

Stock symbol: 2449



**京元電子股份有限公司**  
The Testing Industry Benchmark

# 2024 Annual Report

Date published: March 31, 2025

The Annual Report is accessible on the following websites:

Taiwan Stock Exchange Market Observation Post System: <http://mops.twse.com.tw/>

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## **One. Letter to Shareholders**

Ladies and gentlemen:

In 2024, the company actively pursued growth amidst the huge challenges of the uncertainty of the overall economic environment and the rapid changes in customer demands. It was a year of mixed joys and sorrows. The company's operating profile is stated as follows.

### **Business Plan Implementation Results**

In 2024, the Company's consolidated operating revenue, excluding that of Suzhou King Long Technology (Suzhou) Ltd., was NT\$26.856 billion, an increase of 11.94% from NT\$23.991 billion in 2023. Gross profit margin was 34.79%, an increase of 1.75% from 33.04% in 2023. The Company's consolidated earnings per share, including that of King Long Technology (Suzhou) Ltd., was NT\$6.36, up by 33.05% from NT\$4.78 in the previous year. Our business performance was favorable as a whole.

Last year, the semiconductor industry recovered as expected, albeit slowly. Most companies were in the midst of adjusting their inventory and anticipating the market outlook. Sales in the consumer product market were generally stagnant, while the sales of automobile and industrial products fell below expectation. For many years, the Company has been serving its customers with the utmost dedication. The substantial increase in demand for AI high-performance computing (HPC) chips has contributed to the growth of our revenues and profits, offsetting the sluggish demand in the manufacturing of non-AI wafer products and reducing customer inventory to a relatively healthy level.

The Company has over the past year committed to the planning and implementation of myriad matters. Given the Company's growth strategy for future business expansion and in order to make more effective use of its financial resources in the long term, the Company sold all of its holdings in King Long Technology (Suzhou) Ltd., recovering company resources for investment in the field of high-end semiconductor product testing to generate greater revenues and profits. In December 2024, AI and HPC products accounted for approximately 25% of the company's revenues, while advanced process products accounted for 33% of the total revenue. Since our AI customers have the need to rapidly and significantly expand their production capacity, during the second half of the year, the Company has been proactive in making new plans to expand the production capacity of its Chunghwa Factory and Tongluo Factory. It has not been an easy feat to set up a factory, which includes works to relocate equipment, install new machines, recruit and train staff, and set up information systems, etc. At the end of November, we made an emergency plan to build a new factory in Toufen, and this was completed within the deadline.

In terms of business management, we created a preventive mechanism based on a systematic management framework; expedited the adoption of smart manufacturing practices, processes and procedures in factories; examined how idle inventory is handled, spare parts are managed, and the utilization rate of each testing platform; developed sophisticated cost control models and forecasting capability; made employees more aware of the importance of cost and risk management; enhanced ESG-related measures to prevent losses from natural disaster and achieve energy conservation and carbon reduction in light of increases in electricity prices; trained managerial officers to develop multi-objective management skills and critical thinking skills; and adopted AI training models, tools and analysis to train business personnel on the gathering and in-depth understanding of market intelligence, and attempted to predict probable streams of revenue for the company over the next few quarters in order to foster a resilient company capable of responding to rapid changes in the external environment.

### **Financial income and profit analysis**

With respect to financial and profit status in 2024, the Company's debt to total assets ratio was 48.44%, up slightly by 2.59% from previous year, and long-term capital to fixed assets ratio was 129.95%, which is down by 11.93% compared with last year but still within a favorable range. These figures indicate that the company has a sound financial structure. Current ratio was 198.61%, a decrease of 85.87% from the previous year; quick ratio was 183.66%, down by 80.49% from the previous year. The changes in both ratios were mainly due to the substantial production capacity required by AI customers in the fourth quarter of last year, which led to an increase in payables on equipment and in accrued expenses, but the overall short-term liquidity was still controllable. In terms of profitability, under the effect of demands for AI HPC chip testing despite the slow recovery of the semiconductor industry, the company's return on assets (ROA) was 10.64%, an increase of 1.78% from the previous year; return on equity (ROE) was 19.11%, an increase of 3.47% from the previous year; net profit margin was 22.00%, an increase of 3.79% from the previous year; and earnings per share (EPS) was NT\$6.36, up NT\$1.58 from the previous year. Our financial incomes and profits are on par with industry standards.

### **R&D status**

The Company's R&D center provides technical support for customers' and our factories' testing services. Throughout a customer's process of product development from adoption to mass production of new products, the center offers a comprehensive range of testing solutions - for technical engineering problems and problems associated with the testing environment, testing equipment, and spare parts, or for the equipment and development of a smart and automated factory. With a focus on services, customers, and R&D, the center continues to develop unparalleled testing

service capabilities. In addition to carrying out research projects as described in the blueprint, the R&D center is also committed to evaluating the effectiveness of its R&D efforts, to reducing the cost of production equipment and parts, and to staying ahead of the game in the development of testing technologies for new packaging products in the market.

Last year, the R&D center successfully produced customers' products in time for their market launch, thus satisfying customer demands in terms of specification, performance, output efficiency, and quantity in relation to logic IC testing machines, image sensors, driver IC machines, microelectromechanical (MEMS) machines, and burn-in ovens. Favorable output has been reported for our other focuses, including testing adapters, PCB designing/manufacturing/simulation technology, the designing and manufacturing of testing accessories, probe cards, and burn-in oven substrate boards, as well as the integration of relevant testing systems.

In the development of testing compatibility software, our creation of automatic testing programs and conversion systems coupled with the adoption of AI tools facilitated an improved production efficiency and user convenience. In the face of rapid global technological advancements, the R&D center continues to maintain the Company's unique competitive edge in the field of semiconductor manufacturing and testing, particularly with respect to its capacity to develop new testing technologies such as high-performance computing, high-frequency, high-power, heterogeneous and advanced packaging, and silicon photonics.

### **Current business plan overview**

In 2025, the semiconductor industry was expected to recover during the second half of the year. Given the massive surge in demand for AI/HPC chips throughout the year, the Company is likely to see a significant increase in revenue. As regards this year's business plan, the Company aims to take the following actions: (1) Develop our business operations by further strengthening customer management and promoting performance growth; (2) stay in line with market and technological development trends, placing emphasis on improving the returns of our equipment investment; (3) keep abreast of customers' new product plans and create a momentum for future expansion, while improving customer services by taking the lead in customer satisfaction evaluations; (4) implement risk control by performing internal auditing of big data analysis; (5) enforce quality and disciplinary policies for personnel, while improving production and manufacturing processes by fine-tuning the integration of automation and smart manufacturing and reducing labor costs; (6) strengthen our organizational structure so that our production capability can be increased quickly without compromising production quality; (7) streamline processes to eliminate ineffective operations; (8) ramp up efforts to develop our technical capabilities, while diversifying our procurement channels to achieve effective cost control; (9) achieve

reasonable procurement costs; (10) strictly control expenditures on materials and accessories, while placing focus on research and innovation, specifically the integration of production resources and improvements to system environment, and process optimization for better efficiency and quality; (11) develop core equipment and technologies in greater depth, mastering the development and application of key components; (12) consolidate and protect core R&D technologies and deploy key innovation patents, while focusing on the retention of high-performing employees as a means of preserving our human resources; (13) ramp up recruitment efforts; (14) build a pool of management associates who show potential; and (15) foster professional competencies across different disciplines.

### **Future development strategy**

Looking back at the deglobalization of the United States seven or eight years ago coupled with its containment of China's technology and semiconductor industries in recent years, the global semiconductor manufacturing industry has become a polarized ecosystem, wherein advanced process products are concentrated in Taiwan and mature process products are predominant in China. The Company has sold its Chinese subsidiary in alignment with its future development strategy, turning the focus of our long-term development toward high-end products in Taiwan. The growing complexity of advanced process products, the price increase per unit of testing and prolongation of testing time, the increase in equipment utilization, and the unique status of customer markets, are all factors beneficial to revenue and profit growth. Our future development strategy gives priority to customers and to satisfying their needs. It directs company resources to addressing changes in the customer market, increasing company revenue, controlling cost, and improving the competitiveness of the company. Meanwhile, our focus is shifted from factory manufacturing to service marketing, aimed at incorporating the applications of our test platforms into customer product testing. Our strategy also aims to improve the efficiency of the company's sophisticated operating systems used in the ever-changing complex manufacturing processes. This allows for quick order delivery in support of customers' market opportunities, thereby fulfilling the core value of the manufacturing supply chain to grow and prosper together with customers as their trusted partner.

While we continue to expand the business of our fabless semiconductor design

company overseas, we will also forge relations with potential customers, and increase the proportion of IDM outsourcing orders to not only strengthen our profitability but also facilitate the establishment of production bases (T+1) outside of Taiwan, thus dispersing our supply chain locations in response to global trends and customer expectations. We will carefully evaluate opportunities for strategic cooperation with



upstream and downstream semiconductor companies and peers, and invest in global semiconductor-related industries to further expand the company's global presence.

### **The effect of external competition, the legal environment, and the overall business environment**

According to Gartner, a research and consulting firm, worldwide semiconductor revenue increased by 16.8% in 2024 to US\$624 billion compared with 2023, and is projected to increase by 13.8% in 2025 to US\$716.7 billion. In general, the semiconductor industry has reached a low IC inventory level at the end of 2024. Opportunities await the semiconductor industry in 2025, considering the recovery of the economy in the second half of the year, the rebuilding of IC production chain inventory, and the significant increase in demand for AI HPC chips.

