

Stock Code: 6155



2023 General Shareholders' Meeting
Handbook

Date: May 31, 2023

Address: No. 269, Nanfeng Rd., Pingzhen Dist., Taoyuan
(Meeting room of the Company)

*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.*

Contents

	Page
Meeting Procedure	1
Meeting Agenda	2
Report Items	3
Proposed Resolutions	8
Matters for discussion	9
Extempore Motions	9
Attachments	
I. 2022 Audit Committee’s Report	10
II. 2022audit report, standalone and consolidated financial statements	11
III. 2022 Disposition of Net Earnings	33
IV. Comparison Table of the “Articles of Incorporation” before and after Amendments ..	34
V. Comparison Table of the “Rules of Procedure for Shareholders’ Meetings” before and after Amendments	35
VI. Articles of Incorporation(Original)	38
VII. Rules of Procedure for Shareholders’ Meetings(Original)	44
VIII. Directors’ Shareholdings.	47
IX. Other Notes	48

KING CORE ELECTRONICS INC.
2023 General Shareholders' Meeting Procedures

- I. Call the Meeting to Order
- II. Chairman's Speech
- III. Report Items
- IV. Proposed Resolutions
- V. Matters for discussion
- VI. Extempore Motions
- VII. Meeting Adjourned

KING CORE ELECTRONICS INC.
Agenda of 2023 General Shareholders' Meeting

Mode: Physical General Shareholders' Meeting

Date and time: 9:00 am, May 31, 2023 (Wednesday)

Address: No. 269, Nanfeng Rd., Pingzhen Dist., Taoyuan (meeting room of the Company)

- I. Call the meeting to order (Report on total shares represented by shareholders present in person or by proxy)
- II. Chairman's Speech
- III. Report Items
 - (I) 2022 Business Report
 - (II) 2022 Audit Committee's Audit Report
 - (III) 2022 distribution of remuneration to employees and directors
- IV. Proposed Resolutions
 - (I) 2022 business report and financial statements
 - (II) 2022 earnings distribution proposal
- V. Matters for discussion
 - (I) Motion for amendments to the Company's "Articles of Incorporation."
 - (II) Motion for amendments to the Company's "Rules of Procedure for Shareholders' Meetings."
- VI. Extempore Motions
- VII. Meeting Adjourned

Report Items

I. 2022 Business Report

Description: The Company's 2022 business report and 2023 report on business prospects are submitted for review as follows.

2022 Business Report

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 2022 and future prospects are reported as follows:

I. 2022 Business Report

(I) Outcomes in Implementation of 2022 Business Report

1. In 2022, the consolidated net operating revenue amounted to NT\$770,147 thousand, which declined by 3.68% compared with that in 2021.
2. In 2022, the consolidated operating profit was NT\$70,117 thousand, which declined by 45.07% compared with that in 2021.
3. In 2022, the consolidated operating gross profit after tax was NT\$190,616 thousand, which increased by 135.92% compared with that in 2021.

(II) Budget execution: the Company has not made its 2022 financial forecast open, so its budget execution needn't be disclosed.

(III) Revenue and profitability analysis

1. Financial income and expense

Unit: NT\$ thousands

Item	2022	Percentage
Net operating revenue	770,147	100%
Operating cost	565,133	73%
Operating gross profit	205,014	27%
Operating expenses	134,897	18%
Operating profit	70,117	9%
Net non-operating revenue and expense	163,334	21%
Profit after Tax	190,616	25%
Operating gross profit after tax attributable to the parent company	190,616	25%

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

2. Profitability

Item	2022
Return on asset (%)	7.42
Return on shareholders' equity (%)	12.90

Operating profit to paid-in capital (%)	8.05
Net pretax profit to paid-in capital (%)	26.79
Profit margin (%)	24.75
EPS (NT\$)	2.19

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

(IV) Research and development

For more than 30 years, the Company has possessed professional knowledge on magnetic materials, formulas of ferrite core powder and process know-how. It has been actively engaged in exploring countermeasures against electromagnetic interferences, studying and developing new products and technologies. It has built an authoritative image for solving EMI problems in the industry. It provides special product services for companies and research organizations which have EMI/EMC problems for solving. Its research outcomes are specifically as follows: Ferrite cores and beads of varying size applied in EMI solutions; multilayer, wire-wound inductors and CM filters as well as wire-wound power inductors suitable use at all frequency bands.

In addition to conventional Ni-Zn ferrite materials, wire-wound power inductors also contain high-current alloy material. Matched with magnetic seals, they can satisfy customers' customized needs for varying size (2.0mm~10mm) and wide range of inductance (0.1uH~1000mH). The Company can provide portable 3C products for general commercial purposes, servers of industrial computers and stationary power modules for buck-boost. So far, it has developed a complete series which satisfy needs for AEC-Q200 automobile electronics after material and process optimization.

The Company has been developing common mode filters for a long time, and we have also improved related applications through our self-manufactured ferrite core and size design as well as optimization of wire-wound mechanisms. King Core provides customers with modules for various high-pass, low-pass and band-pass filtering applications in frequency bands ranging from hundreds of kHz to hundreds of MHz to 10 GHz for HDMI 2.0/USB3.2 applications. The Company is also leveraging its expertise and know-how in ferrite core materials and wire-wound and multi-layer chip technology to actively develop more advanced HDMI2.1/USB4 protocol requirements, while also optimizing material and process reliability to reach automotive level standards, such as the AEC-Q200 standards. In order to address the explosive growth of the automotive electronics and IoT industries, and customers' needs for reliable components, we continue to strive for excellence, honing our manufacturing technology management capabilities for magnetic materials and products and developing material formulations for wireless charging, electromagnetic wave shielding, and have made progress in meeting the demand for high-frequency antennas, which we now offer to customers.

II. Summary of 2023 Business Plan

(I) Operational guidelines

In 2022, the demand for parts and components saw a drastic reversal of demand. Interrelated factors such as the impact of the COVID-19 pandemic, strict lockdown measures in Mainland China, the war between Russia and Ukraine, geopolitics, decoupling from China, and climate change will continue to transform the global supply chain and the market demand will continue to fluctuate significantly. Information and communications technology (ICT) industry clients responded to the increase in inventory

levels by cutting down on orders. On the other hand, under the long-term deployment and efforts of King Core, the smart home appliances, tools and equipment, and automotive electronics customer sectors saw increased demand, while the power supply and green energy customer groups remained stable.

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, the Company will set up a production line for a new type of powder used in magnetic core materials in its Taoyuan Pingzhen plant, which will not only increase the production capacity but also mitigate external uncertainties of material supply and production. This ensures that King Core’s material supply and production in Taiwan remains stable and secure for customers’ peace of mind and satisfaction, and enhance and deepen customers’ trust and cooperation with King Core.

It upholds that only if it makes constant R&D innovations and keeps informative about trend of market development can it maintain long-term development and operations in a going concern basis. It also expects to outperform other enterprises in the industry in performances and profits in a new year.

The solar power generation equipment set up by the Pingzhen Plant of the Company generated 463,793KWH power in total in 2022 and its cumulative power generation was up to 2,764,218KWH. This suggests that carbon emissions will be reduced by 1,451,064t when 4,819,538trees are planted and NT\$15,636 thousand will be earned from solar power generation. In the development of new energies, the Company will strengthen its contributions and efforts.

Based on the business concept of “confirming and fully satisfying customer requirements,” the Company’s management team continuously monitors and keeps informative about changes in market demands and future development trends. It actively strengthens technical cooperation and exchange with technical units. It develops new materials and products, in hope of confirming and fully satisfying customers’ diverse needs with the most complete product lines. The Company will continue enhancing its competitive advantages and steadily move ahead based on its technologies in magnetic materials. It will inevitably make outstanding achievements in return to shareholders’ long-term attention and support.

(II) Expected sales quantity and basis

The Company’s expected sales quantity in 2023 is as follows:

Main products	Sales quantity (thousand pcs)
Ferrite cores	225,240
Chip inductors	761,900
Precision coils	111,520

Estimation basis:

- (A) Ferrite cores: We anticipate continued demand for EMI ferrite cores used in smart home appliances, automotive electronics, networking and IoT products, power supply, automation and industrial equipment products. The Company will strengthen differentiation of ferrite cores, promote among foreign customers and keep informative about supply of raw materials. It is expected that sales of ferrite cores would be conservative in 2023.
- (B) Chip inductors: The demands for smart home appliances, automotive electronics, information products, network communication and IoT products, power supply products, industrial computers and chip inductors will gradually increase with the demands for new-generation intelligent products. Therefore, the Company continues to actively expand the sales of High Power Bead/Inductor products

and the mass production sales of new ultra-thin ferrite products in chip processes. After the Company's customers have largely expended their respective inventories in 2022, for the outlook of 2023 we cautiously anticipate a conservative growth target for the sales of chip products.

