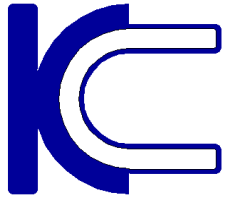


Stock Code: 6155



**KING CORE ELECTRONICS INC.**

**2025 General Shareholders' Meeting  
Handbook**

**Date: May 29, 2025**

**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.*

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**KING CORE ELECTRONICS INC.**  
**2025 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 2025 General Shareholders' Meeting

Mode: Physical General Shareholders' Meeting

Date and time: 9:00 am, May 29, 2025 (Thursday)

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) 2024 Business Report
  - (II) 2024 Audit Committee's Audit Report
  - (III) 2024 distribution of remuneration to employees and directors
  - (IV) 2024 Report of Remuneration Paid to Directors
  - (V) Report the amendments to the "Procedures for Ethical Management and Guidelines for Conduct."
- IV. Proposed Resolutions
  - (I) 2024 business report and financial statements
  - (II) 2024 earnings distribution proposal
- V. Matters for discussion

Motion for amendments to the Company's "Articles of Incorporation."
- VI. Extempore Motions
- VII. Meeting Adjourned

## Report Items

### I. 2024 Business Report

Description: The Company's 2024 business report and 2025 report on business prospects are submitted for review as follows.

### 2024 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 2024 and future prospects are reported as follows:

#### I. 2024 Business Report

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

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

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

##### (III) Revenue and profitability analysis

###### 1. Financial income and expense

Unit: NT\$ thousands

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

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

###### 2. Profitability

Item	2024
Return on asset (%)	4.03
Return on shareholders' equity (%)	5.29

Operating profit to paid-in capital (%)	0.9
Net pretax profit to paid-in capital (%)	11.57
Profit margin (%)	14.88
EPS (NT\$)	0.97

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

#### (IV) Research and development

For over 30 years, King Core has leveraged its expertise in magnetic materials, proprietary ferrite core powder formulations, and advanced manufacturing know-how to actively engage in the field of electromagnetic wave and signal interference mitigation. The Company is dedicated to the continuous research and development of new technologies and products, earning a reputation in the industry as an authority in EMI solutions. King Core provides tailored project services and products to companies and research institutions facing EMI/EMC challenges. This steadfast dedication has solidified King Core's authoritative reputation as a premier solution provider for EMI challenges within the industry. It provides special product services for companies and research organizations which have EMI/EMC problems for solving. The specific R&D results include various sizes of ferrite cores and chip beads for EMI solutions, Multilayer, Wire-wound Inductors, Chip Bead and Common Mode Filters, and Wire-wound Power Inductors, etc. suitable for various frequency bands. Simultaneously, we have made significant strides in advancing wireless charging technologies, formulating electromagnetic wave shielding materials, and addressing high-frequency antenna requirements, catering to the specific needs of our clientele by delivering tailored solutions in these areas.

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

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

In addition to conventional nickel-zinc ferrite materials, our wire-wound power inductors also adopt high-current-capable alloy materials, complemented by magnetic resin encapsulation technology. These features allow for highly customizable solutions tailored to diverse circuit design needs, supporting a wide

range of sizes (2.0 mm to 10 mm) and inductance values (0.1  $\mu$ H to 1000 mH). Our product portfolio spans applications from general commercial-grade portable electronics devices to industrial servers and fixed power system modules, addressing requirements such as voltage step-up, step-down, and conversion. With continuous advancements in materials and process optimization, we offer tailored solutions for emerging demands while meeting the rigorous AEC-Q200 standards for automotive electronics.

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

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

## II. Summary of 2025 Business Plan

### (I) Operational guidelines

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

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

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

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

King Core's management team focuses its operations on the core principle of "identifying and fully satisfying customer needs". Continuously attuned to market demand fluctuations and future development trends, we actively collaborate and exchange ideas with various technical units to develop new materials and products. We aim to offer the most comprehensive product lineup, ensuring we meet the diverse needs

of customers and the expectations of stakeholders. Additionally, we are committed to energy conservation, carbon reduction, environmental friendliness, employee welfare, fulfilling social responsibilities, and enhancing corporate governance. Building upon our core foundation in magnetic materials technology, King Core is committed to continuously strengthening our competitive advantage. With steady progress and determination, we are confident in achieving outstanding results, thus fulfilling our commitment to our shareholders' long-term trust and support and ensuring sustainable business operations.

## (II) Expected sales quantity and basis

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

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

Estimation basis:

- (A) Ferrite cores: The demand for EMI ferrite cores remains strong across a wide range of applications, including AI hardware, smart home appliances, automotive electronics, networking and IoT products, as well as power supply, automation, and industrial equipment. The Company will enhance the differentiation of its ferrite core products, expand its outreach to international customers, and maintain stable control over raw material supplies. The sales of ferrite core products are projected to grow in 2025.
- (B) Chip inductors: Demand for chip inductors is expected to grow steadily alongside the emergence of next-generation intelligent products, including AI hardware, smart home appliances, automotive electronics, information technology products, networking and IoT devices, power supply systems, and industrial computers. Therefore, the Company will continue to expand and actively promote the sales of high power beads/inductors, ramp up mass production and sales of new ultra-thin ferrite products developed through chip processing technologies, and advance newly developed antenna inductor products. Sales of chip-type products is anticipated to grow in 2025.
- (C) Precision coils: The Company will strengthen application development, market promotion, and sales efforts for AI hardware, smart home appliances, automotive electronics, information technology products, networking and IoT products, power supply systems, and industrial computer products. The Company will adjust its customer and product portfolios by increasing the share of automotive electronics applications and inductor coil products, with a primary focus on enhancing profitability. Sales of coil-related products is projected to grow in 2025.

## (III) Vital production and sales policies

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



### III. The development strategy of the future

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

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

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

1. Products of the Company mainly include inductive elements, which are used for suppressing electromagnetic interferences, completing magnetic and wave filtration and converting waveforms. These years, governments of countries have attached more and more importance to electromagnetic interferences of electronic products. With constant increase in computing speed of related products such as electric vehicles, IoT, AI, 5G, intelligence home appliances, industrial equipment, medical devices and game machines, there has been growing demand for suppression of electromagnetic interferences and inductive elements. In addition, lifecycles of electronic products have become increasingly shorter. Swift changes occur to products and specifications. Because of this trend, the Company has obtained more and more opportunities. Meanwhile, it has faced greater challenges. To embrace these challenges, the Company has built a more powerful management team for improving its performances in different aspects such as research, development, manufacturing, sales and finance. Believe that the Company will get opportunities of business growth.
2. Tariffs and trade wars have impacted global supply chains, while increasingly stringent policy requirements imposed by Mainland China on Taiwanese companies operating there have affected the Company's sales performance and distribution strategy. These challenges have also created new opportunities for adjustment and growth. ESG-related issues such as energy saving and carbon reduction, environmental protection, corporate social responsibility and corporate governance have become increasingly prominent. Regulatory authorities and customers have likewise raised their expectations and corresponding requirements in these areas. Customers increasingly demand high quality, rapid delivery, regulatory compliance, and strong development capabilities. At the same time, challenges in Taiwan such as labor availability, rising labor costs, environmental regulations, and energy usage are becoming increasingly complex. Striking a balance between quality, production capacity, environmental sustainability, and profitability, while optimizing the Company's assets to maximize shareholder value, remains a critical and ongoing challenge that King Core must continue to address with sustained effort.
3. Looking ahead to 2025, the lingering effects of trade tensions, climate change, regional conflicts, inflation, and rising costs are expected to continue impacting the global market landscape. Nevertheless, these challenges also present new opportunities across various sectors, including AI hardware, smart home appliances, automotive electronics, green energy, information and communication technology products, industrial computers, and medical equipment. The Company possesses advanced magnetic material technologies, which have been successfully applied to the development and production of multilayer chips and precision coils. These capabilities enable us to provide customers with comprehensive solutions for EMC countermeasures and inductive components. Looking ahead, the Company will continue to develop new products and specifications tailored to the evolving needs of target customers. We are committed to seizing opportunities for brand promotion and market expansion, implementing stringent quality standards, continuously refining mass production techniques, and

ensuring the stable supply of raw materials. Our goal is to be our customers' most trusted partner in mitigating electromagnetic interference and to consistently deliver long-term value to our shareholders.

