director of YI BAO SHOE MATERIAL CORP. Director of Everlight Cultural Foundation Director of KING CORE ELECTRONICS INC. (legal representative) Director and General Manager of KING CORE ELECTRONICS (SUZHOU) CO., LTD (legal representative)	None	None	None	Not applicable.
Independent Director (Natural person)	R.O.C.	Huang Hsu-Nan	M 61-70 years	5/30/2024	3	5/31/2005	0	0.00	0	0.00	0	0.00	0	0.00	Ph.D., Management Science, National Chiao Tung University Dean of the School of Management, Ming Chuan University Director of Business Administration, Management Institute of Ming Chuan University Associate researcher of the Department of Business Administration, National Yunlin University of Science and Technology Associate researcher/group leader of Economic Construction Committee, Executive Yuan Executive Director of Taiwan Efficiency and Productivity Association Executive supervisor of Global Logistics Council of Taiwan Evaluation committee member of Higher Learning Evaluation Center and Taiwan Assessment and Evaluation Association	Independent director of KING CORE ELECTRONICS INC. Director of Huayang SME Development Co., Ltd (legal representative) Full-time professor of Ming Chuan University at director of SME Cultivation Center Director of Academy of Promoting Economic Legislation Director of LITEMAX ELECTRONICS INC. Supervisor of LE YOUNG CONSTRUCTION CO., LTD. Independent Director of XAC AUTOMATION CORP. Independent Director of EVERFOCUS ELECTRONICS CORP. Independent Director of Top Union Electronics Corporation Director of IHELPER Inc.	None	None	None	Not applicable.
Independent Director (Natural person)	R.O.C.	Chang Shih-Chung	M 61-70 years	5/30/2024	3	5/30/2024	660,000	0.75	660,000	0.75	0	0.00	0	0.00	Independent director of KING CORE ELECTRONICS INC. Chairman of WELLPOOL CO., LTD. Director (representative) of GUOPU CO., LTD.		None	None	None	Not applicable.
Independent Director (Natural person)	R.O.C.	Chan Yun-Hao	M 51-60 years	5/30/2024	3	8/18/2021	0	0.00	0	0.00	0	0.00	0	0.00	Independent director of KING CORE ELECTRONICS INC. Chairman of TSE Technologies Corp. Supervisor of PRODRIVES & MOTIONS CO., LTD.		None	None	None	Not applicable.

Note 1: Any director who was ever employed by any Certified Public Accountants or its affiliates: None.

Note 2: 87,811,345 shares had been issued as of March 31, 2025

Note 3: Supplementary information on matters regarding the Chairman of the Board of Director and the general manager or person of an equivalent post (the highest level managerial personnel) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. additional seats of Independent Directors, no more than half of the seats of directors are serving concurrently as an employee or managerial personnel, or other ways).

## (II) Major shareholders of the corporate shareholder

April 15, 2025

Name of corporate shareholder	Major shareholders of the Company's corporate shareholders and their shareholding ratio (%)
SHENG BAO INVESTMENT CORP.	Shyu Lih-Hwa: 0.89; Yang Cheng-Li: 0.09; Yang Tzyy-Shuan: 99.02

(III) Major shareholders of corporate shareholders' major shareholders which are legal persons: None.

(IV) Director information

I. Information on professional qualifications of directors and independence of independent directors:

Criteria Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Employment in other public offerings Number of independent directors
Yang Cheng-Li	With experience in business work. Current Chairman of the Company and Chairman of ALLIED BIOTECH CORP. Not involved in any conditions defined in Article 30 of the Company Act.	Not applicable.	3
Chuang Yung-Shun	With experience in business work. Current director of the Company, Chairman of AAEON TECHNOLOGY INC. and Chairman of ONYX HEALTHCARE INC. Not involved in any conditions defined in Article 30 of the Company Act.	Not applicable.	1
Kuo Kun-Chang	With experience in business work. Current director of the Company, Chairman of Shenzhen Zhen King Electronics Components Co.,Ltd. and supervisor of KING CORE ELECTRONICS (SUZHOU) CO., LTD Not involved in any conditions defined in Article 30 of the Company Act.	Not applicable.	1
Hsieh Yu-Tien	With work experience in businesses, public and private universities with titles higher than lecturers. Current Director of the Company, Independent Director of TAIWAN OASIS TECHNOLOGY CO; ever worked as lecturer in the Department of Business Administration, Shih Chien University. Not involved in any conditions defined in Article 30 of the Company Act.	Not applicable.	1
SHENG BAO INVESTMENT CORP. Representative: Shyu Lih-Hwa	With experience in business work. Current director of the Company, Chairman of SHENG BAO INVESTMENT CORP. and Chairman of Tian Ren He Yi Productions Co., Ltd. Not involved in any conditions defined in Article 30 of the Company Act.	Not applicable.	0
SHENG BAO INVESTMENT CORP. Representative: Tsai Yuh-Chiang	With experience in business work. Current Director of the Company, current General Manager of the Company. Not involved in any conditions defined in Article 30 of the Company Act.	Not applicable.	0

Name \ Criteria	Professional qualifications and experience (Note 1)	Independence (Note 2)	Employment in other public offerings Number of independent directors
Huang Hsu-Nan	<p>With work experience in businesses, public and private universities with titles higher than lecturers.</p> <p>Current independent director of the Company, full-time professor of Ming Chuan University and director of SME Cultivation Center</p> <p>Not involved in any conditions defined in Article 30 of the Company Act.</p>	<p>As independent directors, who comply with corresponding independence requirements, including but not limited to the independent director, his spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the Company or any of its affiliates; he or she doesn't hold shares of the Company; he or she is not a director, supervisor or employee of any other company which has certain relationships with the Company; amount of compensation received for being a professional individual who has provided commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years is in line with pertinent rules.</p>	3
Chang Shih-Chung	<p>With experience in business work.</p> <p>Current independent director of the Company, Chairman of WELLPOOL CO., LTD.</p> <p>Not involved in any conditions defined in Article 30 of the Company Act.</p>	<p>As independent directors, who comply with corresponding independence requirements, including but not limited to the independent director, his spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the Company or any of its affiliates; he or she doesn't hold shares of the Company; he or she is not a director, supervisor or employee of any other company which has certain relationships with the Company; amount of compensation received for being a professional individual who has provided commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years is in line with pertinent rules.</p>	0

Name \ Criteria	Professional qualifications and experience (Note 1)	Independence (Note 2)	Employment in other public offerings Number of independent directors
Chan Yun-Hao	With background and work experience on businesses, accounting and financial expertise. Graduated from Missouri State University as a Master of Professional Accounting; current Independent Director of the Company, Chairman of TSE Technologies Corp. and former employee of the Listing Audit Department of Taipei Exchange. Not involved in any conditions defined in Article 30 of the Company Act.	As independent directors, who comply with corresponding independence requirements, including but not limited to the independent director, his spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the Company or any of its affiliates; he or she doesn't hold shares of the Company; he or she is not a director, supervisor or employee of any other company which has certain relationships with the Company; amount of compensation received for being a professional individual who has provided commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years is in line with pertinent rules.	0

## II. Board Diversity and Independence:

(I) Diversity of the Board of Director: Clearly state diverse policies and objectives of the Board of Director and their attainment. Diverse policies include without limitation to standards for director election, directors' professional qualification, experience, sex, age, nationality, cultures, other circumstances or ratio. In addition, clarify the Company's specific objectives and their attainment in respect of the policies revealed above.

Directors of the Company are elected according to equal, impartial and open election procedures. They are elected among candidates with appropriate background, industry or related know-how and experience. The candidates with diverse backgrounds who can bring forth diversified opinions are actively considered, in order that the directors can be kept within an appropriate range and balance in terms of skills, experience, knowledge and characters. Members of the Board of Director shall generally demonstrate knowledge, skills and literacy necessary for performing their duties in their positions. To achieve the desired target for corporate governance, the Board of Director collectively shall be equipped with the following capabilities:

- I. The ability to make judgments about operations.
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Knowledge of the industry.
- VI. An international market perspective.
- VII. Leadership skills.
- VIII. Decision-making ability.

The 14<sup>th</sup> Board of Director of the Company has 9 members, all of whom are Taiwanese. Its

components and ratios are as follows: Directors who are employees, females and independent directors account for 11.11%, 11.11% and 33.33% respectively. In terms of age, there is 2 director ranging from 71 to 80 years old, 5 directors who are 61 to 70 years old, and 2 directors whose age ranges between 51 and 60. Diversity of the Company's members is reflected from the following aspects: (1) All directors master professional abilities in business judgment, operations management, crisis management, international markets and leadership decision-making. (2) Eight directors with financial backgrounds: Yang Cheng-Li, Chuang Yung-Shun, Kuo Kun-Chang, Hsieh Yu-Tien, Shyu Lih-Hwa, Huang Hsu-Nan, Chang Shih-Chung and Chan Yun-Hao; Eight directors with industry knowledge: Yang Cheng-Li, Chuang Yung-Shun, Kuo Kun-Chang, Hsieh Yu-Tien, Shyu Lih-Hwa, Tsai Yuh-Chiang, Huang Hsu-Nan and Chan Yun-Hao. (3) Directors concurrently serving as company officers shall not exceed one-third of the total number of the Board members. The Company emphasizes diversity of the Board members, where an appropriate balance is maintained in skills, experience, knowledge and character. In addition, it attaches importance to gender equality among its Board members, among whom, there shall be at least 1 female director. So far, such appointment has been completed. Above all, the Board members of the Company are generally expected to be diverse. For details on diverse distribution of the Company's Board members, refer to Schedule 2 on Page 45, and such details are synchronously disclosed on the website of the Company.

If the number of directors of either gender on the Board of Directors does not reach one-third, explain the reasons and the measures taken to enhance gender diversity on the Board:

(1) Explanation: Currently, there is one female director on the Company's Board of Directors.

While this complies with the relevant regulatory requirements, it does not yet meet the one-third gender ratio. The primary reason is due to the characteristics of the industry, which make it difficult to recruit suitable candidates within a short period.

(2) Measures undertaken: The Company will seek candidate recommendations through various channels, including industry networks and academic institutions. These efforts will also be integrated into the Company's medium- and long-term talent development programs to promote board diversity.

(II) Independence of directors: Clarify number and ratio of independent directors. State independence of the Board of Director, and explain if there is no circumstance specified under subclauses 3 and 4, Clause 3, Article 26 of the Securities Exchange Act, including spousal, relatives within the second degree of kingship or other kinships between directors or supervisors or between directors and supervisors.

At present, the Company's Board of Director has 3 independent directors (33.33%) and 6 non-independent directors (66.67%). Of the directors, 1 directors are employees/officers (11.11%, without exceeding one third of all directors), and spousal relationship or the second degree of kinship exists between two directors. All these mentioned above comply with Subclauses 3 and 4, Clause 3, Article 26 of the Securities Exchange Act.

The independent directors of the Company fully comply with the regulations set forth by the FSC regarding independent directors. The Board of Directors also places a strong emphasis on maintaining independent operations and transparency. Both directors and independent directors function as autonomous bodies, exercising their authority independently to ensure the overall independence of the Board.

Note 1: Professional Qualifications and Experience: Please state the professional qualifications and experience of individual directors and supervisors. If he or she is a member of the Audit Committee and has a background in accounting or finance, please state his or her background in accounting or finance as well as work experience in addition to whether under any of the circumstances set forth in Article 30 of the Company Act.

Note 2: Independence status of an independent director shall be stated, which includes but is not limited to whether the independent director, his spouse, or relative within the second degree of kinship is a director, supervisor, or



employee of the Company or any of its affiliates; the number and percentage of the Company's shares held by the independent director, his or her spouse, relative within second degree of kinship (or held under others' names); whether he or she is a director, supervisor, or employee of a specified company or institution that has a relationship with the Company (referring to Subparagraphs 5-8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); amount of compensation received for being a professional individual who has provided commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.

Note 3: For disclosure method, please refer to reference instances of the best practices on the website of the Corporate Governance Center of Taiwan Stock Exchange.

(V) Information of General Manager, Vice General Manager, Senior Director, heads of departments and heads

March 31, 2025 (book closure date); unit: share

Position (Note 1)	Nationality or Registry	Name	Gender	Election (office taking) date	Shares held		No. of shares held by the spouse and minor children		Shareholding under the name of a third party		Education and selected past positions (Note 2)	Other Position	Managerial Personnel with Spouses or Relatives Within the Second Degree of Kinship			Remarks (Note 3)
					Quantity	Shareholding rate (%)	Quantity	Shareholding rate (%)	Quantity	Shareholding rate (%)			Position	Name	Relation	
General Manager	R.O.C.	Tsai Yuh-Chiang	M	08/2021	842,305	0.96	109,057	0.12	0	0.00	Master of Business Administration, National Chengchi University Executive Vice President of KING CORE ELECTRONICS INC.	Director of KING ELECTRONICS INC. (legal representative) Director and General Manager of KING CORE ELECTRONICS (SUZHOU) CO., LTD (legal representative)	None	None	None	N/A
Vice General Manager of Manufacturing Department	R.O.C.	Tseng Tseng-Chuan	M	01/2009	234,271	0.27	7,678	0.01	0	0.00	Graduated from National Chin-Yi University of Technology Engineer of HI SINCERITY MICRO CHIP CO., LTD. Senior Director of the Chip and Ferrite Core Manufacturing Department, KING CORE ELECTRONICS INC.	None	None	None	None	Not applicable.
Chief Financial Officer and Corporate Governance Officer	R.O.C.	Yeh Mei-Ling	Female	03/2011	16,505	0.02	0	0.00	0	0.00	Master of Accounting, Chung Yuan Christian University	None	None	None	None	Not applicable.
Senior Director of R&D Department	R.O.C.	Huang Yi-Hong	M	05/2014	9,213	0.01	0	0.00	0	0.00	PhD, Department of Physics, Taiwan University Senior engineer of SHOWA DENKO HD TRACE CORP. Senior engineer of Novellus Chief engineer of UNITED MICROELECTRONICS CORP. R&D manager of DELTA ELECTRONICS, INC. R&D Senior Director of Jiaye Technology Co., Ltd. Vice General Manager of FEEI CHERNG ENTERPRISE CO., LTD. Master of Business Administration, Chung Yuan Christian University Quality Assurance Department of SUPERWORLD ELECTRONICS CO., LTD. Engineer, R&D Department; Assistant Manager, Quality Assurance Department; Senior Specialist, Office of the General Manager, ABC Taiwan Electronics Corp. Quality Assurance Department Manager and Manufacturing Department Manager of Abc Electronics (Panyu) Corp.	None	None	None	None	Not applicable.
Senior Director of Quality Assurance Department	R.O.C.	Wu Ping-Hsun	M	04/2016	12,326	0.01	0	0.00	0	0.00	Master of Business Administration, Chung Yuan Christian University Quality Assurance Department of SUPERWORLD ELECTRONICS CO., LTD. Engineer, R&D Department; Assistant Manager, Quality Assurance Department; Senior Specialist, Office of the General Manager, ABC Taiwan Electronics Corp. Quality Assurance Department Manager and Manufacturing Department Manager of Abc Electronics (Panyu) Corp.	None	None	None	None	Not applicable.
Senior Director of Management Department	R.O.C.	Lin Yu-Chao	M	1/2020	51,085	0.06	0	0.00	0	0.00	Bachelor of Department of Information Management, Yuan Ze University Internal audit manager of KING CORE ELECTRONICS INC.	None	None	None	None	Not applicable.

Note 1: Background information of the General Manager, Vice General Managers, Senior Directors, Heads of various departments and Branches; anyone of equivalent authority to the above, regardless of their job titles, shall be disclosed.

Note 2: Any director or supervisor who was ever employed by any Certified Public Accountants or its affiliates: None.

Note 3: Supplementary information on matters regarding the Chairman of the Board of Director and the general manager or person of an equivalent post (the highest-level managerial personnel) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. additional seats of Independent Directors, no more than half of the seats of directors are serving concurrently as an employee or managerial personnel, or other ways.)

## II. Remuneration paid to Directors, Supervisors, General Managers and Vice General Manager

### 1. Remuneration to general and independent directors (the name and remuneration of each director are disclosed individually)

Unit: \$NT thousand; thousand shares

Position	Name	Remuneration to Directors								Ratio of the total amount of A, B, C and D to operating gross profit after tax (Note 10)		Remuneration in the capacity as employees						Ratio of the total amount of A, B, C, D, E, F and G to operating gross profit after tax (Note 10)		Remuneration received from invested subsidiaries or the parent company (Note 11)
		Remuneration(A) (Note 2)		Pension(B)		Bonus to Directors(C) (Note 3)		Fees for services rendered (D) (Note 4)				Salaries, bonus and special subsidies(E) (Note 5)		Pension(F)		Employee remuneration (G) (Note 6)				
										The Company	All companies included in consolidated statements (Note 7)					The Company	All companies included into the financial statement (Note 7)	The Company	All companies included in consolidated statements (Note 7)	
		Cash dividend	Stock dividend	Cash dividend	Stock dividend															
Chairman	Yang Cheng-Li	0	0	0	0	165	165	36	36	201 0.23	201 0.23	2,737	2,737	0	0	0	0	3,045 3.51	3,045 3.51	0
Director	Chuang Yung-Shu n	0	0	0	0	165	165	36	36	201 0.23	201 0.23	0	0	0	0	0	0	201 0.23	201 0.23	0
Director (Note)	Liu Ming-Hsiu ng	0	0	0	0	61	61	0	0	61 0.07	61 0.07	0	0	0	0	0	0	61 0.07	61 0.07	0
Director	Kuo Kun-Chan g	0	0	0	0	165	165	36	36	201 0.23	201 0.23	0	0	0	0	0	0	201 0.23	201 0.23	0
Director	Hsieh Yu-Tien	0	0	0	0	165	165	36	36	201 0.23	201 0.23	0	0	0	0	0	0	201 0.23	201 0.23	0
Director (Corporate shareholder)	SHENG BAO INVESTMENT CORP.	0	0	0	0	395	395	0	0	395 0.47	395 0.47	0	0	0	0	0	0	395 0.47	395 0.47	0
Director (legal representative)	Shyu Lih-Hwa	0	0	0	0	0	0	36	36	36 0.04	36 0.04	0	0	0	0	0	0	36 0.04	36 0.04	0
Director (legal representative) (Note)	Chen Cheng-Ha n	0	0	0	0	0	0	18	18	18 0.02	18 0.02	0	0	0	0	0	0	18 0.02	18 0.02	0
Director (legal representative)	Tsai Yuh-Chia ng	0	0	0	0	0	0	36	36	36 0.04	36 0.04	2,482	2,482	84	84	0	328	2,931 3.38	2,931 3.38	0
Independent Director	Huang Hsu-Nan	0	0	0	0	165	165	36	36	201 0.23	201 0.23	0	0	0	0	0	0	201 0.23	201 0.23	0
Independent Director (Note)	Wang Chia-Ho	0	0	0	0	61	61	12	12	73 0.08	73 0.08	0	0	0	0	0	0	73 0.08	73 0.08	0
Independent Director	Chang Shih-Chun g	0	0	0	0	104	104	18	18	122 0.14	122 0.14	0	0	0	0	0	0	122 0.14	122 0.14	0
Independent Director	Chan Yun-Hao	0	0	0	0	165	165	36	36	201 0.23	201 0.23	0	0	0	0	0	0	201 0.23	201 0.23	0



### Range of Remuneration

Breakdown of remuneration paid to each director	Name of Directors			
	Total of A, B, C and D		Total of A, B, C, D, E, F and G	
	The Company (Note 8)	All companies included in consolidated statements (Note 9) H	The Company (Note 8)	All companies included in consolidated statements (Note 9) I
Less than NT\$ 1,000,000	Yang Cheng-Li Chuang Yung-Shun Kuo Kun-Chang Hsieh Yu-Tien Shyu Lih-Hwa (legal representative) Chen Cheng-Han (legal representative) Tsai Yuh-Chiang (legal representative) Huang Hsu-Nan Wang Chia-Ho Liu Ming-Hsiung Chan Yun-Hao Chang Shih-Chung	Yang Cheng-Li Chuang Yung-Shun Kuo Kun-Chang Hsieh Yu-Tien Shyu Lih-Hwa (legal representative) Chen Cheng-Han (legal representative) Tsai Yuh-Chiang (legal representative) Huang Hsu-Nan Wang Chia-Ho Liu Ming-Hsiung Chan Yun-Hao Chang Shih-Chung	Chuang Yung-Shun Kuo Kun-Chang Hsieh Yu-Tien Shyu Lih-Hwa (legal representative) Huang Hsu-Nan Wang Chia-Ho Liu Ming-Hsiung Chan Yun-Hao Chen Cheng-Han (legal representative) Chang Shih-Chung	Chuang Yung-Shun Kuo Kun-Chang Hsieh Yu-Tien Shyu Lih-Hwa (legal representative) Huang Hsu-Nan Wang Chia-Ho Liu Ming-Hsiung Chan Yun-Hao Chen Cheng-Han (legal representative) Chang Shih-Chung
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	None	None	None	None
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	None	None	Yang Cheng-Li Tsai Yuh-Chiang (legal representative)	Yang Cheng-Li Tsai Yuh-Chiang (legal representative)
Total	12 persons	12 persons	12 persons	12 persons

Note 1: Directors' names are presented separately (the names of the corporate shareholders and their representatives are stated separately). General and independent directors are presented separately. All payments are presented in aggregate sums. Any directors who co-headed the General Manager or Vice General Manager positions are disclosed in this table and in tables below.

Note 2: Refers to director's remuneration in 2024 (including salaries, allowances, severance pay, various bonuses and incentives etc.).

Note 3: Represents the amount of directors' remuneration that the Board of Director has approved as part of the earnings appropriation in 2024

Note 4: Refers to compensations for services rendered (including travel, special allowances, various subsidies, accommodation, corporate vehicle and other items) in 2024. Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the remuneration paid to the above beneficiaries.

Note 5: Refers to any salaries, allowances, severance pay, bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, vehicles, etc. which the director has received in 2024 for assuming the role of a company employee (such as General Manager, Vice General Manager, other managerial personnel or employees). Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the remuneration paid to the above beneficiaries. Also, based on the IFRS 2 share-based payment regulation, remuneration should include the employee stock option, restricted stock awards, and private placement for capital increase.

Note 6: Refers to any compensation that the director received (in cash or in shares) in 2024 for assuming the role of an employee (such as General Manager, Vice General Manager, other managerial personnel or employees). The amount of employee compensation proposed by the Board of Director in the last year has been disclosed (where the amount could not be estimated, the actual amount paid in the last year was presented instead). Schedule 1-3 has also been completed for reference.

Note 7: The disclosure includes all companies covered by the consolidated financial statements (including the Company), and represents total amount of remuneration paid by all companies above to the Company's directors.

Note 8: The amount of remuneration paid by the Company to each director has been disclosed in ranges.

Note 9: The details represent the range of remuneration paid by the consolidated entity (including the Company) to each director.

Note 10: Profit after tax refers to the amount of profit after tax shown in the 2024 consolidated and standalone financial reports.

Note 11: a. This field represents all forms of remuneration the director has received from the Company's invested businesses or the parent company other than subsidiaries (please indicate "none" if not applicable).

b. For directors who receive remuneration from invested businesses other than subsidiaries, amounts received from these invested businesses have been added to column J of the Range of Remuneration. In which case, column J will be renamed the Parent Company and All Invested Businesses.

c. Remuneration refers to any returns, compensation (including compensations received as an employee, director and supervisor) and professional service fees which the Bank's directors received for serving as directors, supervisors or managerial personnel in invested businesses or the parent company other than subsidiaries.

\* The basis of remuneration disclosed above is different according to the basis of the Income Tax Act; hence the above table has been prepared solely for information disclosure, and not for tax purpose.

2. Supervisors' remuneration: The Company has built an Audit Committee in place of the supervisor system, so this is inapplicable.

### 3. Remuneration to the General Manager and Vice General Managers (aggregate disclosure of name and remuneration)

Unit: \$NT thousand; thousand shares

Position	Name	Salaries(A) (Note 2)		Retirement pension (B)		Bonus and Special allowance (C) (Note 3)		Remuneration to employees (D) (Note 4)				Ratio of the total amount of A, B, C and D to operating gross profit after tax (%) (Note 8)		With remuneration received from invested companies other than subsidiaries or the parent company (Note 9)
		The Company	All companies included into the financial statement (Note 5)	The Company	All companies included into the financial statement (Note 5)	The Company	All companies included into the financial statement (Note 5)	The Company		All companies included into the financial statement (Note 5)		The Company	All companies included in consolidated statements (Note 5)	
								Cash flow Amount	Stock Amount	Cash flow Amount	Stock Amount			
Chairman	Yang Cheng-Li	7,004	7,004	190	190	0	0	0	608	0	608	7,802 9.00	7,802 9.00	None
General Manager	Tsai Yuh-Chiang													
Vice General Manager	Tseng Tseng-Chuan													

\*Disclosure is mandatory for persons who hold positions equivalent to a General Manager or Vice General Manager (e.g. group General Manager, CEO, general manager etc.).

#### Range of Remuneration

Breakdown of remuneration paid to each general manager and vice General Manager	Name of General Manager and Vice General Manager	
	The Company (Note 6)	All companies included in consolidated statements (Note 7)
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Yang Cheng-Li, Tsai Yuh-Chiang, Tseng Tseng-Chuan	Yang Cheng-Li, Tsai Yuh-Chiang, Tseng Tseng-Chuan
Total	3 persons	3 persons

Note 1: The names of General Manager and Vice General Managers are presented separately, whereas the amount of benefits and allowances is presented in aggregate sums. Any Directors who co-headed the General Manager or Vice General Manager positions are disclosed in this table and in above tables.

Note 2: Refers to salaries, allowances, retirement benefits, severance pay made to the General Manager and Vice General Managers in 2024.

Note 3: Refers to other compensations such as bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, corporate vehicle or other in-kind benefits made to the General Manager and Vice General Managers in 2024. Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the remuneration paid to the above beneficiaries. Also, based on the IFRS 2 share-based payment regulation, remuneration should include the employee stock option, restricted stock awards, and private placement for capital increase.

Note 4: Represents the amount of employee remuneration allocated to the General Manager and Vice General Managers (in cash or in shares) in 2024, which the Board of Director has proposed as part of the most recent earnings appropriation (where the amount could not be estimated, a calculation was made based on last year's payout ratio). Schedule 1-3 has been prepared in addition to the above details. Operating gross profit after tax means that in 2024.

Note 5: Remuneration is presented in aggregate of all amounts paid by all companies covered by the consolidated financial statements (including the Company) to the Company's General Manager/Vice General Managers.

Note 6: The amount of remuneration made by the Company to its General Manager/Vice General Managers have been disclosed separately in ranges.

Note 7: The disclosure includes the sum of amounts paid by the consolidated entity (including the Company) to the Company's General Manager/Vice General Managers; the names of General Manager/Vice General Managers have been disclosed separately in ranges. Note 3: The retirement benefits and severance pays, whether provided or contributed, amount to NT\$ 190 thousand.

Note 8: Operating gross profit after tax means that indicated in the 2024 financial report. If IFRSs have been adopted, net income shall refer to the amount of after-tax profit shown in the 2024 standalone financial report.

Note 9: a. This field represents all forms of remuneration the General Manager and Vice General Managers have received from the Company's invested businesses or the parent company other than subsidiaries (please indicate "none" if not applicable).

b. For General Manager and Vice General Managers who receive remuneration from invested businesses or the parent company other than subsidiaries, the amount of remuneration from these invested businesses or the parent company have been added to column E of the Range of Remuneration. In this case, column E will be renamed as the parent company and all invested businesses.

c. Remuneration refers to any returns, remuneration (including remunerations received as employees, Directors and Supervisors) and professional service fees which the Company's General Manager and Vice General Managers received for serving as directors, supervisors, or managerial personnel in invested businesses and the parent company other than subsidiaries.

\* The basis of remuneration disclosed above is different according to the basis of the Income Tax Act; hence the above table has been prepared solely for information disclosure, and not for tax purpose.



4. Remuneration to employees paid to managerial personnel, and the status of allocation:

April 15, 2025 Unit: NT\$ thousand

	Position (Note 1)	Name (Note 1)	Stock dividend	Cash dividend	Total	The total amount as a percentage of net income (%)
Managerial Personnel	Chairman	Yang Cheng-Li	915	0	915	1.05
	General Manager	Tsai Yuh-Chiang				
	Vice General Manager of Manufacturing Department	Tseng Tseng-Chuan				
	Senior Director of R&D Department	Huang Yi-Hong				
	Senior Director of Quality Assurance Department	Wu Ping-Hsun				
	Senior Director of Management Department	Lin Yu-Chao				
	Chief Financial Officer and Corporate Governance Officer	Yeh Mei-Ling				

Note 1: Names and titles have been disclosed separately, whereas the amount of remuneration has been disclosed in aggregate.