- (C) Precision coils: the Company will strengthen application, development, marketing and sales of automotive electronics, information products, network communication and IOT products, power supply products and industrial computers. Owing to fierce market competitions, customer and product portfolios will be adjusted, for the major purpose of increasing profitability.

(III) Vital production and sales policies

To attain the above goals, the production and sales policies we adopt include:

- (1) Possess raw materials and enhance production capacity, in order to fully understand customers and markets.
- (2) Continuously improve production efficiency and flexibility, to satisfy diverse customer requirements and diversified market demands for inductive elements.
- (3) In fields of EMC countermeasures, magnetic materials and inductive elements, actively develop new products and specifications needed by customers, to respond to and satisfy diverse customer requirements.
- (4) Actively develop niche products and markets, in order that the Company will become a comprehensive manufacturer of magnetic materials and inductive products.

III. The development strategy of the future

The Company will adopt active and robust growth strategies to attract and recruit professional talents. It will actively develop new products and markets in fields of EMC countermeasures, magnetic materials and inductive elements, in the hope of taking the lead 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. COVID-19, effects of China-US trade wars upon supply chains and increasingly more stringent requirements of Mainland China policies for Taiwan companies in Mainland China affect and create opportunities for the Company's sales and channel layout. ESG-related issues such as energy saving and carbon reduction, environmental protection, corporate social responsibility and corporate governance have increasingly gained widespread attention, and the competent authorities and clients have correspondingly increased their requirements on related issues. Clients require high quality, fast delivery, regulatory compliance and R&D capabilities. In Taiwan, issues on labor force, personnel cost, environmental protection and energy utilization have become more and more complicated. How to strike a balance among quality, production capacity, friendly environment and profit and activate assets of the Company to maximize shareholders' benefits will be a serious issue that the Company has to strive to settle through persistent efforts.
3. Looking ahead to 2023, COVID-19, the shadow cast by geopolitical uncertainties such as trade wars, climate change, Russia-Ukraine war, shortage of raw materials, rising costs and other uncertainties will still impose sustained effects. Meanwhile, they have created business opportunities in fields of automotive electronics, ICT products, smart home appliances, industrial computers and medical devices, etc. King Core possesses proprietary magnetic materials technology and has expanded into the production and development of multi-layer chip and precision coils, and can provide customers with complete solutions in electromagnetic compatibility and inductive components. The Company will continuously develop new products and specifications according to target customers' needs. It will seize opportunities for promotion and market development. It will implement complete quality rules, constantly improve mass production technologies and supply raw materials, in order to become the customers' best partner providing countermeasures for suppressing electromagnetic shield and creating value for its 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

II. 2022 Audit Committee's audit report

Description: For details of 2022 Audit Committee's audit report, refer to Annex 1 (please refer to Page 10).

III. Report on 2022 employees' profit sharing bonus and directors' compensation

Description: (I) Pursuant to the Company's Articles of Incorporation, remuneration of employees and directors shall be calculated after subtracting accumulated losses from the current year's profit (namely difference between pre-tax profit and remuneration to be distributed to employees and directors).

(II) The Company proposes distributing NT\$3,736,596 (approximately accounting for 1.5% of the annual profit) in cash as directors' remuneration in 2022.

(III) The Company proposes distributing NT\$12,455,320 (nearly occupying 5% of the current year's profit) by issuing new shares as employee remuneration. One day before issuing new shares according to a resolution of the Board of Director as employee remuneration, 491,334 new shares will be issued based on the closing price of NT\$25.35. Remuneration of any employee who holds less than one share shall be determined based on the closing price of NT\$4 and paid in cash. This time, employee remuneration will be paid by increasing capital and issuing new shares. The Board of Director will be authorized to additionally determine the base date of capital increase.

Proposed Resolutions

Item 1: (proposed by the Board of Directors)

Proposal: As to the 2022 business report and financial statements, approval is respectfully requested.

Description: (I) The Company's 2022 standalone and consolidated financial statements have been certified by CPA Lin Cheng-Wei and Chen Kuo-Shuai of Ernst & Young, Taiwan, who have issued unqualified opinions and an audit report on other matters. Such opinions and report have been submitted to the Audit Committee for review together with the business report.

(II) For details of the business report (please refer to Page 3~7 of this handbook), CPA's audit report and above financial statements, refer to Annex 2 (please refer to Page 11~32 of this handbook).

(III) Hereby presented for recognition.

Resolution:

Item 2: (proposed by the Board of Directors)

Proposal: 2022 Earnings Distribution Proposal is hereby submitted for recognition.

Description: (I) For details of the Company's 2022 Disposition of Net Earnings, refer to Annex 3 (please refer to Page 33 of this handbook).

(II) As to 2022 earnings distribution proposal of the Company, it is resolved by the Board of Director that NT\$1.5 per share shall be distributed as cash dividend.

- (III) For this distribution, cash dividends will be calculated by “unconditional rounding off of fractions” and the total sum of such fractional amounts shall be rounded off by decimal point from large to small and account number from front to back until the total amount of cash dividends for distribution is reached. Once such amount is approved at this general shareholders’ meeting, the Chairman will be authorized to additionally determine related matters such as base date of dividends distribution and payment date.
- (IV) In the event that the total quantity of outstanding shares and the dividends payout ratio to shareholders are affected owing to the Company’s redemption of outstanding shares, transfer of treasury stocks or other factors, it shall be proposed at the shareholders’ meeting to fully authorize the Chairman to handle related matters.
- (V) Hereby presented for recognition.

Resolution:

Matters for discussion

Item 1: (proposed by the Board of Directors)

Proposal: The proposal for amending partial clauses of the “Articles of Incorporation” is presented for discussion.

Description: (I) In combination with ordinances and practical needs, some clauses of the Company’s “Articles of Incorporation” are planned to be amended. For comparison of the “Articles of Incorporation” before and after amendment, refer to Annex 4 (for details, please refer to Page 34 of this handbook).

(II) Hereby presented for discussion.

Resolution:

Item 2: (proposed by the Board of Directors)

Proposal: The proposal for amending partial clauses of the “Rules of Procedure for Shareholders’ Meetings” is presented for discussion.

Description: (I) In combination with ordinances and practical needs, some clauses of the Company’s “Rules of Procedure for Shareholders’ Meetings” are planned to be amended. For comparison of the “Rules of Procedure for Shareholders’ Meetings” before and after amendment, refer to Annex 5 (for details, please refer to Page 35~37 of this handbook).

(II) Hereby presented for discussion.

Resolution:

Extempore Motions

Meeting Adjourned

KING CORE ELECTRONICS INC.
Audit Committee's Review Report

Authorized

The Board of Director has prepared the Company's 2022 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. The abovementioned business report, financial statements and earnings distribution proposal have been examined and approved by the Audit Committee and there was no discrepancy found. The Review Report is therefore issued in accordance with the Securities Exchange Act and the Company Act; please review and verify.

Best regards

2023 General Shareholders' Meeting of the Company

King Core Electronics Inc.

Convener of Audit Committee: Huang Hsu-Nan

February 20, 2023

English Translation of Financial Statements and a Report Originally Issued in Chinese**INDEPENDENT AUDITORS' REPORT**

To The Board of Directors and Shareholders of King Core Electronics Inc. :

Opinion

We have audited the accompanying parent-company-only balance sheets of King Core Electronics Inc. (the “Company”) as of December 31, 2022 and 2021, and the related parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including the summary of significant accounting policies (together referred as “the parent-company-only financial statements”).

In our opinion, based on the results of our audits and the report of other auditors (please refer to the Other Matter—Making Reference to the Audit of a Component Auditor section of our report), the parent-company-only financial statements referred to above present fairly, in all material respects, the parent-company-only financial position of the Company as of December 31, 2022 and 2021, and their parent-company-only financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of 2022 parent-company-only financial statements. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole,

and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's revenue amounting to NT\$656,496 thousand for the year ended December 31, 2022 is a significant account to the Company's financial statements. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, Europe, etc. Among these locations, the Company has established hub-warehouse for certain foreign customers' convenience. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. We therefore conclude that there are significant risks with respect to the topic of revenue recognition.

Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including checking the revenue recognition from foreign warehouses, obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing, performing analytical review procedures on monthly sale revenues, and executing sale cut-off tests, etc. We have also evaluated the appropriateness of the related disclosure in Note 4 and 6 to the financial statements.

Other Matter – Making Reference to the Audit of a Component Auditor

We did not audit the financial statements of Allied Biolotech Corp., an invested associate accounted for under the equity method by the Company. The financial statements of Allied Biolotech Corp. as at December 31, 2022 and 2021, and for the years then ended were audited by other auditors, whose reports thereon have been furnished to us. Our audit, insofar as it related to the investment in the associate accounted for under the equity method amounting to NT\$258,283 thousand and NT\$239,112 thousand as of December 31, 2022 and 2021 representing 11.13% and 8.18% of the Company's total assets, the related shares of income before tax from the associate under the equity method for the years then ended amounting to NT\$27,660 thousand and NT\$2,468 thousand representing 11.88% and 2.45% of the Company's income before tax, and the related shares of other comprehensive income from the associate under the equity method for the years then ended amounting to NT\$417 thousand and NT\$(753) thousand, representing (5.74)% and 6.76% of the other comprehensive income, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the requirements of the Regulations Governing the Preparation

of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent-Company-Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-company-only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the accompanying notes, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 parent-company-only financial statements and are

therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin, Cheng-Wei

Chen, Kuo-Shuai

Ernst & Young
Taiwan, R.O.C.
February 20th, 2023

Notice to Readers

The accompanying parent-company-only financial statements are intended only to present the parent-company-only financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent-company-only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent-company-only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese
King Core Electronics Inc.
Parent-Company-Only Balance Sheets
As at December 31, 2022 and 2021
(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets		As at December 31, 2022		As at December 31, 2021	
Code	Accounts	Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents	\$504,760	22	\$640,933	22
1110	Financial assets at fair value through profit or loss	46,767	2	57,210	2
1120	Financial assets at fair value through other comprehensive income	56,219	3	45,541	2
1136	Financial assets measured at amortized cost	474,960	21	906,863	31
1150	Notes receivable, net	2,507	-	3,874	-
1170	Accounts receivable, net	120,649	5	135,386	5
1180	Accounts receivable-related parties, net	5,696	-	11,259	-
1200	Other receivables	2,594	-	12,996	-
1310	Inventories, net	166,445	7	134,956	5
1410	Prepayments	4,736	-	3,572	-
1470	Other current assets	206	-	212	-
11xx	Total current assets	<u>1,385,539</u>	<u>60</u>	<u>1,952,802</u>	<u>67</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss	13,881	1	17,558	1
1517	Financial assets at fair value through other comprehensive income	105,805	5	130,864	4
1550	Investment accounted for under equity method	516,869	22	525,574	18
1600	Property, plant and equipment, net	278,898	12	279,009	9
1780	Intangible assets, net	205	-	43	-
1840	Deferred tax assets	8,458	-	17,007	1
1900	Other non-current assets	10,640	-	-	-
15xx	Total non-current assets	<u>934,756</u>	<u>40</u>	<u>970,055</u>	<u>33</u>
1xxx	Total Assets	<u>\$2,320,295</u>	<u>100</u>	<u>\$2,922,857</u>	<u>100</u>

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese
King Core Electronics Inc.
Parent-Company-Only Balance Sheets (Continued)
As at December 31, 2022 and 2021
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity		As at December 31, 2022		As at December 31, 2021		
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(12), 8	\$582,000	25	\$1,319,000	45
2120	Financial liability at fair value through profit or loss	4, 6(13)	433	-	170	-
2130	Contract liabilities	4, 6(18)	185	-	245	-
2150	Notes payable		404	-	546	-
2170	Accounts payable		69,578	3	89,651	3
2180	Accounts payable-related parties	7	22,627	1	-	-
2200	Other payables	6(14)	52,847	2	44,416	2
2230	Current income tax liabilities	4, 6(24)	34,459	2	5,478	-
2300	Other current liabilities		4,101	-	3,827	-
21xx	Total current liabilities		766,634	33	1,463,333	50
	Non-current liabilities					
2570	Deferred tax liabilities	4, 6(24)	8,900	-	21,656	1
2600	Other non-current liabilities	6(15), 6(16)	10,625	1	15,730	-
25xx	Total non-current liabilities		19,525	1	37,386	1
2xxx	Total liabilities		786,159	34	1,500,719	51
31xx	Equity attributable to shareholders of the parent					
3100	Capital	6(17)				
3110	Common stock		871,477	38	869,204	30
3200	Capital surplus	6(17)	200,654	9	198,157	7
3300	Retained earnings	6(17)				
3310	Legal reserve		274,507	12	266,256	9
3320	Special reserve		6,584	-	6,584	-
3350	Unappropriated earnings		196,750	8	86,833	3
3400	Other components of equity		(15,836)	(1)	(4,896)	-
3xxx	Total equity		1,534,136	66	1,422,138	49
	Total liabilities and equity		\$2,320,295	100	\$2,922,857	100

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

King Core Electronics Inc.

Parent-Company-Only Statements of Comprehensive Income

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(18), 7	\$656,496	100	\$642,179	100
5000	Operating costs	6(7), 7	(476,362)	(73)	(482,137)	(75)
5900	Gross profit		180,134	27	160,042	25
5920	Unrealized gross (profit) loss from sales		(487)	-	(105)	-
5950	Gross profit		179,647	27	159,937	25
6000	Operating expenses	7				
6100	Sales and marketing		(31,615)	(5)	(29,301)	(6)
6200	General and administrative		(57,846)	(9)	(45,758)	(7)
6300	Research and development		(14,320)	(2)	(15,186)	(2)
	Total operating expenses		(103,781)	(16)	(90,245)	(15)
6900	Operating income		75,866	11	69,692	10
7000	Non-operating income and expenses	6(22), 7				
7100	Interest income		13,726	2	4,398	1
7010	Other income		18,652	3	16,226	3
7020	Other gains or losses		122,628	19	(47,665)	(7)
7050	Finance costs		(7,684)	(1)	(7,882)	(1)
7070	Share of profit or loss of subsidiaries, associates and joint ventures		9,726	1	65,982	10
	Total non-operating incomes and expenses		157,048	24	31,059	6
7900	Income from continuing operations before income tax		232,914	35	100,751	16
7950	Income tax expense	4, 6(24)	(42,298)	(6)	(19,953)	(3)
8200	Net income		190,616	29	80,798	13
8300	Other comprehensive income (loss)	6(23)				
8310	Item that will not be reclassified subsequently to profit or loss					
8311	Remeasurements of defined benefit plans		3,062	1	1,577	-
8316	Unrealized loss on equity instrument investment at fair value through other comprehensive income		(17,457)	(3)	(11,293)	(2)
8331	Remeasurements of defined benefit plans of subsidiaries, associates and joint ventures		607	-	132	-
8336	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income of subsidiaries, associates and joint ventures		(352)	-	(607)	-
8360	Items that may be reclassified subsequently to profit or loss					
8381	Exchange differences on translation of foreign operations		6,869	1	(952)	-
	Total comprehensive income (loss), net of tax		(7,271)	(1)	(11,143)	(2)
8500	Total comprehensive income		\$183,345	28	\$69,655	11
9750	Earnings per share-basic (in NTD)	6(25)	\$2.19		\$0.93	
9850	Earnings per share-diluted (in NTD)	6(25)	\$2.17		\$0.93	

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese
King Core Electronics Inc.