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

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

Chairman: Yang Cheng-Li

Managerial Personnel: Tsai Yuh-Chiang

Chief Accounting Officer: Yeh Mei-Ling

## II. 2024 Audit Committee's audit report

Description: For details of 2024 Audit Committee's audit report, refer to Annex 1 (please refer to Page 12).

## III. Report on 2024 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\$1,610,773 (approximately accounting for 1.5% of the annual profit) in cash as directors' remuneration in 2024.

(III) The Company proposes distributing NT\$5,369,244 (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, 212,643 new shares will be issued based on the closing price of NT\$25.25. Remuneration of any employee who holds less than one share shall be determined based on the closing price of NT\$9 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.

## IV. 2024 Report of Remuneration Paid to Directors.

Description: (I) Directors' remuneration is determined based on the company's profitability, the level of involvement and contribution of each director in Company affairs. Remuneration proposals are then put forward by the Chairman of the Board, reviewed by the Remuneration Committee, and approved by the Board of Directors. All remuneration is distributed in cash.

(II) Information on directors' remuneration, including the remuneration policy, details and amounts of individual remunerations, etc., are detailed in Attachment 2 (pages 13~14 of this Handbook).

## V. Report the amendments to the "Procedures for Ethical Management and Guidelines for Conduct."

Description: (I) To align with practical naming adjustments, the Company proposes to amend certain provisions of the "Procedures for Ethical Management and Guidelines for Conduct." A comparison table showing the original and revised provisions is provided in Attachment 3 (pages 15~16 of this Handbook).

## **Proposed Resolutions**

Item 1: (proposed by the Board of Directors)

Proposal: As to the 2024 business report and financial statements, approval is respectfully requested.

Description: (I) The Company's 2024 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 3~8 of this handbook), CPA's audit report and above financial statements, refer to Annex 4 (please refer to Page 17~38 of this handbook).
- (III) Hereby presented for recognition.

Resolution:

Item 2: (proposed by the Board of Directors)

Proposal: 2024 Earnings Distribution Proposal is hereby submitted for recognition.

Description: (I) For details of the Company's 2024 Disposition of Net Earnings, refer to Annex 5 (please refer to Page 39 of this handbook).

- (II) As to 2024 earnings distribution proposal of the Company, it is resolved by the Board of Director that NT\$1 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**

Proposal: The proposal for amending partial clauses of the "Articles of Incorporation" is presented for discussion.(proposed by the Board of Directors)

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 6 (for details, please refer to Page 40~41 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 2024 Business Report, financial statements and earnings distribution proposal. Lin Cheng-Wei and Chen Kuo-Shuai, as CPAs of Ernst & Young, Taiwan, have audited the financial statements and issued an audit report. 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

2025 General Shareholders' Meeting of the Company

King Core Electronics Inc.

Convener of Audit Committee: Huang Hsu-Nan

February 25, 2025

## Information on Directors' Remuneration

Unit: \$NT thousand; thousand shares

Position	Name	Remuneration to Directors								Ratio of the total amount of A, B, C and D to operating gross profit after tax (Note 10)		Remuneration in the capacity as employees						Ratio of the total amount of A, B, C, D, E, F and G to operating gross profit after tax (Note 10)		Remuneration received from invested companies other than subsidiaries or the parent company (Note 11)																																																																																																																																																																																																																																																																																														
		Remuneration(A) (Note 2)		Pension(B)		Bonus to Directors(C) (Note 3)		Fees for services rendered (D) (Note 4)																																																																																																																																																																																																																																																																																																										
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companies included into the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)

Position	Name	Remuneration to Directors						Ratio of the total amount of A, B, C and D to operating gross profit after tax (Note 10)		Remuneration in the capacity as employees						Ratio of the total amount of A, B, C, D, E, F and G to operating gross profit after tax (Note 10)		Remuneration received from invested companies other than subsidiaries or the parent company (Note 11)		
		Remuneration(A) (Note 2)		Pension(B)		Bonus to Directors(C) (Note 3)		Fees for services rendered (D) (Note 4)		Salaries, bonus and special subsidies(E) (Note 5)		Pension(F)		Employee remuneration (G) (Note 6)		The Company				
		The Company	All companies included in consolidated statements (Note 7)	The Company	All companies included in consolidated statements (Note 7)	All companies included into the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)	Cash dividend	Stock dividend	The Company	All companies included into the financial statement (Note 7)	201 0.23		201 0.23	
Independent Director	Chan Yun-Hao	0	0	0	0	165	165	36	36	201 0.23	201 0.23	0	0	0	0	0	0	201 0.23	201 0.23	0
<p>1. The policy, system, standards and structure of remuneration for independent directors should be stated and the amount of remuneration should be justified with an illustration of the person's duty, risk and time devoted: Directors' remuneration shall be determined based on the Company's profit, degree of their involvement in and contribution to the Company's affairs. After a remuneration proposal is brought forth by the Chairman, it will be presented to the Remuneration Committee for review and to the Board of Director for approval.</p> <p>2. Other than the content revealed in the table above, remuneration received by directors of the Company for their services rendered to the companies specified in the financial statements in the most recent year (such as serving as an external consultant to the parent company, to any company listed in the financial statements or to a invested company): none</p>																				

1. The policy, system, standards and structure of remuneration for independent directors should be stated and the amount of remuneration should be justified with an illustration of the person's duty, risk and time devoted: Directors' remuneration shall be determined based on the Company's profit, degree of their involvement in and contribution to the Company's affairs. After a remuneration proposal is brought forth by the Chairman, it will be presented to the Remuneration Committee for review and to the Board of Director for approval.  
2. Other than the content revealed in the table above, remuneration received by directors of the Company for their services rendered to the companies specified in the financial statements in the most recent year (such as serving as an external consultant to the parent company, to any company listed in the financial statements or to a invested company): none

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

Note 1: Directors' names are presented separately (the names of the corporate shareholders and their representatives are stated separately). General and independent directors are presented separately. All payments are presented in aggregate sums.