Note 2: Which indicates the employee remuneration (including shares and cash), distributed to managerial personnel, approved by the Board of Director in 2025. If it was not able to estimated, the ratio of actual distribution amount will apply to propose for the distribution amount of the year. Operating gross profit after tax means that indicated in the 2025 financial report.

Note 3: Managerial personnel are as follows as specified by No. Taiwan-Finance-Securities-III-0920001301 dated March 27, 2003:

- (1) General Manager or other positions of equivalent grade
- (2) Vice General Manager or other positions of equivalent grade
- (3) Senior Director or other positions of equivalent grade
- (4) Head of Finance Department
- (5) Head of Accounting Department
- (6) Any other signatories involved in the Company's administrative affairs.

Note 4: Directors, General Manager and Vice General Managers who receive employee compensations (in cash or in shares) shall have details disclosed in this table in addition to Schedule 1-2.

5. Total remuneration as a percentage of net income stated in the Standalone Financial Reports or Individual Financial Reports, as paid by the Company and by each other company included in the Consolidated Financial Statements during the past 2 fiscal years to Directors, Supervisors, General Managers, and Vice General Managers. Analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

Unit: NT\$ thousand

Position	2023				2024			
	Total remuneration (NT\$ thousand)		In proportion to profit after tax (%)		Total remuneration (NT\$ thousand)		In proportion to profit after tax (%)	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Director								
General Managers and Vice General Managers	11,694	11,694	15.6	15.6	9,749	9,749	11.24	11.24

According to its Articles of Incorporation, if the Company makes profit over a year, it shall first appropriate no more than 2% as remuneration for directors and 5% to 10% as employee remuneration. But where the Company suffers cumulative losses, the amount required to cover such losses shall be retained first. The aforementioned employee remuneration shall be distributed in the form of shares or cash.

In 2025, the Board of Directors resolved to allocate 5% of the 2024 profit as employee remuneration, to be distributed in the form of newly issued shares. To motivate junior employees to work together toward the Company's goals, and based on factors such as years of service and performance evaluations, no less than 1% of the aforementioned employee remuneration will be allocated specifically for junior employees. The specific distribution ratio for junior employees will be submitted to the Board for discussion following the approval of the Articles of Incorporation amendments at the Annual General Meeting of Shareholders.

The Company's remuneration proposals for its employees and directors was presented by the Remuneration Committee to the Board of Director for approval by resolution. It is proposed that NT\$ 1,610,773 (approximately accounting for 1.5% of that year's profit) would be appropriated as remuneration for directors in 2024. The amount of remuneration for directors shall be determined based on the Company's profit, degree of directors' involvement in and contribution to the Company's affairs. In respect of remuneration for directors, the Chairman shall put forward a remuneration proposal, which shall be reviewed by the Remuneration Committee and approved by the Board of Director. All remunerations shall be paid in cash. The remuneration for the Company's General Manager, Vice General Managers and managerial officers shall be paid by issuing new shares.

The remuneration of the Company's senior executives comprises base salary, bonuses, profit-sharing, and retirement benefits. The performance evaluations and reasonableness of the remuneration structure are reviewed and assessed annually by the Remuneration Committee and the Board of Directors. To motivate senior executives to focus on long-term, comprehensive performance and to uphold the Company's commitment to sustainable development and long-term value creation, the Company has integrated ESG-related performance evaluation indicators into its executive remuneration framework.

Applicable to:

General Manager, Vice General Managers, or personnel of equivalent rank (e.g., Chief Executive

Officer, Deputy Chief Executive Officer, President, Vice President, etc.)

Short-term objectives:

1. Strengthen the linkage between remuneration and sustainability performance indicators by including senior executives and defining appropriate weightings.
2. Align departmental KPIs with the Company's sustainability policies by evaluating and designing the weighting of the relevant performance items.

Long-term objectives:

1. Expand the implementation of ESG-linked performance indicators to cover managerial officers.
2. Develop and incorporate net-zero carbon reduction targets into individual performance indicators.

Weightings of ESG-related performance indicators for senior executives:

Performance Indicators	Weighting (%)	Description
Financial Indicators	20%	Focus on the Company's economic performance and operational results, such as industry rankings and revenue performance.
Strategic Indicators	30%	Primarily assess the management team's effectiveness in advancing the Company's long-term development strategies, such as market expansion and technological innovation.
Management Indicators	20%	Evaluate senior executives' performance in internal management and leadership capabilities, including leadership development, organizational efficiency, employee satisfaction, and performance.
Sustainability and Internal Control Indicators	30%	Focus on the establishment and implementation of environmental, social, and governance (ESG) practices and internal control systems, such as ethical business conduct, regulatory compliance, and risk management, in alignment with the Company's ESG commitments.

To ensure the implementation of the Company's sustainability policies, the General Manager oversees the achievement of both short- and long-term objectives through regular project review meetings.

Salary and remuneration of the Company's employees shall be determined based on their educational attainment, know-how, seniority, experience and individual performance, regardless of their age, gender, race, religion, political standpoint and marital status. In addition, the Company attaches great importance to employees' career development. It makes overall plans based on individual positions and the Company's operational performances. Employees with outstanding performance will be given higher pay or promoted based on their work results, so as to engage excellent talents and drive general positive development of the Company. In 2024, the Company increased overall average salary by 5.32% based on employees' performance appraisal results.

### III. Status of Corporate Governance

#### (I) Operations of the Board of Director

A total of 7 meetings (A) were held in the last year; below are directors' attendance records:

Position	Name (Note 1)	Actual attendance (B)	Proxy Attendance	Actual attendance rate (Note 2)	Notes
Chairman	Yang Cheng-Li	7	0	100	Re-elected on May 30, 2024
Vice Chairman	SHENG BAO INVESTMENT CORP. Representative: Chen Cheng-Han	3	0	100	Stepped down following the re-election on May 30, 2024
Director	Chuang Yung-Shun	7	0	100	Re-elected on May 30, 2024
Director	Liu Ming-Hsiung	0	0	0	Stepped down following the re-election on May 30, 2024
Director	Kuo Kun-Chang	7	0	100	Re-elected on May 30, 2024
Director	Hsieh Yu-Tien	7	0	100	Re-elected on May 30, 2024
Director	SHENG BAO INVESTMENT CORP. Representative: Shyu Lih-Hwa	7	0	100	Re-elected on May 30, 2024
Director	SHENG BAO INVESTMENT CORP. Representative: Tsai Yuh-Chiang	7	0	100	Re-elected on May 30, 2024
Independent Director	Huang Hsu-Nan	7	0	100	Re-elected on May 30, 2024
Independent Director	Wang Chia-Ho	2	1	66.67	Stepped down following the re-election on May 30, 2024
Independent Director	Chang Shih-Chung	4	0	100	Newly appointed following the re-election on May 30, 2024
Independent Director	Chan Yun-Hao	7	0	100	Re-elected on May 30, 2024

Other mentionable items:

I. If there are circumstances as follows, the date on which the meetings, sessions, contents of motion, all independent director's opinions and the company's responses should be specified:

(I) Matters that were referred to in Article 14-3 of the Securities Exchange Act.  
11<sup>th</sup> meeting of the 13<sup>th</sup> Board of Director (February 19, 2024)

Agenda	Independent directors' opinions	The Company's disposition on independent directors' opinions	Resolution
Proposed presentation of the Company's 2023 "Statement of Internal Control System"	No objection	No objection	Agenda was approved without objection from directors present.
2023 remuneration proposal for employees and directors	No objection	No objection	1. Approved and archived at the 6 <sup>th</sup> meeting of the 5 <sup>th</sup> Remuneration Committee and the 10 <sup>th</sup> meeting of the 2 <sup>nd</sup> Audit Committee. 2. Agenda was approved without objection from directors present.
Appointment of Audit and Non-Audit Certified Public	No objection	No objection	Agenda was approved without objection from

Accountants and Auditor's Independence Evaluation for FY2024			directors present.
13 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Director (May 7, 2024)			
Agenda	Independent directors' opinions	The Company's disposition on independent directors' opinions	Resolution
Determine matters on base date for issuing new shares for increasing employee remuneration	No objection	No objection	Agenda was approved without objection from directors present.
2 <sup>nd</sup> meeting of the 14 <sup>th</sup> Board of Director (August 12, 2024)			
Agenda	Independent directors' opinions	The Company's disposition on independent directors' opinions	Resolution
Matters resolved at the 1 <sup>st</sup> meeting of the 6 <sup>th</sup> Remuneration Committee	No objection	No objection	Except that the directors who didn't take part in the discussion and voting for their interests, the proposal was approved by all other directors present.
3 <sup>rd</sup> meeting of the 14 <sup>th</sup> Board of Director (November 11, 2024)			
Agenda	Independent directors' opinions	The Company's disposition on independent directors' opinions	Resolution
Established the Company's sustainability information management framework	No objection	No objection	Agenda was approved without objection from directors present.
FY2025 Audit Plan of the Company			
4 <sup>th</sup> meeting of the 14 <sup>th</sup> Board of Director (February 25, 2025)			
Agenda	Independent directors' opinions	The Company's disposition on independent directors' opinions	Resolution
Proposed presentation of the Company's 2024 "Statement of Internal Control System"	No objection	No objection	Agenda was approved without objection from directors present.
2024 remuneration proposal for employees and directors	No objection	No objection	1. Approved and archived at the 2 <sup>nd</sup> meeting of the 6 <sup>th</sup> Remuneration Committee and the 3 <sup>rd</sup> meeting of the 3 <sup>rd</sup> Audit Committee. 2. Agenda was approved without objection from directors present.
Defined the scope of junior employees and amended certain provisions of the Company's "Internal Control System"	No objection	No objection	Agenda was approved without objection from directors present.
Appointment of Audit and Non-Audit Certified Public Accountants and Auditor's Independence Evaluation for FY2025			
(II) Any other documented objections or qualified opinions raised by independent directors against board resolution in			

relation to matters other than those described above.  
None.

II. The measure for directors' withdrawal from conflict of interest:

2<sup>nd</sup> meeting of the 14<sup>th</sup> Board of Director (August 12, 2024)

Directors: Yang, Cheng-Li, Tsai Yuh-Chiang

Agenda: Matters resolved at the 1<sup>st</sup> meeting of the 6<sup>th</sup> Remuneration Committee.

Reason for avoiding out of interests: The discussion on this proposal involved the stakeholders' interests, so the stakeholders were requested to avoid for interests.

The voting process: Except that the directors who didn't take part in the discussion and voting for their interests, the proposal was approved by the other directors without objection.

III. The information on the frequency, period, scope, method and content of TWSE/TPEX listed company's Board of Director self-evaluation (or peer assessment) shall be disclosed. State the status of the Company's Board evaluation in Schedule 1-1:

The Company has independently evaluated the Board of Director, some directors, the Audit Committee and the Remuneration Committee. Details of the evaluation results re shown in Schedule 1-1. They were presented to the Board of Director on February 25, 2025, and disclosed on the Company's website for investors' reference.

IV. Implementation and Assessment of measures to enhance functionality of the Board (e.g. the foundation of Audit Committee, enhancement of information transparency, etc.)

The Company's Board of Directors operates in accordance with applicable laws and regulations, the Articles of Incorporation, and resolutions of the shareholders' meeting. In 2024, the Company purchased directors' liability insurance for all board members, and reported the insurance status to the Board on August 12, 2024. Relevant information is disclosed in the investor relations section of the Company's website (<http://www.kingcore.com.tw>) for investors' reference. Furthermore, the Company has established an Audit Committee to replace the Supervisor system, in order to enhance corporate governance and strengthen the functional performance of the Board.

Note 1: If the directors and supervisors are corporations, the names of the corporate shareholders and the names of their representatives should be disclosed.

Note 2: (1) If any director/supervisor resigns prior to the end of the year, please specify the date of resignation in the Remarks section.

Actual attendance rate was calculated on the basis of the number of board meetings held during each director's/supervisor's term and the number of meetings actually attended by that director/supervisor.

(2) If any Directors or Supervisors were elected before the end of the year, the names of preceding and succeeding Directors and Supervisors shall be listed, and the date of election or reelection shall also be stated in the "Remarks" column. Actual attendance rate (%) was calculated on the basis of the number of board meetings held during each director's term and the number of meetings actually attended by that director.

## Attendance of Independent Directors in Each Board of Directors Meeting in 2024

✓ Attend in person; ◇ Attend: by proxy; ×: absent

Frequency Name	First	Second	Third	Fourth	Fifth	Sixth
Huang Hsu-Nan	✓	✓	✓	✓	✓	✓
Wang Chia-Ho(Note 1)	✓	✓	◇	Not applicable	Not applicable	Not applicable
Chang Shih-Chung(Note 2)	Not applicable.	Not applicable.	Not applicable.	✓	✓	✓
Chan Yun-Hao	✓	✓	✓	✓	✓	✓

Note 1: Independent Director Wang Chia-Ho stepped down on May 30, 2024.

Note 2: Chang Shih-Tsung was appointed as Independent Director on May 30, 2024.

(1-1) Review performed by the Board of Director:

Frequency of evaluation (Note 1)	Duration of evaluation (Note 2)	Range of evaluation (Note 3)	Methods of evaluation (Note 4)	Aspects to evaluate (Note 5)
Once every year	January 1, 2024 to December 31, 2024	Individual member of Board of Director	Self-evaluation by each director	The Company's objectives and tasks, directors' awareness of duties, level of participation in the Company's operations, internal relationship management and communication, directors' professional and continuous education, and internal control
		Board of Directors and Functional Committees (Remuneration Committee, Audit Committee, Sustainable Development Committee)	Board's Internal Self-Evaluation	(1) Performance appraisal of the Board: The Directors' level of participation in the Company's operations, quality improvement of the Board's decision-making, the composition and structure of the Board, the selection and continuous training of Directors, internal control. (2) Performance appraisal of functional committee: The committee members' level of participation in the Company's operations, the committee members' understanding in responsibilities, quality improvement of decision-making of the committee members, the composition of functional committees, the selection of members, and internal control, etc.

Note 1: Frequency of the Board evaluation. e.g., once a year.

Note 2: The period of board evaluation. e.g. the Board's performance from January 1, 2019 to December 31, 2019 is evaluated.

Note 3: The scope covers the evaluation on the performance of the Board, individual Board members and

Functional Committee members.

Note 4: Methods of evaluation include: Evaluation is conducted by board self-evaluation, member self-evaluation, peer evaluation, by external institutes, by professionals, or other appropriate methods.

Note 5: The evaluation shall cover at least the following items.

- (1) Performance evaluation of the Board: At least includes the Directors' level of participation in the Company's operations, the quality of the Board's decision-making, the composition and structure of the Board, the selection and continuous training of Directors, internal control, etc.
- (2) Performance evaluation of individual Directors: At least includes the Company's objectives and tasks, Directors' understanding in responsibilities, Directors' level of participation in the Company's operations, internal relationship management and communication, professional and continuous education of Directors, internal control, etc.
- (3) Performance evaluation of functional committee: The committee members' level of participation in the Company's operations, the committee members' understanding in responsibilities, the quality of decision-making of the committee members, the composition of functional committees, the selection of members, and internal control, etc.



(II) Operation of the Audit Committee or supervisors' participation of the Board operations:

1. Information on functionality of the Audit Committee:

The Company has built an Audit Committee, which is consisted of all Independent Directors. It is for assisting the Board of Director in supervising the quality and integrity of the Company's accounting, audit, financial reporting processes and financial control. Its powers are as follows:

- (1) Formulate or amend the internal control system, or procedures for acquiring or disposing of assets, or committing major financial business practices of derivative transactions, and evaluate effectiveness of internal control rules.
- (2) Matters involving directors' personal interests.
- (3) Material transactions on significant assets or derivative transactions.
- (4) Raise, issue or privately place negotiable securities with natures of equity.
- (5) Appoint, remove or remunerate certified public accountants; appoint and remove financial, accounting and internal audit officers.
- (6) Annual financial reports and quarterly financial reports.
- (7) Other issues deemed material by the Company or competent authorities.

※ Members of the Audit Committee are as follows:

Position	Professional Qualification	Professional qualifications and experience
	Name	
Independent Director (Convener)	Huang Hsu-Nan	With work experience in businesses, public and private universities with titles higher than lecturers. Current independent director of the Company, full-time professor of Ming Chuan University and director of SME Cultivation Center
Independent Director	Chang Shih-Chung	With experience in business work. Current independent director of the Company, Chairman of WELLPOOL CO., LTD.
Independent Director	Chan Yun-Hao	With background and work experience on businesses, accounting and financial expertise. Graduated from Missouri State University as a Master of Professional Accounting; current independent director of the Company, Chairman of TSE Technologies Corp. and former employee of the Listing Audit Department of Taipei Exchange.

Annual Work Highlights Summary:

※ Review of financial reports

The Board of Director has prepared the Company's 2024 Business Report, financial statements and earnings distribution proposal. Lin Cheng-Wei and Chen Kuo-Shuai, as CPAs of Ernst & Young, Taiwan, have audited the financial statements and issued an audit report. After reviewing, we believe that the aforementioned business report, financial statements, and earning distribution plan of the Company present fairly in all material matters.

※ Evaluation on effectiveness of the internal control system

The Company annually performs independent evaluation on effectiveness of design and evaluation of internal control rules, and prepares a statement of the internal control system in the given format, which shall be presented to the Board of Director for approval with the consent of

the Audit Committee.

※ Appointment of CPA

To ensure independence and competency of the attesting Certified Public Accountants ("CPAs"), the Company evaluates CPAs' independence, professionalism and competence according to Article 47 of the Certified Public Accountant Act and the Bulletin of Norms of Professional Ethics for Certified Public Accountants of the Republic of China No.10, and making reference to relevant information such as audit quality indicators (AQIs). It was approved by the 3<sup>rd</sup> meeting of the 3<sup>rd</sup> Audit Committee on February 25, 2025 and the 4<sup>th</sup> meeting of the 14<sup>th</sup> Board of Directors on February 25, 2025 upon review that Lin Cheng-Wei and Chen Kuo-Shuai, who are certified public accountants of Ernst & Young, Taiwan, conformed to the standard for independence and competency evaluation, and were qualified to act as certified financial and tax accountants of the Company.

A total of 5 (A) Audit Committee meetings (A) were held in the last year; independent directors' attendance records are summarized below:

Position	Name	Actual Attendance (B)	Proxy Attendance	Actual attendance rate (%) (B/A)(Note 1, Note 2)	Notes
Independent Director	Huang Hsu-Nan	5	0	100	Re-elected on May 25, 2024
Independent Director	Wang Chia-Ho	1	1	50	Stepped down following the re-election on May 30, 2024
Independent Director	Chang Shih-Chung	3	0	100	Newly appointed following the re-election on May 30, 2024
Independent Director	Chan Yun-Hao	5	0	100	Re-elected on May 25, 2024

Other mentionable items:

I. The Audit Committee meeting dates, sessions, proposal content, content of any objection, reservation or major suggestions expressed by independent directors, the results of the Audit Committee's resolutions, and the Company's actions in response to the Audit Committees' opinions shall be specified if any of the following has occurred.

(I) Matters that were referred to in Article 14-5 of the Securities Exchange Act.

10<sup>th</sup> meeting of the 2<sup>nd</sup> Audit Committee (February 19, 2024)

Agenda	Resolution of the Committee	The Company's responses to the opinion of the Audit Committee
The Company's 2023 "Statement of Internal Control System" 2023 proposal for issuing new shares as employee remuneration 2023 business report and financial statements 2023 earnings distribution proposal Appointment of Audit and Non-Audit Certified Public Accountants and Auditor's Independence Evaluation for FY2024	The proposal was approved by all directors present without objection.	The proposal was approved by all directors present without objection at the 11 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Director on February 19, 2024.

11<sup>th</sup> meeting of the 2<sup>nd</sup> Audit Committee (May 7, 2024)

Agenda	Resolution of the Committee	The Company's responses to the opinion of the Audit Committee
Determine matters on base date for issuing new shares for increasing employee remuneration	The proposal was approved by all directors present without objection.	The proposal was approved by all directors present without objection at the 13 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Director on May 7, 2024.

1<sup>st</sup> meeting of the 3<sup>rd</sup> Audit Committee (August 12, 2024)

Agenda	Resolution of the Committee	The Company's responses to the opinion of the Audit Committee
Consolidated financial report of Q2, 2024	The proposal was approved by all directors present without objection.	The proposal was approved by all directors present without objection at the 2 <sup>nd</sup> meeting of the 14 <sup>th</sup> Board of Director on August 12, 2024.

2<sup>nd</sup> meeting of the 3<sup>rd</sup> Audit Committee (November 11, 2024)

Agenda	Resolution of the Committee	The Company's responses to the opinion of the Audit Committee
Established the Company's sustainability information management framework	The proposal was approved by all directors present without objection.	The proposal was approved by all directors present without objection at the 3 <sup>rd</sup> meeting of the 14 <sup>th</sup> Board of Director on November 11, 2024.
FY2025 Audit Plan of the Company		

3<sup>rd</sup> meeting of the 3<sup>rd</sup> Audit Committee (February 25, 2025)

Agenda	Resolution of the Committee	The Company's responses to the opinion of the Audit Committee
The Company's 2024 "Statement of Internal Control System"	The proposal was approved by all directors present without objection.	The proposal was approved by all directors present without objection at the 4 <sup>th</sup> meeting of the 14 <sup>th</sup> Board of Director on February 25, 2025.
2024 proposal for issuing new shares as employee remuneration		
2024 business report and financial statements		
Defined the scope of junior		

employees and amended certain provisions of the Company’s “Internal Control System”			
2024 earnings distribution proposal			
Appointment of Audit and Non-Audit Certified Public Accountants and Auditor’s Independence Evaluation for FY2025			

(II) Other than the above-mentioned matters, the matters which have not been adopted by the audit committee but resolved with consent of over two-thirds of all members of the board of directors.

None.

II. Avoidance of involvements in interest-conflicting agendas by Independent Directors, including details such as the names of Independent Directors, the agenda, the nature of conflicting interests, and the voting process.

None.

III. The communication between independent directors and director of internal audit as well as the CPAs (aspects such as the company’s finance, significant matters, methods, and outcomes regarding business communication should be included).

(1) All audit officers attended meetings of the Board of Director of the Company. Before the meetings were convened, the independent directors and audit officers communicated with each other about their opinions regarding different matters. The independent directors properly communicated about the Company’s audit results.

(2) The audit reports prepared by the Audit Department of the Company for the Company and its subsidiaries were presented to all independent directors by the Board of Director, and no major abnormality was detected.

(3) Before the Board of Director reviews annual financial reports, certified public accountants would be first engaged to offer their audit results and their proposed audit opinions. Prior to the meetings, independent directors communicated about related matters.

Executive summary of communications among independent directors, internal audit officers and accountants in 2024:

Date	Attendants	Focused contents	Suggestions and results
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2024/2/19	Audit officers, independent directors, accountants	Performance of audit from October to December 2024. Accountants' communications with Corporate Governance Unit (accountants' discussions with independent directors)	No objection
2024/5/7	Audit officers, independent directors	Performance of audit from March 2024.	No objection
2024/8/12	Audit officers, independent directors, accountants	Performance of audit from April to June 2024. Accountants' communications with Corporate Governance Unit (accountants' discussions with independent directors)	No objection
2024/11/11	Audit officers, independent directors	Performance of audit from July to September 2024. Amendments to the Company's Internal Control System. FY2025 Audit Plan of the Company.	No objection

Note 1: Where any independent director resigned from duties before the end of the fiscal year, please specify the date of his/her discharge in the 'Remarks' section. His/her actual attendance rate (%) to the Audit Committee meeting shall be calculated on the basis of the number of meetings called by the Audit Committee and actual number of meetings he/she attended during his/her term of office.

Note 2: If there was an election of new independent directors before the end of the fiscal year, fill in the information on the former and the new independent directors and specify if the independent directors were discharged, newly elected or re-elected, and the date of the election. Actual attendance rate (%) was calculated on the basis of the number of meetings held by the audit committee during each independent director's term and the number of meetings actually attended by that independent director.

- Supervisors' participation in the operation of the Board of Director: The Company has established an Audit Committee to replace the supervisors, so this is not applicable.

(III) Status of corporate governance, and deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
I. Does the Company base on the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” to set up and disclose the Company’s corporate governance best-practice principles?	✓		To formulate desirable corporate governance rules, the Board of Director has formulated the Corporate Governance Best-Practice Principles, which have been disclosed in the special investor section of the Company’s website.	Conformance
II. Shareholding structure & shareholders’ right				
(I) Does the Company have internal operating procedures in place to deal with shareholder recommendations, doubts, disputes and litigation matters according to the procedures?	✓		(I) The Company has defined its rules of procedure for shareholders’ meeting, and also established the spokesman and deputy spokesman systems as required. The Company appointed dedicated personnel to deal with the investors relation and issues related to shareholders. Handling of relationships with investors may be viewed in the special investor section of the Company’s website.	Conformance
(II) Does the Company have a list of the major shareholders who actually control the Company, and the ultimate controllers of the major shareholders?	✓		(II) The Company appoints its service agent to regularly update its shareholders’ register and register of main shareholders, to fully list its final equity controllers.	Conformance
(III) Has the Company established and implemented the risk management, control and prevention mechanisms for affiliated companies?	✓		(III) All financial matters of the Company and its affiliates are independent. The Company has formulated operating standards for the parent company’s relationship management, Internal Control System and Internal Audit System.	Conformance
(IV) Has the Company established internal regulations that prohibit insiders from using unpublished information in the market to buy and sell securities?	✓		(IV) The Company has formulated Rules, Procedures and Best Practices for Honest Operations, Procedures for Prevention of Insider Trading, to specify that related internal personnel shall observe pertinent laws, regulations and internal procedures. Such personnel shall not utilize known non-public information for insider trading, or disclose such information to others, to prevent others from employing such non-public information for insider trading.	Conformance
III. Composition and Responsibilities of the Board of Directors				
(I) Has the Board of Director formulated a diversity policy and specific management objectives in respect of its members, and implemented them?	✓		(I) Board of Director of the Company are elected according to equal, impartial and open election procedures. They are elected among candidates with appropriate background, industry or related know-how and experience. The candidates with diverse backgrounds who can bring forth diversified opinions are actively considered, in order that the directors can be kept within an appropriate range and balance in terms of skills, experience, knowledge and characters. Members of the Board of Director shall generally demonstrate knowledge, skills and literacy necessary for performing their duties in their positions. To achieve the desired target for corporate governance, the Board of Director collectively shall be equipped with the following capabilities: I. The ability to make judgments about operations.	Conformance

Evaluation Item	Implementation Status		Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	
			<p>II. Accounting and financial analysis ability.</p> <p>III. Business management ability.</p> <p>IV. Crisis management ability.</p> <p>V. Knowledge of the industry.</p> <p>VI. An international market perspective.</p> <p>VII. Leadership skills.</p> <p>VIII. Decision-making ability.</p> <p>As to diversity of members of the Board of Director, the Company's business architecture, business development trend, future development trend and requirements shall be taken into account. The Company shall also evaluate all diverse orientations, set an objective that directors who currently serve as corporate officers shall not exceed one third of the total number of the Board members, and formulate appropriate diversity policies with respect to the Company's operation status and needs for future business development, including but not limited to standards for basic components, professional experience, professional knowledge and skills.</p> <p>The 14th Board of Director of the Company has 9 members, all of whom are Taiwanese. Its components and ratios are as follows: Directors who are employees, females and independent directors account for 11.11%, 11.11% and 33.33% respectively. In terms of age, there is 2 director ranging from 71 to 80 years old, 5 directors who are 61 to 70 years old, and 2 directors whose age ranges between 51 and 60. Diversity of the Company's members is reflected from the following aspects: (1) All directors master professional abilities in business judgment, operations management, crisis management, industry knowledge, international markets and leadership decision-making. (2) eight directors with financial backgrounds: Yang Cheng-Li, Chuang Yung-Shun, Kuo Kun-Chang, Hsieh Yu-Tien, Shyu Lih-Hwa, Huang Hsu-Nan, Chang Shih-Chung and Chan Yun-Hao. (3) Directors concurrently serving as company officers shall not exceed one-third of the total number of the Board members. The Company emphasizes diversity of the Board members, where an appropriate balance is maintained in skills, experience, knowledge and character. In addition, it attaches importance to gender equality among its Board members, among whom, there shall be at least 1 female director. So far, such appointment has been completed. To sum up, members of the Company's Board of Director shall be diverse. In addition, for details on diversity of members of the Board of Director, refer to Schedule 2, and related details are also disclosed on the Company's website.</p>
(II) Has the Company voluntarily set up other functional committees other than the Remuneration Committee and the Audit Committee according to law?		✓	
(III) Does the Company formulate the Board's performance assessment and evaluation method, conduct performance evaluation annually and regularly, and report the results of the performance evaluation to the board of directors, and apply it to individual directors' remuneration and nomination renewal?	✓		