Regarding global economic growth, the IMF forecasts global growth of 3.2% in 2024, marginally below the 3.3% registered in 2023. The global growth for 2025 is projected to be unchanged from the projection for 2024, with the growth of emerging market economies in Asia being higher. Although global inflation is easing and entering a cycle of interest rate cuts, continued monitoring of economic recovery remains necessary in the second half of the year, due to the downside risks caused by uncertainties from a mixture of factors such as high costs, high debts, the rise of trade protectionism and nationalism around the world, the internal and external political/economic policies of countries and the persistence of geopolitical conflicts, as well as fluctuations of interest rates, exchange rates, oil prices, and commodity prices.

In terms of external competition, the global domination of the semiconductor industry has taken shape in recent years, attributable to the rapid development of advanced semiconductor processes in which advanced packaging overcame the limits of Moore's Law, making integrated circuits shorter, lighter, thinner and more efficient. Only a handful of companies and brands are involved in IC designing, wafer manufacturing, chip packaging, chip testing, end product assembly, consumer product markets. The upstream and downstream supply chains of the semiconductor industry are centralized into an oligopolistic industrial structure in which they become interdependent of one another. The ability of OEM's operating systems to deliver output becomes a key factor of competitiveness. In other words, production capacity, technology, experience, quality, service, technical support, production efficiency, OEM price, information systems, workforce quality, financial capability, corporate culture, and commitment, among other aspects must be closely integrated to meet customers' supply chain requirements.

In terms of laws and the general business environment, the U.S. Department of Commerce has been enforcing new laws to restrict the sale of semiconductor technologies to China in an effort to delay China's semiconductor development and

limit the country's development of mature process products. However, overcapacity in China's semiconductor industry will cause the mature-node product OEM prices, quoted and final, to exert a considerable impact on the global semiconductor industry.

Last year, the innovation of technology products failed to effectively stimulate consumers' replacement of electronic products. Due to the global economic recession and uncertainties from political elections in Europe, the United States, Japan, and South Korea, consumers have been conservative about spending, and when consumer confidence will recover awaits to be seen. The general economic environment in 2025 is still filled with many challenges and opportunities.

The themes of the U.S. Consumer Electronics Show (CES) in the past two years mostly involved digital solutions that make people's lives more convenient, such as smart health care, smart medical care, smart home, smart city, smart factory, smart car, and smart robot solutions, etc. To realize an ideal ecosystem in which terminal AI application products can be vigorously developed, cloud data centers must be constructed and high-speed/high-frequency transmission equipment and specifications must be established first. AI will create a multitude of business innovation opportunities, leading to increased silicon demand for semiconductor products and unleashing more development opportunities for the semiconductor manufacturing industry.

Looking ahead to the new year, advanced CoWoS packaging capacity will increase exponentially this year, in view of the strong demands that customers of advanced process capacity have for upstream semiconductor wafer manufacturing plants. Large-scale investments in high-computing server hardware and software for cloud AI will be made in advance to prepare for the launch of AI end application products. The economy has gradually recovered in the first half of the year, but the first-quarter expansion of production capacity for AI chips has made mass production possible, with results fast approaching. The Company will exercise fiscal discipline, develop technologies in greater depth, seize market opportunities, and pursue sustainable growth, taking one step at a time to deliver excellent performance in the areas of quality, delivery, technology, services, and customer satisfaction, and embrace a new year of strong growth.

Chin-Kung Lee, Chairman

Gauss Chang, President

## Two. Corporate Governance Report

### I. Information on Directors, Presidents, Vice Presidents, Assistant Vice Presidents, and managers of each department and division

#### (I) Director

##### 1. Information on Directors

March 31, 2025

Title	Nationality or Place of Registration	Name	Gender/age (years of age)	Date elected/appointed	Term (years)	Date when first elected	Shares held at election		Shares currently held (Note 1)		Shareholdings of spouse and underage children		Shareholdings under another		Education/work experience	Concurrent positions in the Company and in other companies	Spouse or relatives of the second degree or closer acting as directors or department heads			Remarks
							Shares (Shares)	Shareholding ratio (%)	Shares (Shares)	Shareholding ratio (%)	Shares (Shares)	Shareholding ratio (%)	Shares (Shares)	Shareholding ratio (%)			Title	Name	Relationship	
Chairman	R.O.C.	Chin-Kung Lee	Male 61~70	2023.05.30	3	1996.09.25	34,100,941	2.79	34,100,941	2.79	4,263,053	0.35	0	0	Bachelor King Yuan Electronics Co., Ltd. President	Chairman of KYEC Investment International Co., Ltd. Chairman of KYEC Technology Management Co., Ltd. Chairman of KYEC Microelectronics Co., Ltd.	None	None	None	None
Vice-Chairman	R.O.C.	Chi-Chun Hsieh	Male 61~70	2023.05.30	3	1999.04.20	5,552,037	0.45	5,552,037	0.45	567,120	0.05	0	0	Bachelor Supervisor of KYEC	Physician Convener of Sustainable Development Committee, KYEC	None	None	None	None
Director (Note 2)	R.O.C.	Gauss Chang	Male 61~70	2024.05.31	2	2024.05.31	3,051,294	0.25	3,198,275	0.26	0	0	0	0	Master Executive Vice President of KYEC Senior Vice President of KYEC	President and Chief Sustainability Officer Chairman of KYEC USA Corp. Chairman of KYEC SINGAPORE PTE. LTD. Chairman of KYEC Japan K.K. Member of Sustainable Development Committee, KYEC	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender/age (years of age)	Date elected/appointed	Term (years)	Date when first elected	Shares held at election		Shares currently held (Note 1)		Shareholdings of spouse and underage children		Shareholdings under another		Education/work experience	Concurrent positions in the Company and in other companies	Spouse or relatives of the second degree or closer acting as directors or department heads			Remarks
							Shares (Shares)	Shareholding ratio (%)	Shares (Shares)	Shareholding ratio (%)	Shares (Shares)	Shareholding ratio (%)	Shares (Shares)	Shareholding ratio (%)			Title	Name	Relationship	
Director	R.O.C.	Kao-Yu Liu	Male 51~60	2023.05.30	3	2011.06.15	4,808,267	0.39	4,808,267	0.39	1,506,766	0.12	0	0	PhD Supervisor of KYEC	Chairman of LC Architecture Realization Company, Inc. Chairman of Ji-Ze Construction Development Co., Ltd.	Director	Kuan-Hua Chen	Brother-in-law	None
Director	R.O.C.	Kuan-Hua Chen	Male 51~60	2023.05.30	3	2008.06.13	3,168,574	0.26	3,073,574	0.25	1,173,496	0.10	0	0	Master's in Financial Engineering, Carnegie Mellon University Supervisor of Weikeng Industrial Co., Ltd.	Director of Weikeng Industrial Co., Ltd.	Director	Kao-Yu Liu	Spouse's brother	None
Director	Not applicable.	Yann Yuan Investment Co., Ltd.	-	2023.05.30	3	2017.06.08	52,600,000	4.30	52,600,000	4.30	-	-	-	-	-	-	-	-	-	-
	R.O.C.	Representative: Ping-Kun Hung	Male 61~70	2023.05.30	3	2022.02.15	0	0	0	0	0	0	0	0	Bachelor Chairman of Hsun Chieh Investment Co., Ltd. CFO of KYEC Director of Silicon Integrated Systems Corp.	-	None	None	None	None
Independent director	R.O.C.	Semi Wang	Male 61~70	2023.05.30	3	2020.06.10	10,000	0.00	10,000	0.00	0	0	0	0	Bachelor Vice President of KYEC Director of Cheng Uei Precision Industry Co., Ltd. Supervisor of Glory Science Co., Ltd. Chairman of Mingxiang Culture Co., Ltd. Supervisor of Kuokuang Power Plant Co., Ltd.	Member of the Audit Committee and Remuneration Committee of KYEC Member of Compensation Committee of LeadSun Greentech Corporation Chairman of Mingxing Creative Management Consultations Inc. Independent Director of Creative Sensor Inc. Director of FIT Holding Co., Ltd.	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender/age (years of age)	Date elected/appointed	Term (years)	Date when first elected	Shares held at election		Shares currently held (Note 1)		Shareholdings of spouse and underage children		Shareholdings under another		Education/work experience	Concurrent positions in the Company and in other companies	Spouse or relatives of the second degree or closer acting as directors or department heads				Remarks
							Shares (Shares)	Shareholding ratio (%)	Shares (Shares)	Shareholding ratio (%)	Shares (Shares)	Shareholding ratio (%)	Shares (Shares)	Shareholding ratio (%)			Title	Name	Relationship		
Independent director	R.O.C.	Dar-Yeh Hwang	Male 61~70	2023.05.30	3	2017.06.08	0	0	0	0	0	0	0	0	PhD Chair of both Department and Institute of Finance, National Taiwan University Independent director of DBS (Taiwan) Independent Director of Chailase Holding Distinguished Professor of the International School of Renmin University of China (Suzhou Campus)	Member of the Audit Committee and Remuneration Committee of KYEC Chairman of McBorter AFMA Chairman of Academy of Promoting Economic Legislation (APEL) Co-director of China Banking Research Center, Zhejiang University International Business School (ZIBS)	None	None	None	None	
Independent director (Note 3)	R.O.C.	Shi-Jer Sheen	Male 61~70	2023.05.30	3	2002.05.07	0	0	0	0	0	0	0	0	Master Independent Director of KYEC	Member of the Audit Committee, Remuneration Committee, and Sustainable Development Committee of KYEC Responsible person of Private Short-Term Busiban	None	None	None	None	

Note 1: Calculated based on the outstanding common stock on the date of suspension of stock transfer by the general shareholders' meeting.