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

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

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

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

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

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

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

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

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

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

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

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

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



## KING CORE ELECTRONICS INC.

## Comparison Table of Amendments to the

## “Procedures for Ethical Management and Guidelines for Conduct”

Amended version	Original clause	Reason for Revision
<p>Article 5 (Compliance with Laws, Preventive Measures, and Responsible Unit)</p> <p>The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/TPEX listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.</p> <p>The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the Board of Directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p> <p>The Company’s internal control systems and internal approval procedures shall incorporate preventive measures against unethical conduct to ensure the effective prevention and detection of corruption.</p> <p>The Company shall designate the <u>Sustainable Development Committee</u> as the responsible unit (hereinafter referred to as the “responsible unit”), which reports directly to the Board of Directors. <u>Under this unit, a “Sustainable</u></p>	<p>Article 5 (Compliance with Laws, Preventive Measures, and Responsible Unit)</p> <p>The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/TPEX listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.</p> <p>The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the Board of Directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p> <p>The Company’s internal control systems and internal approval procedures shall incorporate preventive measures against unethical conduct to ensure the effective prevention and detection of corruption.</p> <p>The Company shall designate the <u>Ethical Management and Corporate Social Responsibility Task Force</u> as the responsible unit (hereinafter referred to as the “responsible unit”), which reports directly to the Board of Directors.</p>	<p>In line with practical naming adjustments</p>

<p><u>Development Task Force</u>” is established to carry out tasks related to the amendment, implementation, interpretation, advisory services, and registration and documentation of reported matters under these Procedures and Guidelines, as well as to supervise their execution. The main responsibilities of the responsible unit are listed below, and the results of its implementation shall be regularly compiled and reported to the Board of Directors:</p> <p>(The following omitted)</p>	<p>This unit is responsible for handling tasks related to the amendment, implementation, interpretation, advisory services, and the registration and documentation of reported matters under these Procedures and Guidelines, as well as overseeing their implementation. Its main responsibilities are outlined below, and the results of its implementation shall be regularly compiled and reported to the Board of Directors:</p> <p>(The following omitted)</p>	
<p>Article 26 (Date of Enforcement)</p> <p>These Procedures were enacted on March 19, 2013.</p> <p>The first amendment was made on May 21, 2015.</p> <p>The second amendment was made on August 8, 2016.</p> <p>The third amendment was made on February 8, 2018.</p> <p><u>The fourth amendment was made on February 25, 2025.</u></p>	<p>Article 26 (Date of Enforcement)</p> <p>These Procedures were enacted on March 19, 2013.</p> <p>The first amendment was made on May 21, 2015.</p> <p>The second amendment was made on August 8, 2016.</p> <p>The third amendment was made on February 8, 2018.</p>	<p>Added the date and number of amendments</p>

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, 2024 and 2023, 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 material 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 the other auditors (please refer to the Other Matter—Making Reference to the Audit of Other Auditors 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, 2024 and 2023, 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 Financial Statement Audit and Attestation Engagements of 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 report of the 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 2024 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

The Company recognized NT\$494,643 thousand as revenue for the year ended December 31, 2024. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, Europe, etc. Among these locations, the Company has established foreign 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 hub-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 Other Auditors**

We did not audit the financial statements of Allied Biotech Corp., an invested associate accounted for using the equity method by the Company. The financial statements of Allied Biotech Corp. as of December 31, 2024 and 2023, and for the years then ended were audited by the other auditors, whose reports thereon have been furnished to us. Our audit, insofar as it related to the investment in the associate accounted for using the equity method amounting to NT\$259,029 thousand and NT\$254,569 thousand as of December 31, 2024 and 2023 representing 11.02% and 12.02% 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\$18,942 thousand and NT\$18,352 thousand representing 18.87% and 20.94% 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\$546 thousand and NT\$(720) thousand, representing 0.33% and (4.30)% 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.

## **Auditors' 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 auditors' 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 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 auditors' 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 auditors' 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 2024 parent-company-only financial statements and are therefore the key audit matters. We describe these matters in our auditors' 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.

/s/Lin, Cheng-Wei

/s/Chen, Kuo-Shuai

Ernst & Young  
Taiwan, R.O.C.  
February 25<sup>th</sup>, 2025

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 Standards on Auditing of 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, 2024 and 2023  
(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As at December 31, 2024		As at December 31, 2023	
Code	Accounts	Notes	Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	4, 6(1)	\$300,500	13	\$326,770	15
1110	Financial assets at fair value through profit or loss	4, 6(2)	60,460	3	59,035	3
1120	Financial assets at fair value through other comprehensive income	4, 6(3)	149,243	6	55,571	3
1136	Financial assets measured at amortized cost	4, 6(4), 8	448,748	19	446,785	21
1150	Notes receivable, net	4, 6(5)	1,920	-	2,291	-
1170	Accounts receivable, net	4, 6(6)	92,662	4	72,859	3
1180	Accounts receivable-related parties, net	4, 6(6), 7	18,598	1	14,807	1
1200	Other receivables		2,832	-	3,427	-
1210	Other receivables-related parties	7	6	-	-	-
1220	Current tax assets	4, 6(24)	9,569	-	9,123	-
1310	Inventories, net	4, 6(7)	120,016	5	158,735	8
1410	Prepayments		3,640	-	3,454	-
1470	Other current assets		230	-	275	-
11xx	Total current assets		1,208,424	51	1,153,132	54
Non-current assets						
1510	Financial assets at fair value through profit or loss	4, 6(2)	81,462	4	16,969	1
1517	Financial assets at fair value through other comprehensive income	4, 6(3)	192,224	8	128,792	6
1550	Investment accounted for using equity method	4, 6(8)	504,153	22	493,558	23
1600	Property, plant and equipment	4, 6(9), 8	347,587	15	301,395	14
1755	Right-of-use assets	4, 6(20)	6,664	-	-	-
1780	Intangible assets	4, 6(10)	-	-	107	-
1840	Deferred tax assets	4, 6(24)	9,098	-	9,971	1
1900	Other non-current assets	4, 6(11)	810	-	13,269	1
15xx	Total non-current assets		1,141,998	49	964,061	46
1xxx	Total Assets		\$2,350,422	100	\$2,117,193	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 Balance Sheets (Continued)  
As at December 31, 2024 and 2023  
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity		Notes	As at December 31, 2024		As at December 31, 2023	
Code	Accounts		Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(12), 8	\$527,000	22	\$494,000	23
2120	Financial liability at fair value through profit or loss	4, 6(13)	10	-	28	-
2130	Contract liabilities	4, 6(18)	645	-	179	-
2150	Notes payable		466	-	491	-
2170	Accounts payable		64,098	3	36,515	2
2180	Accounts payable-related parties	7	-	-	28,127	1
2200	Other payables	6(14)	39,986	2	33,346	2
2230	Current income tax liabilities	4, 6(24)	4,397	-	-	-
2280	Lease liabilities	4, 6(20)	2,555	-	-	-
2300	Other current liabilities		2,171	-	4,169	-
21xx	Total current liabilities		641,328	27	596,855	28
	Non-current liabilities					
2570	Deferred tax liabilities	4, 6(24)	9,095	1	8,282	1
2580	Lease liabilities	4, 6(20)	4,130	-	-	-
2600	Other non-current liabilities	6(15), 6(16)	785	-	4,437	-
25xx	Total non-current liabilities		14,010	1	12,719	1
2xxx	Total liabilities		655,338	28	609,574	29
31xx	Equity attributable to shareholders of the parent					
3100	Capital	6(17)				
3110	Common stock		878,113	37	876,390	41
3200	Capital surplus	6(17)	216,885	9	208,422	10
3300	Retained earnings	6(17)				
3310	Legal reserve		301,006	13	293,712	14
3320	Special reserve		6,584	-	15,836	1
3350	Unappropriated earnings		127,081	6	110,511	5
3400	Other components of equity		165,415	7	2,748	-
3xxx	Total equity		1,695,084	72	1,507,619	71
3x2x	Total liabilities and equity		\$2,350,422	100	\$2,117,193	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, 2024 and 2023  
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(18), 7	\$494,643	100	\$451,552	100
5000	Operating costs	6(7), 7	(387,918)	(78)	(361,228)	(80)
5900	Gross profit		106,725	22	90,324	20
5920	Unrealized gross (profit) loss from sales		237	-	(358)	-
5950	Gross profit		106,962	22	89,966	20
6000	Operating expenses	7				
6100	Sales and marketing		(26,238)	(6)	(25,531)	(6)
6200	General and administrative		(54,699)	(11)	(44,996)	(10)
6300	Research and development		(15,341)	(3)	(13,781)	(3)
6450	Expected credit gains (losses)	4, 6(19)	-	-	930	-
	Total operating expenses		(96,278)	(20)	(83,378)	(19)
6900	Operating income		10,684	2	6,588	1
7000	Non-operating income and expenses	6(22), 7				
7100	Interest income		29,901	6	33,614	8
7010	Other income		16,725	3	15,724	3
7020	Other gains and losses		46,230	9	36,350	8
7050	Finance costs		(7,377)	(1)	(7,458)	(2)
7070	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method		4,242	1	2,815	1
	Total non-operating incomes and expenses		89,721	18	81,045	18
7900	Income before income tax		100,405	20	87,633	19
7950	Income tax expense	4, 6(24)	(15,634)	(3)	(12,837)	(3)
8200	Net income		84,771	17	74,796	16
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		3,864	1	(1,190)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		157,104	32	22,339	5
8331	Remeasurements of defined benefit plans of subsidiaries, associates and joint ventures		470	-	(667)	-
8336	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income of subsidiaries, associates and joint ventures		(9)	-	(128)	-
8360	Items that may be reclassified subsequently to profit or loss					
8381	Exchange differences on translation of foreign operations		6,286	1	(3,627)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss		(714)	-	-	-
	Total other comprehensive income (loss), net of tax		167,001	34	16,727	4
8500	Total comprehensive income		\$251,772	51	\$91,523	20
9750	Earnings per share-basic (in NTD)	6(25)	\$0.97		\$0.85	
9850	Earnings per share-diluted (in NTD)	6(25)	\$0.96		\$0.85	