Evaluation Item	Implementation Status		Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	
(IV) Does the Company regularly evaluate independence of Certified Public Accountants (CPAs)?	✓		<p>(II) In addition to the legally required Audit Committee and Remuneration Committee, the Company has also established a Sustainable Development Committee, as approved by the Board. This committee is responsible for promoting sustainability objectives, including environmental protection, social responsibility, ethical business practices, and corporate governance, in alignment with the Company's commitment to sustainable operations.</p> <p>(III) The Company has formulated performance appraisal measures for the Board of Director, which have been approved by the Board of Director on 2024. Performance appraisal was performed on the Board of Director, and presented to the Board of Director on February 25, 2025. Apart from evaluating overall operating conditions of the Board of Director, the Company also independently evaluated its directors and functional committees. For the evaluation results, please refer to Schedule 1-1 "Governance and Operating Conditions of the Company" in Section 4 of the annual report, which has been also revealed in the website of the Company.</p> <p>Overall evaluation results of the Company are desirable. Performances of the members of the Board of Director, operations of the Board of Director and functional committees have been fully in line with the Company's needs. In addition, performance appraisal results of the Company are used as references in determining remuneration of, nominating and re-appointing some directors. This is useful for effectively promoting the Company's sustainable operations, performance of social responsibilities, risk management and long-term strategic development. Besides, spirit on corporate governance is practised.</p> <p>(IV) Once a year, the Finance Department of the Company conducts its own assessment of the independence and suitability of the attesting CPAs and submits the assessment results to the Audit Committee for approval and to the Board of Directors for resolution. In accordance with Article 47 of the Certified Public Accountant Act and the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No.10, the Company has established the evaluation items (see Schedule 1) and obtained the Audit Quality Indicators (AQIs) report issued by the auditing firm, which covers 5 major components and 13 major indicators, including profession, quality control, independence, monitoring and innovation (see Schedule 3), to assess the audit quality of the firm as a whole and the competency of the attesting audit team. We hereby confirm that for FY2024, the attesting CPAs Lin Cheng-Wei and Chen Kuo-Shuai of Ernst &amp; Young, Taiwan, had no other financial interest or business relationship apart from</p>

Evaluation Item	Implementation Status		Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	
IV. Is the TWSE / TPEX listed company equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance director responsible for corporate governance related matters (including but not limited to providing information needed by directors and supervisors to carry out business, assisting directors and supervisors to comply with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders' meeting in accordance with the law, and producing minutes of board meetings and shareholders' meetings)?	✓		<p>certification and taxation fees. Both CPAs meet the Company's standards for independence and suitability to serve as the Company's attesting CPAs, and any rotation of the Company's CPAs is subject to relevant regulations.</p> <p>To protect shareholders' rights/interests and enhance functions of the Board of Director, the Board of Directors resolved on February 20, 2023, to appoint Yeh Mei-Ling, the Chief Financial Officer, as the Head of Corporate Governance. Yeh shall be responsible for handling matters related to the Board of Directors and shareholders' meetings in accordance with the law, preparing minutes of the Board of Directors and shareholders' meetings, providing information necessary for directors to perform their duties and assisting directors in complying with laws and regulations, assisting directors in their appointment and continuing education, etc., in order to implement corporate governance rules and protect shareholders as utmost objectives, effectively drive sustainable operations of the Company, and maximize shareholders' interests.</p> <p>Matters on corporate governance were handled as follows:</p> <ol style="list-style-type: none"> <li>1. Assisted members of the Board of Director in arranging refresher courses and buying appropriate liability insurances for directors and supervisors.</li> <li>2. Evaluated the Board of Director, some directors and functional committees according to the Company's Performance Appraisal Measures for the Board of Director.</li> <li>3. Lawfully handled matters about the Board meetings, kept minutes of such meetings or completed change registration regarding directors' re-election.</li> <li>4. Drafted agendas of Board meetings and notified the directors seven days prior to the meetings, convened meetings and provided documents for the meetings. If directors' recusal is required for the avoidance of conflicts of interest, the directors would be informed of such matters prior to the meetings. The minutes of the Board meetings should be completed within 20 days after the meetings.</li> <li>5. Irregularly assisted accountants, independent directors and audit officers in communicating related matters. The communications were smooth and desirable. The Company also announced the communication results on its website for investors' query and reference.</li> <li>6. Regularly informed members of the Board of Director of laws and regulations about the Company's businesses and governance published by competent authorities.</li> <li>7. The Board of Directors has been duly updated regarding the qualifications of independent directors at the time of their nomination, election, and throughout their tenure.</li> </ol>

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons												
	Yes	No	Summary description													
			Status of learning and training activities in 2024:													
			<table><tr><th>Training date</th><th>Organizers</th><th>Title of the course</th><th>training hours</th></tr><tr><td>2024.05.30 2024.05.31</td><td>Securities &amp; Futures Institute</td><td>Workshop on Sustainability Disclosure in Practice</td><td>9</td></tr><tr><td>2024.11.19</td><td>Securities &amp; Futures Institute</td><td>Sustainable Development Committee and Chief Sustainability Officer Forum</td><td>3</td></tr></table>	Training date	Organizers	Title of the course	training hours	2024.05.30 2024.05.31	Securities & Futures Institute	Workshop on Sustainability Disclosure in Practice	9	2024.11.19	Securities & Futures Institute	Sustainable Development Committee and Chief Sustainability Officer Forum	3	
Training date	Organizers	Title of the course	training hours													
2024.05.30 2024.05.31	Securities & Futures Institute	Workshop on Sustainability Disclosure in Practice	9													
2024.11.19	Securities & Futures Institute	Sustainable Development Committee and Chief Sustainability Officer Forum	3													
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a special column for stakeholders on the Company’s website, and respond appropriately to important corporate social responsibility issues of concern to stakeholders?	✓		<p>(I) Relationships with investors: In addition to the operational or financial information of the Company announced on MOPS in accordance with laws and regulations, the Company has set special investor and stakeholder sections to disclose information and maintain relationships with investors, and increase information transparency of the Company. In addition, a special investor section is set in the Company’s website to announce information regarding the Company’s governance, financial affairs and business operations as reference.</p> <p>(II) Execution of policies for protecting consumers or customers: The Company actively collects customer responses, analyzes and studies customer requirements. It upgrades service quality, puts forward appropriate solutions, and includes customer satisfaction in ISO for enhancing management, improving efficiency and controlling quality. It also synchronously establishes an audit tracking mechanism.</p> <p>(III) Relationships with suppliers: Continuously promote green procurement, require suppliers of raw materials to provide test reports, ensure that products contain no prohibited substances harmful to environment, and ensure that products comply with the EU’s Restriction of Hazardous Substances (RoHS). Implement concepts and environmental protection and embark on green production, to jointly create perpetual business opportunities.</p> <p>(IV) Employee rights and interests: The Company undertakes to create safe and healthy work environment for employees. It annually and regularly carries out activities on all employees’ health check and promotion, to protect all employees’ health and wellbeing. It also engages resident physicians to analyze health reports, provides information on health education, and assists with operations on maternity</p>	Conformance												

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
			protection, evaluation on hazards of violence and risks, hazards of human factors and abnormal load, etc. The Company also acts according to the Labor Standards Act. Concerning measures for employee benefits, and rules on refresher training and retirement, please refer to the section on labor relations in Chapter Five (Business Overview). (V) Communications with stakeholders: The Company has disclosed its stakeholders' phone numbers and email addresses on its website. It has developed channels for communicating with and methods for responding to its employees, shareholders and other stakeholders, to safeguard related rights of its stakeholders. The communications were reported to the Board of Director on February 25, 2025.	
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed the Taishin Securities stock transfer agency department to handle matters on shareholders' meetings.	Conformance
VII. Information disclosure				
(I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(I) The Company has created a website to regularly update information on its latest financial businesses and governance.	Conformance
(II) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		(II) The Company formulates its spokesperson rules as specified. It regularly and irregularly declares its financial and business information on MOPS. It regularly discloses the latest news on its website ( <a href="http://www.kingcore.com.tw">http://www.kingcore.com.tw</a> ).	Conformance
(III) Does the company complete and publicize the annual financial statement within 2 months after the fiscal year ends, then publicize and register the financial statements of the first, second, and third quarters as well as the operation report of each month?	✓		(III) The Company announced and declared its annual financial reports within 2 months after the fiscal year ended. It publicized and registered the financial statements of Q1, Q2 and Q3 as well as operations of the Company in each month.	Conformance
VIII. Is there any other information to facilitate a better understanding of the company's corporate governance practices (e.g. including but not limited to employee rights employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)	✓		(I) Environmental protection The Company sets definite objectives on environmental protection and energy conservation. It formulates measures for environmental management, makes constant improvements and sets management objectives. The Company is expected to attain goals of environment-friendliness such as low pollution, small energy consumption and easy recycling in the course of product development, production, utilization and abandonment. 1. Objectives of carbon emission reduction: Investigate and set greenhouse gas emission baseline according to ISO14064. It sets and announces carbon emission objectives of each year. To continuously promote its emission plans, 2023 was taken as the base year, and every four years are reckoned as a planning period. The objective of reducing carbon emissions by	Conformance

Evaluation Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons												
	Yes	No													
	Summary description														
		<p>1% per unit of revenue by 2027.</p> <p>2. Waste reduction: With the goal of sustainable resource utilization, the Company continuously promotes its measures for waste reduction and recycling for the purpose of waste utilization. The Company plans to reduce its wastes by 3% (with 2023 as base year) per unit of products in 2027.</p> <p>3. Conservation of water resources: Extreme climate affects water resources. In addition to regularly reviewing consumption of water resources, efforts shall be also made to fully save water from daily lives. In addition, wastewater system shall be imported into the recycling system. Circulating water is used as process water, and water resources available are utilized to bring their benefits into play to a greater extent. Water consumption is planned to be reduced by 0.5% in 2027 (with 2023 as base year).</p> <p>4. Responses to climatic changes: Climatic changes are global issues. Climatic disasters (e.g. windstorm disaster, flood) result in decrease or interruption of production capacity. Hence, the Company actively creates green supply chains and promotes production of green products in response to climatic changes. In addition, it annually performs greenhouse gas inventories and sets objectives of carbon emission reduction. It also fosters capacity for responding to disasters, to avoid impacts of climatic changes upon business operations of the Company.</p> <p>(II) Product perspective</p> <p>1. The Company annually and regularly examines suppliers at random. In 2024, it randomly evaluated 10 manufacturers cooperating with it.</p> <p>2. The Company has been certified by ISO9001, ISO14001, TS16949 and QC08000.</p> <p>3. As of the end of 2024, a total number of 70 suppliers had been certified by ISO9001, and 37 suppliers had been certified by ISO14001.</p> <p>(III) Social care</p> <p>The Company makes active responses to greening, beautification, charity sale, invitation of physically disabled street artists for performance in the Company’s premise, and charity concertsor , etc., to make certain contributions to social care.</p> <p>(IV) Directors’ continuing education in 2024:</p> <table><tr><th>Position</th><th>Name</th><th>Training date</th><th>Organizers</th><th>Title of the course</th><th>training hours</th></tr><tr><td>Director</td><td>Yang Cheng-Li</td><td>2024.05.14</td><td>Accounting Research and Development</td><td>How the Board Ensures</td><td>3</td></tr></table>	Position	Name	Training date	Organizers	Title of the course	training hours	Director	Yang Cheng-Li	2024.05.14	Accounting Research and Development	How the Board Ensures	3	
Position	Name	Training date	Organizers	Title of the course	training hours										
Director	Yang Cheng-Li	2024.05.14	Accounting Research and Development	How the Board Ensures	3										

Evaluation Item	Implementation Status					Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary description			
				Foundation	Corporate Sustainability – From Talent Discovery to Development	
	Director		Yang Cheng-Li	Taiwan Governance Association	Corporate Sustainability and Resilience Management	3
	Director		Chuang Yung-Shun	Greater Financial Economic Development Association	China and Strategic Management in the Digital Era	3
	Director		Chuang Yung-Shun	Taiwan Governance Association	2030/2050 Net Zero Emissions – Global Challenges and Opportunities for Enterprises	3
	Director		Kuo Kun-Chang	Taiwan Stock Exchange	CDP Taiwan – Launch Building a New Carbon Era through Sustainability Competence	3
	Director		Kuo Kun-Chang	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
	Director		Kuo Kun-Chang	Taiwan Stock Exchange	Building a New Carbon Era through Sustainability Competence	6
	Director		Hsieh Yu-Tien	Taiwan Governance Association	Enhancing Corporate Governance through Penalty Case Studies – Food Safety and Environmental	3

Evaluation Item	Implementation Status						Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Summary description					
						Health Safety		
	Director	Hsieh Yu-Tien	2024.09.27	Taiwan Corporate Governance Association	Designing Governance and Management Systems to Eliminate Succession Barriers in Business Sustainable Development	3		
	Director	Hsieh Yu-Tien	2024.09.27	Taiwan Corporate Governance Association	Corporate M&A Strategy and Planning	3		
	Representative of corporate director	Shyu Lih-Hwa	2024.08.08	Taiwan Corporate Governance Association	Corporate Sustainability and Resilience Management	3		
	Representative of corporate director	Shyu Lih-Hwa	2024.11.01	Taiwan Corporate Governance Association	Practical Performance Evaluation for ESG and Risk Management	3		
	Representative of corporate director	Tsai Yuh-Chiang	2024.06.18	Taiwan Stock Exchange	CDP SME Questionnaire Advocacy Course	6		
	Independent Director	Huang Hsu-Nan	2024.05.23	Securities & Futures Institute	Carbon Exchange: Functions and Outlook	3		
	Independent Director	Huang Hsu-Nan	2024.06.03	Securities & Futures Institute	Institutional Investors' Perspectives Forum	3		
	Independent Director	Huang Hsu-Nan	2024.12.19	Taiwan Institute of Directors	Global Industry Deployment and Strategic Responses	3		
	Independent Director	Chan Yun-Hao	2024.06.06	Taiwan Stock Exchange	GHG Protocol Corporate Standard and Scope 3 Standard	7		

Evaluation Item	Implementation Status					Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary description			



Schedule 1: Evaluation Standard for Accountants' Independence

Evaluation Item	Whether the independence requirement is met.
1. Replacement has been always performed every seven years as of the latest certification.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. No material financial interests with the principals	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Avoid establishing any inappropriate relationships with the principals.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4. The accountants shall enable their assistants to be honest, impartial and independent.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5. The accountants shall not audit and certify financial statements of their employers in the first two years of their employment.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6. The accountants' names must not be used by others.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7. Hold no share of the Company or its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8. Lend no money from the Company or its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9. Neither make joint investments nor share benefits with the Company or its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
10. Not regularly employed or paid fixed remuneration by the Company or its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
11. Not involved in management functions related to decision-making of the Company or its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
12. Conduct no other businesses which might cause their loss of independence.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
13. Have no spousal, direct blood tie or blood tie within the second degree of kinship with the Company's management.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
14. Receive no business-related commissions.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
15. Up till now, have never been punished or done anything prejudicial to independence principles.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Schedule 2: Diversification of the Board of Director

Diversity of Items Name of Directors	Gender	Age	Judgments about operations	Financial Accounting	Management	Crisis handling	Industry knowledge	International market	Leadership decisions
Yang Cheng-Li	M	61-70 years	✓	✓	✓	✓	✓	✓	✓
Chuang Yung-Shun	M	71-80 years	✓	✓	✓	✓	✓	✓	✓
Kuo Kun-Chang	M	61-70 years	✓	✓	✓	✓	✓	✓	✓
Hsieh Yu-Tien	M	71-80 years	✓	✓	✓	✓	✓	✓	✓
Representative of SHENG BAO INVESTMENT CORP.: Shyu Lih-Hwa	Female	61-70 years	✓	✓	✓	✓	✓	✓	✓
Representative of SHENG BAO INVESTMENT CORP.: Tsai Yuh-Chiang	M	51-60 years	✓		✓	✓	✓	✓	✓
Chang Shih-Chung	M	61-70 years	✓	✓	✓	✓		✓	✓
Huang Hsu-Nan	M	61-70 years	✓	✓	✓	✓	✓	✓	✓
Chan Yun-Hao	M	51-60 years	✓	✓	✓	✓	✓	✓	✓

Schedule 3: AQIs Disclosure Framework - 5 major dimensions, 13 indicators

Scopes	Indicators	Indicator Implications
Professionalism	Auditing Experience	Whether auditors have sufficient audit experience to perform the audit.
	Training Hours	Whether auditors have received adequate education and training to acquire professional knowledge and skills.
	Attrition Rate	Whether the firm maintains sufficient human resources
	Professional Support	Whether the firm is equipped with sufficient experts, including CAAT specialists and financial appraisers.
Quality Control	Workload	Whether partners are loaded with excessive engagements or work overtime.
	Involvement	Whether the involvement of audit team in each audit phase is appropriate.
	Engagement Quality Control Review (EQCR)	Whether EQC reviewers spend sufficient time on engagement.
	Quality Supporting Capacity	Whether the firm has sufficient quality control resources, including risk, management, and audit professional consultants, to support the audit team.
Independence	Percentage of Non Audit Services (NAS)	Whether the proportion of non audit services provided by the firm to individual clients affects independence.
	Familiarity	Whether audit firm tenure affects the firm's independence.
Monitoring	External Inspection Results & Enforcement	Whether the firm's quality control and audit engagement are performed in accordance with the relevant laws and regulations and standards.
	Number of Official Improvement Letters Issued by Competent Authority	
Creativity	Innovative Planning or Initiatives	The firm's commitment to improving audit quality, including the adoption or planning of programs or investments related to the improvement of audit quality.

(IV) Composition, responsibilities, and functionality of the Remuneration Committee:

1. Information Regarding Remuneration Committee members:

April 15, 2025

Position (Note 1)	Conditions Name	Professional qualifications and experience (Note 2)	Independence Status (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent Director (Convener)	Huang Hsu-Nan	With work experience in businesses, public and private universities with titles higher than lecturers. Current independent director of the Company, full-time professor of Ming Chuan University and director of SME Cultivation Center	Independence of an independent director shall be stated, which includes but is not limited to stating that the independent director, his spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the Company or any of its affiliates; he or she doesn't hold shares of the Company; he or she is not a director, supervisor or employee of any other company which has certain relationships with the Company; amount of compensation received for not being a professional individual who has provided commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.	3

Independent Director	Chang Shih-Chung	With experience in business work. Current independent director of the Company, Chairman of WELLPOOL CO., LTD.	Independence of an independent director shall be stated, which includes but is not limited to stating that the independent director, his spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the Company or any of its affiliates; he or she doesn't hold shares of the Company; he or she is not a director, supervisor or employee of any other company which has certain relationships with the Company; amount of compensation received for not being a professional individual who has provided commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.	0
Independent Director	Chan Yun-Hao	With background and work experience on businesses, accounting and financial expertise. Graduated from Missouri State University as a Master of Professional Accounting; current independent director of the Company, Chairman of TSE Technologies Corp. and former employee of the Listing Audit Department of Taipei Exchange.	As independent directors, who comply with corresponding independence requirements, including but not limited to the independent director, his spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the Company or any of its affiliates; he or she doesn't hold shares of the Company; he or she is not a director, supervisor or employee of any other company which has certain relationships with the Company; amount of compensation received for being a professional individual who has provided commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years is in line with pertinent rules.	0

Note 1: Please indicate seniority, professional qualification, experience and independence of the members of the Remuneration Committee.  
For what to be indicated in respect of Independent Directors, refer to Directors and Supervisors' information in Schedule 1-1 on Page 00. Please indicate independent directors or others in the identity column (For any member who is a convener, related extra remark

shall be made).

Note 2: Professional qualification and experience: Indicate professional qualification and experience of certain members of the Remuneration Committee.

Note 3: Conformity with independence requirements: Indicate that all members of the Remuneration Committee comply with independence requirements, including but not limited to whether the independent director, his spouse, or relative within the second degree of kinship is a director, supervisor, or employee of the Company or any of its affiliates; the number and percentage of the Company's shares held by the independent director, his or her spouse, relative within second degree of kinship (or held under others' names); whether he or she is a director, supervisor, or employee of a specified company or institution that has a relationship with the Company (referring to Subparagraphs 5-8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); amount of compensation received for being a professional individual who has provided commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the past 2 years.

## 2. Remuneration Committee's duties:

The Remuneration Committee is responsible for assisting the Board of Director in implementing and evaluating general remuneration policies of the Company as well as remuneration for directors and managerial personnel.

Powers of the Remuneration Committee include:

- (1) Regularly stipulating and reviewing the compensation policies, systems, standards and structures, and performance of directors and managerial personnel.
- (2) Regularly reviewing and adjusting directors' and managerial personnel's remuneration.
- (3) Handle other matters resolved by the Board of Director.

## 3. Information on functionality of the Remuneration Committee:

- (1) There are three members in the Remuneration Committee of the Company.
- (2) Term of service: From June 7, 2024 to May 29, 2027. The Remuneration Committee held 3 meetings (A) in the last year; details of members' eligibility and attendance are as follows:

Position	Name	Actual attendance (B)	Proxy Attendance	Actual attendance rate (%) (B/A)(Note)	Notes
Convener	Huang Hsu-Nan	3	0	100	Re-elected on May 30, 2024 and further appointed by the Board of Director on June 7, 2024
Member	Wang Chia-Ho	1	0	100	Stepped down following the re-election on May 30, 2024
Member	Chang Shih-Chung	2	0	100	Following the re-election on May 30, 2024, the newly appointed Board of Directors convened on June 7, 2024.
Member	Chan Yun-Hao	3	0	100	Re-elected on May 30, 2024 and further appointed by the Board of Director on June 7, 2024

### Other mentionable items:

- I. If the Board of Directors does not adopt or amend the remuneration committee's suggestions, please specify the meeting date, term, contents of motion, resolution of the Board of Directors, and the company's handling of the remuneration committee's opinions: None.
- II. If there were resolutions of the remuneration committee to which members objected or expressed reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified: None.

Note 1: Where a committee member may be relieved from duties before the end of the fiscal year, please specify the date of his/her discharge in the 'Remarks' Section. His/her actual attendance rate (%) to the committee meeting shall be calculated on the basis of the number of meetings called and actual number of meetings he/she attended, during his/her term of office.

Note 2: If there was an election of new members for the Remuneration Committee before the end of the fiscal year, fill in the information on the former and the new members, and specify if the members are newly elected to office or reelected for a second term of office, and the date of election. His/her actual attendance rate (%) to the committee meeting shall be calculated on the basis of the number of meetings called and actual number of meetings he/she attended, during his/her term of office.

4. Discussions and resolutions of the Remuneration Committee in the last year:

6<sup>th</sup> meeting of the 5<sup>th</sup> Remuneration Committee (February 19, 2024)

Agenda	Resolutions of the Remuneration Committee	The Company's handling of the Remuneration Committee members' opinion
2023 proposal for paying remuneration to directors and managerial personnel in 2022	The proposal was approved by all committee members present at the meeting and presented to the Board of Director	The proposal was approved by all directors present without objection at the 11 <sup>th</sup> meeting of the 13 <sup>th</sup> Board of Director on February 19, 2024.

1<sup>st</sup> meeting of the 6<sup>th</sup> Remuneration Committee (August 12, 2024)

Agenda	Resolutions of the Remuneration Committee	The Company's handling of the Remuneration Committee members' opinion
2024 proposal for mid-year evaluation, adjustment and payment of managerial personnel's remuneration in cash	The proposal was approved by all committee members present at the meeting and presented to the Board of Director	The proposal was approved by all directors present without objection at the 2 <sup>nd</sup> meeting of the 14 <sup>th</sup> Board of Director on August 12, 2024.

2<sup>nd</sup> meeting of the 6<sup>th</sup> Remuneration Committee (February 25, 2025)

Agenda	Resolutions of the Remuneration Committee	The Company's handling of the Remuneration Committee members' opinion
2024 proposal for paying remuneration to directors and managerial personnel in 2023	The proposal was approved by all committee members present at the meeting and presented to the Board of Director	The proposal was approved by all directors present without objection at the 4 <sup>th</sup> meeting of the 14 <sup>th</sup> Board of Director on February 25, 2025.
A policy was established to link the remuneration of senior management to ESG-related performance evaluations.	The proposal was approved unanimously by all attending committee members without objection.	The resolution was published on the Company's website and implemented accordingly.

(V) Implementation status of the Sustainable Development and the deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and its reasons:

Status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
Evaluation Item	Yes	No	
I. Does the Company establish a governance structure to promote sustainable development, and set up a designated full-time (or part-time) unit to promote Sustainable Development, and the Board of Directors authorizes senior management to handle this and the Board of Directors supervises the situation? (The publicly listed company should report the implementation status, not the compliance or explanation. )	✓		The Company has established a Sustainable Development Committee under the Board of Directors, chaired by the Chairman. A “Sustainable Development Task Force” has been formed under this committee, responsible for promoting corporate sustainability policies, systems, related management guidelines, and concrete implementation plans according to their respective functions. The Committee also designates the General Manager to report to the Board of Directors at least once a year on the progress and future plans of sustainability efforts. In 2024, one meeting was convened. The report covered: (1) Identification of key sustainability issues and the formulation of corresponding action plans; (2) Review and update of targets and policies related to sustainability topics; (3) Supervision of the implementation of sustainability initiatives and evaluation of their performance. The Company’s Board of Directors receives regular annual reports on related matters. The management unit must propose sustainability-related strategies to the Board of Directors. The Board continuously reviews the progress of these strategies and urges management to make adjustments when necessary.
II. Does the Company follow the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies? (Note 2) (The publicly listed company should report the implementation status, not the compliance or explanation. )	✓		<p>The Board of Director shall be responsible for risks of the Company, and risk management shall be performed by the department heads and the Audit Office. The General Manager’s Office shall conduct risk evaluation prior to implementation of operations strategies, in order that corporate strategies can realize related operational objectives. In case of material risk management, a report must be immediately made to department heads, the Audit Office, the General Manager, the Chairman and independent directors. Besides, a report shall be prepared for review, and a Board meeting shall be immediately convened. In the future, the Company will formulate risk management policies and procedures dependent upon situation, so as to establish a complete and effective risk management mechanism.</p> <p>In addition, the Company conducts risk evaluation regarding important topics based on significance of corporate social responsibilities. The risk evaluation hereunder covers performance in sustainable development of main strongholds (including important subsidiaries in Mainland China) in 2024. By consolidating related information of departments and subsidiaries, related risk management policies or strategies are formulated as follows based on risks existing after evaluation:</p>
			Conformance



Evaluation Item	Status (Note 1)		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof											
	Yes	No												
	Summary description (Note 2)													
			<table><tr><th>Major issue</th><th>Risk evaluation item</th><th>Risk management policy</th></tr><tr><td rowspan="3">Environmental</td><td>Environmental protection and workplace safety</td><td>1. The Company's environmental quality management is performed based on RoHS, SONYSS-00259 and REACH 73. It has been certified by the ISO14001 environmental management system. 2. The Company annually and regularly performs public safety inspection, training programs on labor safety, in order to create safe and healthy work environment. 3. In 2025, the Company's Pingzhen Plant in Taiwan successfully completed ISO 45001 Occupational Health and Safety Management System certification.</td></tr><tr><td></td><td>The Company has established the "Procedures for Ethical Management and Guidelines for Conduct," approved by the Board of Directors. The Procedures clearly define the Company's integrity management policy. The Sustainable Development Task Force has been established under the Sustainable Development Committee, and is responsible for formulating and supervising the implementation of integrity management policies and prevention programs. The task force submits a report to the Board at least once a year.</td></tr><tr><td>Social</td><td>Honest operations</td><td></td></tr></table>	Major issue	Risk evaluation item	Risk management policy	Environmental	Environmental protection and workplace safety	1. The Company's environmental quality management is performed based on RoHS, SONYSS-00259 and REACH 73. It has been certified by the ISO14001 environmental management system. 2. The Company annually and regularly performs public safety inspection, training programs on labor safety, in order to create safe and healthy work environment. 3. In 2025, the Company's Pingzhen Plant in Taiwan successfully completed ISO 45001 Occupational Health and Safety Management System certification.		The Company has established the "Procedures for Ethical Management and Guidelines for Conduct," approved by the Board of Directors. The Procedures clearly define the Company's integrity management policy. The Sustainable Development Task Force has been established under the Sustainable Development Committee, and is responsible for formulating and supervising the implementation of integrity management policies and prevention programs. The task force submits a report to the Board at least once a year.	Social	Honest operations	
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		(1) The Company is a professional manufacturer of ferrite cores and multilayer chip inductors/beads for EMI suppression. Its environmental quality management follows the directives of the "Environmental-Related Substance Management Program for Materials," including RoHS, SONY SS-00259, and REACH (73 substances). The Company's Pingzhen Plant in Taiwan has obtained ISO 14001 Environmental Management System certification (valid from March 2024 to March 2027). Throughout all operational processes—from raw materials and manufacturing to products and services—the Company is committed to reducing hazardous chemical substances,												
III. Environmental Issues			Conformance											
(1) Has the Company established an appropriate environmental management system based on its industry characteristics?	✓													