Note 2: Director Gauss Chang was elected and newly appointed at the shareholders' meeting on May 31, 2024. The Board of Directors approved the appointment of President as Chief Sustainability Officer on November 8, 2024.

Note 3: Independent director Shi-Jer Sheen was the Company's independent director from May 7, 2002 to June 8, 2017. He was appointed as the Company's independent director on May 30, 2023.

Note 4: The directors of the Company do not hold shares in the name of others.

Note 5: Where the company's chairman and president or person of an equivalent post (the highest-level manager) of a company are the same person, spouses or relatives within the first degree of kinship, an explanation shall be given of the reason, reasonableness, necessity thereof, and the measures (such as adding independent directors, and more than half of the directors not serving as concurrent employees or managers of another company) adopted in response thereto: None.

## 2. Major shareholders of corporate shareholders

December 31, 2024

Name of the corporate shareholder	Major shareholders of corporate shareholders (Shareholding ratio) (Note)
Yann Yuan Investment Ltd.	Siliconware Precision Industries Co., Ltd. (27.94%), United Microelectronics Corporation (26.78%), King Yuan Electronics Co., Ltd. (14.55%), Unimicron Technology Corp. (11.64%), Coretronic Corporation (11.06%), Sigurd Microelectronics Corporation (5.70%), Hsun Chieh Investment Co., Ltd. (2.33%)

Note: The major shareholders refer to the shareholders who hold more than 10% of the Company's shares or the Company's 10 largest shareholders.

## 3. Major shareholders of corporate shareholders are major shareholders of legal persons

Name of Institution	Major shareholders of corporate shareholders (Shareholding ratio) (Note)
Siliconware Precision Industries Co., Ltd.	ASE Technology Holding Co., Ltd. (100%)
United Microelectronics Corporation	JPMorgan Chase Bank, N.A. acting in its capacity as depositary and representative to the holders of ADRs (4.85%), Hsun Chieh Investment Co., Ltd. (3.52%), Capital Tip Customized Taiwan Select High Dividend ETF (2.48%), Silicon Integrated Systems Corp. (2.13%), Taiwan Life Insurance Co., Ltd. (1.76%), Yann Yuan Investment Co., Ltd. (1.54%), China Life Insurance Co., Ltd. (1.54%), New Labor Pension Fund (1.47%), CitiBank (Taiwan) in custody for Singapore Government investment account (1.21%), Yuanta Taiwan High Dividend Fund (1.15%)
King Yuan Electronics Co., Ltd.	Yuanta Taiwan High Dividend Fund (5.28%), New Labor Pension Fund (4.42%), Yann Yuan Investment Co., Ltd. (4.30%), Fubon Life Insurance Co., Ltd. (4.06%), Taipei Fubon Commercial Bank Co., Ltd. in custody for Fuh Hwa Taiwan Technology Dividend Highlight ETF (3.65%), Chin-Kung Lee (2.79%), Chunghwa Post Co., Ltd. (2.17%), Labor Insurance Fund (1.61%), Norges Bank (1.41%), National Pension Insurance Fund (1.12%)
Unimicron Technology Corp.	United Microelectronics Corporation (13.04%), CitiBank in custody for Singapore Government investment account (2.48%), New Labour Pension Fund (1.83%), Yann Yuan Investment Co., Ltd. (1.51%), Cathay Life Insurance Co., Ltd. (1.49%), JPMorgan Chase Bank in custody for JPMorgan Securities account (1.43%), JPMorgan Chase Bank in custody for ABP pension fund investment account (1.21%), Nan Shan Life Insurance Co., Ltd. (1.18%), Standard Chartered Bank in custody for Fidelity funds (1.17%), JPMorgan Chase Bank in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.15%)

Sigurd Microelectronics Corporation	Yann Yuan Investment Co., Ltd. (3.14%), Zhongli Investment Co., Ltd. (2.17%), Hua Nan Bank in custody for Yuanta Taiwan Value High Dividend ETF (1.73%), Taiwan Bank in custody for Yuanta Taiwan High Dividend Low Volatility ETF (1.7%), Hsing-Yang Huang (1.55%), Fubon Life Insurance Co., Ltd. (1.43%), JPMorgan Chase Bank, N.A., Taipei Branch in custody for Japan Securities Finance Co., Ltd. investment account (1.42%), Taiwan Cooperative Bank (1.32%), JPMorgan Chase Bank, N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.26%), Ming-Chun Chiu (1.25%)
Coretronic Corporation	Taiwei Advanced Company (10.69%), Yann Yuan Investment Co., Ltd. (8.40%), Taipei Fubon Commercial Bank Co., Ltd. in custody for Fuh Hwa Taiwan Technology Dividend Highlight ETF (4.38%), HannStar Display Corporation (4.19%), Hsun Chieh Investment Company (3.96%), Huali Investment Company (3.04%), Wei-Yi Chang (2.39%), CTBC Bank Employee Stock Ownership Trust Account of Coretronic Corporation (2.28%), Chunghwa Post Co., Ltd. (2.21%), CTBC Bank Employee Stock Ownership Trust Account of Coretronic Corporation (1.95%)
Hsun Chieh Investment Co., Ltd.	Shieh Yong Investment Co., Ltd. (63.51%), United Microelectronics Corporation (36.49%)

Note: The latest information disclosed by various companies on the company website or MOPS.

#### 4. Disclosure of professional qualifications of directors and independence of independent directors

December 31, 2024

Qualification Name	Professional qualifications and experience (Note 1)	Independence	Number of positions as an Independent Director in other public listed companies
Chin-Kung Lee	Lee possesses knowledge of the industry, practical experiences, international market perspective, the ability to lead, and the abilities to make operational judgments, plan operations related to the technology industry, conduct management administration, and conduct crisis management. With over 30 years of experience in the semiconductor industry, Lee is capable of leading the company towards sustainability. Lee was the CEO of the Company. He is the current Chairman of the Company.	Not applicable.	0
Chi-Chun Hsieh	Hsieh possesses knowledge of the industry, practical experiences, international market perspective, the ability to lead, and the abilities to make operational judgments, conduct management administration, and conduct crisis management. He is a professional and technical specialist who has passed a national examination and been awarded a certificate in a profession necessary to practice as a doctor. He is currently a physician and director of Xiang-an Clinic, and also the Vice-Chairman of the Company and Convener of the Sustainable Development Committee.	Not applicable.	0
Gauss Chang	Chang possesses knowledge of the industry, practical experiences, international market perspective, the ability to lead, and the abilities to make operational judgments, conduct marketing, conduct management administration, and conduct crisis management. Chang has a Master of Business Administration degree from U.S. Saginaw Valley State University and over 30 years of experience in the semiconductor industry. He was the Executive Vice President of the Company. He is currently the President and Chief Sustainability Officer of the Company.	Not applicable.	0
Kao-Yu Liu	Liu possesses knowledge of the industry, international market perspective, the ability to lead, and the abilities to make operational judgments, conduct management administration, and conduct crisis management. He holds a PhD in Architecture Engineering, the University of Tokyo. He is currently the chairman of LC Architecture Realization Company, Inc. and Ji-Ze Construction Development Co., Ltd.	Not applicable.	0



Kuan-Hua Chen	Chen possesses knowledge of the industry, international market perspective, the ability to lead, and the abilities to perform accounting and financial analysis, make operational judgments, conduct management administration, and conduct crisis management. He holds a Master's in Financial Engineering, Carnegie Mellon University and currently serves as the Director of Weikeng Industrial Co., Ltd.	Not applicable.	0
Ping-Kun Hung	Hung possesses knowledge of the industry, international market perspective, the ability to lead, and the abilities to perform accounting and financial analysis, make operational judgments, conduct management administration, and conduct crisis management. He was the Chairman of Hsun Chieh Investment Co., Ltd.	Not applicable.	0
Semi Wang	Wang possesses knowledge of the industry, practical experiences, international market perspective, the ability to lead, and the abilities to make operational judgments, conduct marketing, conduct management administration, and conduct crisis management. He is currently serving as the chairman of Mingxing Creative Management Consultations Inc., and concurrently serving as an independent director of Creative Sensor, Inc., director of FIT Holding Co., Ltd., member of the Compensation Committee of LeadSun Greentech Corporation, and convener of the Company's Audit Committee and Remuneration Committee.	He is an Independent Director who meets the requirements set forth in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act: 1. Directors or their spouse, or relatives within the second degree of kinship are employed as a director, supervisor, or employee of the Company or its affiliates: No 2. Number of shares and shareholding ratio held by directors, their spouse, or relatives within the second degree of kinship (or held under the name of a third person): Within the prescribed range, please refer to the Directors' Information (pages 7-9 of this Annual Report) 3. Currently holding a position as a director, supervisor, or employee of companies with specific relationships with the Company: No 4. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years: 0	1
Dar-Yeh Hwang	Hwang possesses knowledge of the industry, international market perspective, the ability to lead, and the abilities to perform accounting and financial analysis, make operational judgments, conduct management administration, and conduct crisis management. He holds a Master's degree and a doctorate degree in finance from Rutgers, the State University of New Jersey. He was the chairman and director of the Department of Finance at National Taiwan University and has over 30 years of teaching experience. He is currently the chairman of McBorter AFMA and Academy of Promoting Economic Legislation, and a member of the Company's Audit Committee and Remuneration Committee.	1. Directors or their spouse, or relatives within the second degree of kinship are employed as a director, supervisor, or employee of the Company or its affiliates: No 2. Number of shares and shareholding ratio held by directors, their spouse, or relatives within the second degree of kinship (or held under the name of a third person): Within the prescribed range, please refer to the Directors' Information (pages 7-9 of this Annual Report) 3. Currently holding a position as a director, supervisor, or employee of companies with specific relationships with the Company: No 4. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years: 0	0
Shi-Jer Sheen	Sheen possesses knowledge of the industry, international market perspective, the ability to lead, and the abilities to perform accounting and financial analysis, make operational judgments, conduct management administration, and conduct crisis management. He holds an MBA degree from Kyushu University, Japan. He is currently the responsible person of Private Short-Term Busiban, and a member of the Company's Audit Committee, Remuneration Committee, and Sustainable Development Committee.	1. Directors or their spouse, or relatives within the second degree of kinship are employed as a director, supervisor, or employee of the Company or its affiliates: No 2. Number of shares and shareholding ratio held by directors, their spouse, or relatives within the second degree of kinship (or held under the name of a third person): Within the prescribed range, please refer to the Directors' Information (pages 7-9 of this Annual Report) 3. Currently holding a position as a director, supervisor, or employee of companies with specific relationships with the Company: No 4. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years: 0	0