Parent-Company-Only Statements of Changes in Equity
For the Years Ended December 31, 2022 and 2021
(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent						Total Equity 3XXX	
		Capital	Capital Surplus	Legal Reserve	Special reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations		Other components of equity
A1	Balance as of January 1, 2021	\$868,427	\$196,753	\$262,482	\$22,585	\$57,231	\$3410	\$31,415	\$1,415,434
B1	Appropriation and distribution of 2020 retained earnings								
B3	Legal reserve			3,774	(3,774)				
B5	Special reserve				16,001				
B5	Cash dividends-common shares				(16,001)	(65,132)			(65,132)
C7	Share of changes in net assets of associates and joint ventures accounted for using equity method		191						191
D1	Net income for 2021					80,798			80,798
D3	Other comprehensive income (loss), for 2021					1,709	(952)	(11,900)	(11,143)
D5	Total comprehensive income (loss)					82,507	(952)	(11,900)	69,655
N1	Issuance of common stock from compensation of employees	777	1,213						1,990
Z1	Balance as of December 31, 2021	\$869,204	\$198,157	\$266,256	\$6,584	\$86,833	\$(24,411)	\$19,515	\$1,422,138
A1	Balance as of January 1, 2022	\$869,204	\$198,157	\$266,256	\$6,584	\$86,833	\$(24,411)	\$19,515	\$1,422,138
B1	Appropriation and distribution of 2021 retained earnings								
B5	Legal reserve			8,251		(8,251)			
B5	Cash dividends-common shares					(73,883)			(73,883)
C7	Changes in subsidiaries, associates, and joint ventures accounted for under equity method		(618)			(2,234)			(2,852)
D1	Net income for 2022					190,616			190,616
D3	Other comprehensive income (loss), for 2022					3,669	6,869	(17,809)	(7,271)
D5	Total comprehensive income (loss)					194,285	6,869	(17,809)	183,345
N1	Issuance of common stock from compensation of employees	2,273	3,115						5,388
Z1	Balance as of December 31, 2022	\$871,477	\$200,654	\$274,507	\$6,584	\$196,750	\$(17,542)	\$1,706	\$1,534,136

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese
King Core Electronics Inc.
Parent-Company-Only Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021
(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	2022		2021		Code	Items	2022		2021	
		Amount	Amount	Amount	Amount			Amount	Amount		
A10000	Cash flows from operating activities:					BBBB	Cash flows from investing activities:				
A20000	Income before income tax	\$232,914		\$100,751		B00010	Acquisition of financial assets at fair value through other comprehensive income	(3,076)			
A20010	Adjustments:					B00040	Acquisition of financial assets measured at amortized cost	431,903			
A20100	Profit or loss not affecting cash flows:					B01800	Acquisition of investments accounted for using equity method	(24,350)			
A20200	Depreciation	33,163		33,782		B02700	Acquisition of property, plant and equipment	(43,883)			
A20400	Amortization	292		54		B02800	Proceeds from disposal of property, plant and equipment	734			
A20900	Net loss (gain) of financial assets at fair value through profit or loss	9,120		640		B04500	Acquisition of intangible assets	(454)			
A21200	Net loss (gain) of financial liabilities at fair value through profit or loss	(390)		(3,626)		BBBB	Net cash provided by (used in) investing activities	360,874			
A21300	Interest expense	7,684		7,882		CCCC	Cash flows from financing activities:				
A22300	Interest income	(13,726)		(4,398)		C00100	Increase in (repayment of) short-term borrowings	(737,000)			
A24000	Dividend income	(8,780)		(6,657)		C03100	Increase in paid deposits received	(73,883)			
A30000	Share of profit or loss of subsidiaries, associates and joint ventures	(9,726)		(65,982)		C04500	Cash dividends	(10)			
A31100	Gain on disposal of property, plant and equipment	(543)		-		C09900	Employee bonus paid	(810,893)			
A31130	Unrealized (realized) profit from sale	487		105		EEEE	Net cash provided by (used in) investing activities				
A31150	Loss (gain) on disposal of investments	688		(4,400)		E00100	Increase (decrease) in cash and cash equivalents	(136,173)			
A31180	Changes in operating assets and liabilities:					E00200	Cash and cash equivalents at beginning of period	640,933			
A31200	Financial assets at fair value through profit or loss	4,312		19,797			Cash and cash equivalents at end of period	\$504,760			
A31230	Notes receivable	1,367		(626)							
A31240	Accounts receivable	14,737		(30,896)							
A32100	Accounts receivable-related parties	5,563		12,041							
A32125	Other receivables	(518)		-							
A32130	Inventories	(31,489)		(29,604)							
A32150	Prepayment	(1,164)		(225)							
A32160	Other current assets	6		1							
A32180	Financial liability at fair value through profit or loss	653		285							
A32200	Contract liabilities	(60)		191							
A32240	Notes payable	(142)		97							
A33000	Accounts payable	(20,073)		23,663							
A33100	Accounts payable-related parties	22,627		-							
A33200	Other payables	14,068		8,561							
A33300	Other current liabilities	284		336							
A33500	Net defined benefit liability	(2,043)		(2,492)							
AAAA	Cash generated from operations	259,311		59,280							
	Interest received	12,785		4,438							
	Dividend received	55,346		40,377							
	Income tax paid	(7,953)		(7,495)							
	Net cash provided by (used in) operating activities	(5,663)		(2,824)							
		313,846		93,776							

(The accompanying notes are an integral part of the parent-company-only financial statements.)

MANAGEMENT REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of King Core Electronics Inc. As of December 31, 2022 and for the year then ended under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, King Core Electronics Inc. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

King Core Electronics Inc.

By

Yang, Cheng-Li

Chairman

February 20th, 2023

INDEPENDENT AUDITORS' REPORT

To: The Board of Directors and Shareholders of
King Core Electronics Inc.

Opinion

We have audited the accompanying consolidated balance sheets of King Core Electronics Inc. (the “Company”) and its subsidiaries as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together referred to “the consolidated financial statements”).

In our opinion, based on the results of our audits and the report of other auditor (please refer to the Other Matter—Making Reference to the Audit of a Component Auditor section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2022 and 2021, and its consolidated financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters..

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's consolidated revenue amounting to NT\$770,147 thousand for the year ended December 31, 2022 is a significant account to the Company's consolidated financial statements. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, and Europe, etc. Among these locations, the Company has established hub-warehouse for certain foreign customers' convenience. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. We therefore conclude that there are significant risks with respect to the topic of revenue recognition. Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including checking the revenue recognition from foreign warehouses, obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing, and performance obligation for revenue recognition with sale agreement or orders, performing analytical review procedures on monthly sale revenues, executing sale cut-off tests, etc. We have also evaluated the appropriateness of the related disclosure in Notes 4 and 6 to the consolidated financial statements.

Other Matter – Making Reference to the Audit of a Component Auditor

We did not audit the financial statements of Allied Biotech Corp., an invested associate accounted for under the equity method by the Group. The financial statements of Allied Biotech Corp as of December 31, 2022 and 2021, and for the years then ended were audited by other auditor, whose report thereon has been furnished to us. Our audit, insofar as it related to the investment in the associate accounted for under the equity method amounting to NT\$258,238 thousand and NT\$239,112 thousand as of December 31, 2022 and 2021 representing 11.07% and 8.06% of the consolidated's total assets, the related shares of income before tax from the associate under the equity method for the years then ended amounting to NT\$27,660 thousand and NT\$2,468 thousand representing 11.85% and 2.29% of the Group's income before tax, and the related shares of other comprehensive income from the associate under the equity method for the years then ended amounting to NT\$417 thousand and NT\$(753) thousand representing (5.74)% and 6.76% of the other comprehensive income, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters

that were of most significance in the audit of 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent-company-only financial statements of the Company as of December 31, 2022 and 2021, and for the years then ended.

Lin, Cheng-Wei

Chen, Kuo-Shuai

Ernst & Young, Taiwan, R.O.C

February 20th, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China on Taiwan and not those of any other jurisdictions. The standards, procedures and practice to audit such consolidated financial statements are those generally accepted and applied in the Republic of China on Taiwan.