Evaluation Item	Status (Note 1)		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof										
	Yes	No											
			Summary description (Note 2)										
			fostering an environment conducive to sustainable operations, and delivering products and services that meet customer satisfaction.										
(II) Does the Company endeavor to upgrade the efficient use of available resources, and the use of environmental-friendly materials?	✓		<p>(II) The Company has been certified by the management system for QC08000 hazardous substances. It is also dedicated to increasing value of residues remaining in its production processes. It appropriately and separately stores wastes, and entrusts a waste treatment organization recognized by the Environmental Protection Department to clear the wastes. Internally, the Company classifies wastes and recycles resources. It continuously promotes measures for reducing, recycling and reusing wastes, for the purpose of decreasing wastes.</p> <p>The Company also supports green energy initiatives and has installed a 417.6 kW solar photovoltaic power system on the rooftop of its Pingzhen Plant in Taoyuan. The installation was completed at the end of 2016, and since 2017, the generated solar power has been sold to Taiwan Power Company under a feed-in tariff scheme. As of 2024, the cumulative power generation has reached 3,704,139 kWh, reducing carbon dioxide emissions by 1,945,760 kgCO<sub>2</sub>e and generating revenue of NT\$20.42 million from solar energy.</p>										
(III) Does the company evaluate the present and future potential risks and chances at that climate change brought on the company and take measures accordingly?	✓		<p>(III) The Company actively creates green supply chains and promotes production of green products in response to climatic changes. It sets objections on carbon emission reduction and fosters its abilities to respond and prevent disasters, to protect its business operations against climatic changes.</p> <p>A list of the Company's risks related to climatic changes is prepared as follows:</p> <table border="1"> <thead> <tr> <th>Item</th><th>Orientation</th><th>Impact description</th><th>Responding measures</th></tr> </thead> <tbody> <tr> <td rowspan="2">Climate-related risks</td><td rowspan="2">Increase in energy prices</td><td>Owing to requirements for decreasing greenhouse gases, the Company faces pressure in energy prices and improvement of equipment effectiveness. As a result, cost of energy utilization increases.</td><td>(1) Set annual measures for saving electricity (2) Promote measures for saving energy and reducing carbon emissions</td></tr> <tr> <td>Increase operating/manufacturing</td><td>(1) Enhance awareness, education and</td></tr> </tbody> </table>	Item	Orientation	Impact description	Responding measures	Climate-related risks	Increase in energy prices	Owing to requirements for decreasing greenhouse gases, the Company faces pressure in energy prices and improvement of equipment effectiveness. As a result, cost of energy utilization increases.	(1) Set annual measures for saving electricity (2) Promote measures for saving energy and reducing carbon emissions	Increase operating/manufacturing	(1) Enhance awareness, education and
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			Conformance										

Evaluation Item	Status (Note 1)				Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description (Note 2)		
				costs, fines, increased litigation cases, and asset impairment losses caused by policy changes	training on laws and regulation (2) Continuously pay attention to and identify impacts of change trends of laws and regulations
			Extreme climate events occur more frequently	Extreme climate events will cause property and equipment losses. They would even result in interruption of operations	(1) Implement a mechanism for handling major abnormalities (2) Continuously supervise suppliers' responsive planning and drills on extreme climate events
			Climate-related opportunities	Market transformation/technology development	(1) Evaluate and develop low-carbon products and markets (2) Encourage suppliers to use low-carbon technologies and production processes
			(IV) The Company conducts annual greenhouse gas (GHG) inventories for its Taiwan headquarters, monitors total water consumption and waste volume, and discloses relevant data from the past two years on its corporate website. (1) Greenhouse Gases: The Company plans to use 2023 as the base year for its latest reduction plan, adopting a four-year cycle with a target to reduce GHG emissions per unit of revenue by 1% by 2027.		
(IV) Does the Company prepare statistics of greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?	✓		Conformance		

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		<p>In 2024, the total carbon emissions of the Taiwan headquarters decreased by 4.08% compared to 2023, while the emission intensity was reduced by 12.45%. Moving forward, the Company will continue to monitor energy usage, actively implement carbon reduction measures, and optimize energy efficiency to ensure a steady reduction in emissions intensity.</p> <p>Covered Scope: King Core Electronics (Pingzhen Plant, Taiwan)</p> <table><tr><th>Energy Type</th><th>2023 Total Greenhouse Gases (tCO2e /year)</th><th>2024 Total Greenhouse Gases (tCO2e /year)</th><th>Change</th><th>Change Rate (%)</th></tr><tr><td>Scope 1</td><td>133.99</td><td>123.23</td><td>-10.76</td><td>-8.03%</td></tr><tr><td>Scope 2</td><td>5,739.38</td><td>5,510.54</td><td>-228.84</td><td>-3.99%</td></tr><tr><td>Total</td><td>5,873.37</td><td>5,633.77</td><td>-239.60</td><td>-4.08%</td></tr><tr><td>GHG Emissions Intensity (tCO2e / NT\$ million)</td><td>13.01</td><td>11.39</td><td>-1.62</td><td>-12.45%</td></tr></table> <p>Note: The above data is based on internal inventory and compiled in accordance with ISO 14064. It has not been verified by a third party.</p> <p>(2) Waste Management:</p> <p>The Company has set a target to reduce waste generation per unit of revenue by 3% by 2027, using 2023 as the base year and adopting a four-year action plan. The strategy focuses on reducing total waste and promoting waste-to-resource conversion. This is achieved through source control measures, such as improving process technologies. For waste that cannot be recycled or reused, the Company complies with environmental regulations by entrusting licensed vendors for disposal, including incineration and landfill. Centralized waste handling is conducted based on classification and safety. Each department's waste is managed by designated personnel to effectively monitor the volume and sources, enhance resource utilization, and move toward the ultimate goal of zero waste. To ensure traceability of waste flow, the Company regularly cross-checks waste treatment and reuse records provided by disposal vendors. It also strengthens vendor audit performance to ensure ongoing tracking and management.</p> <p>Covered Scope: King Core Electronics (Pingzhen Plant, Taiwan)</p> <table><tr><th>Waste Type</th><th>2023</th><th>2024</th><th>Change</th><th>Change Rate (%)</th></tr><tr><td>Industrial Waste</td><td>44.34</td><td>39.71</td><td>-4.63</td><td>-10.44%</td></tr></table>	Energy Type	2023 Total Greenhouse Gases (tCO2e /year)	2024 Total Greenhouse Gases (tCO2e /year)	Change	Change Rate (%)	Scope 1	133.99	123.23	-10.76	-8.03%	Scope 2	5,739.38	5,510.54	-228.84	-3.99%	Total	5,873.37	5,633.77	-239.60	-4.08%	GHG Emissions Intensity (tCO2e / NT\$ million)	13.01	11.39	-1.62	-12.45%	Waste Type	2023	2024	Change	Change Rate (%)	Industrial Waste	44.34	39.71	-4.63	-10.44%	
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IV. Social Issues (1) Has the Company established related policies and procedures in accordance with applicable legal rules and the International Convention on Human Rights?	✓		(1) The Company has formulated work rules and related personnel management rules based on labor rules, so as to protect employees' rights and interests. It also refers to the International Declaration of Human Rights, respects internationally recognized labor and human rights, and develops appropriate management measures, in order not to harm fundamental rights of labor workers. 1. Evaluation of human rights: In striving for sustainable operations, the Company also assumes social responsibilities for employees, consumers and general environment. To keep its commitment for providing safe and healthy workplaces, it sets operations of	Conformance																														

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	Yes	No							
	Summary description (Note 2)								
			<p>managerial personnel and occupational safety according to related laws and regulations. It also annually and regularly entrusts professional organizations to perform tests in the factory, and evaluate environmental risks of businesses.</p> <p>2. Concerns and practices on human rights:</p> <p>(1) Provide safe and healthy work environment:</p> <p>(2) The Company's Pingzhen Plant in Taiwan has passed the audits and certifications for ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System), providing employees with a safe and secure working environment.</p> <p>(3) In addition to providing safe and healthy work environment in accordance with laws and regulations, the Company has also set up a special department in charge of occupational safety and health. It annually and regularly conducts education and training on safety, health and firefighting. It adopts necessary preventive measures to prevent disasters, so as to decrease risks of work environment, please refer to the "Protection Measures for Work Environment and Employee Occupational Safety" on pages 104~105 of the Labor Relations section.</p> <p>3. Specific measures for protecting human rights:</p> <p>The Company's employment policies have been formulated based on employment laws/regulations as well as laws on gender and employment equality. It never employs children or illegal labor workers and bans sexual harassment. It provides work environment for ensuring employees' equity/human rights and protecting them against discrimination. The Company's "Declaration on Prohibition of Workplace Violence, "Guidelines for the Prevention of Sexual Harassment Complaints and Investigations" have been posted on the Company's bulletin board and website for employees' reference. The Company also follows the "Guidelines for Prevention and Management of Unlawful Infringement in the Performance of Duties" published by the Occupational Safety and Health Administration of the Ministry of Labor to ensure that employees are protected from discrimination and harassment in 2024 occur.</p> <p>Statistics on the percentage of female employees in our company in FY2024:</p> <table><tr><th>Indicators</th><th>Percentage %</th></tr><tr><td>Women as a percentage of total employees (%)</td><td>61.88%</td></tr><tr><td>Percentage of female executives in management positions (%)</td><td>33.33%</td></tr></table> <p>Specific outcomes of the Company are as follows:</p> <p>(1) Inclusiveness and equal opportunities: No languages, attitudes or behaviors for differential treatment of employees because of their gender, race, social status, age, marital status, family conditions, language, religion, nationality, appearance, sense</p>	Indicators	Percentage %	Women as a percentage of total employees (%)	61.88%	Percentage of female executives in management positions (%)	33.33%
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	Yes	No	
			<p>organs, physical or mental barriers, etc.</p> <p>(2) Reasonable working hours: In order to ensure that employees are not exposed to the risk of excessively long working hours, the Company specifies the working hours and extended working hours in the “Work Rules for Employees” in accordance with the Labor Standards Act, and regularly tracks and manages the attendance status of employees.</p> <p>(3) Healthy and safe workplaces: In order that its employees will not be exposed to risks of potential health impacts under their workplace environment, the Company performs health checks for its employees pursuant to related laws/regulations on workplace safety, and plan improvements based on annual health checks.</p>
(II) Does the company establish and implement reasonable employee compensation policies (including the remuneration, leave policies, and other welfares) and offer incentives according to operational performance or outcome?	✓		(II) The Company's compensation rules are generally drafted based on employees' positions, its business operations and market salary level within the industry. It increases salary or promotes those employees who perform well according to their work outcomes. In addition, it attaches great importance to workplace equality between male and female employees. It gives the same pay and promotion opportunities for the same work. Besides, the Company appropriately reviews its compensation rules from time to time, so as to balance its sustainable operations and risk control. For measures related to employee benefits, refresher training and retirement system, please refer to the section on labor relations in Chapter Five (Business Overview).
(III) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		<p>(III) New employees are not permitted to operate machinery without completing thorough pre-employment training. Supervisors are typically present on-site to oversee operations, and the Company conducts quarterly occupational safety and health training sessions. In addition, an occupational medicine physician is invited to the plant every two months for on-site consultations to ensure a safe and secure workplace. In addition, a health check is regularly performed for employees every year. A special health check is conducted for employees engaged in special and high-risk operations to ensure their health and well-being. The Pingzhen Plant in Taiwan has obtained ISO 45001 certification and is committed to building a healthy workplace through a comprehensive health management system.</p> <p>There was no fire and no fatalities to the Company in 2024. The fire prevention measures are as follows:</p> <ol style="list-style-type: none"> <li>1. Fire drills in the plant area on a semiannual basis.</li> <li>2. Conducting semiannual fire drills in the dormitories for migrant workers.</li> <li>3. Providing education and training on explosion hazards within the factory premises.</li> </ol> <p>Additionally, the Company conducted fire safety drills for all employees two to four times per year, with a total of 76 participants in 2024. The total training hours amounted to 3.5 hours, aimed at enhancing personnel's emergency response</p>

Evaluation Item	Status (Note 1)		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	
			<p>capabilities.</p> <p>The Company fully complies with government regulations regarding occupational safety and health by maintaining a comprehensive management system. It strives to prevent potential impacts such as environmental pollution, safety incidents, property damage, and employee injury or illness. Specific targets are established for occupational health and safety risk control, energy and resource conservation, industrial waste reduction, and risk mitigation. Continuous improvements are made to achieve a zero accident, clean production working environment. In 2024, there were two occupational injury incidents involving two employees, accounting for 0.99% of the total workforce at the end of the year. Both cases were traffic-related injuries. The Company will continue to strengthen traffic safety awareness among employees. Prevent occupational hazards. The management objectives of occupational hazards are workplace safety and no disaster. Low incidence of work-related injuries is one of key indicators for evaluating employees' health and safety. Therefore, the departments regularly patrols and audits workplace safety. All deficiencies detected are included in environmental safety and health management and tracking, to ensure improvement and prevent recurrence.</p> <p>The departments have formulated related management rules. Different types of occupational health and safety training is conducted pursuant to practical needs. In 2023, 875 employees received education and training. The total training hours were up to 157.5. In 2024, 328 employees underwent education and training. The total training hours were 103.5. In 2022, the Company sets automated external defibrillators (AED) to ensure that all employees could obtain necessary emergency rescue within the golden rescue deadline. Education and training programs are also irregularly performed to teach employees how to operate equipment.</p>
(IV) Has the Company provided effective training in career planning for employees?	✓		<p>(IV) The Company places great importance on employee training and development. To provide a clear career development path, ample resources are invested in employee training. From the start of employment, new hires receive a structured training program that introduces the Company's business philosophy, sustainability principles, and relevant policies. Further training is provided based on individual competencies through advanced courses. The Company's training programs include new employee orientation, professional training, and on-the-job training, which are applicable to all staff. The curriculum covers workplace safety, financial accounting, information security, and equipment operation, among others, empowering employees to develop essential knowledge and skills through various learning channels. In 2024, a total of 2,280 employees completed training, with a combined total of 382.25 training hours.</p>
(V) Regarding issues such as customer health and safety, customer privacy, and marketing and labeling of products	✓		<p>(V) The Company has disclosed the contact phone number, email address, and relevant complaint handling procedures on its official website, thereby establishing a channel</p>



Evaluation Item	Status (Note 1)		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	
and services, does the Company comply with relevant regulations and international standards, and formulate relevant consumer and customer protection policies and complaint procedures?			for consumer rights complaints to safeguard the rights and interests of relevant parties. The Company has also established a "Customer Feedback Control Procedure," with the Business Department designated as the point of contact for handling customer complaints and grievances. Relevant departments are required to respond to customers within three days of receiving a complaint and to provide an analysis report within seven working days. An annual customer satisfaction survey is also conducted to support ongoing improvements in customer satisfaction.
(VI) Has the Company formulated supplier management policies, where suppliers are required to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor and their implementation?	✓		(VI) The Company's Management Department has formulated Manufacturer Management Procedures, and adopts standards of the Electronic Industry Citizenship Coalition (EICC). According to the Company's requirements, manufacturers of its supplier chain shall satisfy conditions for environmental protection, safety, health, labor workers' human rights and labor work. All products delivered by the suppliers must conform to RoHS / SS-00259 (ten major hazardous substances) and HSF. Meanwhile, the suppliers shall provide third party certification reports. Only in this way can they become qualified suppliers of the Company, to ensure that the raw materials purchased satisfy the Company's requirements for green products, in order to stabilize quality and services of the Company's incoming materials, delivery quality and environmental management capabilities. The Company is also dedicated to making commitments to suppliers regarding sustainable development and striving to drive sustainable development in environmental protection. In addition, trading objects are evaluated based on if they have any records impacting environment and the society and in combination with international environmental laws and regulations as well as customer requirements as basis for deciding whether to conclude prior transactions for procurement. If any suppliers violate the Company's policies for sustainable development and impose significant impacts upon environment, in performing regular review of its suppliers, the Company will reduce its dealings with these suppliers, look for other suppliers as their substitutes, or directly ban them from making purchases. In 2024, the Company conducted written audits of 10 suppliers, all of which met the relevant requirements and standards.
V. Does the Company refer to the internationally-prepared reporting standards or guidelines, preparation of sustainability reports and other reports that disclose the Company's non-financial information? Is the above-mentioned report assured or certified by a third-party inspector?		✓	Although the Company has not yet published a sustainability report, it plans to do so in accordance with the "Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies," with the first report scheduled for release in 2025.
VI. If the Company has its own sustainable development code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its operation and the Principles: The Company has formulated the Code of Practice for Sustainable Development, and its business operations don't materially deviate from such code.			The first report is scheduled for release in 2025.

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	Yes	No	
Summary description (Note 2)			

<p>VII. Other important information helpful for promoting sustainable development:</p> <p>1. Environmental protection: Apart from keeping up with design and manufacturing trends, the Company regularly delivers its products to SGS to test concentration of hazardous substances in electrical and electronic equipment under RoHS according to RoHS, customers’ and the Company’s requirements for HSF, to ensure that its products comply with pertinent international laws/regulations and customer requirements. The Company has been also certified by ISO 9001 quality management system, IECQ QC080000 and ISO 14001 environmental management system. It undertakes to perform environmental protection laws/regulations and environmental protection policies on sustainable green production. It also enforces Waste Disposal Act, Water Pollution Control Act, Air Pollution Control Act, other laws and regulations to prevent and control pollution, in order to protect environmental quality. In addition, the Company has actively responded to governments’ green energy policies. At the end of 2016, it took advantage of the factory’s roof space to mount solar panels and power generation devices on the roofs. From 2017 to 2024, its total power generation was up to 3,704,139KWH. The Company has actually taken actions to support power generation with green energies, in order to make contributions to sustainable environmental development.</p> <p>2. Community participation, social contribution, social services and social public welfare:</p> <p>The Company takes part in educational, public welfare and cultural activities to practice its social responsibilities. The outcomes it achieved in 2024 were as follows:</p> <p>Adoption of green spaces: The Company has adopted green spaces with an area of 260m<sup>2</sup>, 7 street trees and related flower shrubs within Pingzhen Industrial Park for years, where the Company’s manufacturing plant is located, thus making joint contributions to the greening of the industrial park.</p> <p>Consumer rights and interests: While understanding customer satisfaction, the Company ensures that it is favored by existing and potential customers. It improves its competitive strengths with active, swift and effective high-quality services.</p> <p>Encourage employees to participate in cultural and creative activities: The Company has signed a special contract with a well-known Taiwanese cultural and creative brand to encourage employees to participate in related activities during their leisure time.</p> <p>Support cultural and creative activities: The Company actively participates in various cultural and creative initiatives. An art corridor has been established in the public space of the Pingzhen Plant, and five art exhibitions were held in 2024. To promote the performing arts, the Company also supported stage play events, with a total of 26 employees and their family members attending performances, reflecting the Company’s commitment to cultural development and corporate social responsibility.</p> <p>Talent recruitment: The Company attracts talented people through multiple recruitment channels, such as job banks and campus/county government recruitment activities. The Company gives priority to local talents in hiring, and our new employees are mainly from the Taoyuan area. The Company also provide a dormitory free of charge to employees who live in faraway places to take care of their living needs.</p> <p>3. Human rights: The Company ensures equal employment opportunities for all employees regardless of gender, religion, or political affiliation. It has established the “Essential Points for Preventing, Complaining, Investigating and Handling Public Sexual Harassments” to protect employees from discrimination and harassment.</p> <p>4. Safety and health: The Company complies with governmental laws and regulations on labor workers’ safety and health. It appoints labor and health safety managers to carry out safety and health work. Related details are specified in the code of work for labor safety and health.</p> <p>5. Relationships with investors: The Company has set up “Investors” and “Interested Parties” on its website. It has set a window for contacting investors and disclosed related important information. It has also provided Q&amp;A sets for investors’ reference, to enhance investors’ understanding of the Company.</p> <p>6. Relationships with suppliers: The Company is devoted to introducing the concept of “green products”. It systematically manages and tracks all raw materials it uses. It annually performs field or regular review of suppliers, to ensure quality of their incoming materials and environmental management capacity.</p>
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Note 1: If "yes" is ticked in respect of the execution, please specify adopted important policies, strategies, measures and their execution. In case that "no" is ticked with respect to the execution, please explain the deviation and the cause in the column on "Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Causes thereof", and indicate the plan for implementing related policies, strategies and measures in the future. However, in relation to Promotion Items 1 and 2, listed companies should describe the governance and supervisory framework for ESG development, including but not limited to the management approach, strategy and goal setting, review measures, etc. Also, describe the Company's risk management policies or strategies on environmental, social and corporate governance issues related to operations, and their evaluation.

Note 2: The principle of materiality refers to the fact where environmental, social and corporate governance issues pose a significant influence on the company's investors and other interested parties.

# Climate-related information for TWSE/TPEX-listed companies

## 1 Climate-related information implementation

Item	Status of implementation																		
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management team.	To assist the Board of Directors in continuously promoting risk assessment and response strategies in the areas of environmental, social, and corporate governance, as well as to better identify and evaluate climate-related risks that may impact the Company's operational locations, the Board has established the Sustainable Development Committee, chaired by the Chairman. A Sustainable Development Task Force has been formed under the Committee to propose and implement sustainability policies, systems, management guidelines, and concrete action plans. The Task Force is also responsible for assessing risk management issues, including climate-related risks, and reports to the Board of Directors at least once per year.																		
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).	<p>In accordance with the materiality principle, the Company conducts risk assessments on ESG topics relevant to its operations and formulates corresponding risk management strategies.</p> <p>The Company has identified a total of eight risks and three opportunities, along with their potential financial impacts, as summarized below:</p> <p>(1) Summary of 8 Identified Risks:</p> <table><tr><th>Timeframe</th><th>Transition Risk</th><th>Impact</th><th>Responding measures</th></tr><tr><td>Short-term 1-3 years</td><td>Regulatory requirements for existing products and services</td><td>Increased compliance pressure and development costs; potential delays in R&amp;D and testing cycles; higher quality control expenses.</td><td>Closely monitor new regulations, assess product compliance, and adjust design processes accordingly. Strengthen R&amp;D and innovation to ensure competitiveness and compliance.</td></tr><tr><td rowspan="3">Mid-term 3-5 years</td><td>Rising carbon pricing</td><td>Increased operational costs, affecting product pricing across the supply chain and market competitiveness.</td><td>Improve energy efficiency, adopt renewable energy, optimize manufacturing processes, and implement carbon management systems. Collaborate with supply chain partners to adopt low-carbon materials and explore carbon trading to mitigate cost pressure.</td></tr><tr><td>Strengthen mandatory emissions disclosure</td><td>Resources must be invested in optimizing data management and ensuring regulatory compliance, with an emphasis on data transparency.</td><td>Establish robust emissions data management systems to ensure transparency and accuracy. Provide employee training, maintain communication with authorities, and enhance internal processes to improve reporting efficiency.</td></tr><tr><td>Changing customer behavior</td><td>Shifts in product mix and sales models require adjustments in supply chain management and market responsiveness, impacting resource allocation and competitive edge.</td><td>Adapt products and services to customer needs; improve functionality and quality, adjust pricing strategies, and develop new product lines to meet market demand.</td></tr></table>	Timeframe	Transition Risk	Impact	Responding measures	Short-term 1-3 years	Regulatory requirements for existing products and services	Increased compliance pressure and development costs; potential delays in R&D and testing cycles; higher quality control expenses.	Closely monitor new regulations, assess product compliance, and adjust design processes accordingly. Strengthen R&D and innovation to ensure competitiveness and compliance.	Mid-term 3-5 years	Rising carbon pricing	Increased operational costs, affecting product pricing across the supply chain and market competitiveness.	Improve energy efficiency, adopt renewable energy, optimize manufacturing processes, and implement carbon management systems. Collaborate with supply chain partners to adopt low-carbon materials and explore carbon trading to mitigate cost pressure.	Strengthen mandatory emissions disclosure	Resources must be invested in optimizing data management and ensuring regulatory compliance, with an emphasis on data transparency.	Establish robust emissions data management systems to ensure transparency and accuracy. Provide employee training, maintain communication with authorities, and enhance internal processes to improve reporting efficiency.	Changing customer behavior	Shifts in product mix and sales models require adjustments in supply chain management and market responsiveness, impacting resource allocation and competitive edge.	Adapt products and services to customer needs; improve functionality and quality, adjust pricing strategies, and develop new product lines to meet market demand.
Timeframe	Transition Risk	Impact	Responding measures																
Short-term 1-3 years	Regulatory requirements for existing products and services	Increased compliance pressure and development costs; potential delays in R&D and testing cycles; higher quality control expenses.	Closely monitor new regulations, assess product compliance, and adjust design processes accordingly. Strengthen R&D and innovation to ensure competitiveness and compliance.																
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Item	Status of implementation			
		Rising raw material costs	Direct increase in production costs, narrowing profit margins, and exerting pressure on pricing strategies.	Enhance standardization of shared materials, adopt eco-friendly designs, and increase the use of recyclable materials.
		Shifts in consumer preferences	Increased costs in production and product chains; declining sales of existing products may result in higher inventory carrying costs.	Develop alternative products and gradually phase out high-carbon production lines and products to reduce production-related inventory levels.
		Increased negative feedback from stakeholders	Brand image and reputation may be adversely impacted, potentially reducing consumer trust and impacting product sales and market share.	Listen to stakeholder feedback, identify and address issues promptly. Enhance transparent communication, proactively explain response measures and plans, and establish long-term engagement mechanisms.
	Long-term Over 5 years	Rising sea levels	The supply chain and production facilities may face risks, particularly factories or warehouses located in low-lying areas, which may be affected by flooding and infrastructure damage.	Reevaluate supply chain and warehouse locations to avoid high-risk areas. Strengthen flood prevention and drainage systems. Diversify supply chain layouts, establish emergency response mechanisms, and secure climate disaster insurance to mitigate financial risks and ensure operational stability.
(2) Summary of 3 Identified Opportunities:				
	Timeframe	Opportunities	Impact	Responding measures
	Short-term	Regulatory requirements for existing products and services	Increased product development costs and prolonged R&D and testing periods may affect time-to-market. Regulatory requirements may also necessitate production redesign, reducing production efficiency.	Proactively plan for compliant product development to ensure agility in responding to regulatory changes. Strengthen R&D and testing capabilities to shorten adaptation periods, and maintain communication with authorities and industry associations to stay informed of policy trends.
	Mid- to Long-term	Rising carbon pricing	Increases in operating costs, particularly for high-carbon products within the supply chain, may result in higher supplier pricing and indirectly elevate product prices,	Enhance energy efficiency and adopt energy-saving technologies to lower emission costs. Invest in renewable energy (e.g., green power, solar energy) to reduce long-term energy expenses. Utilize carbon management tools and

Item	Status of implementation			
		Strengthen mandatory emissions disclosure	reducing market competitiveness.	participate in carbon trading to achieve carbon neutrality.
3. Describe the financial impact of extreme climate events and transition actions.	<p><u>Financial Impact of Climate-Related Risks</u> Through internal discussions and assessments, the Company has identified potential risks to production and logistics arising from events such as flooding, drought, and changes in precipitation or climate patterns. Heavy rainfall and resulting floods may lead to production halts and equipment damage, causing temporary shipment delays. Drought conditions and water shortages may impact production lines, requiring water-saving measures or inter-factory inventory reallocation to maintain supply, resulting in increased operational costs. The Company is committed to continuously enhancing climate adaptation strategies across consolidated operations, improving resilience to climate-related risks, and implementing sustainable development initiatives to ensure long-term business continuity.</p> <p><u>Financial Impact of Transition Actions</u> As the global economy transitions to a low-carbon model, the Company faces various policy, regulatory, technological, and market changes. Based on the nature, pace, and key aspects of the aforementioned changes within the assessment timeframe, factors such as carbon pricing, GHG emission caps, renewable energy regulations, and shifts in consumer preferences may lead to increased operating costs or reduced sales volume.</p>			
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>The Company conducts annual reviews of the latest trends in climate risks both domestically and internationally. Through the Sustainable Development Task Force under the Sustainable Development Committee, it systematically identifies and manages various risks that may affect operations. Climate risk management is deeply integrated into the Company's business activities and daily operations, with appropriate response measures adopted to ensure a comprehensive understanding of evolving climate risks and to formulate effective mitigation and management strategies.</p> <p>In response to the currently identified climate-related risks and opportunities, the Company has established a systematic management mechanism and designated climate change risks and opportunities as key priorities in operational management. The implementation status by the management team is continuously monitored, tracked, and reviewed. Furthermore, the relevant outcomes are reported to the Board of Directors at least once annually and disclosed in the Sustainability Report to ensure transparency and to fulfill the Company's commitment to sustainable development.</p>			
5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	The Company has not yet employed scenario analysis for this purpose.			