(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, 2024 and 2023

(Amounts Expressed In Thousands of New Taiwan Dollars)

	Code	Items	Equity Attributable to Shareholders of the Parent							
			Capital 3100	Capital Surplus 3200	Retained Earnings			Other components of equity		
					Legal Reserve 3310	Special reserve 3320	Unappropriated Earnings 3350	Exchange differences arising on translation of foreign operations 3410	Unrealized gains (losses) on financial assets at fair value through other comprehensive income 3420	
										Total Equity 3XXX
A1		Balance as at January 1, 2023	\$871,477	\$200,654	\$274,507	\$6,584	\$196,750	\$(17,542)	\$1,706	\$1,534,136
B1		Appropriation and distribution of 2022 retained earnings								
B3		Legal reserve			19,205		(19,205)			-
B5		Special reserve				9,252	(9,252)			-
B5		Cash dividends-common shares					(130,721)			(130,721)
C7		Changes in subsidiaries, associates, and joint ventures accounted for using equity method		226						226
D1		Net income for 2023					74,796			74,796
D3		Other comprehensive income (loss), for 2023					(1,857)	(3,627)	22,211	16,727
D5		Total comprehensive income (loss)	-	-	-	-	72,939	(3,627)	22,211	91,523
N1		Issuance of common stock from compensation of employees	4,913	7,542						12,455
Z1		Balance as at December 31, 2023	\$876,390	\$208,422	\$293,712	\$15,836	\$110,511	\$(21,169)	\$23,917	\$1,507,619
A1		Balance as at January 1, 2024	\$876,390	\$208,422	\$293,712	\$15,836	\$110,511	\$(21,169)	\$23,917	\$1,507,619
B1		Appropriation and distribution of 2023 retained earnings								
B5		Legal reserve			7,294		(7,294)			-
B5		Cash dividends-common shares					(74,493)			(74,493)
B17		Reversal of special reserve				(9,252)	9,252			-
C7		Changes in subsidiaries, associates, and joint ventures accounted for using equity method		5,500						5,500
D1		Net income for 2024					84,771			84,771
D3		Other comprehensive income (loss), for 2024					4,334	5,572	157,095	167,001
D5		Total comprehensive income (loss)		-	-	-	89,105	5,572	157,095	251,772
N1		Issuance of common stock from compensation of employees	-	2,963						4,686
Z1		Balance as at December 31, 2024	\$878,113	\$216,885	\$301,006	\$6,584	\$127,081	\$(15,597)	\$181,012	\$1,695,084

(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, 2024 and 2023  
(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	2024		2023		Code	Items	2024		2023	
		Amount		Amount				Amount		Amount	
AAAA	Cash flows from operating activities:					BBBB	Cash flows from investing activities:				
A10000	Income before income tax	\$100,405		\$87,633		B00040	Acquisition of financial assets measured at amortized cost	(1,963)		-	
A20000	Adjustments:					B00050	Disposal of financial assets measured at amortized cost		(63,830)	-	28,175
A20010	Profit or loss not effecting cash flows:					B00100	Acquisition of financial assets at fair value through profit or loss		(9,149)	-	-
A20100	Depreciation (including right-of-use assets)	26,136				B01800	Acquisition of investments accounted for using equity method	(58,135)		(51,623)	
A20200	Amortization	107				B02700	Acquisition of property, plant and equipment	(660)		(150)	
A20300	Expected credit losses (gains)	-				B03700	Increase in refundable deposits			(162)	
A20400	Net loss (gain) of financial assets at fair value through profit or loss	(2,088)				B04500	Acquisition of intangible assets			(23,760)	
A20400	Net loss (gain) of financial liabilities at fair value through profit or loss	723				BBBB	Net cash provided by (used in) investing activities	-	(133,737)		
A20900	Interest expense	7,377									
A21200	Interest income	(29,901)				CCCC	Cash flows from financing activities:				
A21300	Dividend income	(9,615)				C00100	Increase in (repayment of) short-term loans	33,000		(88,000)	
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	(4,242)				C04020	Payments for principal portion of the lease liability	(1,100)		-	
	accounted for using equity method					C04500	Cash dividends	(74,493)		(130,721)	
A24000	Unrealized (realized) profit from sales	(237)				C09900	Employee bonus paid	(232)		-	
A30000	Changes in operating assets and liabilities:					CCCC	Net cash provided by (used in) investing activities	(42,825)		(218,721)	
A31130	Notes receivable	371									
A31150	Accounts receivable	(19,803)				EEEE	Increase (decrease) in cash and cash equivalents	(26,270)		(177,990)	
A31160	Accounts receivable-related parties	(3,791)				E00100	Cash and cash equivalents at beginning of period	326,770		504,760	
A31180	Other receivables	561				E00200	Cash and cash equivalents at end of period	\$300,500		\$326,770	
A31190	Other receivables-related parties	(6)									
A31200	Inventories	38,719									
A31230	Prepayment	(186)									
A31240	Other current assets	45									
A32110	Financial liabilities at fair value through profit or loss	(741)									
A32125	Contract liabilities	466									
A32130	Notes payable	(25)									
A32150	Accounts payable	27,583									
A32160	Accounts payable-related parties	(28,127)									
A32180	Other payables	11,505									
A32230	Other current liabilities	(1,766)									
A32240	Net defined benefit liability	212									
A33000	Cash generated from (used in) operations	113,682									
A33100	Interest received	29,935									
A33200	Dividend received	24,895									
A33300	Interest paid	(7,509)									
A33500	Income tax paid	(10,711)									
AAAA	Net cash provided by (used in) operating activities	150,292									

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

English Translation of Financial Statements and a Report Originally Issued in Chinese

**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, 2024 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 25<sup>th</sup>, 2025

## **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, 2024 and 2023, 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 material accounting policies (together referred as “the consolidated financial statements”).