Note 1: All directors of the Company are not a person of the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act.

## 5. Diversity and independence of the Board of Directors

### (1) Diversity of the Board of Directors:

A diversity policy is provided in the Company's Corporate Governance Code of Conduct and Regulations Governing the Election of Directors, stipulating that the composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- A. Basic requirements and values: Gender, age, nationality, and culture.
- B. Professional knowledge and skills: Professional background (e.g. law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

- 1. Ability to make operational judgments.
- 2. Ability to perform accounting and financial analysis.
- 3. Ability to conduct management administration.
- 4. Ability to conduct crisis management.
- 5. Knowledge of the industry.
- 6. International market perspective.
- 7. Ability to lead.
- 8. Ability to make policy decisions.

- The Company has nine directors (including three independent directors) on the board. The board members have extensive work experience in the fields of semiconductor, business administration, financial management, medicine, and construction. To achieve the ideal goal of corporate governance, the board of directors shall possess the ability to make operational judgments; ability to perform accounting and financial analysis; ability to conduct management administration; ability to conduct crisis management; knowledge of the industry; an international market perspective; ability to lead; and ability to make policy decisions.

The Company's board members are all Taiwanese citizens. The board is structured as follows: 6 directors (67%) and 3 independent directors (33%). One director is an employee of the Company, accounting for 11%. In terms of age, two and seven board members were aged 51–60 and 61–70 years, respectively.

➤ The implementation of board diversity is as follows:

Title	Chairman	Vice-Chairman	Director's representative	Director			Independent director		
Name	Chin-Kung Lee	Chi-Chun Hsieh	Ping-Kun Hung	Gauss Chang	Kao-Yu Liu	Kuan-Hua Chen	Semi Wang	Dar-Yeh Hwang	Shi-Jer Sheen
Gender	Male	Male	Male	Male	Male	Male	Male	Male	Male
Age	61~70	61~70	61~70	61~70	51~60	51~60	61~70	61~70	61~70
Concurrently an employee of the Company				✓					
Term of office for independent directors (3 terms or less)							✓	✓	✓
Professional Background									
Technology	✓	✓	✓	✓	✓	✓	✓	✓	✓
Finance			✓			✓		✓	✓
Ability and Experience									
Industry experience	✓	✓	○	✓	○	○	✓	○	○
Ability to make operational judgments	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ability to conduct management administration	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ability to conduct crisis management	✓	✓	✓	✓	✓	✓	✓	✓	✓
International market perspective	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ability to lead and make decisions	✓	✓	✓	✓	✓	✓	✓	✓	✓

Note: ✓ denotes ability, ○ denotes some ability

- Reasons for the Board of Directors not meeting the one-third gender representation threshold and measures planned to enhance gender diversity : The Company's current Board of Directors does not include any female members because the technology industry has long been a male-dominated industry, which makes talent recruitment relatively difficult. Going forward, the Company will

actively hire skilled female directors to serve on the board, and continue to promote gender diversity by gradually increasing the percentage of women on the board to achieve diversity governance.

- Specific management objectives and the status of implementation in relation to the Company's current board diversity policy are as follows:

Management objective	Status of achievement of objective
1. At least one board member possess financial accounting background	Achieved
2. At least one board member possess professional knowledge and skills	Achieved
3. The number of directors concurrently serving as managerial officers did not exceed one-third of the total number of the board members	Achieved
4. The number of Independent Directors is not less than one-third of the total number of directors	Achieved
5. At least one female director serves on the board	The percentage of women on the board will be increased during the next director election.

Note: During the next shareholders' meeting in 2026, we intend to appoint at least one female director (accounting for 11% of the board) in order to further strengthen the company's sustainability governance in line with the board diversity policy, the government's board gender equality program, and international governance trends.

(2) Independence of Board of Directors:

- The Company nominates and elects board members in accordance with the Articles of Incorporation by using the candidate nomination system. The Company also complies with the Corporate Governance Code of Conduct and Regulations Governing the Election of Directors, both stipulate that the election of directors for the Company shall take into account the overall composition of the Board of Directors. The Company has seven to eleven directors, and the Board of Directors is authorized to determine the number of directors. Directors of the board shall serve a term of three years, and are elected from the list of candidates at the shareholders' meeting. The professional qualifications of independent director candidates, shareholdings, restrictions on concurrent positions held, and methods of nomination and election, shall conform to the Company Act and Securities and Exchange Act, among other applicable laws and regulations.
- Company directors shall exercise a high degree of self-discipline. If a director is an interested party with respect to any proposal discussed at the board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and

voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

- The Company appoints three independent directors (accounting for 33% of the board) and inspects the independent directors' qualifications during the election process and issues a statement. One independent director has served a term of seven to nine years, the other has served four to six years, and the third one to three years. All independent directors did not serve more than three consecutive terms. Only two out of all the directors on the board are relatives within the second degree of kinship, which is in compliance with Article 26-3, Paragraph 3, of the Securities and Exchange Act that no more than half of the directors shall be spouses or relatives within the second degree of kinship. All independent directors of the Company fulfilled the regulations concerning independent directors stipulated by FSC. Their status of independence is as follows:

Name	Independence				Conditions specified in any of the sub-paragraphs of Article 30 of the Company Act	
	Did they, their spouses and relatives within second degree of kinship serve as directors, supervisors, or employees of the Company or any of its affiliates	Number of shares and shareholding ratio held by directors, their spouse, or relatives within the second degree of kinship (or held under the name of a third person)		Are they serving as directors, supervisors, or employees in companies that have certain relations with the Company		The amount(s) of any pay received for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years
		Shares	Shareholding ratio			
Semi Wang	No	10,000 shares	0.00%	No	NT\$0	None
Dar-Yeh Hwang	No	0 shares	0%	No	NT\$0	None
Shi-Jer Sheen	No	0 shares	0%	No	NT\$0	None

## (II) Information on Presidents, Vice Presidents, Assistant Vice Presidents, and managers of each department and division

March 31, 2025

Title	Nationality	Name	Gender	Date elected/ appointed	Shareholding		Shareholdings of spouse and underage children		Shareholdings under another		Education/work experience	Concurrent positions at other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks
					Shares (Shares)	Shareholding ratio (%) (Note 1)	Shares (Shares)	Shareholding ratio (%) (Note 1)	Shares (Shares)	Shareholding ratio (%)			Title	Name	Relationship	
President and Chief Sustainability Officer (Note 2)	R.O.C.	Gauss Chang	Male	2023.09.01	3,198,275	0.26	0	0	0	0	Master Executive Vice President of KYEC Senior Vice President of KYEC	Chairman of KYEC USA Corp. Chairman of KYEC SINGAPORE PTE. LTD. Chairman of KYEC Japan K.K.	None	None	None	None
Executive Vice President and Chief Information Officer (Note 3)	R.O.C.	Steven Chang	Male	2011.11.28	1,046,182	0.09	0	0	0	0	Master Senior Vice President of KYEC	Supervisor of Fixwell Technology Corp.	None	None	None	None
Senior Vice President	R.O.C.	Andy Liang	Male	2022.10.06	600,936	0.05	0	0	0	0	Master Vice President of KYEC	-	None	None	None	None
Vice President	R.O.C.	Hans Han	Male	2020.10.30	33,000	0.00	0	0	0	0	Master Assistant Vice President of KYEC	-	None	None	None	None
Vice President and CFO	R.O.C.	Logan Chao	Male	2016.03.02	139,740	0.01	72,214	0.01	0	0	Master Assistant Vice President of KYEC	Director of KYEC SINGAPORE PTE. LTD. Supervisor of KYEC Japan K.K.	None	None	None	None
Assistant Vice President	R.O.C.	Wendy Chen	Female	2016.12.05	0	0	0	0	0	0	Master Senior Division Chief of KYEC	-	None	None	None	None
Assistant Vice President	R.O.C.	Chung-Jung Tsai	Male	2021.12.28	5,000	0.00	0	0	0	0	Bachelor Senior Division Chief of KYEC	-	None	None	None	None