Item	Status of implementation																	
6. If there are transition plans to manage climate-related risks, details of the plan, as well as indicators and goals used for identifying and managing physical and transition risks, should be described.	<p>In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Company discloses information related to the governance, strategy, risk management, and metrics and targets associated with climate-related risks and opportunities.</p> <table><tr><th>Category</th><th>Item</th><th>Status of implementation</th></tr><tr><td>Governance</td><td>Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management team.</td><td>The Board of Directors is responsible for the oversight of climate-related issues. Execution and planning are delegated to the Sustainable Development Task Force under the Sustainable Development Committee.</td></tr><tr><td>Strategy</td><td>Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).</td><td>The Sustainable Development Task Force is responsible for identifying and assessing relevant risks. Based on the prioritization of identified risks and opportunities, environmental management plans are formulated accordingly.</td></tr><tr><td rowspan="2">Risk Management</td><td>Describe the financial impact of extreme climate events and transition actions.</td><td>The financial impact of extreme climate events and transition actions primarily lies in increased operating costs for the Group.</td></tr><tr><td>Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</td><td>The Group has established a tiered risk management process based on the nature of each risk and the respective functional units. Climate-related risk management is integrated across all levels, from the Group and business divisions to legal entities, based on the materiality of the issues and the level of responsibility.</td></tr><tr><td>Metrics and Targets</td><td>Metrics and targets used to assess and manage climate-related risks and opportunities.</td><td>The Company has implemented a policy linking executive compensation to ESG performance to promote the achievement of ESG goals among senior management. In addition, using 2023 as the base year, the Company has set a target to reduce carbon emissions per unit of revenue by 1% over a four-year period, to be achieved by 2027.</td></tr></table>	Category	Item	Status of implementation	Governance	Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management team.	The Board of Directors is responsible for the oversight of climate-related issues. Execution and planning are delegated to the Sustainable Development Task Force under the Sustainable Development Committee.	Strategy	Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).	The Sustainable Development Task Force is responsible for identifying and assessing relevant risks. Based on the prioritization of identified risks and opportunities, environmental management plans are formulated accordingly.	Risk Management	Describe the financial impact of extreme climate events and transition actions.	The financial impact of extreme climate events and transition actions primarily lies in increased operating costs for the Group.	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Group has established a tiered risk management process based on the nature of each risk and the respective functional units. Climate-related risk management is integrated across all levels, from the Group and business divisions to legal entities, based on the materiality of the issues and the level of responsibility.	Metrics and Targets	Metrics and targets used to assess and manage climate-related risks and opportunities.	The Company has implemented a policy linking executive compensation to ESG performance to promote the achievement of ESG goals among senior management. In addition, using 2023 as the base year, the Company has set a target to reduce carbon emissions per unit of revenue by 1% over a four-year period, to be achieved by 2027.
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7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	The Company has not yet adopted internal carbon pricing.																	
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be described. If utilizing carbon offsets or Renewable Energy Certificates (RECs) to achieve related goals, the source and quantity of carbon offset credits exchanged or the number of RECs should be clarified.	The Company plans to use 2023 as the base year for its latest reduction plan, adopting a four-year cycle with a target to reduce GHG emissions per unit of revenue by 1% by 2027. In 2024, the total carbon emissions of the Taiwan headquarters decreased by 4.08% compared to 2023, while the emission intensity was reduced by 12.45%. Moving forward, the Company will continue to monitor energy usage, actively implement carbon reduction measures, and optimize energy efficiency to ensure a steady reduction in emissions intensity.																	
9. Greenhouse gas inventory and assurance status, as well as reduction goals, strategies, and concrete action plans (indicated in 1-1 and 1-2 separately).	Please refer to detailed descriptions below.																	

1-1 The Company's Greenhouse Gas Inventory and Assurance in the Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (tCO <sub>2e</sub> ), intensity (tCO <sub>2e</sub> /NT\$ million), and data coverage for the most recent two years.				
1. In accordance with the Sustainable Development Roadmap for TWSE/TPEX Listed Companies, the timeline and scope for greenhouse gas (GHG) inventory are as follows: (1) The parent company shall complete its GHG inventory by 2026. (2) Subsidiaries included in the consolidated financial statements shall complete their inventory by 2027.				
2. Over the past two years, the GHG inventory has covered emissions from the Company's Pingzhen Plant in Taiwan. Detailed data are provided in the table below.				
Energy Type	2023 Total Greenhouse Gases (tCO <sub>2e</sub> /year)	2024 Total Greenhouse Gases (tCO <sub>2e</sub> /year)	Change	Change Rate (%)
Scope 1	133.99	123.23	-10.76	-8.03%
Scope 2	5,739.38	5,510.54	-228.84	-3.99%
Total	5,873.37	5,633.77	-239.60	-4.08%
GHG Emissions Intensity (tCO <sub>2e</sub> / NT\$ million)	13.01	11.39	-1.62	-12.45%
Note: The above data is based on internal inventory and compiled in accordance with ISO 14064. It has not been verified by a third party.				

Note 1: Direct emissions (Scope 1, direct GHG emissions that occur from sources that are controlled or owned by the company), energy indirect emissions (Scope 2, indirect GHG emissions associated with the purchase of electricity, steam, heat), and other indirect emissions (Scope 3, GHG emissions from activities of the company but not from sources owned or controlled by the company, such as emissions from suppliers or transportation).

Note 2: The scope of data regarding direct emissions and energy indirect emissions should be handled according to the schedule specified in Article 10, Paragraph 2 of the Regulations Governing Information to be Published in Annual Reports of Public Companies (hereinafter referred to as the Regulations). Information on other indirect emissions may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: The Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or revenue. However, at least the data calculated based on revenue (in million NT\$) should be provided.

### 1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance in the last 2 years up to the date of publication of the annual report, including the scope of assurance, institutions of assurance, guidelines of assurance, and opinions of assurance.
1. In accordance with the Sustainable Development Roadmap for TWSE/TPEX Listed Companies, the timeline and scope for GHG assurance are as follows:  (1) The parent company shall complete assurance by 2027. (2) Subsidiaries included in the consolidated financial statements shall complete assurance by 2029.
2. The Company's GHG inventory is internally conducted and based on the ISO 14064 standard. The data have not been verified or assured by an independent third party.

Note 1: According to the provisions set forth in Article 10, Paragraph 2 of this guideline, if the company fails to obtain a complete assurance opinion on GHG emissions by the date of publication of the annual report, it should be noted that "Complete assurance information will be disclosed in the Sustainability Report." If the company has not prepared a Sustainability Report, it should be noted that "Complete assurance information will be disclosed on the Market Observation Post System," and the complete assurance information should be disclosed in the next year's annual report.

Note 2: The assurance institution should comply with the relevant provisions set forth by the Taiwan Stock Exchange Corporation (TWSE) and the Taipei Exchange (TPEX) regarding assurance institutions in sustainability reports.

### 1-2 Greenhouse gas reduction goals, strategies and concrete action plans

Describe the greenhouse gas reduction base year and data, reduction goals, strategies, and concrete action plans and achievement of the reduction goals.
The company is currently in the internal self-assessment phase and therefore, the subsequent operations related to the Sustainable Development Roadmap 3.0 issued by the FSC will be implemented accordingly. Hence, this provision is not applicable at this stage.

Note 1: It shall be handled in accordance with the schedule prescribed in Article 10, paragraph 2 of the guidelines.

Note 2: The base year should be the fiscal year in which the greenhouse gas inventory is completed within the scope of the consolidated financial statements. For example, according to the requirements specified in Article 10, Paragraph 2 of the Regulations, companies with a capital of over NT\$10 billion should complete the inventory for FY2024 by FY2025. Hence, the base year is FY2024. However, if the company completes the inventory of the consolidated financial statements earlier, it may use the earlier fiscal year as the base year. Additionally, data for the base year may be calculated as either a single fiscal year or as an average value over multiple fiscal years.



(VI) Ethical Corporate Management Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
I. Establishment of ethical corporate management policies and programs				
(I) Has the Company specified its policy and method for the implementation of ethical corporate management in its internal rules and regulations and external documents, and have the Board and the management of the Company promised to pursue the policy of ethical corporate management?	✓		(I) Senior management operates under the principle of integrity, with a mission to maximize value for both shareholders and employees. The Company has established the Procedures for Ethical Management and Guidelines for Conduct, approved by the Board of Directors. The Procedures clearly define the Company's integrity management policy. The Sustainable Development Task Force has been established under the Sustainable Development Committee, and is responsible for formulating and supervising the implementation of integrity management policies and prevention programs. The task force submits a report to the Board at least once a year.	Conformance
(II) Does the Company establish appropriate system to analyze risks of unethical conducts, periodically analyze and evaluate business activities with high potential for unethical conducts and establish prevent measures accordingly, or listed activities stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		(II) The Company has formulated Procedures for Ethical Corporate Management Best Practice Principles and Whistle Blowing System. It has designated phone number and email address for the outsiders to file complaints. It is also specified that the Company, its directors, managerial personnel and employees must not offer or receive bribe, or provide illegal political contributions. Besides, the Company regularly reviews relatively risky behaviors, strengthens its preventive actions and reviews effectiveness of its preventive measures within its business scope.	Conformance
(III) Does the Company establish and implement the operational procedures, conduct guidelines, penalty for violation of rules, and complaint mechanism to prevent unethical behaviors and regularly review and amend the existing practice?	✓		(III) The Company has specified its proposal for preventing dishonest acts in the above rules. Its internal control mechanisms and sign-off procedures have covered preventive measures against dishonest behaviors, to ensure effective prevention and discovery of corruption. It also regularly reviews related measures and actively satisfies pertinent requirements for amendment of laws and regulations.	Conformance
II. Fulfill operations integrity policy				
(I) Does the Company assess a trading counterpart's ethical management record and expressly state the ethical management clause in the contract to be signed with the trading counterpart?	✓		(I) Before conducting business practices with its agents, suppliers, customers and other business counterparties, the Company evaluates if these counterparties are lawful and whether any records have been kept in respect of their dishonest behaviors. It also includes honest operations in its business contracts. Suppliers of the Company shall also respect and comply with the Company's moral standards and cultures. They must sign the Incorruption Commitment of KING CORE ELECTRONICS INC. If any supplier is found to have committed any illegal act, its transaction will be banned immediately, and pertinent necessary measures will be adopted to guarantee equality of transactions.	Conformance
(II) Does the Company establish an exclusively dedicated unit supervised by the Board to be in charge of corporate integrity, and periodically (at least once a year) report to the Board about its integral policy for management, the policy to prevent unethical conducts, and how the implementation is being supervised?	✓		(II) The Company has established the Procedures for Ethical Management and Guidelines for Conduct, and designated the Sustainable Development Committee as the responsible unit under the Board of Directors, chaired by the	Conformance

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary description	
(III) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?  (IV) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?  (V) Does the Company hold education training in ethical corporate management inside and outside the Company on a regular basis?	✓		Chairman. A “Sustainable Development Task Force” has been formed under this committee to handle revisions, implementation, consultation, and training related to the Procedures for Ethical Management and Guidelines for Conduct in accordance with their assigned responsibilities. The implementation results are compiled and reported to the Board of Directors on an annual basis.	Conformance
	✓		(III) The Company has formulated the employee codes of conduct to ban its employees from using their powers or seizing chances in their positions or requiring money, articles or other illegitimate benefits, to prevent dishonest conducts. In concluding transactions with stakeholders, the Company shall not offer them any conditions more favorable than other similar objects. The Company also provides smooth communication channels (internal independent complaint mailbox, special line, etc.). Its employees can report via multiple channels or through management and the Personnel Department.	Conformance
	✓		(IV) The Company formulates rigorous accounting system and internal control system. It has special Accounting Department and appoints internal auditors. Annual audit is performed according to the annual audit plan to regularly audit execution and implementation. Besides, audit reports are prepared and presented to the Board of Director.	Conformance
III. Operation of the integrity channel (I) Does the company have a specific accusation and reward system, establish a convenient accusation channel, and assign appropriate personnel to the accused person?  (II) Has the company established the standard operating procedures for investigation of accused matters, follow-up measures after investigation and the relevant confidentiality mechanism?	✓		(V) To advocate and promote honest acts, the Company conducts irregular education and training on the Code for Honest Operations by way of monthly meetings, announcements or department meetings, etc. Related rules are announced on the Company’s website so that they may be looked up by the employees anytime. In 2024, the Company organized internal and external education and training related to ethical management issues (including promotion of laws and regulations, safety and health management, accounting systems, internal controls, and other related courses) in respect of 337 trainees for a total of 172.5 hours.	
	✓		(I) The Company has established a “Whistleblowing System” with an independent internal whistleblowing mailbox and hotline accessible through the Company’s website and internal portal. Based on the severity of the reported incident, rewards may be granted at the Company’s discretion. Employees can report issues through multiple channels, including written reports mailed to: No. 269, Nanfeng Rd., Pingzhen District, Taoyuan City, or through the whistleblowing mailbox at ke@mail.kingcore.com.tw. The email will automatically be forwarded to the Audit Supervisor. Employees can also report via the whistleblowing complaint hotline at 03-469-855 (extension to the Audit Supervisor’s line). Reports received by the designated unit will be handled accordingly or forwarded to relevant management levels and HR units for	Conformance

Evaluation Item	Implementation Status		Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	
(III) Has the Company taken measures to protect whistle-blowers from retaliation due to reporting?	✓		<p>further action.</p> <p>(II) The Company shall keep the whistleblowers' identity and reports confidential according to the Procedures for Ethical Corporate Management Best Practice Principles and the Whistle Blowing System. The whistleblowers shall at least provide the following information:</p> <p>I. The whistleblowers' addresses, phone numbers and mailboxes can be acquired through their names and ID numbers.</p> <p>II. The informed party's name or other information sufficient to distinguish its identifying features;</p> <p>III. Specific facts available for investigation.</p> <p>The investigation unit shall conclude the investigation within three months after the case is filed. If an extension is deemed necessary before the deadline, the reason must be stated and submitted for approval by the Chairman. Upon completion of the investigation, if any illegal activities or unethical conduct are deemed to have occurred, disciplinary actions will be taken in accordance with the Company's personnel management regulations, or the case may be referred to judicial authorities for further investigation. All records of acceptance, the investigation process, and the investigation results shall be retained in either paper or electronic format for at least five years.</p> <p>(III) Related personnel of the Company coping with the reported matters shall declare in writing that they will keep the whistleblowers' identity and reports confidential. They shall undertake to protect the whistleblowers from being inappropriately punished for their whistle blowing. The Company did not receive any relevant whistleblowing reports in 2024.</p>
IV. Strengthening information disclosure (I) Does the company disclose the content and promotion effect of its ethical corporate management best-practice principles on its website and the MOPS?	✓		Conformance
V. For the companies which have established corporate social responsibility code of conducts in accordance with the “Corporate Governance Best-Practice Principles for TWSE and TPEx Listed Companies”, please describe the current practices and any deviations from the code of conduct: The Company has formulated the Procedures for Ethical Corporate Management Best Practice Principles. Its business operations shall not materially deviate from these principles.			Conformance
VI. Other important information which helps to understand the implementation of the Company's ethical management: (E.g. the Review and amendment of the Company's Ethical Management Best Practice Principles):			
1. Perform the obligation of abiding by laws and regulations towards the Public Service Department: The Company shall comply with the Company Act, Securities Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.			
2. Perform responsibilities for faithful transactions towards customers and suppliers: The Company has been consistently thanking and respecting the suppliers. All of its business transactions are			

Evaluation Item	Implementation Status		Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
<p>equally and transparently concluded. All customers or suppliers are granted equal and reasonable interests to create a win-win situation.</p> <p>3. Perform responsibilities for honest operations towards shareholders: The Company loyally treats its shareholders with care. It instantly and fully disclose correct information, to create the highest value for all shareholders through robust business operations.</p> <p>4. Prevent directors, managerial personnel or staff from committing acts against good faith: The Company has formulated Management Procedures for Preventing Insider Trading, Rules of Procedure for Board of Directors' meetings, Procedures for Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, Whistle Blowing System and internal control system. It regularly educates/trains its staff and evaluate them regarding ethical practices, in order that the directors, managerial personnel or staff will loyally conduct businesses, avoid directly or indirectly undertaking to grant, require or receive illegitimate benefits in any form, including rebate, commission, fees for improving relationships, or otherwise prevent them from offering or receiving illegitimate benefits to or from customers, agents, contractors, suppliers, civil servants or other stakeholders.</p> <p>5. The Company's organization of education and training for preventing insider trading: In 2024, the Company arranged 1 directors to participate in external training and education for preventing insider trading for 3 hours in total. The Company also irregularly sends educational and promotional materials related to insider trading to all directors and managerial personnel of the Company for reference by email.</p>			

(VII) Other important information that is sufficient to improve the understanding of corporate governance operations:

The Company has formulated Management Procedures for Preventing Insider Trading, Procedures for Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, Corporate Governance Best-Practice Principles and Best-Practice Principles for Sustainable Development as criteria which shall be followed by directors, managerial personnel and employees when they act. The laws, regulations and orders, etc. which shall be followed by the Company's directors, managerial personnel and employees in respect of insider trading shall be specified as well.

(VIII) Disclosure of internal control system

1. Internal Control Declaration:

The Company has announced and filed the Internal Control System Statement on the Market Observation Post System (MOPS) (<https://mops.twse.com.tw/內控聲明書公告>).

2. The internal control audit report issued by the CPA commissioned to conduct an internal control audit, if any: None.

(IX) Resolutions reached in the shareholder's meeting or by the Board of Directors during the most recent year and up to the date of publication of the annual report:

1. Important matters resolved at the 2024 general shareholders' meeting (May 30, 2024):

- (1) Ratification of 2023 Business Report and financial statements.
- (2) Acknowledgment of 2023 earnings distribution proposal.
- (3) Complete reelection of directors.
- (4) Cancellation of the no-compete agreement for newly elected directors and their representatives.

2. Implementation of the resolutions of the shareholders' meeting:

- (1) Ratification of 2023 Business Report and financial statements.  
Implementation progress: Passed the resolution.
- (2) Acknowledgment of 2023 earnings distribution proposal.  
Implementation progress: It was resolved that July 9, 2024 should be base date for distribution, and July 23, 2024 should be payment date of cash dividends (NT\$ 0.85 per share to be distributed in cash). The distributions have been completed.
- (3) Complete reelection of directors.  
Implementation status: The registration was approved by the Ministry of Economic Affairs on July 3, 2024 and an announcement was made on the Company's website accordingly.
- (4) Cancellation of the no-compete agreement for newly elected directors and their representatives.  
Implementation progress: A resolution was passed and actions were implemented as resolved.

3. Important resolved matters of the Board of Director in 2024 and as of publication date of the annual report: The Company held a total of seven Board of Directors' meetings in 2024 and as of publication date of the annual report. Important resolutions of the meetings are excerpted as follows:

11<sup>th</sup> meeting of the 13<sup>th</sup> Board of Director (February 19, 2024):

- (1) Proposal for presentation of the Company's 2023 "Statement of Internal Control System" was approved by resolution.
- (2) 2023 remuneration proposal for employees and directors was approved by resolution.
- (3) Proposal on 2023 business report and financial statements was approved by resolution.
- (4) 2023 earnings distribution proposal was approved by resolution.
- (5) Amendments to certain provisions of the Company's "Rules of Procedure for Board of Directors Meetings" and "Organizational Rules Governing the Audit Committee" are proposed for discussion.
- (6) Resolved to adopt the proposed general policy for pre-approved non-assurance services of the Company.
- (7) Resolved to approve the appointment of auditors and non-audit attesting accountants for FY2024 and the evaluation of independence of the Company.
- (8) Re-election of directors.
- (9) The list of candidates for nominated directors and independent directors.
- (10) Removal of non-compete restrictions for newly appointed directors and their representatives

- (11) Proposal for convening 2024 general shareholders' meeting was approved by resolution.  
(12) Proposal for applying to the First Commercial Bank for extending credit line was approved by resolution.

12<sup>th</sup> meeting of the 13<sup>th</sup> Board of Director (April 15, 2024):

Proposal for confirming qualification of directors (including three independent directors) was approved by resolution.

13<sup>th</sup> meeting of the 13<sup>th</sup> Board of Director (May 7, 2024):

- (1) Consolidated financial report of Q1, 2024 was approved by resolution.  
(2) Determination of base date for issuing new shares for increasing employee remuneration was approved by resolution.

1<sup>st</sup> meeting of the 14<sup>th</sup> Board of Director (June 7, 2024):

- (1) Proposal for electing the Chairman of the Company.  
(2) Proposal for engaging members of the Company's 6th Remuneration Committee was approved by resolution.  
(3) Proposal for establishing the Sustainable Development Committee under the Board and adopting the "Sustainable Development Committee Charter" was approved by resolution.  
(4) Proposal for appointing members of the Sustainable Development Committee was approved by resolution.

2<sup>nd</sup> meeting of the 14<sup>th</sup> Board of Director (August 12, 2024):

- (1) Consolidated financial report of Q2, 2024 was approved by resolution.  
(2) Matters resolved at the 1<sup>st</sup> meeting of the 6<sup>th</sup> Remuneration Committee were approved by resolution.  
(3) Proposal for the Company's investment in SPARQ, INC. in the United States was approved by resolution.

3<sup>rd</sup> meeting of the 14<sup>th</sup> Board of Director (November 11, 2024):

- (1) Proposal on the Company's consolidated financial report of Q3, 2024 was approved by resolution.  
(2) Proposal for establishing a sustainability information management framework was approved by resolution.  
(3) 2025 audit plan of the Company was approved by resolution.  
(4) Proposal for amending certain provisions of the "Audit Committee Charter" was approved by resolution.

4<sup>th</sup> meeting of the 14<sup>th</sup> Board of Director (February 25, 2025):

- (1) Proposal for presentation of the Company's 2024 "Statement of Internal Control System" was approved by resolution.  
(2) 2024 remuneration proposal for employees and directors was approved by resolution.  
(3) Proposal on 2024 business report and financial statements was approved by resolution.  
(4) 2024 earnings distribution proposal was approved by resolution.  
(5) Proposal for amending certain provisions of the Company's "Articles of Incorporation" was approved by resolution.  
(6) Proposal for defining the scope of grassroots employees and amending certain provisions of the "Internal Control System" was approved by resolution.  
(7) Proposal for amending certain provisions of the "Procedures for Ethical Management and Guidelines for Conduct" was approved by resolution.  
(8) Resolved to approve the appointment of auditors and non-audit attesting accountants for FY2025 and the evaluation of independence of the Company.  
(9) Proposal for convening 2025 general shareholders' meeting was approved by resolution.  
(10) Proposal for applying to the First Commercial Bank for extending credit line was approved by

resolution.

- (X) If the directors' or supervisors have raised any objections on important resolutions of the Board of Director which have been documented or stated in writing in the last year and as of the publication and printing date of the annual report, the main content should be reported: None.

#### IV. Information on CPA professional fees

##### Information on CPA professional fees

Units: NT\$ thousand

Title of the CPA agency Leader of EY Taiwan	Name of CPA	Audit period	Audit fee	Non-Audit fee	Total	Remark
Ernst & Young, Taiwan	Lin Cheng-Wei	2024	1,870	325	2,195	-
	Chen Kuo-Shuai					

Please specify services not covered by non-audit fees in detail: (e.g. tax certification, authentication or other financial advisory services):

Services covered by non-audit fees include business tax audit and certification, income tax audit and certification, and industrial and commercial registration and certification.

Note: If the Company changes accountants or the accounting firm in the current year, please present the audit period, indicate the reason for change in the remark column, and disclose information on paid audit/non-audit fees in order. For non-audit services, corresponding services shall be indicated in the notes.

- (I) The non-audit fees paid to certified public accountants, the firm where such certified public accountants work and its affiliated enterprises account for more than a quarter of the audit fee: None.
- (II) The Company changes its accounting firm and the amount of audit fees paid during the year in which the change is made are lower than those for the previous year: None.
- (III) The amount of audit fees paid is lower than for the previous year by more than 10%: None.

#### V. Replacement of certified public accountants:

(I) Former CPA: Not applicable.

(II) Succeeding CPA: Not applicable.

(III) Former CPA's reply to Point 3, Items 1 and 2, Subparagraph 5, Article 10 hereunder: Not applicable.

#### VI. Information on Chairman, General Manager, or financial or accounting managerial personnel of the Company who has worked with the CPA firm which conducts the audit of the Company or affiliate to such firm in the past year: None.



VII. The transfer of equity interests and pledge of or change in equity interests by a director, supervisor, managerial personnel, or shareholder with a stake of more than 10% during the most recent fiscal year or as of the publication date of the annual report

(I) Equity transfer and pledge change of directors, supervisors, managerial personnel, and major shareholders

Unit: shares

Position	Name	2024		As of April 15, 2025	
		Increase (reduction) in the number of shares in possession	Increase (reduction) in the number of pledged stocks	Increase (reduction) in the number of shares in possession	Increase (reduction) in the number of pledged stocks
Chairman	Yang Cheng-Li	0	0	0	0
Vice Chairman (Note)	SHENG BAO INVESTMENT CORP. Legal representative: Chen Cheng-Han	(61,000)	0	Not applicable	Not applicable
Director	Chuang Yung-Shun	0	0	0	0
Director	Kuo Kun-Chang	0	0	0	0
Director	Hsieh Yu-Tien	0	0	0	0
Director(Note)	Liu Ming-Hsiung	0	0	Not applicable	Not applicable
Director	SHENG BAO INVESTMENT CORP. Legal representative: Shyu Lih-Hwa	0	0	0	0
Director	SHENG BAO INVESTMENT CORP. Legal representative: Tsai Yuh-Chiang	9,006	0	0	0
Independent Director	Huang Hsu-Nan	0	0	0	0
Independent Director(Note)	Wang Chia-Ho	0	0	Not applicable	Not applicable
Independent Director	Chang Shih-Chung	0	0	0	0
Independent Director	Chan Yun-Hao	0	0	0	0
Vice General Manager of Manufacturing Department	Tseng Tseng-Chuan	(11,272)	0	0	0

Position	Name	2024		As of April 15, 2025	
		Increase (reduction) in the number of shares in possession	Increase (reduction) in the number of pledged stocks	Increase (reduction) in the number of shares in possession	Increase (reduction) in the number of pledged stocks
Chief Financial Officer and Accounting Officer	Yeh Mei-Ling	(10,221)	0	0	0
Senior Director of R&D Department	Huang Yi-Hong	1,266	0	0	0
Senior Director of Quality Assurance Department	Wu Ping-Hsun	2,005	0	0	0
Senior Director of Management Department	Lin Yu-Chao	3,477	0	0	0

Note: Director Liu Ming-Hsiung, Vice Chairman Chen Cheng-Han, and Independent Director Wang Chia-Ho stepped down following the re-election of the Board on May 30, 2024

(II) Information on equity transfer and stakeholders: None.

(III) Information on equity pledge and stakeholders: None.

VIII. Relationship information, if among the company's 10 largest Shareholders any one is a related party or a relative within the second degree of kinship of another

March 31, 2025 (book closure date)

Name (Note 1)	Shares in possession of the person		No. of shares held by the spouse and minor children		Shares in possession of the person registered under the name of a third-party		Relationship characterized as spouse or relative of second degree or closer among the top-10 shareholders. (Note 3)		Notes
	Quantity	Share holding rate (%)	Quantity	Shareholding rate (%)	Quantity	Share holding rate (%)	Name (or designation)	Relation	
SHENG BAO INVESTMENT CORP	10,565,530	12.03	0	0.00	0	0.00	Yang Cheng-Li Shyu Lih-Hwa Yang Tzyy-Shiuan	Director of the Company Director of the Company Director of the Company	
Representative of SHENG BAO INVESTMENT CORP.: Shyu Lih-Hwa	48,012	0.05	2,989,391	3.40	0	0.00	Yang Cheng-Li JIN BAO INVESTMENT CORP. Yang Tzyy-Shiuan	Spouse Supervisor of the Company First-degree relatives	
JIN BAO INVESTMENT CORP.	8,230,406	9.37	0	0.00	0	0.00	Yang Cheng-Li Shyu Lih-Hwa Yang Tzyy-Shiuan	Director of the Company Supervisor of the Company Director of the Company	
Representative of JIN BAO INVESTMENT CORP.: Yang Tzyy-Shiuan	40,960	0.05	0	0.00	0	0.00	Yang Cheng-Li Shyu Lih-Hwa SHENG BAO INVESTMENT CORP	First-degree relatives First-degree relatives Director of the Company	
Kitagawa Industries Co., Ltd.	4,346,000	4.95	0	0	0	0	None	None	
Yang Cheng-Li	2,989,391	3.40	48,012	0.05	0	0	Shyu Lih-Hwa SHENG BAO INVESTMENT CORP. JIN BAO INVESTMENT CORP. Yang Tzyy-Shiuan	Spouse Director of the Company Director of the Company First-degree relatives	
Kuo Kun-Chang	2,944,353	3.35	0	0.00	0	0.00	None	None	
Chuang Yung-Shun	2,913,305	3.32	41,895	0.05	0	0.00	None	None	
SHENG BAO INVESTMENT CORP. is entrusted by Yang Cheng-Li to manage his special trust property account	2,300,000	2.62	0	0.00	0	0.00	None	None	

Name (Note 1)	Shares in possession of the person		No. of shares held by the spouse and minor children		Shares in possession of the person registered under the name of a third-party		Relationship characterized as spouse or relative of second degree or closer among the top-10 shareholders. (Note 3)		Notes
	Quantity	Share holding rate (%)	Quantity	Shareholding rate (%)	Quantity	Share holding rate (%)	Name (or designation)	Relation	
JIN BAO INVESTMENT CORP. is entrusted by Shyu Lih-Hwa to manage her special trust property account	1,900,000	2.16	0	0.00	0	0.00	None	None	
SHENG BAO INVESTMENT CORP. is entrusted by Shyu Lih-Hwa to manage her special trust property account	1,600,000	1.82	0	0.00	0	0.00	None	None	
Wang Ta-Jen	1,468,725	1.67	0	0.00	0	0.00	None	None	

Note 1: All top-10 shareholders have been listed. For corporate shareholders, the name of the corporate entity and the name of the representative are shown separately.