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
King Core Electronics Inc. and Subsidiaries
Consolidated Balance Sheets
As at December 31, 2022 and 2021
(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets		As at Dec.31, 2022		As at Dec.31, 2021	
		Amount	%	Amount	%
Code	Accounts	Notes		Amount	%
	Current assets				
1100	Cash and cash equivalents	4, 6(1)	24	\$706,206	24
1110	Financial assets at fair value through profit or loss	4, 6(2)	2	57,210	2
1120	Financial assets at fair value through other comprehensive income	4, 6(3)	3	45,541	2
1136	Financial assets measured at amortized cost	4, 6(4), 8	22	949,386	32
1150	Notes receivable, net	4, 6(5)	-	11,617	-
1170	Accounts receivable, net	4, 6(6)	8	218,513	7
1180	Accounts receivable-related parties, net	4, 6(6), 7	-	5,462	-
1200	Other receivables		-	16,664	1
1310	Inventories, net	4, 6(7)	9	202,890	7
1410	Prepayments		-	11,828	-
1470	Other current assets		-	212	-
11xx	Total current assets		68	2,225,529	75
	Non-current assets				
1510	Financial assets at fair value through profit or loss	4, 6(2)	1	17,558	1
1517	Financial assets at fair value through other comprehensive income	4, 6(3)	5	130,864	4
1550	Investments accounted for under equity method	4, 6(8)	13	261,116	9
1600	Property, plant and equipment, net	4, 6(9), 8	13	307,831	10
1755	Right-of-use assets	4, 6(20)	-	6,295	-
1780	Intangible assets, net	4, 6(10)	-	43	-
1840	Deferred tax assets	4, 6(24)	-	17,344	1
1900	Other non-current assets	4, 6(11)	-	173	-
15xx	Total non-current assets		32	741,224	25
1xxx	Total Assets		100	\$2,966,753	100

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
King Core Electronics Inc. and Subsidiaries
Consolidated Balance Sheets (Continued)
As at December 31, 2022 and 2021
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Liabilities and Equity Accounts	Notes	As at Dec.31, 2022		As at Dec.31, 2021	
			Amount	%	Amount	%
2100	Current liabilities					
2120	Short-term loans	6(12),8	\$582,000	25	\$1,319,000	45
2130	Financial liabilities at fair value through profit or loss		433	-	170	-
2150	Contract liabilities	4, 6(13)	564	-	1,117	-
2170	Notes payable, net	4, 6(18)	404	-	546	-
2200	Accounts payable		76,768	3	100,428	3
2230	Other payables	6(14)	78,001	3	70,301	2
2280	Current income tax liabilities	4, 6(24)	36,974	2	10,554	-
2300	Lease liabilities	4, 6(20)	-	-	460	-
21xx	Other current liabilities		4,477	-	4,316	-
	Total current liabilities		<u>779,621</u>	<u>33</u>	<u>1,506,892</u>	<u>50</u>
2570	Non-current liabilities					
2600	Deferred tax liabilities	4, 6(24)	9,133	-	21,993	1
25xx	Other non-current liabilities	6(15), 6(16)	11,067	1	15,730	1
	Total non-current liabilities		<u>20,200</u>	<u>1</u>	<u>37,723</u>	<u>2</u>
2xxx	Total liabilities		<u>799,821</u>	<u>34</u>	<u>1,544,615</u>	<u>52</u>
31xx	Equity attributable to shareholders of the parent					
3100	Capital	6(17)				
3110	Common stock		871,477	37	869,204	29
3200	Capital surplus	6(17)	200,654	9	198,157	7
3300	Retained earnings	6(17)				
3310	Legal reserve		274,507	12	266,256	9
3320	Special reserve		6,584	-	6,584	-
3350	Unappropriated earnings		196,750	9	86,833	3
3400	Other components of equity		(15,836)	(1)	(4,896)	-
3xxx	Total equity		<u>1,534,136</u>	<u>66</u>	<u>1,422,138</u>	<u>48</u>
	Total liabilities and equity		<u>\$2,333,957</u>	<u>100</u>	<u>\$2,966,753</u>	<u>100</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
King Core Electronics Inc. and Subsidiaries
Consolidated Statements Of Comprehensive Income
For the Years Ended December 31, 2022 and 2021
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(18), 7	\$770,147	100	\$799,566	100
5000	Operating costs	6(7)	(565,133)	(73)	(548,899)	(69)
5900	Gross profit		205,014	27	250,667	31
6000	Operating expenses					
6100	Sales and marketing		(52,224)	(7)	(50,590)	(6)
6200	General and administrative		(68,353)	(9)	(57,208)	(7)
6300	Research and development		(14,320)	(2)	(15,187)	(2)
6450	Expected credit impairment losses	6(19)	-	-	(34)	-
	Total operating expenses		(134,897)	(18)	(123,019)	(15)
6900	Operating income		70,117	9	127,648	16
7000	Non-operating income and expenses					
7100	Interest income		15,196	2	5,835	-
7010	Other income	6(22)	17,819	2	31,389	4
7020	Other gains and losses		119,328	16	(47,262)	(6)
7050	Finance costs		(7,692)	(1)	(7,908)	(1)
7060	Share of profit or loss of associates and joint ventures		18,683	2	(1,929)	-
	Total non-operating income and expenses		163,334	21	(19,875)	(3)
7900	Income before income tax		233,451	30	107,773	13
7950	Income tax expense	4, 6(24)	(42,835)	(5)	(26,975)	(3)
8200	Net income		190,616	25	80,798	10
8300	Other comprehensive income (loss)					
8310	Item that will not be reclassified subsequently to profit or loss					
8311	Remeasurements of defined benefit plans		3,062	-	1,577	-
8316	Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income		(17,457)	(2)	(11,293)	(1)
8321	Remeasurements of defined benefit plans associates and joint ventures		607	-	132	-
8326	Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income of associates and joint ventures		(352)	-	(607)	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		7,605	1	(915)	-
8371	Exchange differences on translation of foreign operations of associates and joint ventures		(736)	-	(37)	-
	Total other comprehensive income (loss), net of tax		(7,271)	(1)	(11,143)	(1)
8500	Total comprehensive income (loss)		\$183,345	24	\$69,655	9
9750	Earnings per share - basic (in NTD)	6(25)	\$2.19		\$0.93	
9850	Earnings per share - diluted (in NTD)	6(25)	\$2.17		\$0.93	

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

King Core Electronics Inc. and Subsidiaries

Consolidated Statements of Change in Equity

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Equity attributable to owners of the parent							Total Equity	
		Capital	Capital Surplus	Retained Earnings			Other Components of equity			
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unrealized gains of losses on financial assets at fair value through comprehensive income		
A1	Balance as at January 1, 2021	3100	3200	3310	3320	3350	3410	3420	3XXX	\$1,415,434
	Appropriation and distribution of 2020 earnings:	\$868,427	\$196,753	\$262,482	\$22,585	\$57,231	\$(23,459)	\$31,415		
B1	Legal reserve					(3,774)				-
B3	Special reserve			3,774	(16,001)	16,001				-
B5	Cash dividends - common shares					(65,132)				(65,132)
C7	Share of changes in net assets of associates and joint ventures accounted for using equity method		191							191
D1	Net income for 2021					80,798				80,798
D3	Other comprehensive income (loss) for 2021					1,709	(952)	(11,900)		(11,143)
D5	Total comprehensive income (loss)					82,507	(952)	(11,900)		69,655
N1	Issuance of common stock from compensation of employees	777	1,213							1,990
Z1	Balance as at December 31, 2021	\$869,204	\$198,157	\$266,256	\$6,584	\$86,833	\$(24,411)	\$19,515		\$1,422,138
A1	Balance as at January 1, 2022	\$869,204	\$198,157	\$266,256	\$6,584	\$86,833	\$(24,411)	\$19,515		\$1,422,138
	Appropriation and distribution of 2021 retained earnings:									
B1	Legal reserve			8,251		(8,251)				-
B5	Cash dividends-common shares					(73,883)				(73,883)
C7	Share of changes in net assets of associates and joint ventures accounted for using equity method		(618)			(2,234)				(2,852)
D1	Net income for 2022					190,616				190,616
D3	Other comprehensive income (loss) for 2022					3,669	6,869	(17,809)		(7,271)
D5	Total comprehensive income (loss)					194,285	6,869	(17,809)		183,345
N1	Issuance of common stock from compensation of employees	2,273	3,115							5,388
Z1	Balance as at December 31, 2022	\$871,477	\$200,654	\$274,507	\$6,584	\$196,750	\$(17,542)	\$1,706		\$1,534,136