In our opinion, based on the results of our audits and the report of the other auditors (please refer to the Other Matter—Making Reference to the Audit of Other Auditors 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, 2024 and 2023, and their 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 Financial Statement Audit and Attestation Engagements of 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 Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries 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 report of the 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 2024 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

The Company and its subsidiaries recognized NT\$569,796 thousand as revenue for the year ended December 31, 2024. The Company and its subsidiaries have conducted these sale activities in multi-marketplace, including Taiwan, China, and Europe, etc. Among these locations, the Company and its subsidiaries have established foreign 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 hub-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 Other Auditors**

We did not audit the financial statements of Allied Biotech Corp., an invested associate accounted for using the equity method by the Group. The financial statements of Allied Biotech Corp as of December 31, 2024 and 2023, and for the years then ended were audited by the other auditors, whose report thereon has been furnished to us. Our audit, insofar as it related to the investment in the associate accounted for using the equity method amounting to NT\$259,029 thousand and NT\$254,569 thousand as of December 31, 2024 and 2023 representing 10.88% and 11.99% of the Company's consolidated total assets, the related shares of income before tax from the associate under the equity method for the years then ended amounting to NT\$18,942 thousand and NT\$18,352 thousand representing 18.65% and 20.86% of the Company's consolidated 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\$546 thousand and NT\$(720) thousand representing 0.33% and (4.30)% 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.



## **Auditors' 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 auditors' 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 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 auditors' 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 auditors' 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 2024 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' 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, 2024 and 2023, and for the years then ended.

/s/Lin, Cheng-Wei

/s/Chen, Kuo-Shuai

Ernst & Young, Taiwan, R.O.C

February 25<sup>th</sup>, 2025

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 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.*

*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 Standards on Auditing of 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, 2024 and 2023  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			As at Dec.31, 2024		As at Dec.31, 2023	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$345,838	15	\$368,545	17
1110	Financial assets at fair value through profit or loss	4, 6(2)	60,460	3	59,035	3
1120	Financial assets at fair value through other comprehensive income	4, 6(3)	149,243	6	55,571	3
1136	Financial assets measured at amortized cost	4, 6(4), 8	508,703	21	497,950	24
1150	Notes receivable, net	4, 6(5)	7,396	-	10,463	1
1170	Accounts receivable, net	4, 6(6)	164,010	7	136,712	6
1200	Other receivables		2,876	-	3,470	-
1210	Other receivables-related parties	7	7,205	-	4,725	-
1220	Current tax assets	4, 6(24)	9,569	1	9,123	-
1310	Inventories, net	4, 6(7)	163,046	7	194,501	9
1410	Prepayments		7,294	-	5,814	-
1470	Other current assets		230	-	275	-
11xx	Total current assets		<u>1,425,870</u>	<u>60</u>	<u>1,346,184</u>	<u>63</u>
	Non-current assets					
1510	Financial assets at fair value through profit or loss	4, 6(2)	81,462	3	16,969	1
1517	Financial assets at fair value through other comprehensive income	4, 6(3)	192,224	8	128,792	6
1550	Investment accounted for using equity method	4, 6(8)	284,188	12	274,887	13
1600	Property, plant and equipment	4, 6(9), 8	372,086	16	326,559	15
1755	Right-of-use assets	4, 6(20)	15,021	1	5,860	-
1780	Intangible assets	4, 6(10)	-	-	107	-
1840	Deferred tax assets	4, 6(24)	9,291	-	10,206	1
1900	Other non-current assets	4, 6(11)	919	-	13,291	1
15xx	Total non-current assets		<u>955,191</u>	<u>40</u>	<u>776,671</u>	<u>37</u>
1xxx	Total Assets		<u>\$2,381,061</u>	<u>100</u>	<u>\$2,122,855</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 Balance Sheets (Continued)

As at December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity		As at Dec.31, 2024		As at Dec.31, 2023	
Code	Accounts	Notes	Amount	%	Amount
	Current liabilities				
2100	Short-term loans	6(12),8	\$527,000	22	\$494,000
2120	Financial liabilities at fair value through profit or loss	4, 6(13)	10	-	28
2130	Contract liabilities	4, 6(18)	1,173	-	858
2150	Notes payable		466	-	491
2170	Accounts payable		70,235	3	48,505
2200	Other payables	6(14)	60,101	3	52,874
2230	Current income tax liabilities	4, 6(24)	4,483	-	204
2280	Lease liabilities	4, 6(20)	3,095	-	460
2300	Other current liabilities		2,331	-	4,429
21xx	Total current liabilities		668,894	28	601,849
	Non-current liabilities				
2570	Deferred tax liabilities	4, 6(24)	9,287	1	8,517
2580	Lease liabilities	4, 6(20)	6,562	-	-
2600	Other non-current liabilities	6(15), 6(16)	1,234	-	4,870
25xx	Total non-current liabilities		17,083	1	13,387
2xxx	Total liabilities		685,977	29	615,236
31xx	Equity attributable to shareholders of the parent				
3100	Capital	6(17)			
3110	Common stock		878,113	37	876,390
3200	Capital surplus	6(17)	216,885	9	208,422
3300	Retained earnings	6(17)			
3310	Legal reserve		301,006	13	293,712
3320	Special reserve		6,584	-	15,836
3350	Unappropriated earnings		127,081	5	110,511
3400	Other components of equity		165,415	7	2,748
3xxx	Total equity		1,695,084	71	1,507,619
3x2x	Total liabilities and equity		\$2,381,061	100	\$2,122,855

(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, 2024 and 2023  
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(18), 7	\$569,796	100	\$544,602	100
5000	Operating costs	6(7)	(439,257)	(77)	(427,646)	(79)
5900	Gross profit		130,539	23	116,956	21
6000	Operating expenses					
6100	Sales and marketing		(39,674)	(7)	(40,106)	(7)
6200	General and administrative		(67,631)	(12)	(56,938)	(10)
6300	Research and development		(15,341)	(3)	(13,781)	(3)
6450	Expected credit gains (losses)	4, 6(19)	-	-	930	-
	Total operating expenses		(122,646)	(22)	(109,895)	(20)
6900	Operating income		7,893	1	7,061	1
7000	Non-operating income and expenses	6(22)				
7100	Interest income		31,785	6	35,144	6
7010	Other income		20,082	3	13,370	2
7020	Other gains and losses		44,388	8	35,514	7
7050	Finance costs		(7,394)	(1)	(7,483)	(1)
7060	Share of profit or loss of associates and joint ventures accounted for using equity method		4,831	1	4,387	1
	Total non-operating income and expenses		93,692	17	80,932	15
7900	Income before income tax		101,585	18	87,993	16
7950	Income tax expense	4, 6(24)	(16,814)	(3)	(13,197)	(2)
8200	Net income	6(23)	84,771	15	74,796	14
8300	Other comprehensive income (loss)					
8310	Item that will not be reclassified subsequently to profit or loss					
8311	Remeasurements of defined benefit plans		3,864	-	(1,190)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		157,104	28	22,339	4
8321	Remeasurements of defined benefit plans of associates and joint ventures				(667)	-
8326	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income of associates and joint ventures		470	-	(128)	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		8,497	1	(4,440)	(1)
8371	Exchange differences on translation of foreign operations of associates and joint ventures		(2,211)	-	813	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss		(714)	-	-	-
	Total other comprehensive income (loss), net of tax		167,001	29	16,727	3
8500	Total comprehensive income (loss)		\$251,772	44	\$91,523	17
9750	Earnings per share - basic (in NTD)	6(25)	\$0.97		\$0.85	
9850	Earnings per share - diluted (in NTD)	6(25)	\$0.96		\$0.85	