Note 2: The shareholding ratio is calculated, respectively, in the name of the shareholders, the shareholder's spouse and minor children, or shareholding of nominees.

Note 3: Relationships among the shareholders presented above, including legal and natural persons, will be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Issuers.

IX. Investments jointly held by the Company, the Company's directors, supervisors, managerial personnel, and enterprises directly or indirectly controlled by the Company; disclose shareholding in aggregate of the above parties

December 31, 2024 Unit: shares; %

Investments in another company	Company's investment		Held by Directors, Supervisors, Managerial Personnel, and Directly/Indirectly Controlled Businesses		Total Investment	
(Note)	Quantity	Shareholding rate (%)	Quantity	Shareholding rate (%)	Quantity	Shareholding rate (%)
King Core (B.V.I.) Electronics Co., Ltd.	5,600,000	100.00	0	0.00	5,600,000	100.00

Note: Investments of the Company accounted for under the equity method.

## Three. Funding Status

### I. Capital Stock and Shares

#### (I) Source of Capital Stock

March 31, 2025 (Unit: Shares; NT\$)

Year and Month	Issuance price	Authorized share capital		Paid-in Capital		Notes		
		Shares	Amount	Shares	Amount	Source of share capital	Capital Increased by Assets Other than Cash	Others
1995.02	1,000	85,000	85,000,000	85,000	85,000,000	Capital increase in cash by NT\$ 70,000,000	None	-
1997.12	1,000	144,500	144,500,000	144,500	144,500,000	Capital increase out of cash NT\$ 59,500,000	None	Note 1
1999.10	10	17,340,000	173,400,000	17,340,000	173,400,000	Capital increase out of earnings NT\$ 28,900,000	None	Note 2
2000.08	10	24,000,000	240,000,000	24,000,000	240,000,000	Capital increase out of earnings and employees' bonus NT\$ 54,831,000 Capital increase out of cash NT\$ 11,769,000	None	Note 3
2001.05	10	38,500,000	385,000,000	32,000,000	320,000,000	Capital increase out of earnings and employees' bonus NT\$ 80,000,000	None	Note 4
2002.07	10	67,000,000	670,000,000	37,200,000	372,000,000	Capital increase out of earnings and employees' bonus NT\$52,000,000	None	Note 5
2003.07	10	67,000,000	670,000,000	43,230,000	432,300,000	Capital increase out of earnings and employees' bonus NT\$ 60,300,000	None	Note 6
2004.01	10	67,000,000	670,000,000	43,261,976	432,619,760	Share capital converted from corporate bonds amounting to NT\$ 319,760	None	Note 7
2004.04	10	67,000,000	670,000,000	43,267,789	432,677,890	Share capital converted from corporate bonds amounting to NT\$ 58,130	None	Note 8
2004.09	10	67,000,000	670,000,000	50,207,957	502,079,570	Capital increase out of earnings and employees' bonus NT\$ 69,401,680	None	Note 9
2005.07	10	100,000,000	1,000,000,000	60,849,548	608,495,480	Capital increase out of earnings and employees' bonus NT\$ 106,415,910	None	Note 10
2005.10	10	100,000,000	1,000,000,000	60,898,727	608,987,270	Share capital converted from corporate bonds amounting to NT\$ 491,790	None	Note 11
2006.04	10	100,000,000	1,000,000,000	62,361,836	623,618,360	Share capital converted from corporate bonds amounting to NT\$ 14,631,090	None	Note 12
2006.09	10	100,000,000	1,000,000,000	66,063,534	660,635,340	Capital increase out of earnings and employees' bonus NT\$ 37,016,980	None	Note 13
2007.02	10	100,000,000	1,000,000,000	66,654,832	666,548,320	Share capital converted from corporate bonds amounting to NT\$ 5,912,980	None	Note 14

Year and Month	Issuance price	Authorized share capital		Paid-in Capital		Notes		
		Shares	Amount	Shares	Amount	Source of share capital	Capital Increased by Assets Other than Cash	Others
2007.04	10	100,000,000	1,000,000,000	66,741,788	667,417,880	Share capital converted from corporate bonds amounting to NT\$ 869,560	None	Note 15
2007.07	10	100,000,000	1,000,000,000	71,576,557	715,765,570	Share capital converted from corporate bonds amounting to NT\$ 48,347,690	None	Note 16
2007.08	10	100,000,000	1,000,000,000	72,195,388	721,953,880	Share capital converted from corporate bonds by NT\$ 6,188,310	None	Note 17
2007.10	10	100,000,000	1,000,000,000	74,897,641	748,976,410	Capital increase out of earnings and employees' bonus by NT\$ 27,022,530	None	Note 18
2008.09	10	100,000,000	1,000,000,000	77,095,594	770,955,940	Capital increase out of earnings and employees' bonus by NT\$ 21,979,530	None	Note 19
2009.09	10	100,000,000	1,000,000,000	78,378,952	783,789,520	Capital increase out of earnings and employees' bonus by NT\$ 12,833,580	None	Note 20
2010.10	10	100,000,000	1,000,000,000	79,626,686	796,266,860	Capital increase out of earnings and employees' bonus by NT\$ 12,477,340	None	Note 21
2011.09	10	100,000,000	1,000,000,000	80,733,652	807,336,520	Capital increase out of earnings and employees' bonus by NT\$ 11,069,660	None	Note 22
2012.09	10	100,000,000	1,000,000,000	81,779,292	817,792,920	Capital increase out of earnings and employees' bonus by NT\$ 10,456,400	None	Note 23
2013.09	10	100,000,000	1,000,000,000	82,921,604	829,216,040	Capital increase out of earnings and employees' bonus by NT\$ 11,423,120	None	Note 24
2014.09	10	100,000,000	1,000,000,000	83,992,368	839,923,680	Capital increase out of earnings and employees' bonus by NT\$ 10,707,640	None	Note 25
2015.07	10	100,000,000	1,000,000,000	85,096,465	850,964,650	Capital increase out of earnings and employees' bonus by NT\$ 11,040,970	None	Note 26
2016.07	10	100,000,000	1,000,000,000	85,884,163	858,841,630	Capital increase out of earnings and employees' remuneration by NT\$ 7,876,980	None	Note 27
2017.07	10	100,000,000	1,000,000,000	86,168,006	861,680,060	Capital increase out of employee remuneration by NT\$ 2,838,430	None	Note 28
2018.08	10	100,000,000	1,000,000,000	86,290,569	862,905,690	Capital increase out of employee remuneration by NT\$ 1,225,630	None	Note 29
2019.07	10	100,000,000	1,000,000,000	86,667,589	866,675,890	Capital increase out of employee remuneration: NT\$ 3,770,200	None	Note 30
2020.08	10	100,000,000	1,000,000,000	86,842,657	868,426,570	Capital increase out of employee remuneration by NT\$ 1,750,680	None	Note 31
2021.10	10	100,000,000	1,000,000,000	86,920,392	869,203,920	Capital increase out of employee remuneration	None	Note 32

Year and Month	Issuance price	Authorized share capital		Paid-in Capital		Notes		
		Shares	Amount	Shares	Amount	Source of share capital	Capital Increased by Assets Other than Cash	Others
						by NT\$ 777,350		
2022.07	10	100,000,000	1,000,000,000	87,147,722	871,477,220	Capital increase out of employee remuneration by NT\$ 2,273,300	None	Note 33
2023.09	10	100,000,000	1,000,000,000	87,639,056	876,390,560	Capital increase out of employee remuneration by NT\$ 4,913,340	None	Note 34
2024.09	10	100,000,000	1,000,000,000	87,811,345	878,113,450	Capital increase out of employee remuneration by NT\$ 1,722,890	None	Note 35

Note 1: Approved by (86) No.126748 business letter on December 31, 1997.

Note 2: Approved by (088) No.138351 business letter on November 1, 1999.

Note 3: Declaration (89) Tai-Cai-Zheng (1) No.51641 took effect on June 23, 2000.

Note 4: Declaration (90) Tai-Cai-Zheng (1) No.11185 took effect on April 30, 2001.

Note 5: Declaration (91) Tai-Cai-Zheng (1) No.0910136218 took effect on July 2, 2002.

Note 6: Tai-Cai-Zheng-I-Zi No.0920125109 dated June 9, 2003.

Note 7: Approved by Jin-Shou-Zhong-Zi No.09331573780 letter on January 20, 2004.

Note 8: Approved by Jin-Shou-Zhong-Zi No.09332057260 letter on April 30, 2004.

Note 9: Approved by Jin-Shou-Shang-Zi No. 09301173490 letter on September 10, 2004.

Note 10: Approved by Jin-Shou-Shang-Zi No. 09401141760 letter on July 25, 2005.

Note 11: Approved by Jin-Shou-Shang-Zi No. 09401206630 letter on October 26, 2005.

Note 12: Approved by Jin-Shou-Shang-Zi No. 09501069760 letter on April 18, 2006.

Note 13: Approved by Jin-Shou-Shang-Zi No. 09501218120 letter on September 28, 2006.

Note 14: Approved by Jin-Shou-Shang-Zi No.09601024290 letter on February 1, 2007.

Note 15: Approved by Jin-Shou-Shang-Zi No.09601080730 letter on April 17, 2007.

Note 16: Approved by Jin-Shou-Shang-Zi No.09601167960 letter on July 19, 2007.

Note 17: Approved by Jin-Shou-Shang-Zi No.09601214700 letter on August 31, 2007.

Note 18: Approved by Jin-Shou-Shang-Zi No.09601239390 letter on October 2, 2007.

Note 19: Approved by Jin-Shou-Shang-Zi No.09701247270 letter on September 24, 2008.

Note 20: Approved by Jin-Shou-Shang-Zi No.09801216070 letter on September 18, 2009.

Note 21: Approved by Jin-Shou-Shang-Zi No.09901229790 letter on October 13, 2010.

Note 22: Approved by Jin-Shou-Shang-Zi No.10001222790 letter on September 28, 2011.

Note 23: Approved by Jin-Shou-Shang-Zi No.10101201320 letter on September 27, 2012.

Note 24: Approved by Jin-Shou-Shang-Zi No.10201191780 letter on September 14, 2013.

Note 25: Approved by Jin-Shou-Shang-Zi No.10301191080 letter on September 12, 2014.

Note 26: Approved by Jin-Shou-Shang-Zi No.10401153930 letter on July 29, 2015.

Note 27: Approved by Jin-Shou-Shang-Zi No.10501158260 letter on July 18, 2016.

Note 28: Approved by Jin-Shou-Shang-Zi No.10601095840 letter on July 13, 2017.

Note 29: Approved by Jin-Shou-Shang-Zi No.10701090970 letter on August 3, 2018.

Note 30: Approved by Jin-Shou-Shang-Zi No.10801086140 letter on July 19, 2019.

Note 31: Approved by Jin-Shou-Shang-Zi No.10901142530 letter on August 18, 2020.

Note 32: Approved by Jin-Shou-Shang-Zi No.11001180400 letter on October 5, 2021.

Note 33: Approved by Jin-Shou-Shang-Zi No.11101127160 letter on July 7, 2022.

Note 34: Approved by Jin-Shou-Shang-Zi No.11230164860 letter on September 6, 2023.

Note 35: Approved by Jin-Shou-Shang-Zi No.11330131900 letter on September 3, 2024.

March 31, 2025 Unit: shares

Types \ Shares	Authorized share capital			Notes
	Outstanding shares (Note)	Unissued shares	Total	
Common shares	87,811,345	12,188,655	100,000,000	Listed stocks

Note: Placement and issuance of negotiable securities according to general declaration rules with approval: None.



## (II) Roster of Major Shareholders

March 31, 2025 (book closure date)

Shares Name of Major Shareholders	Number of shares in possession	Shareholding rate (%)
SHENG BAO INVESTMENT CORP.	10,565,530	12.03%
JIN BAO INVESTMENT CORP.	8,230,406	9.37%
Kitagawa Industries Co., Ltd.	4,346,000	4.95%
Yang Cheng-Li	2,989,391	3.40%
Kuo Kun-Chang	2,944,353	3.35%
Chuang Yung-Shun	2,913,305	3.32%
SHENG BAO INVESTMENT CORP. is entrusted by Yang Cheng-Li to manage his special trust property account	2,300,000	2.62%
JIN BAO INVESTMENT CORP. is entrusted by Shyu Lih-Hwa to manage her special trust property account	1,900,000	2.16%
SHENG BAO INVESTMENT CORP. is entrusted by Shyu Lih-Hwa to manage her special trust property account	1,600,000	1.82%
Wang Ta-Jen	1,468,725	1.67%

### (III) Dividend Policy and the Status of Implementation

#### 1. The dividend policy defined by the Articles of Incorporation

If the Company has a profit in the current accounting period, it shall first lawfully pay the taxes, make up any losses from the past years and then make contribution of 10% as the statutory reserve unless the statutory reserve reaches the total amount of the Company paid-in capital.

After special earnings are appropriated or reversed according to the laws, regulations and rules of competent authorities, 10% (including the figure) to 100% of the total amount of undistributed earnings accumulated in the past years and those of the current year shall be appropriated and distributed to shareholders as dividends with the approval of the shareholders' meeting.

At present, the Company is in a mature industry. It shall distribute dividends in cash or by way of stocks. It shall measure its capital demand and capital structure in the next years. Its cash dividends shall not be below 10% of the shareholders' total dividends that year.

#### 2. Proposed dividend distribution in the current year (2024)

The earnings distribution for 2024 was approved by the Board of Director on February 25, 2025, but not approved by 2025 general shareholders' meeting. The earnings distribution by the Board of Director is hereby presented as follows:

Dividend distribution to shareholders: In the current year, it is resolved that NT\$ 79,030 thousand will be distributed as cash dividends. In other words, NT\$ 0.9 per share will be distributed.

### (IV) Impacts of proposed share allotment on the Company's business performance and EPS in the current year (2024)

This is not applicable, because it was proposed at this shareholders' meeting that cash dividends would be fully distributed.

### (V) Remuneration for employees, directors and supervisors

#### 1. Proportion or scope of remuneration for the employees, directors, and supervisors specified in the Articles of Incorporation:

(1) Remuneration for directors: No more than 2% of that year's profit (namely pre-tax profit before deduction of remuneration for employees and directors) shall be appropriated as remuneration for employees.

(2) Employee remuneration: 5% to 10% of the current year's profit (namely pre-tax profit before deduction of remuneration for employees and directors) shall be appropriated as employee remuneration, but where the Company has accumulated losses, certain amount of the profit shall be retained for loss recovery. The aforementioned employee remuneration shall be determined by the Board of Director based on fulfillment of targets on net operating benefits and performances. It shall be distributed in the form of stocks or in cash. It shall be paid to affiliates' employees who satisfy the conditions specified by the Board of Director or its authorized person.

(3) Remuneration for supervisors: The Company has built an Audit Committee in place of the supervisor system, so this is inapplicable.

#### 2. Basis for estimating amount of remuneration for employees, directors and supervisors, basis for calculating shares to be distributed as employee remuneration, and accounting performed when actual distributed amount differs from the estimate

In case of any difference between actual distributed amount and estimate, it will be accounted as change in accounting estimate, included in profit (loss) of the following year.

#### 3. Remuneration distribution approved by the Board of Director:

##### (1) Employees' and directors' remuneration paid in cash or stock distribution:

① Employee remuneration: It was resolved by the Board of Director of the Company that NT\$ 5,369,244 (5% of the current year's profit) would be paid as employee compensation in 2024 by issuing new shares.

②Directors' remuneration: According to the Articles of Incorporation, the Board of Director of the Company resolved to distribute NT\$ 1,610,773 (approximately accounting for 1.5% of the current year's profit) as directors' remuneration in 2024. Directors' remuneration will be paid in cash.

The amount of directors' and employee remuneration distributed in 2024 as resolved by the Company's Board of Director does not differ from the accounting estimate.

- (2) The amount of employee remuneration distributed by stocks and its proportion to the total after-tax operating gross profit and total employee remuneration in the parent only financial report for the current period:

The amount of employee remuneration paid by stocks is up to NT\$ 5,369,244. It accounts for 6.33% of the net after-tax profit and 100% of total employee remuneration indicated in the 2024 parent only financial report. Calculated based on the closing market price of NT\$ 25.25 for issuing new shares on the day before this Board of Director meeting, 212,643 shares are issued in respect of NT\$ 5,369,244, and employee remuneration in respect of fractional shares amounting to NT\$ 9 will be paid in cash.

4. Actual distribution of remuneration for employees and directors in the preceding year (2023) is as follows:

Item	February 19,2024 Resolved by the Board of Director	Accounted amount in the 2023 financial report	Difference	Cause of variance
Remuneration to Directors	1,405,880	1,405,880	-	-
Employee compensation	4,686,270	4,686,270	-	-

Descriptions on difference: NT\$ 4,686,270 was actually appropriated from earnings as employee remuneration in 2023 (Based on the closing market price of NT\$ 27.2 on the day before the resolution date of the Board of Director, 172,289 shares were distributed, and employee remuneration in respect of fractional shares amounting to NT\$ 10 were paid in cash); directors' remuneration was NT\$ 1,405,880. No difference existed between the amount presented in the 2023 financial report and the distributed amount resolved by the Board of Director.

(VI) The Company's repurchase of its shares: None.

II. Disclosure relating to corporate bonds: None.

III. Disclosure relating to preference shares: None.

IV. Disclosure relating to depository receipts: None.

V. Status of employee stock options: None.

VI. Handling of restricted stock awards: None.

VII. M&A or receipt of new shares issued by other companies: None.

VIII. Implementation of capital utilization plan: None.

## Four. Business Overview

### I. Business Contents

#### (I) Business activities

##### 1. Businesses of the Company are as follows:

Manufacturing, processing and trading of soft ferrites, magnetic ferrite cores, flyback converters, convergence coils, delay-line filter, electromagnetic components, particulate coils, common mode choke, other coils, antenna-related products, multilayer chip inductors, chip beads, bead arrays, high frequency ceramic chip inductors, different types of inductors for communication, products related to EMI solutions and converters, etc.

Import and export of aforementioned products.

Distribution, bidding and quotation for said products on behalf of domestic and foreign suppliers.

##### 2. Weight of business activities

Ratio of the Company's product businesses in 2024: Unit: %

Item	Key usages	Percentage
Ferrite cores	Automotive electronics, robots, IoT, PC, Notebook, tablets, motherboards, power supply devices, different types of displays, optical disk drives, hard disk drives, scanners, MFP, computer peripherals, modems, GPS, telephone sets, switches, servers, equipment at local communication terminals and user terminals, set-top boxes, LCDTV, sound speakers, air conditioners, refrigerators, sweeping machines and gaming, etc.	57.38%
Chips	Automotive electronics, robots, IoT, PC, Notebook, tablets, motherboards, power supply devices, different types of displays, optical disk drives, hard disk drives, scanners, MFP, computer peripherals, modems, cellphones, GPS, telephone sets, switches, servers, equipment at local communication terminals and user terminals, set-top boxes, LCDTV, sound speakers, air conditioners, refrigerators, sweeping machines and gaming, etc.	35.58%
Coils	Automotive electronics, robots, IoT, PC, Notebook, tablets, motherboards, power supply devices, different types of displays, optical disk drives, hard disk drives, scanners, MFP, computer peripherals, modems, cellphones, GPS, telephone sets, switches, servers, equipment at local communication terminals and user terminals, set-top boxes, LCDTV, sound speakers, air conditioners, refrigerators, sweeping machines and gaming, etc.	7.03%

##### 3. Current goods (services)

Manufacturing and sales of different flexible ferrite cores, absorber materials.

Manufacturing and sales of multi-layer chips and bead inductors.

Manufacturing and sales of wire-wound inductors and choke coils.

Trading of aforementioned products.

##### 4. New products (services) under planning for development

Wire-wound common mode choke inductors for communication (resistance to high current) for vehicles and Internet of things

High-frequency antennas

Chip inductors resistant to high current

Iron-based power inductors resistant to high current

Customized power inductors (high inductance and resistant to high current) for vehicles and Internet of things

HDMI 2.0/USB3.2 common mode choke for high speed

HDMI 2.1/USB4.0/5-8K TV common mode choke for high speed

Composite material filters, multi-layer coils

SMD-Type Beads (Bead)

High-Frequency Surge-Resistant, High-Current SMD-Type Beads

High-frequency and high-impedance multi-layer chip materials

High-frequency EMI resistant materials

Wireless inductive antennas, wireless inductive charging coils

NFC, magnetic sheet material for wireless charging and high-freq. wave absorption applications

Used in AI server TLVR coupling inductors to improve current ripple performance.

## (II) Overview of industry

### 1. Status quo and development of the industry

Elements of electronic products may be classified into two major categories, including electronic elements with functions for data calculation and operation, which are called active elements, including various IC chips. Other elements which perform no operation of passing current signals or without ability to give commands, but only adjust intensity of current signals, or procure current signals to pass or not to pass are categorized as passive elements, mainly including resistors, capacitors and inductors.

Downstream products of passive elements are used fairly widely. They are indispensable and critical components for manufacturers of electronics, electric appliances, automatic equipment and automotive electronics in their manufacturing processes.

Inductors of passive elements are designed based on electromagnetic inductance principles. They mainly function for preventing interference of electromagnetic waves, filtering current spikes and stabilizing current. There is a great variety of products, which are mainly classified into three categories, namely ferrite cores, coils and chip inductors. In terms of global market share for inductors, the European Union, China, and Japan remain the leading regions in terms of production scale. However, in recent years, factors such as tariffs and trade wars, geopolitical tensions, and shifts in U.S. policy have slowed down operations in the Chinese market. As a result, downstream assembly manufacturers from the EU, the U.S., and Japan have relocated to lower-cost countries such as those in Southeast Asia, India, and Latin America, leading to a shift in overall market dynamics.

The continued advancement of AI hardware, smart appliances, wireless communications, IoT, automotive electronics, automation equipment, and medical devices is driving the development of related system products. As to mainstream trend of product development, people have demands for light, thin, short and small-sized electronic products in the past years, so in response to market and customer needs, it is necessary to improve technologies and actively develop new products in the industry of electronic components, including inductors. The Company has kept up with this trend these years to develop products such as chip inductors and precision coils.

### 2. Associations among upstream, midstream and downstream of the industry

Vertical division of labor is fairly evident in inductor-related industries. Related upstream manufacturers mainly produce raw materials such as nickel oxide, cupric oxide, ferric oxide, zinc oxide, manganese oxide, magnesium oxide, electrodes and terminal plating materials. After they are made into ferrite cores, multilayer chip inductors/ beads, high frequency multilayer chip inductors and wire-wound inductors in mid-stream, they are ultimately delivered to downstream 3C practitioners of information, communication and consumer electronics, in order that they will be produced into terminal electronic products. The connections among upstream, midstream and downstream of the industry are summarized here below:

Upstream	Mid-stream	Downstream
Nickel oxide	Ferrite cores	<u>Digital products</u>
Cupric oxide	(Nickel zinc, manganese	PC, Notebooks, tablets,
Iron oxide	zinc, magnesium zinc	motherboards, power supply
Zinc oxide	series)	devices, various displays, optical
Manganese		disk drives, hard disk drives,
oxide	Wire-wound inductors	scanners, computer peripherals
Magnesium	(Peaking coils, oscillation	and modems, etc.
oxide	coils, air core coils, choke	<u>Communication products</u>
Silver paste	coils, etc.)	Modems, cellphones, GPS,
Silver		telephone sets, MFP, switches,
palladium	Multilayer chip inductors/	servers, devices at local
Ceramic	beads	communication terminals and
powder		user terminals
	High frequency multilayer	<u>Consumer electronics</u>
	chip inductors	SETOP BOX, LCDTV, sound
		speakers, air conditioners,
		refrigerators, sweeping machines,
		gaming machines, Internet of
		things, automotive electronics,
		automation equipment,
		automobile safety detection,
		self-driving automobiles, robots,
		automation, etc.

### 3. Development trends of products

#### (1) Products become exquisite

As information and electronic products continue to evolve toward miniaturization, the demand for higher computing speeds and enhanced heat dissipation has grown accordingly. Upstream electronic components such as inductors are also advancing in the direction of smaller size, higher frequencies, and increased saturation magnetic flux density. For example, chip inductors, a type of Surface Mount Device (SMD) with a smaller footprint compared to traditional inductors, are now widely adopted in automated manufacturing processes using Surface Mount Technology (SMT). In addition, as electronic devices become more powerful, the requirements for processing speed and current endurance have significantly increased, driving up demand for high-frequency inductors. With the growing prevalence of digital lifestyle products and mobile communication devices, low temperature rise and high current resistance have also emerged as key trends in the development of inductors and ferrite beads.

#### (2) Technology improvement

Impacted by rapid emergence of digital/communication products, increasingly lighter, thinner, shorter and smaller products as well as lower gross profit margin, manufacturers of inductor cores must actively strive to make technical breakthroughs. Their products tend to be featured by basic technologies, technological accumulation, differentiated technology development, design stability and high added value, in order to be applied in electronic products subject to more rigorous requirements, including digital and communication products. In addition, practitioners must foster their market sensitivity to understand development trends of the downstream 3C industry. Dependent upon their diverse product lines, short lead time, quick delivery, R&D and technical manufacturing capacity, they appropriately provide customers with technical support and swift services, in order to satisfy customer requirements and keep competitive. In combination with phased task adjustments of production patterns, a small quantity of diverse products are replaced by a large quantity of diverse products. Lower production costs and provide high-quality services. Flexibly respond to market demands dependent upon planned production and marketing strategies, so as to be in line with customer orientations.

#### (3) International division of labor

There are so many manufacturers of inductors that market competitions are fierce. Besides, unit prices of products have declined due to pressure from global price competitions of global digital and communication products. In addition, products tend to be miniaturized, and production capacity increases for the purpose of reaching the economic scale. Hence, production strategies are still adopted to produce or assemble labor-intensive products with low added value in areas with relatively low labor costs, in order to ensure high market share dependent upon the competitive advantage in low costs. However, those products with higher unit prices, profits and added value are domestically manufactured.

Viewed from the perspective of overall downstream markets, 3C electronic products are particularly produced in Mainland China, India and Southeast Asia. In addition, 3C products tend to be diverse and cheap. All downstream manufacturers wish to promptly launch new products in the market, in hope of making relatively considerable profits. Hence, great importance is attached to timeliness. Besides, owing to changes in inventory management methods, no customer is willing to have many stocks of parts. Therefore, at present, all manufacturers are actively strengthening their global operational architectures and their capabilities of prompt supply and nearby service provisioning, in hope of getting long-term orders from international customers.

Due to the intensifying impact of regional conflicts, global warming, and geopolitical competition among major powers, supply chain transformations have accelerated. Issues such as raw material supply security, corporate governance, energy conservation and carbon reduction, corporate social responsibility, and sustainable operations have become increasingly critical.

#### (4) Introduction of HSF (hazardous substance free) manufacturing processes

The European Union has successively promulgated Waste Electrical and Electronic Equipment Directive (WEEE) and Restriction of Hazardous Substances Directive (RoHS), which expressly stipulate that from June 2006, all products entering the market of European Union must not contain six major hazardous substances. Owing to new environmental protection regulations of the European Union, global manufacturers have gotten down to establishing related test standards in conformity with WEEE and RoHS. They have implemented “lead, halogen, hazardous substance free manufacturing processes” and more environment-friendly manufacturing plans. Although the ratio of inductors to all electronic products is a little low, it has been generally recognized that inductors contain no hazardous substance.