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

King Core Electronics Inc. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2022	2021	Code	Items	2022	2021
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$233,451	\$107,773	B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(3,076)	-
A20000	Adjustments:			B00040	Acquisition of financial assets measured at amortised cost	-	(305,508)
A20010	Profit or loss not effecting cash flows:			B00050	Proceeds from disposal of financial assets measured at amortised cost	444,353	-
A20100	Depreciation expenses and other losses	36,622	36,746	B01800	Acquisition of investments accounted for using equity method	(24,350)	(5,000)
A20200	Amortization	292	54	B02700	Acquisition of property, plant and equipment	(44,117)	(53,659)
A20400	Net loss (gain) of financial assets at fair value through profit or loss	9,120	640	B02800	Proceeds from disposal of property, plant and equipment	733	-
A20400	Net loss (gain) of financial liabilities at fair value through profit or loss	(390)	(3,626)	B03700	Decrease (increase) in refundable deposits	129	1
A20900	Interest expense	7,692	7,908	B04500	Acquisition of intangible assets	(454)	(97)
A21200	Interest income	(15,196)	(5,835)	B05350	Proceeds from right-of-use assets	-	17,654
A21300	Dividend income	(8,780)	(6,657)	BBBB	Net cash provided by (used in) investing activities	373,218	(346,609)
A22300	Share of profit or loss of associates and joint ventures	(18,683)	1,929	CCCC	Cash flows from financing activities:		
A23100	Gain on disposal of investments	(543)	(4,400)	C00100	Increase in (repayment of) short-term loans	(737,000)	361,000
A29900	Other income	688	(17,370)	C03100	Increase (decrease) in deposits received	442	(12)
A30000	Changes in operating assets and liabilities:			C04020	Cash payments for principal portion of the lease liability	(478)	(469)
A31115	Financial assets at fair value through profit or loss	-	19,797	C04500	Cash dividends paid	(73,883)	(65,132)
A31130	Notes receivable	4,312	(1,428)	C09900	Employee bonus paid	(10)	(66)
A31150	Accounts receivable	3,060	(30,400)	CCCC	Net cash used in financing activities	(810,929)	295,321
A31160	Accounts receivable-related parties	35,415	(5,462)	DDDD	Effect of exchange rate changes	7,093	(787)
A31180	Other receivables	5,462	(3,508)	EEEE	Net increase (decrease) in cash and cash equivalents	(137,859)	38,182
A31200	Inventories	3,111	(46,603)	E00100	Cash and cash equivalents at beginning of period	706,206	668,024
A31230	Prepayment	(8,733)	(5,302)	E00200	Cash and cash equivalents at end of period	\$568,347	\$706,206
A31240	Other current assets	2,858	1				
A32110	Financial liabilities at fair value through profit or loss	6	285				
A32125	Contract liabilities	653	28				
A32130	Notes payable	(553)	97				
A32150	Accounts payable	(142)	25,769				
A32160	Accounts payable-related parties	(23,660)	-				
A32180	Other payables	13,345	7,781				
A32230	Other current liabilities	171	516				
A32240	Net defined benefit liability	(2,043)	(2,492)				
A33000	Cash generated from (used in) operations	277,535	76,241				
A33100	Interest received	14,256	5,875				
A33200	Dividend received	17,768	21,039				
A33300	Interest paid	(7,941)	(7,521)				
A33500	Income tax paid	(8,859)	(5,377)				
AAAA	Net cash provided by (used in) operating activities	292,759	90,257				

(The accompanying notes are an integral part of the consolidated financial statements.)

KING CORE ELECTRONICS INC.

Attachment 3

2022 Disposition of Net Earnings

Unit: NT Dollars

Items	Amount		Notes
	Subtotal	Total	
Balance at the beginning of period		4,698,952	<p>If the Company makes profit every year, it shall first appropriate no more than 2% as remuneration for directors and supervisors and 5% to 10% 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 Directors 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 Directors or its authorized person.</p> <p>If the Company makes profits 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.</p> <p>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.</p> <p>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 the shareholders' total dividends that year.</p>
Less: Changes in affiliates and joint ventures recognized using the equity method		(2,234,013)	
Add: Other comprehensive income (remeasured amount under defined benefit plan in 2022)		3,062,362	
Add: Other comprehensive income (investment adjustment made by equity method)		606,407	
Add: net profit after tax		190,616,373	
Subtotal		196,750,081	
Provision:			
Less: Legal reserve		(19,205,113)	
Less: Provision of special reserve for equity reduction		(9,251,898)	
Sub-total amount of current earnings available for distribution		168,293,070	
Distributable items:			
Dividends to shareholders: cash (NT\$1.5 per share)	(130,721,583)		
Unappropriated retained earnings in the end of the term		37,571,487	
Note: market price of stocks calculated based on the Articles of Incorporation and the resolution date of the Board of Directors			
Employee remuneration - stock price = 249,106,400 (excluding pre-tax amount of presented remuneration)*0.05 = NT\$12,455,320			
Director's remuneration = 249,106,400 (excluding pre-tax amount of presented remuneration)*0.015 = NT\$3,736,596			

Chairman: Yang Cheng-Li

General Manger: Tsai Yuh-Chiang

Accounting Officer: Yeh Mei-Ling

KING CORE ELECTRONICS INC.

Comparison of the provisions before and after the amendment to the Company's "Articles of Incorporation"

Amended version	Original clause	Reason for Revision
<p>Article 11: The shareholders' meetings may be convened in regular sessions or special sessions. General shareholders' meetings will usually and lawfully be convened once a year within 6 months after the end of a fiscal year by the Board of Director. Special session may be convened at any time as needed. <u>The Company may convene a shareholders' meeting by video conference or other means announced by the central competent authority.</u></p>	<p>Article 11: The shareholders' meetings may be convened in regular sessions or special sessions. General shareholders' meetings will usually and lawfully be convened once a year within 6 months after the end of a fiscal year by the Board of Director. Special session may be convened at any time as needed.</p>	<p>Amended in accordance with the provisions of Article 172-2, Paragraph 1 of the Company Act</p>
<p>Article 29: This Articles of Incorporation were formulated on November 11, 1986. The 1st amendment was made on December 28, 1987. ...(omitted) The 24th amendment was made on May 30, 2018. The 25th amendment was made on May 28, 2020. <u>The 26th amendment was made on May 31, 2023.</u></p>	<p>Article 29: This Articles of Incorporation were formulated on November 11, 1986. The 1st amendment was made on December 28, 1987. ...(omitted) The 24th amendment was made on May 30, 2018. The 25th amendment was made on May 28, 2020.</p>	<p>Added the date and number of amendments</p>

KING CORE ELECTRONICS INC.

Comparison of the provisions before and after amendments to the “Rules of Procedure for Shareholders’ Meetings”

Amended version	Original clause	Reason for Revision
<p>II. The Company shall provide an attendance book to record attendance of shareholders; alternatively, sign-in cards may be presented to signify their presence at the meeting. The number of shares represented by the shareholders present shall be calculated as the sum of those shares indicated by the attendance book and sign-in cards handed in, shareholders <u>signing in through the provided video conference platform, and</u> the sum total of the number of shares whose voting rights are exercised by correspondence or electronically. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extempore motions and amendments to original proposals of that meeting. <u>Sign-in for attendance of the shareholders’ meeting via video conference shall be accepted at the video conference platform of the shareholders’ meeting at least 30 minutes before the commencement of the meeting. Shareholders who have completed the signing-in process are deemed to be present in person at the shareholders’ meeting.</u> After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders’ meeting in person <u>or via the</u></p>	<p>II. The Company shall provide an attendance book to record attendance of shareholders; alternatively, sign-in cards may be presented to signify their presence at the meeting. The number of shares represented by the shareholders present shall be calculated as the sum of those shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extempore motions and amendments to original proposals of that meeting. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders’ meeting in person, a written declaration of intent to retract shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting</p>	<p>Revised to meet legal and practical needs</p>

<p><u>provided video conference platform</u>, a declaration of intent to retract shall be made known to the Company, by the same means by which the voting rights were exercised, no less than two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.</p>	<p>rights already exercised by correspondence or electronic means shall prevail.</p>	
<p>IV. The shareholders’ meeting location must be at the Company’s premises or where it is suitable and convenient for shareholders to attend. The shareholders’ meeting time may not be earlier than 9:00am or later than 3:00pm; <u>when the Company holds a shareholders’ meeting via video conference, the Company shall not be restricted by the location requirements for holding the aforementioned shareholders’ meeting.</u></p>	<p>IV. The shareholders’ meeting location must be at the Company’s premises or where it is suitable and convenient for shareholders to attend. The shareholders’ meeting time may not be earlier than 9:00am or later than 3:00pm.</p>	<p>Revised to meet legal and practical needs</p>
<p>XI. Unless otherwise permitted by the chairperson, each shareholder shall speak no more than two times, for five minutes each, on the same agenda. The Chairman shall prevent further speech of a particular shareholder who violates the aforementioned requirements or where the content of the speech is irrelevant to the motion in point. <u>Shareholders participating by video conference means may raise questions by text on the video conference platform of the shareholders’ meeting after the chairman announces the commencement of the meeting and before the meeting is adjourned, provided the number of questions per motion shall not exceed two, and each question raised shall be limited to 200 words.</u></p>	<p>XI. Unless otherwise permitted by the chairperson, each shareholder shall speak no more than two times, for five minutes each, on the same agenda. The Chairman shall prevent further speech of a particular shareholder who violates the aforementioned requirements or where the content of the speech is irrelevant to the motion in point.</p>	<p>Revised to meet legal and practical needs</p>
<p>XV. Vote monitoring and counting personnel</p>	<p>XV. Vote monitoring and counting</p>	<p>Revised to</p>