(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, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

	Code	Items	Equity attributable to owners of the parent							
			Capital	Capital Surplus	Retained Earnings			Other Components of equity		Total Equity
					Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	
			3100	3200	3310	3320	3350	3410	3420	3XXX
	A1	Balance as at January 1, 2023	\$871,477	\$200,654	\$274,507	\$6,584	\$196,750	\$(17,542)	\$1,706	\$1,534,136
	B1	Appropriation and distribution of 2022 earnings:								-
	B3	Legal reserve					(19,205)			-
	B5	Special reserve			19,205	9,252	(9,252)			-
	B5	Cash dividends - common shares					(130,721)			(130,721)
	C7	Share of changes in net assets of associates and joint ventures accounted for using equity method		226						226
	D1	Net income for 2023					74,796			74,796
	D3	Other comprehensive income (loss) for 2023					(1,857)	(3,627)	22,211	16,727
	D5	Total comprehensive income (loss)	-	-	-	-	72,939	(3,627)	22,211	91,523
	N1	Issuance of common stock from compensation of employees	4,913	7,542						12,455
	Z1	Balance as at December 31, 2023	\$876,390	\$208,422	\$293,712	\$15,836	\$110,511	\$(21,169)	\$23,917	\$1,507,619
	A1	Balance as at January 1, 2024	\$876,390	\$208,422	\$293,712	\$15,836	\$110,511	\$(21,169)	\$23,917	\$1,507,619
	B1	Appropriation and distribution of 2023 retained earnings:								-
	B5	Legal reserve			7,294		(7,294)			(74,493)
	B5	Cash dividends-common shares					(74,493)			-
	B17	Reversal of special reserve				(9,252)	9,252			5,500
	C7	Share of changes in net assets of associates and joint ventures accounted for using equity method		5,500						
	D1	Net income for 2024					84,771			84,771
	D3	Other comprehensive income (loss) for 2024					4,334	5,572	157,095	167,001
	D5	Total comprehensive income (loss)	-	-	-	-	89,105	5,572	157,095	251,772
	N1	Issuance of common stock from compensation of employees	1,723	2,963						4,686
	Z1	Balance as at December 31, 2024	\$878,113	\$216,885	\$301,006	\$6,584	\$127,081	\$(15,597)	\$181,012	\$1,695,084

(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, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Code	Items	2024	2023	2024	2023
				Amount	Amount	Amount	Amount
AAAA	Cash flows from operating activities:	BBBB	Cash flows from investing activities:				
A10000	Net income before tax	B00040	Acquisition of financial assets measured at amortized cost	\$101,585	\$87,993	(10,753)	-
A20000	Adjustments:	B00050	Disposal of financial assets measured at amortized cost			-	7,083
A20010	Profit or loss not effecting cash flows:	B00100	Acquisition of financial assets at fair value through profit or loss			(63,830)	-
A20100	Depreciation (including right-of-use assets)	B01800	Acquisition of investments accounted for using equity method	28,960	29,393	(16,000)	-
A20200	Amortization	B02700	Acquisition of property, plant and equipment	107	260	(58,632)	(52,655)
A20300	Expected credit losses (gains)	B02800	Proceeds from disposal of property, plant and equipment	-	(930)	-	58
A20400	Net loss (gain) of financial assets at fair value through profit or loss	B03700	(Increase) decrease in refundable deposits	(2,088)	(15,356)	(747)	(128)
A20400	Net loss (gain) of financial liabilities at fair value through profit or loss	B04500	Acquisition of intangible assets	723	(184)	-	(162)
A20900	Interest expense	BBBB	Net cash provided by (used in) investing activities	7,394	7,483	(149,962)	(45,804)
A21200	Interest income			(31,785)	(35,144)		
A21300	Dividend income	CCCC	Cash flows from financing activities:	(9,615)	(7,957)		
A22300	Share of profit or loss of associates and joint ventures accounted for using equity method	C00100	Increase in (repayment of) short-term loans	(4,831)	(4,387)	33,000	(88,000)
A22500	Loss (gain) on disposal of property, plant and equipment	C03100	Increase (decrease) in deposits received	-	40	16	(9)
A29900	Loss (gain) on lease modification	C04020	Payments for principal portion of the lease liability	(17)	-	(1,617)	(475)
A30000	Changes in operating assets and liabilities:	C04500	Cash dividends			(74,493)	(130,721)
A31130	Notes receivable	C09900	Employee bonus paid	3,067	(1,906)	(232)	-
A31150	Accounts receivable	CCCC	Net cash provided by (used in) financing activities	(27,350)	48,249	(43,326)	(219,205)
A31180	Other receivables			560	(836)		
A31190	Other receivables-related parties	DDDD	Effect of exchange rate changes	(2,480)	(4,725)	7,426	(4,801)
A31200	Inventories			31,455	17,122		
A31230	Prepayment	EEEE	Net increase (decrease) in cash and cash equivalents	(1,480)	3,156	(22,707)	(199,802)
A31240	Other current assets	E00100	Cash and cash equivalents at beginning of period	45	(69)	368,545	568,347
A32110	Financial liabilities at fair value through profit or loss	E00200	Cash and cash equivalents at end of period	(741)	(221)	\$345,838	\$368,545
A32125	Contract liabilities			315	294		
A32130	Notes payable			(25)	87		
A32150	Accounts payable			21,730	(28,263)		
A32180	Other payables			12,109	(12,719)		
A32230	Other current liabilities			(1,866)	(48)		
A32240	Net defined benefit liability			212	(7,378)		
A33000	Cash generated from (used in) operations			125,984	73,954		
A33100	Interest received			31,819	35,142		
A33200	Dividend received			24,895	29,529		
A33300	Interest paid			(7,526)	(7,411)		
A33500	Income tax paid			(12,017)	(61,206)		
AAAA	Net cash provided by (used in) operating activities			163,155	70,008		

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



## KING CORE ELECTRONICS INC.

## 2024 Disposition of Net Earnings

Unit: NT Dollars

Items	Amount	
	Subtotal	Total
Balance at the beginning of period		37,975,759
Add: Other comprehensive income (remeasured amount under defined benefit plan in 2024)		3,863,750
Add: Other comprehensive income (investment adjustment made by equity method)		469,729
Add: Net profit after tax		84,771,122
Subtotal		127,080,360
Provision:		
Less: Legal reserve		(8,910,460)
Sub-total amount of current earnings available for distribution		118,169,900
Distributable items:		(87,811,345)
Dividends to shareholders: cash (NT\$1 per share)	(87,811,345)	
Unappropriated retained earnings in the end of the term		30,358,555
Note: market price of stocks calculated based on the Articles of Incorporation and the resolution date of the Board of Directors <b>Employee remuneration - stock price = 107,384,866 (excluding pre-tax amount of presented remuneration)*0.05 = NT\$5,369,244</b> <b>Director's remuneration = 107,384,866 (excluding pre-tax amount of presented remuneration)*0.015 = NT\$1,610,773</b>		