Assistant Vice President	R.O.C.	TK Chen	Male	2022.10.06	0	0	0	0	0	0	0	0	Bachelor Senior Division Chief of KYEC	-	None	None	None	None
Assistant Vice President	R.O.C.	Ta-Kang Liu	Male	2022.10.06	60,844	0.00	20,000	0.00	0	0	0	0	PhD Senior Division Chief of KYEC	Director, Wei Jiu Industrial Co., Ltd.	None	None	None	None
Assistant Vice President	R.O.C.	Jerry Su	Male	2022.10.06	1,000	0.00	0	0	0	0	0	0	Master Senior Division Chief of KYEC	Director of KYEC Japan K.K.	None	None	None	None
Assistant Vice President	R.O.C.	Winnie Chow	Female	2023.11.03	0	0	0	0	0	0	0	0	Master Senior Division Chief of KYEC	Independent Director of Faraday Technology Corporation	None	None	None	None
Assistant Vice President (Note 4)	R.O.C.	Morris Chang	Male	2024.11.08	135	0.00	0	0	0	0	0	0	Master Senior Division Chief of KYEC	-	None	None	None	None

Note 1: Calculated based on the outstanding common stock on the date of suspension of stock transfer by the general shareholders' meeting.

Note 2: The Board of Directors approved the appointment of President as Chief Sustainability Officer on November 8, 2024.

Note 3: Executive Vice President Steven Chang was appointed on November 8, 2024.

Note 4: Assistant Vice President Morris Chang was appointed on November 8, 2024.

Note 5: The Company' Chairman and President or person of an equivalent post are not the same person and are not spouses or relatives within the first degree of kinship.

## II. Remuneration to Directors, Presidents and Vice Presidents of the Company in the most recent year

### (I) Remuneration to Directors and Independent Directors in 2024

December 31, 2024, unit: NTD thousand

Title	Name	Remuneration to directors				The sum of A, B, C and D to Earnings after Tax	Remuneration from concurrently servings as employees				Ratio of total compensation (A+B+C+D+E+F+G) and to net profit after tax		Remuneration from invested non-subsiary enterprise(s) or the parent company		
		Remuneration (A)		Severance Pay and Pension (B)	Directors' Remuneration (C)		Business Expense (D)	Salary, Bonuses, and Special Allowances (E)	Severance Pay and Pension (F)	Employee Remuneration (G) (Note 1)		The Company		Companies included into the financial statement	
		The Company	Companies included into the financial statement	The Company	Companies included into the financial statement		The Company			Cash	Stock				
Chairman	Chin-Kung Lee (Note 2)														
Vice-Chairman	Chi-Chun Hsieh (Note 3)														
Director	Gauss Chang (Note 4)														
Director	Kao-Yu Liu	12,265	12,265	0	0	56,681	500	69,446 0.89%	10,651	108	17,000	0	17,000	0	97,205 1.25%
Director	Kuan-Hua Chen														
Director	Yann Yuan Investment Co., Ltd. Representative: Ping-Kun Hung														
Independent director	Semi Wang							28,340 0.36%	0	0	0	0	0	0	28,340 0.36%
Independent director	Dar-Yeh Hwang														
Independent director	Shi-Jer Sheen														
1. Please describe the remuneration policy, system, standards, and structure for independent directors, and the linkage of factors such as duties, risks, and period of service to the amount of remuneration. (1) The remuneration paid to the Company's chairman and directors is determined in accordance with the Company's Articles of Incorporation. (2) The Articles of Incorporation stipulate that the Company shall allocate no more than 1% of the profit for the year as directors' remuneration. (3) The remuneration for the Company's independent directors is based on board performance evaluation results and also on the company's operational performance, future risks, development strategies, industry trends, and industry standards. In addition, in accordance with the Remuneration Committee Charter, the Remuneration Committee shall review each director's participation in and contribution to company operations, link the reasonableness and fairness of performance risks to their remuneration, and present it to the Board of Directors for resolution.															
2. Other than the remuneration disclosed in said table, the remuneration received by any of the Company's directors for providing services to the parent company/any companies included in the financial statement/investment business, e.g. as an advisor other than employee in the most recent year: None.															

1. Please describe the remuneration policy, system, standards, and structure for independent directors, and the linkage of factors such as duties, risks, and period of service to the amount of remuneration.

(1) The remuneration paid to the Company's chairman and directors is determined in accordance with the Company's Articles of Incorporation.

(2) The Articles of Incorporation stipulate that the Company shall allocate no more than 1% of the profit for the year as directors' remuneration.

(3) The remuneration for the Company's independent directors is based on board performance evaluation results and also on the company's operational performance, future risks, development strategies, industry trends, and industry standards. In addition, in accordance with the Remuneration Committee Charter, the Remuneration Committee shall review each director's participation in and contribution to company operations, link the reasonableness and fairness of performance risks to their remuneration, and present it to the Board of Directors for resolution.

2. Other than the remuneration disclosed in said table, the remuneration received by any of the Company's directors for providing services to the parent company/any companies included in the financial statement/investment business, e.g. as an advisor other than employee in the most recent year: None.

Note 1: Proposed allocated amount.

Note 2: Chairman Chin-Kung Lee shall receive director's remuneration as of June 1, 2023 pursuant to Article 16 of the Company's Articles of Incorporation.

Note 3: Review of the business expenses paid to Mr. Chi-Chun Hsieh, Vice-Chairman of the Company during March to December 2024 for his medical care service in the factory.

Note 4: Director Gauss Chang was elected and appointed at the shareholders' meeting on May 31, 2024.



## Remuneration scale

Breakdown of remuneration to directors	Directors			
	Sum of foregoing four items (A+B+C+D)		Sum of foregoing seven items (A+B+C+D+E+F+G)	
	The Company	Companies included into the financial statement (H)	The Company	Companies included into the financial statement (I)
Below NT\$1,000,000	-	-	-	-
NT\$1,000,000 (inclusive)- NT\$2,000,000 (exclusive)	-	-	-	-
NT\$2,000,000 (inclusive)- NT\$3,500,000 (exclusive)	-	-	-	-
NT\$3,500,000 (inclusive)- NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive)- NT\$10,000,000 (exclusive)	General directors: Chi-Chun Hsieh, Gauss Chang, Kao-Yu Liu, Kuan-Hua Chen, Representative of Yann Yuan Investment Co., Ltd.: Ping-Kun Hung Independent director: Semi Wang, Dar-Yeh Hwang, Shi-Jer Sheen	General directors: Chi-Chun Hsieh, Gauss Chang, Kao-Yu Liu, Kuan-Hua Chen, Representative of Yann Yuan Investment Co., Ltd.: Ping-Kun Hung Independent director: Semi Wang, Dar-Yeh Hwang, Shi-Jer Sheen	General directors: Chi-Chun Hsieh, Kao-Yu Liu, Kuan-Hua Chen, Representative of Yann Yuan Investment Co., Ltd.: Ping-Kun Hung Independent director: Semi Wang, Dar-Yeh Hwang, Shi-Jer Sheen	General directors: Chi-Chun Hsieh, Kao-Yu Liu, Kuan-Hua Chen, Representative of Yann Yuan Investment Co., Ltd.: Ping-Kun Hung Independent director: Semi Wang, Dar-Yeh Hwang, Shi-Jer Sheen
NT\$10,000,000 (inclusive)- NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive)- NT\$30,000,000 (exclusive)	General directors: Chin-Kung Lee	General directors: Chin-Kung Lee	General directors: Chin-Kung Lee	General directors: Chin-Kung Lee
NT\$30,000,000 (inclusive)- NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive)- NT\$100,000,000 (exclusive)	-	-	-	-
Over NT\$100,000,000	-	-	-	-
Total	9 people	9 people	9 people	9 people

**(II) Remuneration to President, and Vice Presidents**

December 31, 2024, unit: NTD thousand

December 31, 2023 and prior periods

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and Special Allowances, etc. (C)		Employee Remuneration (D) (Note 1)				The sum of A, B, C and D to Earnings after Tax (%)		Remuneration from invested non-subsiary enterprise(s) or the parent company
		The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company		Companies included into the financial statement	The Company			
								Cash	Stock			Cash	Stock	
President and Chief Sustainability Officer	Gauss Chang	18,657		540		12,122		44,487	0	44,487	0	75,806 0.97%	None	
Executive Vice President and Chief Information Officer (Note 2)	Steven Chang													
Senior Vice President	Andy Liang													
Vice President	Hans Han													
Vice President and CFO	Logan Chao													

# Remuneration scale

Breakdown of remuneration to president and vice presidents		Name of President and vice presidents	
		The Company	Companies included into the financial statement
Below NT\$1,000,000		-	-
NT\$1,000,000 (inclusive)	-NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive)	-NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive)	-NT\$5,000,000 (exclusive)	-	-
NT\$5,000,000 (inclusive)	-NT\$10,000,000 (exclusive)	Logan Chao	Logan Chao
NT\$10,000,000 (inclusive)	-NT\$15,000,000 (exclusive)	Andy Liang, Hans Han	Andy Liang, Hans Han
NT\$15,000,000 (inclusive)	-NT\$30,000,000 (exclusive)	Steven Chang	Steven Chang
NT\$30,000,000 (inclusive)	-NT\$50,000,000 (exclusive)	Gauss Chang	Gauss Chang
NT\$50,000,000 (inclusive)	-NT\$100,000,000 (exclusive)	-	-
Over NT\$100,000,000		-	-
Total		5 people	5 people

Note 1: Proposed allocated amount.