<p>for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Any resolution on a proposal shall be reported on the spot based on in-person votes and <u>voting through video conference</u> and electronic means, which shall be recorded.</p>	<p>personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Any resolution on a proposal shall be reported on the spot based on field and electronic voting results, which shall be recorded.</p>	<p>meet legal and practical needs</p>
<p>XIX. These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings. These rules were formulated on June 2, 2000. The 1st amendment was made on May 17, 2017. <u>The 2nd amendment was made on May 31, 2023.</u></p>	<p>XIX. These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings. These rules were formulated on June 2, 2000. The 1st amendment was made on May 17, 2017.</p>	<p>Added the date and number of amendments</p>

Articles of Incorporation of KING CORE ELECTRONICS INC. (Original clause)

Chapter 1 General Rules

- Article 1: The Company has been duly incorporated in accordance with the Company Act and named KING CORE ELECTRONICS INC.
- Article 2: The Company is engaged in the principal businesses specified below:
- I. CC01080 Electronic components manufacturing.
 - II. CA02990 Other metal products manufacturing.
 - III. ZZ99999 All business activities that are not prohibited or restricted by laws, except those that are subject to special approval.
- Article 3: The Company's headquarters is located Taoyuan City and may set up domestic or foreign branch offices as resolved by the Board of Director, if necessary.
- Article 4: For the purpose of its businesses, the Company has to handle matters on endorsement and guarantee in accordance with its external endorsement and guarantee rules.
- Article 5: The Company shall not be any other company's shareholders with unlimited liability or a partner of any partnership. If it is any other company's shareholders with limited liability, the total amount of its reinvestments in other companies has to exceed 40% of its paid-in capital, and the Board of Director shall be authorized to handle related matters.
- Article 6: The company's announcement method is in compliance with Article 28 of the Company Act.

Chapter 2 Shares

- Article 7: The Company's total capital is set at NT\$1 billion, divided into 100 million shares at NT\$10 par value. The Board of Director is authorized to issue the shares in installments according to its resolutions.
- Of the aforementioned total capital, NT\$50 million is retained, and the amount of each share is NT\$10. Total 5 million shares are available to employees to subscribe warrants, special shares or corporate bonds with warrants, in order that the employees could exercise their rights to subscribe shares. These shares shall be issued in installments according to the resolutions of the Board of Director.
- The amount reserved in the total capital for converting corporate bonds as specified in Paragraph 1 shall be used by the Board of Director authorized per its resolution.
- Articles 7-1: According to Article 56-1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers and Article 10-1 of the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies, the Company shall issue

employee stock options at a price below the closing price of the Company's ordinary shares on the issue date and transfer them to employees below the average price for redeeming such shares with the consent of over two-thirds of voting rights of the shareholders present at a meeting attended by the Company's shareholders representing more than half the outstanding shares.

Article 8: The Company's shares shall be registered, affixed with the signature or seal of the director representing the Company and legally authenticated by the bank issuing share certificates prior to issuance. The Company may issue shares without printing physical stock and shall register these issued shares with a professional securities depository body in accordance with the regulations of such body.

Article 9: The registration and transfer of shares shall lawfully cease within 60 days before the general shareholders' meeting, 30 days before the extraordinary shareholders' meeting, or within 5 days before the ex-date for the company's distribution of dividends, bonuses or other benefits.

Article 10: Unless otherwise stipulated by laws or regulations, the Company's services shall be processed in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies provided by the competent securities management authority.

Chapter 3 Shareholders' meeting

Article 11: The shareholders' meetings may be convened in regular sessions or special sessions. General shareholders' meetings will usually and lawfully be convened once a year within 6 months after the end of a fiscal year by the Board of Director. Special session may be convened at any time as needed.

Article 12: Any shareholder who is unable to attend the shareholders' meeting in person may appoint a proxy to attend each session of the General Meeting by presenting the authorization of proxy document prepared by the Company indicating the scope of authorization. Unless otherwise provided in the Company Act, the shareholders' attendance by proxy at shareholders' meetings shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" provided by the competent authority.

Article 13: The Company's shareholders have one voting right for each share held. However, the shares under the circumstances described in Article 179, Paragraph 2 of the Company Act do not have voting rights.

Article 14: The resolutions of a shareholders' meeting shall, unless otherwise provided by the Company Act, be adopted by a majority vote of the shareholders or proxies present, who represent more than half the total number of voting shares. By the competent authority, the shareholders may be allowed to exercise voting by electronic means. The resolutions reached in the shareholders' meeting must be documented in the minutes of the meeting in accordance with Article 183 of the Company Act.

Article 15: When a shareholders' meeting is convened by the Board of Director, the Chairman will act as a

chairperson. When the Chairman is absent for a reason, the Chairman shall appoint one Director as agent. If no such agent is appointed, the Directors shall elect one Director among themselves to be the chairperson. Where a shareholders' meeting is convened by any other convener, such convener shall act as Chairman. If there are more than two persons entitled to convene a shareholders' meeting, they shall elect either of them to be the Chairman.

Chapter 4 Board of Directors and Audit Committee

- Article 16: The Company shall appoint 7 to 11 directors, who shall be capable persons of the shareholders' meeting. The directors shall be elected according to candidate nomination rules as stipulated in Article 192-1 of the Company Act. Each term of office is 3 years, and directors may be re-elected after their term of office expires. For corporate shareholders, their representatives shall be elected as directors. When a corporate shareholder has several representatives, all of its representatives shall be elected as directors and the corporate shareholder shall change its appointment from time to time based on their authority relationships for the remaining term of office. Total shareholding ratio of the Company's shareholders shall be determined according to rules of the securities management authority. Of the aforementioned directors, there shall be no less than 2 independent directors, who shall account for no less than one-fifth of all directors. The independent and non-independent directors shall be elected together pursuant to Article 198 of the Company Act. The number of these directors elected shall be separately counted.
- Article 16-1: The company may purchase liability insurance for the directors during their term of office for the compensation liabilities according to law during their execution of duties within the business scope.
- Article 16-2: The Company has the Audit Committee set-up in accordance with the Securities Exchange Act. The Audit Committee shall be composed by all independent directors. The Audit Committee or the Audit Committee members are responsible for carrying out the duties and responsibilities of supervisors as stipulated in the Company Act, Securities Exchange Act and other laws and regulations.
- Article 17: When the number of vacancies in the Directors equals one-third of the total number of directors or all Independent Directors are removed, the Board of Director shall call, within 60 days, a special shareholders' meeting to elect succeeding directors to fill the vacancies for the remaining service time of the dismissed directors.
- Article 18: The Board may convene via video conference and the Directors participating in the video conference shall be deemed attending the Board session in person. In case a director cannot attend a Board of Director meeting in person for a reason and appoints another director to attend the meeting on his/her behalf, he/she shall issue a written power of attorney, state therein the scope of authority with reference to the subjects to be discussed at the meeting, and entrust another director to act on his or her behalf. The proxy mentioned in the preceding paragraph is limited to only one proxy.
- Article 19: The Board of Directors' meetings shall be convened by directors and attended by over

two-thirds of directors. A chairman shall be elected among the directors with the consent of more than half directors present at the meeting, and externally, the Chairman shall represent the Company. Dependent upon business needs, a Vice Chairman shall be elected among the directors in the same way.

Article 20: The Chairman shall be the chairperson of shareholders' meetings and Board of Directors' meetings. If the Chairman asks for leave or cannot execute his/her powers, this shall be done pursuant to Article 208 of the Company Act.

Article 21: Unless otherwise specified in related measures, resolutions of the Board of Director may be made by a session with the presence of at least half of directors and with the consent of more than half of these directors.

Article 22: The Board of Director shall be convened according to Article 204 of the Company Act. The meeting notices shall be sent by fax or email, etc.