#### 4. Product competitions

Domestically, competitions are extremely fierce among manufacturers of inductor cores. The Company faces fierce competitions within the industry. In response to global great demand for electronic products, it not only expands production capacity of its original products and safeguards its high-quality product image, but also actively develops and produces more advanced products in line with customer requirements, in order to gain competitive advantages.

Domestic major competitors and their businesses are hereby listed as follows:

Competitors	Competitors' businesses
TAI-TECH ADVANCED ELECTRONICS CO., LTD.	Manufacturing, processing and trading of chip coils and other coils. Quotation, bidding and distribution of domestic and foreign products as well as import and export trade as agents.
ADVANCED CERAMIC X CORPORATION	Manufacturing of chip inductors, high frequency elements and modules necessary for wireless communications
ABC TAIWAN ELECTRONICS CORP.	Manufacturing, processing and trading of different inductors, chip inductors, filters and transformers Manufacturing, processing and trading of converters, delay lines, convergence coils and various magnetic cores Manufacturing and trading of power supply devices, electric/electronic

	parts, computers and their peripherals, etc.
MAX ECHO TECHNOLOGY CORPORATION	Manufacturing and sales of multilayer chip inductors.

### (III) Overview of technology and R&D

#### 1. Annual R&D expenses in the past five years:

Unit: NT\$ thousand

Item \ Year	2020	2021	2022	2023	2024
R&D expenses	15,667	15,187	14,320	13,781	15,341
Consolidated operating revenue	606,740	799,566	770,147	544,602	569,796
Ratio of R&D expenses to consolidated operating revenue	2.58	1.9	1.86	2.53	2.69

Note: Above financial information shall be indicated based on consolidated information specified by International Financial Reporting Standards of R.O.C.

#### 2. Technologies or products developed successfully in the past five years

Year	Technologies or products developed successfully
2020	<ul style="list-style-type: none"> <li>• Metal-based and ferrite-based power inductors resistant to high current</li> <li>• Power and low-freq. high impedance core for automotive-electronics application</li> </ul>
2021	<ul style="list-style-type: none"> <li>• 1G~3GHz high-frequency antennas</li> <li>• Wire-wound common mode choke inductors for communication (resistance to high current) for vehicles and Internet of things</li> <li>• Metal-based power inductors resistant to high current</li> </ul>
2022	<ul style="list-style-type: none"> <li>• Bead products to address various current surges (multi-layer, wire-wound and clamp ferrite core.)</li> <li>• Common mode choke coils to meet the new generation of HDMI/USB protocols</li> </ul>
2023	<ul style="list-style-type: none"> <li>• Meeting the requirements of the Open Alliance with wire-wound common mode filters.</li> </ul>
2024	<ul style="list-style-type: none"> <li>• Multilayer high-frequency antennas</li> <li>• SMD-type high-impedance, high-current-resistant beads</li> </ul>

### (IV) Long-term and short-term business development plans

#### 1. Short-term development plan

##### (1) Production strategies

- ① Improve manufacturing capabilities by additionally purchasing automatic equipment, in order to improve pass yield/production capacity of manufacturing processes, and shorten manufacturing cycles.
- ② Adjust product mixes and enhance in-depth of product lines with high added value.
- ③ Enhance information systems, increase production efficiency, improve information communications, and shorten lead time with optimal schedules, so as to reinforce responsiveness to orders.

##### (2) Marketing strategies

- ① Strengthen expansion of new industries, to decentralize impacts of prospect changes or seasonal cycles of a single industry.
- ② Enhance export capacity and expand international markets.
- ③ In consideration that 3C products become smaller with more functions and intensity of their PCB SMT, active efforts will be made to improve specifications of miniaturized chip inductors and smaller coil series elements.



- ④Deepen partnerships with key customers. In addition to closely monitoring the pulse of market demand, the Company also cooperates in the development of new specifications and products, so that our products can be the first to address market demands.
- (3) R&D strategies
  - ①Whereas widespread applications in mobile communications lead to higher frequency, high-frequency precision coils and high-frequency high-impedance beads are continuously developed.
  - ②Develop material formulas and create complete production lines to satisfy customers' design requirements.
  - ③Understand development trends of electronic products and create infinite imagination space for wireless transmission and charging.
  - ④In response to the development of AI hardware, IoT, automotive electronics, and industrial automation, King Core continues to develop and supply timely products tailored to the needs of these sectors.

## 2. Long-term development trend

### (1) Production strategies

- ①Gradually adjust product mix and production capacity, constantly improve mass production technologies, lower production costs and enhance responsiveness, in response to market demands and changes.
- ②Set up complete product lines to satisfy customer requirements, especially in respect of products inhibiting EMI and inductors of passive elements.
- ③Construct a complete information system to understand forecast of terminal customers' requirements, in order that production and sales can be synchronized, to satisfy customer requirements while reducing unnecessary overstocking.

### (2) Marketing strategies

- ①Cultivate international marketing talents and set up marketing strongholds abroad, to attain the goal of internationalization and fully keep informative about international markets.
- ②Provide customers with complete product lines, especially in respect of products inhibiting EMI and inductors of passive elements, and become a professional company of EMI suppression and magnetic elements.
- ③Know about industry development and development trends of electronic products from multiple parties as policies for developing new products.

### (3) R&D strategies

- ①Develop new products, especially EMI suppression and inductors of passive elements.
- ②Develop and design automation equipment; enhance production capacity, increase production flexibility and lower production cost.
- ③Actively develop key materials and understand autonomy of technologies for key materials.
- ④Fully take advantage of industry-university cooperation to improve R&D capacity and speed up technology consolidation.

## II. Overview of market and production & marketing

### (I) Market analysis

#### 1. Regions for selling (providing) main products (services)

Unit: NT\$ thousand; %

2024		
Sales territories	Amount	Ratio (%)
China	289,881	50.88
Taiwan	205,649	36.09
Others	74,266	13.03

Total	569,796	100.00
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Note: Above financial information shall be indicated based on consolidated information specified by International Financial Reporting Standards of R.O.C.

## 2. Market share, future market supply/demand and growth

In 2024, King Core achieved stable results in its automotive electronics and power supply market applications. Meanwhile, customers in the smart appliance sector, as well as those in Japan and Europe, continued to deplete their inventory levels. As a result, overall performance improved compared to 2023. In response to the ever-changing market dynamics and the rapid evolution of electronic products, the Company not only strives to reduce manufacturing costs to increase gross margins, but also actively develops new products to increase ASP and product value. Increasing numbers of customers and end-product applications have adopted and begun taking delivery of the Company's solutions in areas such as power supply products, automotive electronics, and medical hardware applications. King Core recognizes that continuous research and development innovation, along with understanding market trends, are essential for the Company's long-term development and sustainability. King Core also aspires to achieve better levels of growth and profitability in the new year ahead.

Thanks to Taiwan's long-standing strengths in R&D, design, and manufacturing within the electronics industry—as well as its comprehensive integration of upstream and downstream resources and a well-established industrial supply chain—Taiwan has become a global hub for the production of electronic products, ranging from consumer electronics to AI servers. As the shipment volume of Taiwan's industrial and automotive electronics products continues to grow, it creates a favorable environment for the passive component industry to pursue chip-level and miniaturization development, with the market scale expected to expand accordingly.

## 3. Competition niche

### (1) Magnetic material technologies

To satisfy the need for suppressing EMI by electronic products, the Company does not only specialize in manufacturing ferrite cores, but also further engages in production of more technologically advanced multilayer chip inductors and wire-wound inductors. As one of very few domestic practitioners in the industry, it is capable of manufacturing nickel zinc ferrite cores, multilayer chip inductors and wire-wound inductors. The former devices are mainly mounted in output (input) terminals or wires of digital products. The latter ones are primarily inside electronic products and make up electronic loops with electronic circuits. With functions for filtration, current resistance and energy storage, they provide solutions prior to EMI. Based on the demands for adjusting internal and external EMI protection and current adjustments for circuits based on electronic products, the Company strives to provide customers with all-round products and services, so as to fully satisfy customer requirements for suppressing electromagnetic interference.

In recent years, the breakneck growth of automotive electronics, IoT, automation, and green energy industries has driven demand for technologies such as wireless inductive charging, sensing antennas, and common mode chokes. Our company has already begun developing related products and has made significant progress. However, shifts in U.S. trade and economic policies have increased market uncertainty, presenting a formidable challenge that the Company must proactively address.

### (2) Concentrate on technology and research development

Based on the spirit of striving for excellence, the Company is actively engaged in eliminating electromagnetic interference. It develops new technologies and devotes to building a professional image with authoritative inductors for suppressing EMI. Its professional image is directly reflected from its stable product quality,

recognition and trust from its customer bases. It actively collects information on material engineering and product applications through its R&D team. Besides, it further conducts cooperation with academic organizations, to keep informative about the latest development trends and technical information. At present, the Company is actively promoting its research plans for products such as high-frequency materials, ultra-thin absorber materials, wireless inductive coils and thick-film RF common mode filters, in order to provide customers with services in respect of complete series of EMI, RFI and inductors.

- (3) With production sites distributed across both Taiwan and China, King Core effectively mitigates supply chain risks and strengthens customer confidence.

King Core's nickel-zinc EMI cores and coil products are widely used in electronics, IoT, automation, green energy, and automotive applications. To provide more convenient and localized services to customers, the Company has established a wholly owned manufacturing facility in Suzhou and a sales office in Guanlan, Guangdong.

The Company continues to invest in advanced technologies and product manufacturing at its Taiwan headquarters while diversifying raw material supply and production risks. It is also increasing investment in powder material production in Taiwan to ensure customer satisfaction and peace of mind, mitigating supply uncertainties caused by geopolitical factors.

#### 4. Favorable/unfavorable factors of development visions and countermeasures

##### (1) Favorable factors of future development

###### ① Immense Market Potential in AI Servers, Power Supplies, Automotive Electronics, and Industrial Automation

Inductors are basic elements indispensable for circuits. As downstream consumer electronics, digital and communication products tend to be miniaturized, digitalized and high-frequency, there has been greater demand for high-precision chip inductors and coil elements with high added value. In addition, Taiwan manufacturers have become key areas for developing global mobile devices, digital products, WLAN and set top boxes. Hence, future growth of inductor market is promising.

###### ② Still with low market share, domestic inductors show great potential for future growth.

According to monthly report of its customs, import and export statistics, the Republic of China annually has to import numerous special materials or high-precision inductors from America, Japan and other countries. Hence, with the prosperous development of domestic electronics industry, the manufacturers improve their materials and production technologies to satisfy customer requirements, thus creating sufficient space for growth of the inductor industry.

###### ③ The demand for proposal for EMI suppression is increasing day by day.

With swift changes in technologies, electronic products are extensively applied in everyday lives. It would happen anytime that electromagnetic radiation and interference occur between electronic instruments, thus impacting human health. For instance, advanced countries such as America, Japan and Europe attach great importance to increasingly more serious problems with electromagnetic radiation. They have successively established stringent standards for electromagnetic tests. Hence, in the future, all electronic products must pass electromagnetic radiation tests under the harshest conditions, so the demand for inductors is increasing day by day.

##### (2) Unfavorable factors of future development and response strategies:

###### ① Domestic shortage of grassroots labor workers cause higher production and operating costs.

In the past years, factors like economic restructuring cause shortage of labor

workers in production lines, and salary has tended to increase.

Response strategies:

In addition to strengthening on-the-job training of employees, improving quality of human resources and increasing productivity, the Company is also dedicated to decreasing ratio of labor costs and transferring products with higher labor costs or lower production levels to areas where production costs are low for production, for the purpose of industrial upgrading.

② Tariff and Trade Wars

Regional wars, geopolitics, and market trends in decoupling from the supply chain in China as well as climate changes are reshaping the global supply chain, with greater ramifications in market demand fluctuation. Thanks to King Core's long-term strategic planning and continuous efforts, there has been an increase in pull-in demand from customers in the power supply, green energy, and automotive electronics sectors, while clients in the smart appliance segment have continued to reduce their inventory levels.

Response strategies:

In response to the dynamic changes in the general market environment, King Core shall continue to invest in Taiwan and will expand its investments in Taiwan. In 2023, King Core commenced construction on a new powder production line and facility for magnetic core materials in Pingzhen, Taoyuan. The designed capacity of the powder production is 300 tons per month. Apart from increasing production capacity, this initiative aims to reduce external disruptions in material supply and production processes, thus ensuring the stability and reliability of King Core's supply and production in Taiwan and providing peace of mind and satisfaction to our customers. Ultimately, it enhances and deepens the trust and cooperative relationship between King Core and its customers.

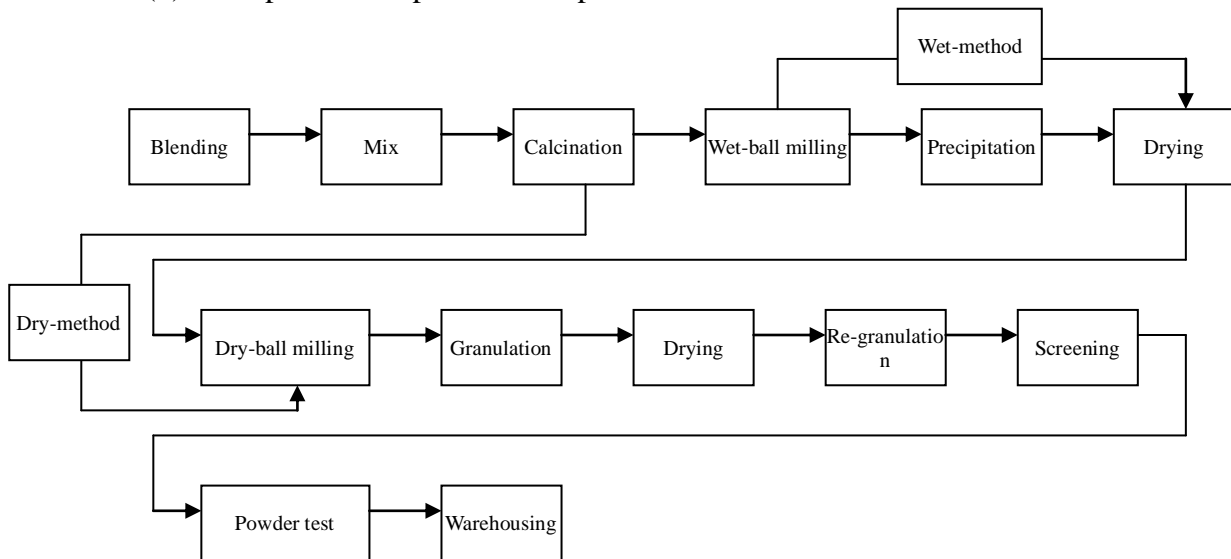
## (II) Important purposes and manufacturing processes of main products

### 1. Important application of the main products

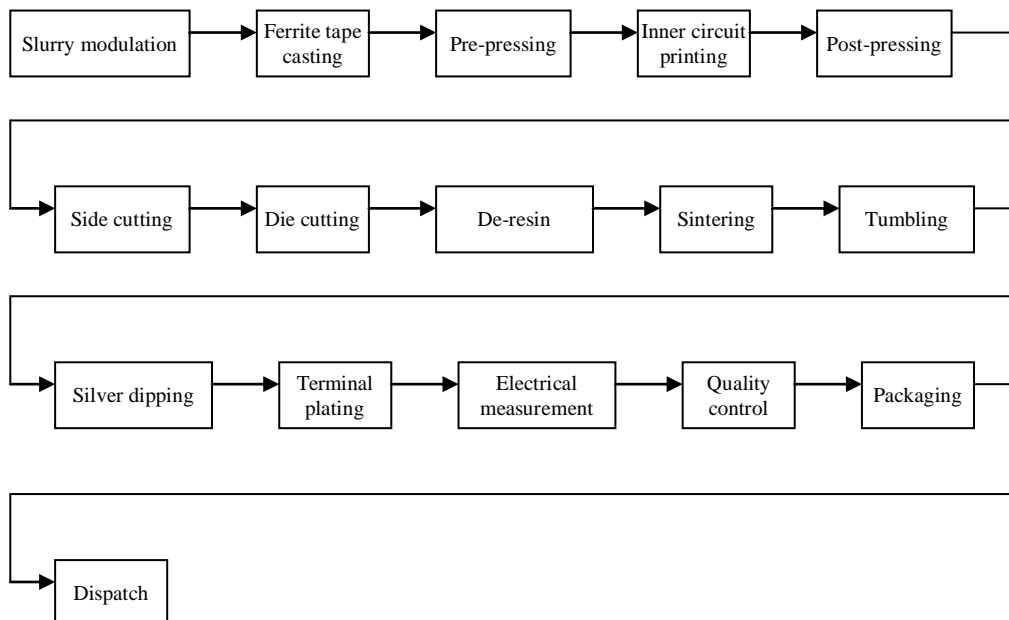
Main products of the Company include ferrite cores, multilayer chip inductors/ beads and precision coils, which are mainly utilized for filtering waves, suppressing EMI and adjusting current. The products are mostly applied in various consumer electronics, digital and communication products.

### 2. Production processes of main products

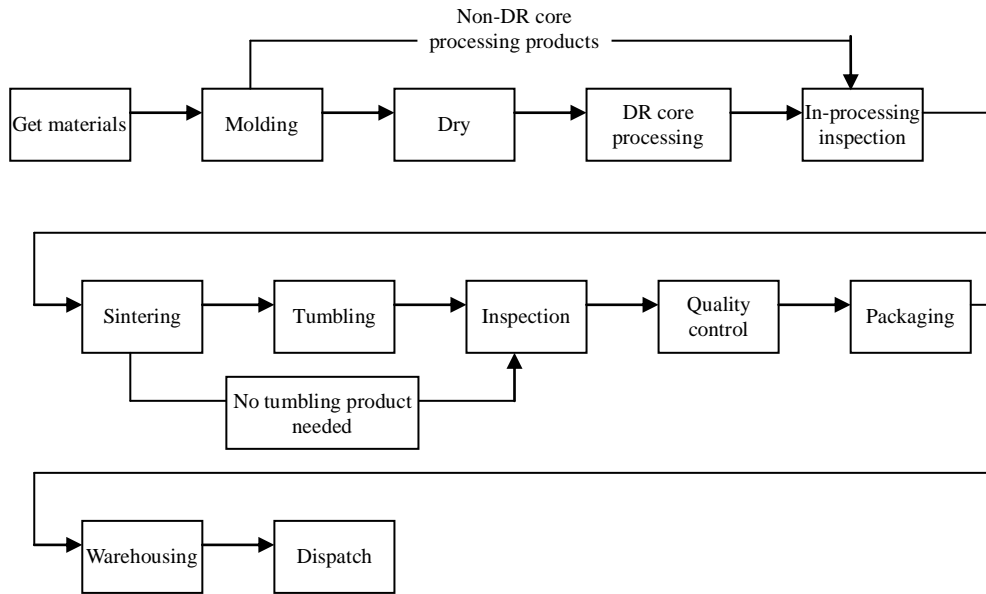
#### (1) Main production processes of powder materials



#### (2) Main production processes of chip inductors/thick-film common mode choke

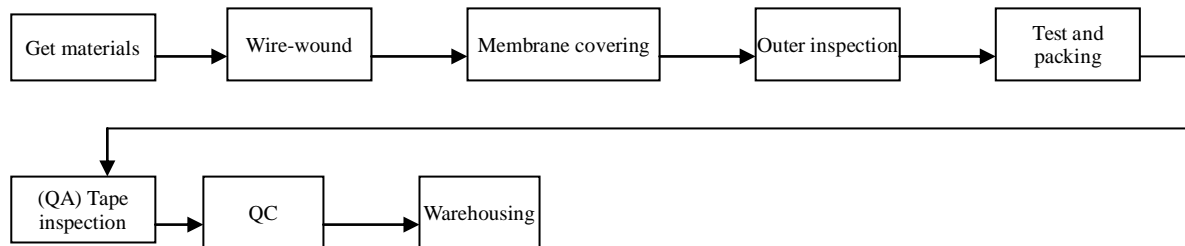


### (3) Main production processes of ferrite cores

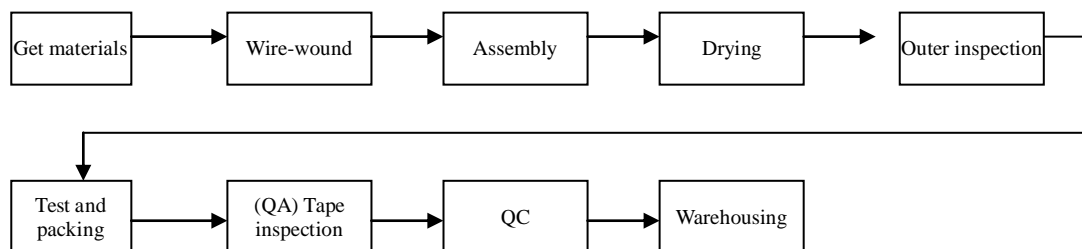


### (4) Production processes of Coil Manufacturing Department

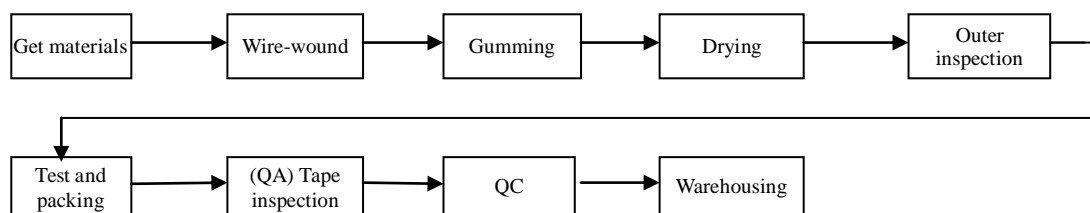
#### ①HLC/FLC series



#### ②COMMONMODE series



#### ③Power Inductor series



(III). Supply of the important materials

Raw materials necessary for the Company's production of cores, chips and coils, etc. are ferric oxide, nickel oxide, zinc oxide, cupric oxide, inner electrode, external electrode, silver palladium, uranium plated magnetic rods, white magnetic rods, ferrite core powder and other raw materials with stable and sufficient sources. The Company maintains good relationships with its suppliers.

(IV) Names of customers who have accounted for over 10% of total (sales) purchase amount in either year of the past two years

1. Information on major suppliers in the past 2 years

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	As a % of the annual net purchase amount	Relation with the Company	Name	Amount	As a % of the annual net purchase amount	Relation with the Company
1	B	27,810	17.05	Non-related party	C	27,482	18.68	Non-related party
2	C	26,834	16.46	Non-related party	B	27,076	18.41	Non-related party
3	A	23,190	14.22	Non-related party	D	16,313	11.09	Non-related party
4	D	17,176	10.53	Non-related party				
	Others	68,054	41.74		Others	76,219	51.82	
	Purchase Net amount	163,064	100		Purchase Net amount	147,090	100	

Note: Net purchase amount means that indicated in the recent year's consolidated financial report.

2. Information on major customers in the past 2 years

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	As a % of the annual net sales	Relation with the Company	Name	Amount	As a % of the annual net sales	Relation with the Company
1	A	149,843	27.51	Non-related party	A	139,009	24.4	Non-related party
	Others	394,759	72.49		Others	430,787	75.6	
	Net sales	544,602	100.00		Net sales	569,796	100.00	

Note: Net sales means that indicated in the recent year's consolidated financial report.

Due to changes in the sales product mix and market environment, there have been fluctuations in the customers, amounts, and proportions related to purchases and sales.

III. The number of employees, their average years of service, average age and academic background in the past 2 years and as of the publication date of this annual report

		April 15, 2025		
Year		2023	2024	As of April 15, 2025
Number of Employees	Direct labour	132	126	125
	Indirect labor	36	37	41
	General employee	66	64	65
	Total(Note)	234	227	231
Average Age		43.79	45.66	45.92
Average Year of Service		11.6	13.43	12.27
Academic distribution ratio (%)	Ph.D.	0.43	0.44	0.43
	Masters	2.99	3.08	3.03
	College	35.47	35.69	36.36
	Senior High School	43.59	42.29	41.56
	Under Senior High School	17.52	18.5	18.62

Note: Statistics on number of employees exclude foreign labor workers and students receiving cooperative education

IV. Environment protection expenditure information

- (I) The Company mainly produces products for suppressing EMI, which are applied in notebooks, motherboards, servers, digital cameras, computer-related products, communication products and consumer electronics. It has become the best partner of customers who provides EMI solutions. In addition, the Company makes every effort to protect environment and perform social responsibilities. In terms of its environmental policies, it conscientiously protects environment and takes accountability for the society.

As to fixed pollution sources, the Company has applied for and obtained incorporation and operation licenses. It has appointed full-time personnel for preventing and controlling air pollution. In respect of wastewater, it has applied for connection to the sewage system of the industrial park and its application has been approved. It has appointed full-time personnel for wastewater treatment. Furthermore, the Company has declared its fees for preventing and controlling air pollution on time. It pays for wastewater treatment on time.

To implement policies for energy conservation and carbon emission reduction, the Company takes actual actions to support power generation with green energy. In, 2016, it mounted solar panels and power generation equipment on roofs of its factory buildings, which covered an area of 2,358.39m<sup>2</sup>. In 2024, its total power generation was up to 468,652KWH and its cumulative power generation reached 3,704,139KWH. Such power generation was equivalent to planting of 6,436,709 trees and reduction of carbon emissions by 1,945,760t. The profit that the Company gained from solar power generation amounted to NT\$ 20,420 thousand. It reduced CO2 emissions, to mitigate greenhouse gas effects and make certain contributions to natural environment.

- (II) In the most recent year and as of the publication date of the annual report, losses due to environmental pollution (specifying compensation and environmental protection audit results that violate environmental protection regulations, sanction date, sanction code, regulatory provisions that were violated, details of the regulatory violation, and sanction details) and disclosure of current and future estimated amounts and possible measures. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be



stated:None.

## V. Labor relations

- (I) The availability and implementation of employee welfare, training, education, retirement regulations, employer-employee agreements and the protection of employees' rights.

The Company has consistently treated its employees as its important assets. To fully take care of its employees and guarantee their living conditions, the Company has formulated the following welfare measures:

### 1. Employee welfare measures

- (1) Employee remuneration.
- (2) Group insurance.
- (3) Festival gifts.
- (4) Benefits and subsidies: Subsidies for marriage, childbirth, death, critical illnesses, cataclysm and major accidents.
- (5) Employee education and training.
- (6) Employee travel, cash gift for birthday, cash gifts (gifts) for May Day, Dragon Boat Festival and Mid-Autumn Day, etc. organized and arranged by the Staff Welfare Committee.
- (7) Annual regular health checkup.
- (8) Lactation room for employees.

### 2. Information on continuing education and training

To cultivate its employees in terms of professional knowledge, skills and concepts for the purpose of improving their quality and work efficiency, in order to achieve synchronous growth with its employees, the Company has formulated education and training procedures. It organizes new employee training, professional training, on-the-job education and training, co-training and external training, etc.

#### (1) New employee education and training

Assist new employees in knowing about their work environment, the Company's management rules and histories. Pay attention to training about work safety, organization, department businesses, quality concepts, materials for environmental management, professional work styles and requirements, labor laws, labor safety and health, so as to enhance new employees' understanding and appraisal of environment and policies, and become talents accommodating needs of the Company.

#### (2) Professional training

Annually designate employees to take part in related professional courses according to professional needs, to improve the Company's technologies and professional skills.

#### (3) Vocational training

Annually teach and re-educate employees about knowledge and skills necessary for performance of their duties or professional training according to the training plan, and review qualification of employees who have to hold work permits, in order that employees will be competent for their work.

#### (4) Co-training

Facilitate employees' constant self-growth dependent upon complete education and training systems, particularly based on employees' co-occupation, in order to promote general development of the Company.

#### (5) External training

Department heads and employees have to be recommended to take part in related external courses pursuant to their work needs, so as to increase their training benefits and enable employees to finish the most complete learning.

Related education and training results in 2024 are shown as follows:

Unit: NT Dollars

Item		Number of class	Total number of trainees	Total hours	Total fees
Orientation training		33	61	17	0
On-the-job education and training	Professional training	16	265	24.75	0
	Vocational training	57	784	47.75	0
	Co-training	45	1,147	78.75	64,470
	External training	38	42	372	62,277
Total		189	2,299	540.25	126,747

Note: Education and training statistics exclude foreign workers.

### 3. Retirement system

The Company has formulated the employee retirement policy to maintain employees' stable lives after their retirement. According to the Labor Standards Act, 2% of the total paid salary is appropriated as retirement reserve, which is deposited in and withdrawn from the special account of the Supervisory Committee for Workers' Retirement Reserve. As approved by the competent authority on April 3, 2002, 3% of the total paid salary was appropriated as workers' retirement reserve. 4.5% of the total paid salary was appropriated as such reserve with the approval of the competent authority on January 6, 2004.