Note 2: Executive Vice President Steven Chang was appointed on November 8, 2024.

**(III) Names of managers entitled to employee remuneration and amount entitled to**

December 31, 2024, unit: NTD thousand					
	Title	Name	Stock	Cash (Note 1)	Total
Managers	President and Chief Sustainability Officer	Gauss Chang			
	Executive Vice President and Chief Information Officer (Note 2)	Steven Chang			
	Senior Vice President	Andy Liang			
	Vice President	Hans Han			
	Vice President and CFO	Logan Chao			
	Assistant Vice President	Wendy Chen	0	73,386	73,386
	Assistant Vice President	Chung-Jung Tsai			
	Assistant Vice President	TK Chen			
	Assistant Vice President	Ta-Kang Liu			
	Assistant Vice President	Jerry Su			
	Assistant Vice President	Winnie Chow			
	Assistant Vice President (Note 3)	Morris Chang			
	Corporate Governance Officer	Neil Chung			
					0.9433

Note 1: Proposed allocated amount.

Note 2: Executive Vice President Steven Chang was appointed on November 8, 2024.

Note 3: Assistant Vice President Morris Chang was appointed on November 8, 2024.

**(IV) Remuneration to Directors, Presidents and Vice Presidents of the Company in the past two years**

1. Analysis of the ratio of total remuneration paid by the Company and by all companies included in the financial statements for the two most recent fiscal years to directors (including independent directors), president, and vice presidents of the Company, to the net income:

Units: NTD thousand

Year	2024				2023			
	Total remuneration		The sum as a percentage of earnings after tax (%)		Total remuneration		The sum as a percentage of earnings after tax (%)	
Title	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement
Directors (including independent directors)	125,545	125,545	1.61%	1.61%	79,628	79,628	1.36%	1.36%
President and vice presidents	75,806	75,806	0.97%	0.97%	71,510	71,510	1.22%	1.22%

Note: Employee remuneration is the amount proposed to be allocated.

2. Remuneration policies, standards and packages, procedures for determining remuneration and its linkage to operating performance and future risk exposure:

(1) The remuneration policy, system, standards, and structure

- Regarding the remuneration to the Company's directors (including independent directors), according to Article 16 of the Company's Articles of Incorporation, directors' remunerations shall be commensurate with their level of participation and value of contribution to the operation of the Company with reference to industry standard, and shall be determined by the board of directors under authorization. Where there is profit for the current year, no more than 1% of the profit shall be allocated as directors' remuneration according to Article 19 of the Company's Articles of Incorporation. However, if the Company has cumulative losses, an amount sufficient to make up losses shall be retained. The Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as directors' compensation, and in addition thereto a report of

such distribution shall be submitted to the shareholders' meeting. The Company regularly evaluates directors' remuneration in accordance with the Board of Directors Performance Evaluation Guidelines. Relevant performance evaluation and reasonableness of remuneration are reviewed by the Remuneration Committee and the Board of Directors.

- The remuneration to the Company's managerial officers is subject to salary regulations, which describe the provision of work allowances and bonuses to compensate and reward employees for their diligence at work. Bonuses are provided with due consideration to the company's annual operating performance, financial status, operating status, individual work performance, sustainable development goals (Environmental, social and corporate governance aspects), future risks of the company, and industry standards. Where there is profit for the current year, 8–10% of the profit shall be allocated as employee remuneration according to Article 19 of the Company's Articles of Incorporation. However, if the Company has cumulative losses, an amount sufficient to make up losses shall be retained.
- The portfolios for the payment of remuneration include, in accordance with the Remuneration Committee Charter, cash compensations, warrants, dividends, share of ownership, retirement benefits, severance pay, allowances and any incentives of material value. This scope should be consistent with the scope of directors' and managers' remuneration stated in the Regulations Governing Information to be Published in Annual of Public Companies.

## (2) Procedures for determining remuneration

- Directors' remuneration and remuneration to managerial officers are regularly evaluated by adopting the evaluation methods prescribed in the Company's Board of Directors Performance Evaluation Guidelines and regulations applicable to the performance evaluation of managers and employees. Performance evaluations and compensation levels of directors and managerial officers shall take into account the general pay levels in the industry, the time invested and their responsibilities, the status of goal achievement, their performance in other positions, achievement of sustainability goals, and the compensation paid to employees holding equivalent positions in recent years. In addition, the reasonableness of the correlation between the individual's performance and the Company's operational performance and future risk exposure, shall be evaluated based on the achievement of short-term and long-term business goals and the

financial position of the Company.

- Each year, the Remuneration Committee and Board of Directors regularly evaluate the performance of directors and managerial officers and review whether their remuneration is reasonable. Remuneration is based on individual performance, contribution to the company, the company's overall business performance, future risks of the industry, and development trends. It is also reviewed as needed according to the actual operating status of the company and applicable laws and regulations. A reasonable remuneration is allocated after a general consideration of the current corporate governance practices in order to maintain a balance between the company's sustainability management and risk management. The actual amount of remuneration for directors and managers in 2024 was reviewed by the Remuneration Committee and then presented to the Board of Directors for review and approval.

(3) Linkage to operating performance and future risk exposure

- The review of the payment standards and systems described in the Company's remuneration policy is primarily based on the overall operating status of the Company. Payment standards are determined according to performance achievement rates and contributions to enhance the overall organizational effectiveness of the Board of Directors and the management department. We also refer to industry salary standards to ensure that the Company's management remuneration is competitive in the industry so as to retain outstanding management talents.
- The performance targets for the Company's managers are linked to "risk management" to ensure that any possible risks within the scope of their duties may be managed and prevented. The evaluation results are based on actual managerial performance and contributions to the company's sustainability performance, and are linked to relevant human resources and applicable compensation policies. Important management decisions in the Company are made after taking into consideration various risk factors. The performance of such decisions reflects the Company's profitability status and is thus correlated to managers' remuneration and risk management performance.

### III. Status of Corporate Governance

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

1. The Company held a re-election of directors at the general shareholders' meeting on May 30, 2023 to elect directors for the 15th term of Board of Directors (the term of the 15th-term Board of Directors began on May 30, 2023 and ends on May 29, 2026). In 2024, the Board of Directors held a total of 9 meetings. The directors' attendance is as follows:

Term	Title	Name	Actual attendance	Attendance by proxy	Actual attendance rate (%)	Remarks
15th-term	Chairman	Chin-Kung Lee	9	0	100%	
	Vice-Chairman	Chi-Chun Hsieh	9	0	100%	
	Director	Gauss Chang	6	0	100%	Appointed following a by-election on May 31, 2024. Attendance should be six times.
	Director	Kao-Yu Liu	8	1	88%	
	Director	Kuan-Hua Chen	8	1	88%	
	Director	Yann Yuan Investment Co., Ltd. Representative: Ping-Kun Hung	9	0	100%	
	Independent director	Semi Wang	9	0	100%	
	Independent director	Dar-Yeh Hwang	9	0	100%	
	Independent director	Shi-Jer Sheen	9	0	100%	

Other items to be stated:

- I. For board of directors' meetings that meet any of the following descriptions, state the date, session, the discussed agenda, independent directors' opinions and how the Company has responded to such opinions:
- (I) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee and is not subject to matters listed in Article 14-3 of the Securities and Exchange Act. For details, please refer to the Operating Status of the Audit Committee. (Page 33-36)
- (II) Any other resolution(s) passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None.
- II. In instances where a director recused himself/herself due to a conflict of interest, the minutes shall clearly state the director's name, contents of the proposal and resolution thereof, reason for not voting and actual voting counts:



Board of directors meeting date/session	Motion	Reasons for the required recusal, and participation in the voting process
2024/02/23 9th meeting of the 15th Board	To discuss the motion regarding the business expenses of Mr. Chi-Chun Hsieh, Vice-Chairman of the Company, as recommended by the Remuneration Committee.	Vice Chairman Chi-Chun Hsieh is a party of interest in this motion and therefore recused himself from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection.
2024/04/26 10th meeting of the 15th Board	To authorize subsidiary KYEC Microelectronics Co., Ltd. to dispose of all 92.1619% of its equity in Chinese subsidiary, King Long Technology (Suzhou) Ltd.	Chairman Chin-Kung Lee and Vice Chairman Chi-Chun Hsieh are a party of interest in this motion and therefore recused themselves from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection.
2024/08/08 13th meeting of the 15th Board	To discuss the adjustments recommended by the Remuneration Committee regarding the proposed distribution of cash remuneration to the Company's managers for 2023.	Director Gauss Chang is a manager of the Company and is therefore recused from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection.
2024/11/08 15th meeting of the 15th Board	1. To discuss the motion regarding the business expenses in 2025 of Mr. Chi-Chun Hsieh, Vice-Chairman of the Company, as recommended by the Remuneration Committee.	1. Vice Chairman Chi-Chun Hsieh is a party of interest in this motion and therefore recused himself from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection.
	2. To discuss the motion on paying Chairman Chin-Kung Lee directors' remuneration in 2025 as recommended by the Remuneration Committee.	2. Chairman Chin-Kung Lee is a party of interest in this motion and therefore recused himself from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection.
2024/11/25 16th meeting of the 15th Board	On matters regarding the settlement of the disposal, by KYEC Microelectronics Co., Ltd., a subsidiary of the Company, of 92.1619% equity interest in Chinese subsidiary, King Long Technology (Suzhou) Ltd.	Chairman Chin-Kung Lee, Vice Chairman Chi-Chun Hsieh, and Director Gauss Chang are a party of interest in this motion and therefore recused themselves from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection.
2024/12/27 17th meeting of the 15th Board	On a letter explaining the closing date of the settlement of the disposal, by KYEC Microelectronics Co., Ltd., a subsidiary of the Company, of 92.1619% equity interest in Chinese subsidiary, King Long Technology (Suzhou) Ltd.	Chairman Chin-Kung Lee, Vice Chairman Chi-Chun Hsieh, and Director Gauss Chang are a party of interest in this motion and therefore recused themselves from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection.