Article 23: Directors' remuneration shall be determined by the Board of Director based on their degree of involvement in and contribution to the Company's business operations and with reference to the general level within the industry regardless of the Company's profit or loss.

Article 23-1: The Board of Director of the Company may establish a remuneration committee or other functional committees for business needs.

Chapter 5 Managerial Personnel

Article 24: The Company shall employ several managerial personnel and the appointment, dismissal and remuneration of whom shall be carried out pursuant to Article 29 of the Company Act.

Article 24-1: According to the resolutions of Board of Director, the Company shall appoint several persons to be Chief Executive Officer, Deputy Chief Executive Officer, General Manager, General Manager of the Business Unit and consultants.

Chapter 6 Accounting

Article 25: At the end of each fiscal year, the Board of Directors shall prepare the following reports for the ratification at the annual general shareholders' meeting in accordance with the legal procedure: 1. Business report. 2. Financial statements 3. Proposal for the distribution of earnings and appropriation for making up losses

Article 26: If the Company makes profit every year, it shall first appropriate no more than 2% as remuneration for directors and 5% to 10% 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.

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.

Chapter 7 Supplemental Provisions

Article 27: The Company's organizational rules and rules for handling matters are to be separately formulated by the Board of Director.

Article 28: Any matters not covered in this Articles of Incorporation shall be handled in accordance with the provisions of the Company Act.

Article 29: This Articles of Incorporation were formulated on November 11, 1986.

The 1st amendment was made on December 28, 1987.

The 2nd amendment was made on February 15, 1989.

The 3rd amendment was made on April 13, 1980.

The 4th amendment was made on February 5, 1995.

The 5th amendment was made on November 19, 1997.

The 6th amendment on made on June 30, 1999.

The 7th amendment was made on November 15, 1999.

The 8th amendment was made on January 16, 2000.

The 9th amendment was made on June 2, 2000.

The 10th amendment was made on April 9, 2001.

The 11th amendment was made on June 20, 2002.

The 12th amendment was made on June 20, 2002.

The 13th amendment was made on May 27, 2003.

The 14th amendment was made on May 31, 2005.

The 15th amendment was made on June 7, 2006.

The 16th amendment was made on May 25, 2007.

The 17th amendment was made on June 13, 2008.

The 18th amendment was made on June 9, 2010.

The 19th amendment was made on June 6, 2012.

The 20th amendment was made on June 26, 2013.

The 21st amendment was made on June 25, 2014.

The 22nd amendment was made on May 18, 2016.

The 23rd amendment was made on May 17, 2017.

The 24th amendment was made on May 30, 2018.

The 25th amendment was made on May 28, 2020.

KING CORE ELECTRONICS INC.

Rules of Procedure for Shareholders' Meetings(Original clause)

- I. The Company's Shareholders' Meeting, unless otherwise provided by law, shall be handled in accordance with the Rules of Procedure for Shareholders' Meetings.
- II. The Company shall provide an attendance book to record attendance of shareholders; alternatively, sign-in cards may be presented to signify their presence at the meeting. The number of shares represented by the shareholders present shall be calculated as the sum of those shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extempore motions and amendments to original proposals of that meeting. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.
- III. Attendance and vote at a shareholders' meeting shall be counted based on shares.
- IV. The shareholders' meeting location must be at the Company's premises or where it is suitable and convenient for shareholders to attend. The shareholders' meeting time may not be earlier than 9:00am or later than 3:00pm.
- V. When a shareholders' meeting is convened by the Board of Director, the Chairman will act as a chairperson. When the Chairman is absent for a reason, the Chairman shall appoint one Director as agent. If no such agent is appointed, the Directors shall elect one Director among themselves to be the chairperson. Where a shareholders' meeting is convened by any other convener, such convener shall act as Chairman. If there are more than two persons entitled to convene a shareholders' meeting, they shall elect either of them to be the Chairman.
- VI. The Company's lawyers, CPAs or other related personnel may be invited to attend the board meeting. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.
- VII. The shareholders' meeting in session should be recorded or filmed and kept for at least one year.
- VIII. The chairperson shall call the meeting to order. However, the chairperson may declare adjournment at the meeting time when the attending shareholders constitute less than a majority of shareholdings. The meeting is limited to two adjournments for a total of less than 1 hour. A tentative resolution could be reached in accordance with Article 175 of the Company Act if there are insufficient attendees to attend the meeting after two adjournments, but the shareholders represent more than one third of the total issued shares.
If the session is still in progress with the eventual presence of shareholders representing more than

half the total outstanding shares, the chairperson shall refer the tentative resolution to the shareholders' meeting for the finalization pursuant to Article 174 of the Company Act.

- IX. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the Board of Director. In either of the two arrangements described above, the chairperson may not dismiss the meeting while an agenda item (including extempore motions) is still in progress unless otherwise resolved. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the shareholders present shall elect a new chair with the consent of more than half of the voting rights represented by them and then continue the meeting. After the meeting is adjourned, shareholders cannot nominate another chairman or seek another venue for the continuation of the meeting.
- X. When a shareholder present at the meeting wishes to speak, a statement slip shall be filled out with a summary of the speech, shareholder account number (or the number of the sign-in card) and the account name. The sequence of speeches by shareholders shall be decided by the chairperson. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the speech shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
- XI. Unless otherwise permitted by the chairperson, each shareholder shall speak no more than two times, for five minutes each, on the same agenda. The Chairman shall prevent further speech of a particular shareholder who violates the aforementioned requirements or where the content of the speech is irrelevant to the motion in point.
- XII. Where a juristic person may be appointed as a proxy to attend the shareholders' meeting, it may appoint only one representative to attend the meeting. When a juristic person appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
- XIII. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- XIV. When the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed and call a vote.
- XIV-I. Each shareholder has one vote for each share held. If a particular person who has been appointed by two or more shareholders as proxy to attend the meeting, the voting right being represented under the authorization of agent shall not exceed 3% of the total quantity of outstanding voting shares, and the voting right in excess of relevant quantity shall not be counted.
- XV. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Any resolution on a proposal shall be reported on the spot based on field and electronic voting results, which shall be recorded.

- XVI. The Chairman may announce a recess during the session.
- XVII. Resolution shall be made by a simple majority of the shareholders with voting right in session unless the Company Act or the Articles of Incorporation otherwise specified. At the time of a vote, each proposal shall be voted by the shareholders one by one. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
- XVIII. When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- XIX. The chairperson may command the proctors (or security guards) to assist with the maintenance of order. The proctors (or security guards) at the meeting venue assisting with maintenance of order shall wear armbands marked "Proctor."
- XX. These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

These rules were formulated on June 2, 2000.

The 1st amendment was made on May 17, 2017.

KING CORE ELECTRONICS INC.

Current Shareholding of Directors

- I. Class and total number of outstanding shares: 87,147,722 ordinary shares
- II. Minimum number of shares required to be held by all directors of the Company (10%): 6,971,817 shares (note)
- III. Number of shares held by directors recorded in the shareholders' register, individually or in aggregate, as of the book closure date (April 2, 2023) is stated as follows:

Position	Name	Registered shares as of the book closure date	Representative of juristic person
Chairman	Yang Cheng-Li	2,989,391	
Vice Chairman	SHENG BAO INVESTMENT CORP.	10,459,530	Chen Cheng-Han
Director			Shyu Lih-Hwa
Director			Tsai Yuh-Chiang
Director	Chuang Yung-Shun	2,913,305	
Director	Liu Ming-Hsiung	0	
Director	Kuo Kun-Chang	2,944,353	
Director	Hsieh Yu-Tien	53,873	
Independent Director	Huang Hsu-Nan	0	
Independent Director	Wang Chia-Ho	0	
Independent Director	Chan Yun-Hao	0	
Total shareholding ratio of directors		19,360,452	
Ratio to total outstanding shares (%)		22.22%	

Note: According to Article 2 of Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, if the Company has elected two or more independent directors, the share ownership figures calculated at the rates for all directors and supervisors other than the independent directors and shall be decreased to 80%. The Company has set up an audit committee, so rules on legal shareholding ratio of related supervisors shall not apply. The total shareholding ratio of directors is up to the specified standard.

Other notes:

Notes on response to shareholders' proposals:

- (I) This year, shareholders' proposals were accepted at the general shareholders' meeting in writing. It was specified that requests should be made from March 28, 2023 to April 6, 2023. They were lawfully announced on MOPS.
- (II) The Company didn't receive any shareholders' proposal.