The Labor Pension Act was enforced from July 1, 2005, and defined contribution system was adopted. After its enforcement, related pension rules of the Labor Standards Act or the pension rules hereunder should apply to the employees. The seniority before enforcement of the act should be maintained. For those employees to whom these regulations apply, the Company shall appropriate no less than 6% of their monthly salary as their pension.

The Company's retirement policy is as follows:

(1) Workers who have one of the following circumstances may request their retirement:

- ① Workers who attains the age of 55 and have worked in the Company for more than 15 consecutive years.
- ② Workers who attains the age of 60 and have worked in the Company for more than 10 consecutive years.
- ③ Workers who have worked in the Company for more than 25 consecutive years.
- ④ The workers whose seniority for retirement exceeds 15 years (including the figure) and who attain the age of 50 have to apply for earlier retirement.

(2) The employer mustn't force any of the following workers to retire:

- ① Over 65 years of age.
- ② Mentally or physically disabled and unable to perform the duty required.

The business entity may request the central competent authority to adjust the age prescribed in Subparagraph 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength or otherwise of a special nature. However, the age shall not be reduced below 55.

Procedures for workers to apply for retirement and pension standards are as follows:

(1) To apply for retirement, the employees shall complete an application form for retirement one month in advance. Only after their application is approved can they retire, and this is also the case for notices of mandatory retirement.

(2) Payment standard for employees' pension:

- ① Baseline pension means the average salary of one month when retirement is approved.

- ② Pension shall be checked and paid based on years of employment. Twice the baseline pension will be paid as pension for one year of employment, but for more than 15 years of employment (thirty times the baseline pension), baseline pension will be paid for each year of employment, and less than half a year's employment will be reckoned as half a year's employment, while over half a year's but less than one year's employment shall be regarded as one year of employment.
- ③ In 2024, no employees applied for retirement. All retirement matters were handled in accordance with the Labor Standards Act and the Company's internal retirement policy to ensure comprehensive post-retirement security and to protect employee rights and interests.

#### 4. Information on labor agreements

To coordinate labor relationships and protect the rights/interests therein, the Company is dedicated to strengthening harmonious labor relationships, quarterly convening meetings on labor relationships and communicating with employees to solve related problems. Hence, no material and pending labor dispute has occurred in the Company.

#### 5. Information on measures for safeguarding employees' rights and interests

The Company has formulated work rules for employees and truly carried out related work to protect employees' rights and interests. We also value employees' perspectives on their work and conduct an annual employee satisfaction survey to gain deeper insight into their views and overall satisfaction with the Company. The survey was conducted anonymously and on a voluntary basis, with the following details:

Target Group	Employees of the Taiwan parent company
Survey Topics	Remuneration, work environment, career development, corporate culture, and sustainable operations
Coverage Rate	82.04%
Number of Respondents	137 employees
Responsible Unit	Human Resources Department
Frequency	Annually
Survey Period	January 1, 2024 – December 31, 2024
Survey Results	Average score of 3.53 (scale: 0–5)
Improvement Plan	Based on the survey results, the condition of restrooms in the plant was highlighted as outdated and unclean. In response, renovations are scheduled for 2025, with enhanced cleaning and continuous improvements underway.

#### 6. Codes of conduct and ethics for employees

To make rules available for obeying, improve organization and management, and increase work efficiency and productive efficiency, the Company has specially formulated work rules in accordance with the Labor Standards Act and related government regulations. Its rules and regulations on employee services are as follows:

(1) The employees shall abide by the following rules:

- ① Respect each other's personality, humbly follow etiquette, help each other and get along well with each other.
- ② Value reputation and credit of the Company and colleagues, Never speak or act inappropriately.
- ③ Don't take advantage of powers, opportunities or methods in positions to illegally receive money or articles or commit any acts for swindling the Company or

disclosing secrets.

- ④ Don't do any other work or businesses prejudicing rights and interests of the Company without the Company's permission.
- ⑤ Don't abuse powers or commit arbitrary acts beyond powers. When anything urgent happens, appropriate actions shall be taken and a report shall be immediately made to the immediate supervisor.
- ⑥ Don't violate or instigate violation of these regulations.
- (2) The employees shall obey the following rules and faithfully discharge their duties, to improve their operation efficiency:
  - ① Cooperatively follow supervisors' instructions on work assignment, overtime work, job transfer, form completion, education and training, etc. Don't reject or delay with any excuse.
  - ② Don't be absent without leave or negligent at work during working hours without the supervisors' permission.
- (3) The employees shall observe the following rules and jointly maintain internal order of the Company:
  - ① They shall not commit such acts as violence, coercion, harm, insult, theft, drinking, gambling, incendiary, destruction of public property, carrying of weapons, disruption of order, interference with work, disruption of public security and other improper behaviors in the Company.
  - ② Don't instigate strike, sabotage or anything else hindering production.
  - ③ To take photos of or depict buildings, machines, appliances or molds inside the Company or lead others to visit the Company, corresponding supervisor shall firstly report to the General Manager in advance. Only after approval is obtained from the General Manager will such acts be committed.
  - ④ Don't enter the premise without permission, and non-related personnel are banned from access without permission.
  - ⑤ To smoke in work sites, they shall do that in specified areas.
  - ⑥ To meet with customers according to specified procedures during working hours, they shall do that in specified areas.
  - ⑦ They shall not look over files, correspondences or accounts beyond their duties. Personnel who are responsible for managing the aforementioned information shall not disclose such information to anyone else without permission.
  - ⑧ Keep meeting rooms, reception rooms and work sites orderly and clean.
  - ⑨ Before getting off work, the employees shall complete their own tasks and put up their tools.
- (4) The employees shall abide by the following rules, take good care of corporate articles and keep them well:
  - ① Properly use raw materials, power, tools, fuel and consumables to avoid waste.
  - ② Repair, maintain and put machines, appliances, molds, tools, products, and other property of the Company in order. Malfunction, damage or loss must be immediately reported to corresponding supervisor if any.
  - ③ Keep all money-making appliances and articles in place before and after use.
  - ④ They shall not deliberately damage, privately use, hide or move any public property out of the Company.
- (5) The employees' routine services and tasks shall be determined as specified in the job descriptions or assigned by their supervisors.

## 7. Measures for protecting work environment and employees' personal safety

The Company has obtained ISO 45001 Occupational Health and Safety Management System certification (valid from February 20, 2025, to February 19, 2028) and implements effective management and control of occupational safety risks. A safe and friendly work

environment is provided to ensure the physical and mental well-being of employees. Specific measures include:

- (1) The Company is located in Pingzhen Industrial Park, where traffic is convenient, area is spacious, environment is elegant, and there are multiple recreational facilities (e.g. billiard rooms) for employees of the Company to entertain themselves for fun at leisure or carry out get-together activities.
- (2) To protect employees' safety, the Company buys labor, health, group and other insurances for its employees.
- (3) It organizes a regular health checkup for its employees and special physical examination for special operators once per year, to ensure its employees' health.
- (4) It builds a Labor Safety and Health Committee, lawfully appoints labor and health managers in its workplaces, formulates labor safety and health rules, and quarterly convenes a meeting on labor safety and health.
- (5) The Company's clothing rules specified in its labor safety and health rules are as follows:
  - ① The employees must be properly and neatly dressed. They absolutely must not wear slippers or shoes without covering their toes, or work barebacked or barefooted. They shall wear safety shoes if required under their work environment.
  - ② The employees have to wear hair buns or hats if they operate rotary machines, exposed to the risk of being entangled by the machines.
  - ③ They shall wear safety helmets when they get to and off work by motorcycle.
  - ④ The employees have to wear safety protection equipment in enter the premise if instructed so.
  - ⑤ The employees must not put sharp drill, ragged cloth with oil stain or anything easily caught by fire in pockets of clothes.
  - ⑥ They must not wear uniforms with oil stain, which are not only unsanitary, but also easily cause fire.
- (6) A regular inspection of fire safety, building safety and utilities shall be performed once per year, to ensure safety of work environment.
- (7) Conduct safety and health education and training on new employees. Organize on-the-job safety and health education and training, lectures and practical training about fire safety for supervisors of special operations; conduct on-the-job training on labor safety and health for general employees.
- (8) Supervise professional disaster investigation and handling; perform statistical analysis of professional disasters.

#### 8. Rules on work safety review

The Labor Safety Department of the Company has also formulated Safety and Health Work Rules. Its personnel review work safety of different units. The units are also required to independently review their own work safety. The Company appraises performances in work safety and environmental protection. It teaches personnel at varying levels about safety concepts and safety observation programs and projects, in order to fully promote safety practices, in hope of providing a mechanism for continuous improvements and improving performances in work safety. To keep informative about accidents, emergency response plans and other specifications are formulated. Then, the business units establish appropriate organizations and countermeasures for crisis and emergency handling based on their own operations and environmental conditions. Regular drills are organized to make employees familiar with response steps, in hope of mitigating aggravation of disasters, personnel and equipment loss in case of any accident.

#### 9. Equipment safety management

The Company has formulated complete procedures for equipment safety management to inspect dangerous equipment relatively thoroughly, in order to ensure safe equipment operation. During operation, the operators must perform automatic and key inspections, and

in operation sites. Inside equipment areas, safety management measures for safety of people, things, places and materials shall be controlled according to standard operating procedures. For instance, the Company formulates access , logout/tagout management procedures for personnel in machine operation areas. These safety work rules are greatly associated with factory personnel's safety and equipment operation. Hence, these safety work rules must be formulated inside the factory of the Company.

#### 10. Fire drills

Apart from implementing declaration procedures for regular overhaul of fire safety equipment in different places according to fire control laws, the Company also formulates fire management measures and other pertinent rules, in order that all fire equipment will be regularly inspected once a year and readily kept available anytime.

#### 11. Building inspection inside the factory

Professional organization or personnel must be annually engaged to inspect, certify and confirm the buildings inside the factory with respect to structure and equipment safety. For this, a declaration must be made to the competent building authority, to ensure public security of buildings.

- (II) List any losses suffered by the company in the most recent fiscal years and up to the annual report publication date due to labor disputes (including labor inspection results that violate the Labor Standards Act, sanction date, sanction code, regulatory provisions that were violated, details of the regulatory violation, and sanction details), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

As of the publication date of annual report, the Company has not suffered any loss for labor dispute, and it is expected that such loss would not occur to the Company in the future.

### VI. Information security management:

- (I) State the information security risk management framework, the information security policy, the specific management plan, resources invested in the information security management, etc.

#### 1. Information security risk management framework system

##### (1) Purpose:

As to matters on security protection of information systems and crisis handling, a security control mechanism shall be established for computer network systems.

##### (2) Scope:

Applicable to construction, operation, maintenance and control of the Company's information security system and covering the following fields:

- ① Internal/external networks
- ② Operating systems
- ③ Storage media management

##### (3) Rights and duties:

- ① Unit in charge of computer information systems: Management Department
- ② Internally, the Company appoints full-time personnel and builds an information security group to protect security of related information systems and handle crisis. It regularly reviews policy effectiveness and reports to the General Manager.

##### (4) Security monitoring architecture:

- ① Internally, the Company appoints full-time personnel to protect security of related information systems and handle crises, to prevent risks and crises of computer networks and protect security of information systems.
- ② Construct a security control mechanism for computer network systems, to ensure security of materials transferred via networks, protect networking and prevent

- unauthorized access to systems, to avoid disclosure of confidential data.
- ③For computer network systems of multinational companies, it is necessary to specially strengthen network security management. Internally, anti-virus software shall be installed, and externally, network firewalls must be set, to prevent invasion of computer viruses and aggressive malicious software, or else the Company's network system will paralyze.
- (5) Control over file security
- ①Prevent unrelated personnel's access to system information.
- ②Personnel with the highest privileges shall separately set users' accounts and privileges according to their business scope, powers and duties. The users must not privately exchange their accounts and privileges. Once any users leave their original posts, their accounts and privileges shall be immediately canceled.
- ③In respect of their accounts, users shall avoid using passwords which are easy to identify and guess. They shall regularly change their passwords.
2. Information security policy:
- (1)Educate employees to correctly use lawful software, procure employees to correctly understand threats of computer viruses, and further increase employees' awareness of information security.
- (2) Announce instant information on information security through an email system.
- (3)The employees involved in operation of information systems shall sign the Affidavit on Application Safety of Networks and Copyright Software. Any employees who violate the Company's information security policy, operating specifications on computer software and related rules shall solely assume criminal responsibilities as stipulated by related national laws in addition to receiving punishments of the Company and being subject to related personnel rules of the Company.
3. Specific management proposal:
- Data backup and maintenance methods:
- ①Regular backups of important archives and data shall be daily created for data of network systems for use from time to time.
- ②Servers of personal computers and network systems shall be equipped with computer virus scanning tools. It is necessary to regularly and automatically scan computer viruses and update virus patterns.
- ③Administrators of network systems shall draft network safety rules, set and operate network management tools, check internal/external network traffic of firewalls, and review related log files, to ensure safety and integrity of systems and materials.
4. Propaganda of information security:
- (1) Related users shall sign affidavits on application safety of network/copyright software.
- (2) Announce instant information on information security through an email system.
- (3)Annually and regularly convene a monthly meeting for education, training and propaganda among all employees of the factory. In 2024, the Company organized 2 hour of education and training on the Company's issues about information security, and 94 employee took part in the training.
5. Resources invested for information security management:
- Information security team of Chunghwa Telecom (intrusion detection and protection system), firewall, anti-virus software.
6. Personal Data Protection:
- The Management Department is responsible for overseeing and reviewing the Company's personal data management mechanism. When collecting personal data, the Company requires the signing of a "Personal Data Consent Form" to clearly inform individuals of the scope of data usage and related protection policies. This management mechanism applies to all employees, ensuring that the Company's personal data protection system complies with legal requirements and is effectively implemented. Through comprehensive management measures, the Company is committed to strengthening personal data security and ensuring the full protection of individual rights. In 2024, there were no incidents of personal data

breaches.

- (II) List any losses suffered by the Company in the most recent fiscal year and up to the publication date of annual report due to significant cyber security incidents, the possible impacts therefrom, and measures being taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

The Company hasn't been involved in this circumstance as of the publication date of annual report.

VII. Important contracts:

Nature of contract	Parties concerned	Contract start and end dates	Main Content	Restrictive clauses
Construction engineering contract	Company A	July 11, 2023 - December 30, 2024	New construction of plant	None



## Five. Review and Analysis of Overview of Finance Status and Performance, and Risk Management

### I. Financial status

#### Comparative Analysis of Financial Conditions

Unit: NTD thousand

Item \ Year	2024	2023	Difference	
			Amount	Variance ratio (%)
Current Assets	1,425,870	1,346,184	79,686	5.92
Property, plant and equipment	372,086	326,559	45,527	13.94
Intangible assets	0	107	(107)	(100)
Other assets	583,105	450,005	133,100	29.58
Total assets	2,381,061	2,122,855	258,206	12.16
Current liabilities	668,894	601,849	67,045	11.14
Non-current liabilities	17,083	13,387	3,696	27.61
Total liabilities	685,977	615,236	70,741	11.50
Capital stock	878,113	876,390	1,723	0.20
Capital surplus	216,885	208,422	8,463	4.06
Retained earnings	434,671	420,059	14,612	3.48
Other equities	165,415	2,748	162,667	5,919.47
Total shareholders' equity	1,695,084	1,507,619	187,465	12.43
Description: 1. Decrease in Intangible assets: Mainly due to the derecognition of computer software at maturity. 2. Increase in Other assets: Primarily due to an increase in financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. 3. Increase in non-current liabilities: Primarily due to an increase in lease liabilities. 4. Increase in other equity: Primarily due to an increase in unrealized gains (losses) on financial assets measured at fair value through other comprehensive income.				

Note: Above financial information shall be indicated based on consolidated information specified by International Financial Reporting Standards.

## II. Financial performance

### (I) Comparative analysis of financial performance

Unit: NTD thousand

Item \ Year	2024	2023	Amount Variance	Ratio Variance (%)
Net operating revenue	569,796	544,602	25,194	4.63
Net operating gross profit	130,539	116,956	13,583	11.61
Operating profit	7,893	7,061	832	11.78
Non-operating revenue and expense	93,692	80,932	12,760	15.77
Net income before tax	101,585	87,993	13,592	15.45
Net income for current period	84,771	74,796	9,975	13.34
Analysis and explanation of major variations in ratios (by 20%) in the recent two years: As the changes in the above-mentioned items did not exceed 20%, no further analysis is provided.				

Note: Above financial information shall be indicated based on consolidated information specified by International Financial Reporting Standards.

### (II) Data on expected sales quantity and basis

Please refer to To Shareholders on Pages 1~5.

### (III) Effect upon financial operations as well as measures to be taken in response

The capital expenditure and working capital necessary for finance of the Company increased with the growth of aforementioned businesses. The Company will strictly control its cash flow, keep informative of capital use and measure whether to borrow money from the outside in response.

### III. Cash flow

#### (I) Analysis of the recent year's change in cash flow and plan for improving liquidity

Unit: NT\$ thousand

Opening cash balance	Net cash flow from operating activities for the whole year	Estimated net cash inflow and outflow of investment and financing activities throughout the year	Effect of exchange rate fluctuation on cash and cash equivalents	Amount of surplus (shortage) of cash.	Remedies for cash deficit	
					Investment plan	Financial plan
368,545	163,155	(193,288)	7,426	345,838	—	—

##### 1. Analysis of changes in cash flows in current period:

- (1) Operating activities: The net cash inflow from operating activities was NT\$163,155 thousand in FY2024 and NT\$70,008 thousand in FY2023, Primarily due to an increase in profit before tax and a decrease in inventory.
- (2) Investing activities: The net cash outflow from investing activities was NT\$149,962 thousand in FY2024 and NT\$45,804 thousand in FY2023, Primarily due to net cash outflows from the acquisition of financial assets measured at fair value through profit or loss and investments accounted for using the equity method.
- (3) Financing activities: The net cash outflow from financing activities was NT\$43,326 thousand in FY2024 and NT\$219,205 thousand in FY2023, Primarily due to cash inflows from short-term borrowings and cash outflows from dividend payments.

##### 2. Remedy for cash shortage and liquidity analysis: Not applicable.

#### (II) Analysis of the liquidity of cash for the future year:

Unit: NT\$ thousand

Opening cash balance	Expected net cash flow from operating activities for the whole year	Expected cash outflow for the whole year	Estimated amount of surplus (shortage) of cash	Expected remedies for cash deficit	
				Investment plans	Financial plan
345,838	113,125	(92,461)	366,502	—	—

1. Analysis of changes in cash flows in current period:

(1) Operating activities: Mainly refer to cash inflow from expected operations.

(2) Investing activities: Cash outflows from the expected acquisition of property, plant and equipment.

(3) Fund-raising activities: Cash outflows from expected cash dividends.

2. Remedy for projected cash shortage and liquidity analysis: Not applicable.

IV. Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year: None.

V. The Company's Policy for the Most Recent Fiscal Year on Investments in Other Companies, the Main Reasons for Profits/Losses Resulting therefrom, Plans for Improvement, and Investment Plans for the Coming Fiscal Year.

(I) The main reasons and improvements plans for the reinvestment policies, gains or losses of the most recent fiscal year:

Unit: NT\$ thousand

Reinvested companies \ Item	Amount	Policies	Main causes of profit or loss	Improvement plan	Other upcoming investment plans
KING CORE ELECTRONICS (SUZHOU) CO., LTD	(729)	Sales of ferrite cores, coils and chip inductors	The shortfall in ferrite core revenue and the increased cost of chip raw materials were primarily due to overall macroeconomic conditions.	Actively develop new customers, increase customer satisfaction, and timely grasp of market information and insights.	None
Shenzhen Zhen king Electronics Components Co.,Ltd.	5,386	Sell ferrite cores, coils and chip inductors	Effective cost control.	Not applicable.	None

(II) Investment plan for the following year: currently no major investment plan.

VI. Risk Analysis and Assessment

(I) Impact of interest and exchange rate fluctuations and inflation on the profit and loss of the Company, and the future responding measures:

1. Impact of interest rate fluctuations upon profit and loss of the Company and future responding measures: The Company's interest income and interest expenses amounted to NT\$ 31,785 thousand and NT\$ 7,394 thousand respectively in 2024. They accounted for 6.88% of the consolidated net operating profit. The Company collects information on interest rate fluctuations from time to time, maintains close connections with banks, fully keeps informative about markets, and implements appropriate responding measures at the right time.
2. Impact of exchange rate fluctuation upon profit and loss of the Company and future responding measures: In 2024, the Company's net external exchange profit amounted to NT\$ 43,116 thousand, which approximately accounted for 7.57% of the consolidated net operating revenue. The Company will pay close attention to fluctuation trend of

exchange rate, adjust assets in US dollars at the right time, and perform appropriate operations for avoiding risks, in order to mitigate impact of exchange rate fluctuation.

3. Impact of inflation upon the Company's profit and loss and future responding measures:

In the past years, economic growth was achieved in emerging markets and the demand for raw materials increased. As a result, international inflation was caused. To prevent prices of international raw materials from rising in the future and causing higher pressure from cost increase, the Company will mitigate the pressure from inflation by actively improving the manufacturing process and increasing selling prices of products to project the cost increase.

(II) Policy on high-risk, high-leverage investments, loaning of funds, endorsements and guarantees as well as transactions of financial derivatives, major causes for profits or losses and future responding measures.

Maintaining stable growth, the Company has been concentrating on its own businesses. It is financially sound, without making any high-risk and high-leverage investments. As of the issue date of annual report, the Company hadn't lent money to others or endorsed or guaranteed for others. If the Company lends money to others or offers any endorsement or guarantee, it will definitely act according to the policies and related measures specified in the Lending, Endorsement and Guarantee Measures. All of its business operations on derivative products are for avoiding exchange risks caused by its business operations. In the future, the Company will strictly comply with its Procedures for Acquisition or Disposal of Assets, the Operating Procedures for Trading Derivative Commodities, and other measures, in order to maximize rights and interests of the Company.

(III) Future R&D plan and expected investment in R&D

Industries of automotive electronics, 5G applications and IoT have prospered. In the automotive fields, customers tend to have demand for components which can work under harsher conditions, including higher power, resistance to high current, resistance to peak current and high temperature. 5G products have been utilized more and more frequently. Thus, how advanced material and manufacturing technologies are directly reflects stability of product quality. With advanced material and manufacturing technologies, a company can gain recognition and trust from its customers. Increasing Cpk of product manufacturing to satisfy the requirements for automotive fields is also a major development orientation. In addition to

improving product design, the Company also actively assists the Manufacturing Department in increasing manufacturing precision. It aims to make all products satisfy customers' quality requirements as specified in IATF16949 and AEC-Q200.

As applications of automotive electronics were expanded, the industry of 5G communications was rapidly commercialized, Taiwan's position in the global science/technology industry was improved and the demand was expanded, more active efforts will be made to enhance the capacity for providing customers with diverse services. The R&D team specializes in material engineering, actively collects information about product application, design and manufacturing, and expands product development. It is dedicated to developing materials for magnetic cores of inductors, designing and developing manufacturing technologies. In addition to power inductors, it is also continuously developing common mode filters for communications over different frequency bands in line with the demand for Internet of vehicles, In addition, in response to the demand for new protocols for various USB/HDMI high-speed communication interfaces, we utilize our existing expertise in ferrite cores, chips and coils, and actively recruit ICT technical talents and new equipment and technologies, and integrate new materials and wire-wound technologies from our existing developments to design to meet the ever-evolving needs of our customers.

It is forecast that in 2025, a total amount of NT\$ 17,890 thousand would be further reinvested in R&D, which approximately accounts for 2.7% of consolidated revenue. The major factors impacting success of R&D or mass production mainly include understanding of actual market demand and procedure for cooperating with customers in terms of their design.

(IV) Impact on the Company's finance and business due to changes in domestic or foreign policies and laws, and corresponding responding measures

In response to amendments to important policies and pertinent laws promulgated by competent authorities such as corporate governance act, company act and securities exchange act, the Company has cooperatively implemented corresponding measures. The management of the Company pays close attention to domestic and foreign policies and legal changes. It also appropriately puts forward responding measures. Hence, no significant impact is imposed upon the Company's financial businesses.

(V) The impact of technological changes (including information security risks) and industrial changes on the Company's financial business and corresponding responding measures:

Products of the Company are mainly used for suppressing electromagnetic interference. With changes of sciences and technologies in the past years, the requirements for suppressing electromagnetic interference with electronic products have become increasingly more stringent. Owing to such trend, more business opportunities have been created, and more challenges are faced. To face up to these challenges, the Company has built a stronger operations management team, in an attempt to improve its performances in R&D, manufacturing, sales, management, finance and all other aspects. It also strengthens its information security to reduce risks. Believe that the Company will seize more opportunities for business growth.

The Company consistently invests in information security, allocating an annual budget for the continuous upgrade and enhancement of both software and hardware, including firewalls, antivirus programs, anti-hacking measures, and intrusion detection systems. Moreover, the Company has joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) to implement essential safeguards against emerging domestic cybersecurity threats. Thanks to our committed efforts in this area, there have been no material financial or operational impacts on the Company or its subsidiaries arising from information security incidents.

(VI) Impacts of corporate image change upon corporate crisis management and responding measures

The Company has consistently maintaining a good image. Since its listing, its visibility, image, internal control, management and sustainable operations have been positively impacted. In the future, the Company will be dedicated to consolidating its domestic market and actively developing international businesses, to maximize its profits with optimal operating efficiency and share its business outcomes with all of its shareholders and employees.

(VII) Expected benefits and possible risks associated with M&A and responding measures: At present, the Company has no plan for M&A with any other company.

(VIII) Expected benefits and possible risks of factory expansion and responding measures:

Taking into account the changes in the global market and the need for stable supply and increased production capacity of magnetic materials, the Company commenced construction on a new powder production line and facility for magnetic core materials in Pingzhen, Taoyuan, in 2023. The designed capacity of the powder production is 300 tons per month. The expansion



project is estimated to require a capital expenditure of approximately NT\$250 million, which has been duly approved by the Board of Directors. The expansion of the plant will enable the Company to reduce external interruptions in the supply of materials and production. This ensures the stability and reliability of supply and production at our Pingzhen plant in Taiwan, enabling us to compete for more orders. This, in turn, can contribute to revenue and profit growth, and ultimately, help us achieve a more advantageous market position in the industry.

(IX) Risks of centralized purchase or sales and responding measures

Main raw materials of the Company include nickel oxide, iron oxide, cupric oxide, zinc oxide, external and internal electrodes. In terms of procurement strategy, the Company comprehensively considers factors such as supplier quality, price, lead time and degree of cooperation to choose appropriate suppliers. Whereas suppliers of these raw materials are exclusively irreplaceable, it may make quotations to more than two suppliers of the same raw materials. Its supply sources are sufficient, so the Company is not exposed to risks of over centralized procurement.

The Company mainly sells its products to global well-known brands of magnetic materials and famous OEMs of electronics. Its orders and revenues are relatively stable. In addition, the Company has developed and maintained relatively deep cooperation. It actively develops new products and constantly develops new customers. It can also retain its existing domestic and foreign customers. Therefore, it is exposed to lower risk of centralized product sales.

(X) Impact, possible risks and countermeasures of the substantial transfer or replacement of shares by directors, supervisors or major shareholders holding more than 10% of the shares of the Company

SHENG BAO INVESTMENT CORP. is a substantial shareholder of the Company holding more than 10% shares in the Company. Declarations are always made to competent authorities as specified, so no adverse impact is imposed upon businesses or finance of the Company.

(XI) Impact and risks of the change of management right of the Company and responding measures.

In the recent year and as of publication date of its annual report, the Company's management right hadn't changed. Besides, the Company has established a system for professional managerial personnel to take charge of the Company's business operations.

Hence, the Company is not expected to be subject to significant adverse impacts of such change.

(XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that involve the Company and/or any of its director and supervisor, the general manager, responsible person in fact, any major shareholder holding a stake of greater than 10% of the Company, and/or any company or companies controlled by the Company; and have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of printing of the annual report: None.

(XIII) Other Material Risks and Responsive Measures: None.

VII. Other important disclosures: N/A.

## **Six. Special Records**

### **I. Affiliated companies**

The Company has announced and filed the relevant information on the Market Observation Post System (MOPS) in the “Affiliated Enterprises Statements” section (<https://mops.twse.com.tw/>關係企業三書表專區).

II. Private placement of securities, fund application in such private placement and plan execution progress during the latest year up till the publication date of this annual report: None.

III. Other necessary supplementary explanations: None.

IV. Any significant events materially affecting Shareholders’ equity or the price of securities as defined in Paragraph 2, Subparagraph 2 of Article 36 of the Securities Exchange Act in the most recent year and up to the publication date of the Annual Report: None.

**KING CORE ELECTRONICS INC.**

**Chairman      Yang Cheng-Li**