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 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-third 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.</p>	<p>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-five 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.</p>	Amended in accordance with practical considerations and the Financial Supervisory Commission's 'Sustainable Development Action Plan for TWSE/TPEX Listed Companies
<p>Article 26: If the Company makes profit in a given year, it shall first allocate no more than 2% as <u>remuneration for directors</u> and 5% to 10% as employee remuneration. <u>Within the aforementioned allocated employee remuneration, no less than 1% shall be reserved for distribution to junior-level employees.</u> However, if the Company has accumulated losses, a 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 the Company's net operating profit and the achievement of</p>	<p>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</p>	Amended in accordance with practical considerations and the provisions of Article 14, Paragraph 6 of the Securities and Exchange Act.

<p>performance targets. Employee remuneration may be distributed in the form of shares or cash, and recipients may include employees of affiliated companies who meet the criteria set by the Board of Directors or its authorized person.</p> <p><u>Employee remuneration and director remuneration shall be resolved by the Board of Directors and reported to the shareholders' meeting.</u></p> <p>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.</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 shareholders' total dividends that year.</p>	<p>Director or its authorized person.</p> <p>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.</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 shareholders' total dividends that year.</p>	
<p>Article 29: This Articles of Incorporation were formulated on November 11, 1986. The 1<sup>st</sup> amendment was made on December 28, 1987. ...(omitted) The 24<sup>th</sup> amendment was made on May 30, 2018. The 25<sup>th</sup> amendment was made on May 28, 2020. The 26<sup>th</sup> amendment was made on May 31, 2023. <u>The 27<sup>th</sup> amendment was made on May 29, 2025.</u></p>	<p>Article 29: This Articles of Incorporation were formulated on November 11, 1986. The 1<sup>st</sup> amendment was made on December 28, 1987. ...(omitted) The 24<sup>th</sup> amendment was made on May 30, 2018. The 25<sup>th</sup> amendment was made on May 28, 2020. The 26<sup>th</sup> amendment was made on May 31, 2023.</p>	<p>Added the date and number of amendments</p>

## KING CORE ELECTRONICS INC.

## Procedures for Ethical Management and Guidelines for Conduct(Original clause)

## Article 1 (Purpose and Scope of Application)

The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, “Procedures and Guidelines”) are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the applicable laws and regulations of the places where the Company and its business groups and organizations operate, with a view to providing all personnel of the Company with clear directions for the performance of their duties.

The scope of application of these Procedures and Guidelines includes the subsidiaries of the Company, any incorporated foundation in which the Company's accumulated contributions, direct or indirect, exceed 50% of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by the Company.

## Article 2 (Applicable Subjects)

For the purposes of these Procedures and Guidelines, the term “Company personnel” refers to any director, supervisor, managerial officer, employee, mandatary or person having substantial control, of the Company.

Any provision, promise, request, or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.

## Article 3 (Prohibition of Unethical Conduct)

Company personnel are prohibited from engaging in unethical conduct. “Unethical conduct” refers to any act in which Company personnel, in the course of performing their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

## Article 4 (Types of Benefits)

For the purposes of these Procedures and Guidelines, the term “benefits” means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

## Article 5 (Compliance with Laws, Preventive Measures, and Responsible Unit)

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/TPEX listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the Board of Directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

The Company's internal control systems and internal approval procedures shall incorporate preventive measures against unethical conduct to ensure the effective prevention and detection of corruption.

The Company shall designate the Ethical Management and Corporate Social Responsibility Task Force as the responsible unit (hereinafter referred to as the "responsible unit"), which reports directly to the Board of Directors. This unit is responsible for handling tasks related to the amendment, implementation, interpretation, advisory services, and the registration and documentation of reported matters under these Procedures and Guidelines, as well as overseeing their implementation. Its main responsibilities are outlined below, and the results of its implementation shall be regularly compiled and reported to the Board of Directors:

- I. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
- II. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
- III. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
- IV. Promoting and coordinating awareness and educational activities with respect to ethics policy.
- V. Developing a whistle-blowing system and ensuring its operating effectiveness. VI. Assisting the Board of Directors and Management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

## Article 6 (Prohibition Against Providing or Accepting Improper Benefits)

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

- I. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
- II. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
- III. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
- IV. Attendance at folk festivals that are open to and invite the attendance of the general public.
- V. Rewards, emergency assistance, condolence payments, or honorariums from the management.
- VI. Other matters in compliance with Company regulations.

#### Article 7 (Prohibition Against Providing or Accepting Improper Benefits)

Except under any of the circumstances set forth in the preceding article, when any Company personnel are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

- I. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
- II. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

A relationship of interest between the party providing or offering the benefit and the official duties of the Company personnel, as referred to in the preceding paragraph, refers to one of the following circumstances:

- I. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
- II. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
- III. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of the Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved.

#### Article 8 (Prohibition of and Handling Procedure for Facilitating Payments)

The Company shall neither provide nor promise any facilitating payment.

If any personnel of the Company provide or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

#### Article 9 (Procedures for Handling Political Contributions)

Political contributions by the Company shall be made in accordance with the following provisions. The contribution must be reported to and approved by the Chairman of the Board and notified to the responsible unit. Contributions made to related parties or significant contributions to unrelated parties must be submitted to the Board of Directors for discussion and approval in accordance with the Company's "Rules of Procedure for Board of Directors Meetings" before proceeding:

- I. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
- II. A written record of the decision-making process shall be kept.
- III. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
- IV. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of the Company with the related government agencies shall be avoided.

#### Article 10 (Procedures for Handling Charitable Donations or Sponsorships)

Charitable donations or sponsorships by the Company shall be carried out in accordance with the following provisions. Such actions shall be reported to and approved by the Chairman of the Board, with notification given to the responsible unit. Donations to related parties or significant donations to unrelated parties shall be submitted to the Board of Directors for discussion and approval in accordance with the Company's "Rules of Procedure for Board of Directors Meetings" before proceeding.

- I. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Company is doing business.
- II. A written record of the decision-making process shall be kept.
- III. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
- IV. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.
- V. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

#### Article 11 (Recusal)

When a director , supervisor, managerial officer or other stakeholder of the Company attending or present at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting , that director, supervisor, managerial officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

#### Article 12 (Special Unit in Charge of Confidentiality Regime and its Responsibilities)

The Company shall set up a special unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

All Company personnel shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of



which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Company unrelated to their individual duties.

#### Article 13 (Prohibition Against Unfair Competition)

The Company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

#### Article 14 (Prohibition Against Insider Trading)

The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of the Company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services. The Company shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are media reports, or sufficient facts to determine, that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall immediately recall those products or suspend the services, verify the facts and present a review and improvement plan. The responsible unit of the Company shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the Board of Directors.

#### Article 15 (Non-Disclosure Agreement)

All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

#### Article 16 (Announcement of Ethical Management Policy)

The Company shall clearly state its ethical management policy on its official website and in its annual report. The Board of Directors and management shall commit to its active implementation and ensure its effective execution in both internal management and external business activities.