### III. The cycle and period, scope, method, and content of board evaluations

#### • Evaluation of the Board of Directors

Evaluation cycle	Evaluation duration	Evaluation Scope	Evaluation method	Evaluation content
Annually	January 1, 2024 to December 31, 2024	Including the performance evaluation of the board of directors, individual board members, and functional committees	Self-evaluation by the board of directors, individual board members, and functional committees (including Audit Committee, Remuneration Committee, Sustainable Development Committee)	<ol style="list-style-type: none"> <li>Items measured in board performance evaluation <ul style="list-style-type: none"> <li>Participation in the operation of the Company</li> <li>Improvement of the quality of the board of directors' decision making</li> <li>Composition and structure of the board of directors</li> <li>Election and continuing education of the directors</li> <li>Internal control</li> </ul> </li> <li>Items measured in the performance evaluation of individual board members <ul style="list-style-type: none"> <li>Alignment of the goals and missions of the company</li> <li>Awareness of the duties of a director</li> <li>Participation in the operation of the Company</li> <li>Management of internal relationship and communication</li> <li>Director's professionalism and continuing education</li> <li>Internal control</li> </ul> </li> <li>Items measured in the performance evaluation of functional committees <ul style="list-style-type: none"> <li>Participation in the operation of the Company</li> <li>Awareness of the duties of the functional committees</li> <li>Improving the decision quality of the functional committees</li> <li>Composition and member election of the functional committees</li> <li>Internal control</li> </ul> </li> </ol>

#### • 2024 Performance Evaluation for the Board of Directors of King Yuan Electronics Co., Ltd.

To implement corporate governance and improve the function of the board of directors, the Company conducted the 2024 board performance evaluation in accordance with the Board of Directors Performance Evaluation Guidelines. The performance evaluation of the Company's board of directors includes the entire board, each member and the functional committees; the evaluation methods include self-evaluations by the board of directors and individual board members. After collecting relevant questionnaires such as the "Self-Evaluation Questionnaire for Performance of the Board of Directors," the "Self-Evaluation Questionnaire for Performance of Board Members," and the "Self-Evaluation Questionnaire for Performance of the Functional Committees," the execution unit records the evaluation results in a report based on the evaluation indexes in Article 8 of the "Performance Evaluation Rules for the Board of Directors".

The 2024 (evaluation period: January 1 to December 31, 2024) self-evaluation results are as follows:

#### I. Performance evaluation personnel:

- (I) Person who completed the self-evaluation questionnaire for board performance as a whole: Corporate Governance Officer.
- (II) Members (of the 15th term of Board of Directors) who completed the self-evaluation questionnaire: Nine members in total, including Chairman Chin-Kung Lee, Vice Chairman Chi-Chun Hsieh, Director Ping-Kun Hung, Director Kao-Yu Liu, Director Kuan-Hua Chen, Director Gauss Chang, Independent Director Semi Wang, Independent Director Dar-Yeh Hwang, and Independent Director Shi-Jer Sheen.
- (III) Person who completed the self-evaluation questionnaire for functional committee performance: Corporate Governance Officer.

#### II. Performance evaluation statistical results:

- (I) Performance evaluation of the board of directors  
Board performance evaluation covers five aspects. The average score is 4.64 out of a total score of 5.

Scope of Assessment	Number of Questions	Average score
A. Participation in the operation of the Company	12	4.25
B. Improvement of the quality of the board of directors' decision making	12	4.92
C. Composition and structure of the board of directors	7	4.71
D. Election and continuing education of the directors	7	4.43
E. Internal control	7	5.00
Total/Average score	45	4.64

(II) Performance evaluation of the board members

The performance evaluation of individual board members covers six aspects. The average score is 4.85 out of a total score of 5.

Scope of Assessment	Number of Questions	Average score
A. Alignment of the goals and missions of the company	3	4.96
B. Awareness of the duties of a director	3	5.00
C. Participation in the operation of the Company	8	4.76
D. Management of internal relationship and communication	3	4.78
E. Director's professionalism and continuing education	3	4.81
F. Internal control	3	4.93
Total/Average score	23	4.85

(III) Functional committee - Performance evaluation of the Audit Committee

The performance evaluation of the functional committees covers five aspects. The average score is 5.00 out of a total score of 5.

Scope of Assessment	Number of Questions	Average score
A. Participation in the operation of the Company	4	5.00
B. Awareness of the duties of the functional committees	5	5.00
C. Improving the decision quality of the functional committees	7	5.00
D. Composition and member election of the functional committees	3	5.00
E. Internal control	3	5.00
Total/Average score	22	5.00

(IV) Performance evaluation of the functional committee - Remuneration Committee

The performance evaluation of the functional committees covers five aspects. The average score is 4.75 out of a total score of 5.

Scope of Assessment	Number of Questions	Average score
A. Participation in the operation of the Company	4	5.00
B. Awareness of the duties of the functional committees	5	4.20
C. Improving the decision quality of the functional committees	7	5.00
D. Composition and member election of the functional committees	3	4.67
E. Internal control	1	5.00
Total/Average score	20	4.75

(V) Performance evaluation of the functional committee - Sustainable Development Committee

The performance evaluation of the functional committees covers five aspects. The average score is 5.00 out of a total score of 5.

	<table><tr><th>Scope of Assessment</th><th>Number of Questions</th><th>Average score</th></tr><tr><td>A. Participation in the operation of the Company</td><td>4</td><td>5.00</td></tr><tr><td>B. Awareness of the duties of the functional committees</td><td>3</td><td>5.00</td></tr><tr><td>C. Improving the decision quality of the functional committees</td><td>7</td><td>5.00</td></tr><tr><td>D. Composition and member election of the functional committees</td><td>3</td><td>5.00</td></tr><tr><td>E. Internal control</td><td>1</td><td>5.00</td></tr><tr><td>Total/Average score</td><td>18</td><td>5.00</td></tr></table>	Scope of Assessment	Number of Questions	Average score	A. Participation in the operation of the Company	4	5.00	B. Awareness of the duties of the functional committees	3	5.00	C. Improving the decision quality of the functional committees	7	5.00	D. Composition and member election of the functional committees	3	5.00	E. Internal control	1	5.00	Total/Average score	18	5.00
Scope of Assessment	Number of Questions	Average score																				
A. Participation in the operation of the Company	4	5.00																				
B. Awareness of the duties of the functional committees	3	5.00																				
C. Improving the decision quality of the functional committees	7	5.00																				
D. Composition and member election of the functional committees	3	5.00																				
E. Internal control	1	5.00																				
Total/Average score	18	5.00																				
III.	<p>Overall comment:</p> <p>(I) Performance evaluation of the board of directors</p> <p>The Board of Directors operated smoothly as a whole, communicated effectively with management, is able to advise management as needed, and ensures effective supervision of company operations.</p> <p>(II) Performance evaluation of the board members</p> <table><tr><td>Chairman Chin-Kung Lee</td><td>Performs duties faithfully</td></tr><tr><td>Director Ping-Kun Hung</td><td>I fully understand the importance of strictly abiding by my duties as a director to the company.</td></tr><tr><td>Independent Director Dar-Yeh Hwang</td><td>The efficiency of board operations is improving.</td></tr></table> <p>Other supplementary description</p> <p>Independent Director Dar-Yeh Hwang: Arrange more courses on corporate governance.</p> <p>(III) The performance evaluation of functional committees (Audit Committee, Remuneration Committee, and Sustainable Development Committee)</p> <p>Each functional committee member fully understands the scope of their duties and are able to dutifully supervise compliance and risk management.</p> <p>In summary, the board as a whole and all functional committees operated effectively and fully performed their functions.</p>	Chairman Chin-Kung Lee	Performs duties faithfully	Director Ping-Kun Hung	I fully understand the importance of strictly abiding by my duties as a director to the company.	Independent Director Dar-Yeh Hwang	The efficiency of board operations is improving.															
Chairman Chin-Kung Lee	Performs duties faithfully																					
Director Ping-Kun Hung	I fully understand the importance of strictly abiding by my duties as a director to the company.																					
Independent Director Dar-Yeh Hwang	The efficiency of board operations is improving.																					
IV.	<p>An evaluation of targets for strengthening the functions of the board during the current and immediately preceding fiscal years:</p> <p>(1) In 2024, the average attendance rate of all directors was 97.4%. The directors fully discussed and passed all proposals, paying particular attention to various risk management issues. In general the board performed smoothly and effectively. Proposals in which directors have a vested interest are reviewed by the Audit Committee or Remuneration Committee and then presented to the Board of Directors for resolution.</p> <p>(2) Strengthening functional committee functions: During the 15th board meeting held on November 8, 2024, the 15th Board of Directors approved the Sustainable Development Committee Charter and established a Sustainable Development Committee under the Board of Directors to assist the Company in implementing corporate sustainability practices.</p> <p>(3) Increasing information transparency: The Company discloses changes in the number of shares held by insiders each month on the Market Observation Post System (MOPS) before the 10th day (inclusive) of each month in 2024.</p> <p>(4) Continuing education for directors: To continuously enhance the professional knowledge of directors and implement corporate governance to facilitate effective board operations, the Company has organized two director training courses in 2024.</p>																					

## (II) Operation of the Audit Committee

On June 24, 2014, the Company established an Audit Committee to replace the supervisory system. The Audit Committee is composed entirely of independent directors. One independent director is elected by committee members to act as meeting convener and chair. The Committee operates in accordance with the Audit Committee Charter and assists the Board of Directors in executing its supervisory duties and fulfilling its missions as stated in the Company Act, Securities and Exchange Act, and other relevant laws and regulations.