#### Article 17 (Ethical Management Evaluation Prior to Development of Business Relationships)

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

- I. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
- II. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
- III. Whether enterprise's business operations are located in a country with a high risk of corruption.
- IV. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
- V. The long-term business condition and degree of goodwill of the enterprise.
- VI. Consultation with the enterprise's business partners on their opinion of the enterprise.
- VII. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

#### Article 18 (Statement of Ethical Management Policy to Counterparties in Commercial Dealings)

Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical management policy and related rules. They shall also explicitly refuse to offer, promise, solicit, or accept, either directly or indirectly, any form of improper benefit, including but not limited to kickbacks, commissions, facilitation payments, or any other means of providing or receiving improper advantages.

#### Article 19 (Avoidance of Commercial Dealings with Unethical Operators)

All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

#### Article 20 (Stipulation of Terms of Ethical Management in Contracts)

Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of the Company as part of the terms and conditions of the contract, stipulating at the least the following matters:

- I. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
- II. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

## Article 21 (Handling of Unethical Conduct by Company Personnel)

As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company shall grant a monetary reward depending the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

The Company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for insiders and outsiders of the Company to submit reports. A whistleblower shall at least furnish the following information:

- I. The whistleblowers' addresses, phone numbers and mailboxes can be acquired through their names and ID numbers.
- II. The informed party's name or other information sufficient to distinguish its identifying features;
- III. Specific facts available for investigation.

Personnel of the Company responsible for handling reported matters shall provide a written declaration to maintain the confidentiality of the whistleblower's identity and the contents of the report. The Company also undertakes to protecting whistleblowers from any improper treatment or retaliation as a result of their reports.

The responsible unit of the Company shall observe the following procedure in handling whistleblowing matters:

- I. Information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive.
- II. The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
- III. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will report to the competent authority, refer said person to judicial authority for investigation, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
- IV. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
- V. If information is verified to be substantiated, the relevant unit within the Company shall be held accountable for reviewing internal control systems and operating procedures, and shall propose improvement measures to prevent recurrence of similar incidents.
- VI. The responsible unit of the Company shall submit to the Board of Directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

#### Article 22 (Actions Upon Event of Unethical Conduct by Others Towards the Company)

If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

#### Article 23 (Accounting and Internal Controls)

The Company shall establish effective accounting and internal control systems for business activities identified as having a higher risk of unethical conduct. The use of off-the-books accounts or secret accounts is strictly prohibited. These systems shall be reviewed regularly to ensure their continued effectiveness in both design and implementation.

The Company's internal audit personnel shall periodically examine compliance with the aforementioned systems and prepare audit reports for submission to the Board of Directors.

#### Article 24 (Establishment of System for Rewards, Complaints, and Disciplinary Action)

The Responsible Unit shall organize internal awareness programs as needed each year and arrange for the Chairman, President, or senior management to communicate the importance of integrity to directors, employees, and mandataries.

The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective reward, complaint, and disciplinary system.

Where Company personnel are found to have committed serious violations of ethical conduct, they shall be dismissed or terminated in accordance with applicable laws or the Company's personnel regulations.

The Company shall provide clear communication channels and a grievance mechanism, ensuring strict confidentiality of both the identity and content of any report. Employees may raise concerns through multiple channels with all levels of management or the HR department.

#### Article 25 (Enforcement)

These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the Board of Directors, and shall be reported to the shareholders meeting.

When these Procedures and Guidelines are submitted to the Board of Directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the Board of Directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the Board of Directors meeting.

Article 26 (Date of Enforcement)

These Procedures were enacted on March 19, 2013.

The first amendment was made on May 21, 2015.

The second amendment was made on August 8, 2016.

The third amendment was made on February 8, 2018.

# 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. The Company may convene a shareholders' meeting by video conference or other means announced by the central competent authority.
- 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-five 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 1<sup>st</sup> amendment was made on December 28, 1987.

The 2<sup>nd</sup> amendment was made on February 15, 1989.

The 3<sup>rd</sup> amendment was made on April 13, 1980.

The 4<sup>th</sup> amendment was made on February 5, 1995.

The 5<sup>th</sup> amendment was made on November 19, 1997.

The 6<sup>th</sup> amendment on made on June 30, 1999.

The 7<sup>th</sup> amendment was made on November 15, 1999.

The 8<sup>th</sup> amendment was made on January 16, 2000.

The 9<sup>th</sup> amendment was made on June 2, 2000.

The 10<sup>th</sup> amendment was made on April 9, 2001.

The 11<sup>th</sup> amendment was made on June 20, 2002.

The 12<sup>th</sup> amendment was made on June 20, 2002.

The 13<sup>th</sup> amendment was made on May 27, 2003.

The 14<sup>th</sup> amendment was made on May 31, 2005.

The 15<sup>th</sup> amendment was made on June 7, 2006.

The 16<sup>th</sup> amendment was made on May 25, 2007.

The 17<sup>th</sup> amendment was made on June 13, 2008.

The 18<sup>th</sup> amendment was made on June 9, 2010.

The 19<sup>th</sup> amendment was made on June 6, 2012.

The 20<sup>th</sup> amendment was made on June 26, 2013.

The 21<sup>st</sup> amendment was made on June 25, 2014.

The 22<sup>nd</sup> amendment was made on May 18, 2016.

The 23<sup>rd</sup> amendment was made on May 17, 2017.

The 24<sup>th</sup> amendment was made on May 30, 2018.

The 25<sup>th</sup> amendment was made on May 28, 2020.

The 26<sup>th</sup> amendment was made on May 31, 2023.

**KING CORE ELECTRONICS INC.**  
**Rules of Procedure for Shareholders' Meetings**

- 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, shareholders signing in through the provided video conference platform, and 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. 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. 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 or via the provided video conference platform, 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.
- 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; 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.
- 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. 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.

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 in-person votes and voting through video conference and electronic means, which shall be recorded.
- XVI. The Chairman may announce a recess during the session.
- 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.
- XVII. 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.
- XVIII. 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."
- XIX. These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

These rules were formulated on June 2, 2000.

The 1<sup>st</sup> amendment was made on May 17, 2017.

The 2<sup>nd</sup> amendment was made on May 31, 2023.

## KING CORE ELECTRONICS INC.

## Current Shareholding of Directors

- I. Class and total number of outstanding shares: 87,811,345 ordinary shares
- II. Minimum number of shares required to be held by all directors of the Company (10%): 7,024,908 shares (note)
- III. Number of shares held by directors recorded in the shareholders' register, individually or in aggregate, as of the book closure date (March 31, 2025) 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	
Director	SHENG BAO INVESTMENT CORP.	10,565,530	Shyu Lih-Hwa
Director			Tsai Yuh-Chiang
Director	Chuang Yung-Shun	2,913,305	
Director	Kuo Kun-Chang	2,944,353	
Director	Hsieh Yu-Tien	53,873	
Independent Director	Huang Hsu-Nan	0	
Independent Director	Chang Shih-Chung	660,000	
Independent Director	Chan Yun-Hao	0	
Total shareholding ratio of directors		20,126,452	
Ratio to total outstanding shares (%)		22.92%	

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 21, 2025 to March 31, 2025. They were lawfully announced on MOPS.
- (II) The Company didn't receive any shareholders' proposal.