Key review focuses of the Audit Committee for the year:

- (1) Review annual and quarterly financial statements.
- (2) Establish or revise internal control system and important measures related to it.
- (3) Assess the effectiveness of the internal control system.
- (4) Regularly communicate audit report results with the chief auditor as specified in the annual audit plan.
- (5) Audit the company's acquisition or disposal of assets, and any significant endorsements or guarantees provided to others.
- (6) Assess the appointment, dismissal, remuneration, and independence of certified public accountants.
- (7) Appointment or discharge of a financial, accounting, or internal audit officer.

4th term: May 30, 2023 to May 29, 2026.

The Audit Committee met 7 times in 2024. The attendance of the independent directors is as follows:

Title	Name	Actual attendance	Attendance by proxy	Attendance rate (%)	Remarks
Independent director	Semi Wang	7	0	100%	Convener and Chairperson
Independent director	Dar-Yeh Hwang	7	0	100%	
Independent director	Shi-Jer Sheen	7	0	100%	
Other items to be stated:					
I. For Audit Committee meetings that meet any of the following descriptions, state the date and session of the Audit Committee meeting held, the discussed topics, the content of the objections, reservations or material recommendations of independent directors, the Audit Committee's resolution, and how the company has responded to Audit Committee's opinions.					
(I) Matters listed in Article 14-5 of the Securities and Exchange Act:					
Date and session of Audit Committee meeting	Motion	Reservations or material recommendations of independent directors	Resolutions of the audit committee and the Company's response to the audit committee's opinions		
2024/02/23 5th meeting of the 4th Committee	1. 2023 Statement on Internal Control 2. Amendments to the internal control system 3. Independence and suitability assessment for the CPAs 4. 2023 individual and consolidated	None	Approved by all members of the audit committee and all board members present at the meeting without objections.		

	financial statements 5. 2023 Business Report 6. Motion for the 2023 Earnings Distribution 7. Request for the removal of non-compete clause for the Company's directors.		
2024/04/26 6th meeting of the 4th Committee	The intended disposal, by KYEC Microelectronics Co., Ltd., a subsidiary of the Company, of 92.1619% equity interest in Chinese subsidiary, King Long Technology (Suzhou) Ltd.	None	Approved by all members of the audit committee and passed by all directors present at the meeting who participated in the discussion and voting with no objection.
2024/05/03 7th meeting of the 4th Committee	Interim consolidated financial statements between January 1 and March 31, 2024	None	Approved by all members of the audit committee and all board members present at the meeting without objections.
2024/08/08 8th meeting of the 4th Committee	Interim consolidated financial statements between January 1 and June 30, 2024	None	Approved by all members of the audit committee and all board members present at the meeting without objections.
2024/08/30 9th meeting of the 4th Committee	1. Acquisition of real estate 2. Proposal for the Company to provide a loan to subsidiary KYEC Microelectronics Co., Ltd.	None	Approved by all members of the audit committee and all board members present at the meeting without objections.
2024/11/08 10th meeting of the 4th Committee	1. Interim consolidated financial statements between January 1 and September 30, 2024 2. 2025 audit plan	None	Approved by all members of the audit committee and all board members present at the meeting without objections.
2024/12/27 11th meeting of the 4th Committee	1. Review of the motion for the 2024 professional fees of CPAs 2. Approval of the motion to have Ernst & Young and its affiliates provide non-assurance services to the Company and its subsidiaries as of January 1, 2025 through to December 31, 2025. 3. Amendments to the internal control system	None	Approved by all members of the audit committee and all board members present at the meeting without objections.

(II) Aside from said circumstances, resolution(s) not passed by the audit committee but receiving the consent of two-thirds of the board of directors:  
None.

II. In instances where an independent director recused himself/herself due to a conflict of interest, the minutes shall clearly state the director's name, contents of the proposal and resolution thereof, reason for not voting and actual voting counts: None.

III. Communication between independent directors and internal auditing officers as well as CPAs (such as communication of significant matters, means and results on the Company's finance and business, etc.):

(1) Communication between independent directors and internal audit officer:

1. Before each month end, the Company's chief auditor delivers last month's audit report and follow-up report to each independent director for review, and provides a report of and communicates audit matters to the Audit Committee at least on a quarterly basis.

2. The internal audit officer reports auditing matters to the board of directors and the audit committee on a regular basis. A summary of the communication between the independent directors and internal audit officer is as follows:

Meetings attended, meeting date, and meeting session of the chief auditor	Communication Items	Communication Method	Communication Outcome
2024/02/23 Audit Committee (4-5)	1. Report on internal auditing operations for 2024Q1 2. 2023 Statement on Internal Control 3. Amendments to the internal control system	Attendance report and discussions on relevant issues	Matter has been communicated. Except for “Matters to be Communicated” in the left column, there were no other suggestions, and the matters were reported to the Board of Directors after consideration and approval by the Audit Committee.
2024/05/03 Audit Committee (4-7)	Report on internal auditing operations for 2024Q2	Attendance report and discussions on relevant issues	Matter has been communicated. Except for “Matters to be Communicated” in the left column, there were no other suggestions.
2024/08/08 Audit Committee (4-8)	Report on internal auditing operations for 2024Q3	Attendance report and discussions on relevant issues	Matter has been communicated. Except for “Matters to be Communicated” in the left column, there were no other suggestions.
2024/11/08 Audit Committee (4-10)	1. Report on internal auditing operations for 2024Q4 2. 2025 audit plan	Attendance report and discussions on relevant issues	Matter has been communicated. Except for “Matters to be Communicated” in the left column, there were no other suggestions, and the matters were reported to the Board of Directors after consideration and approval by the Audit Committee.
2024/12/27 Audit Committee (4-11)	Amendments to the internal control system	Attendance report and discussions on relevant issues	Matter has been communicated. Except for “Matters to be Communicated” in the left column, there were no other suggestions, and the matters were reported to the Board of Directors after consideration and approval by the Audit Committee.

- (2) Communication between independent directors and CPAs:

1. From time to time, the Company’s CPAs will report to the Audit Committee the audit of the company’s financial status and other matters, and will also promptly report any special circumstances to members of the Audit Committee. The communication between the Company’s audit committee and CPAs is fair.
2. Communication between independent directors and CPAs is as follows:

Meetings attended, meeting date, and meeting session of the CPAs	Communication Items	Communication Method	Communication Outcome
2024/02/23 Audit Committee (4-5)	2023 individual and consolidated financial statements	Attended the meeting and conducted consultation, discussion and advice on relevant issues.	Except for “Matters to be Communicated” in the left column, there were no other suggestions, and the matters were reported to the Board of Directors after consideration and approval by the Audit Committee.
2024/12/27 Audit Committee (4-11)	Approval of the motion to have Ernst & Young and its affiliates provide non-assurance services to the Company and its subsidiaries as of January 1, 2025 through to December 31, 2025.	Attended the meeting and conducted consultation, discussion and advice on relevant issues.	Except for “Matters to be Communicated” in the left column, there were no other suggestions, and the matters were reported to the Board of Directors after consideration and approval by the Audit Committee.
2024/12/27 Audit Committee preparatory meeting (standalone meeting)	2024 Financial Statement Audit Plan	Attended the meeting and conducted consultation, discussion and advice on relevant issues.	Matter has been communicated; there were no other suggestions.



**(III) Corporation governance status and deviation and causes of deviation from  
Corporate Governance Best-Practice Principles for TWSE/TPEX Listed  
Companies**

Scope of Assessment	Status			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
1. Has the Company established and disclosed its corporate governance principles based on Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has formulated the “Corporate Governance Best-Practice Principles” in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and disclosed it on the company website. The Company has also set up a Corporate Governance section on its website, making relevant corporate governance regulations available to investors.	No significant differences
2. Equity structure and shareholders' equity				
(1) Does the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters, and have the procedures been implemented accordingly?	✓		The Company has established the Rules of Procedure for Shareholders' Meetings. To ensure the rights and interests of shareholders, we have set up a spokesperson system, provided contact information (invest@kyec.com.tw), and created a shareholders section on the Investor Relations section of our website through which we respond to shareholders' feedback, handle shareholders' proposals, doubts, and disputes, and report the collected information to the Board of Directors and Audit Committee as needed.	No significant differences
(2) Whether the Company controls the list of major shareholders and the controlling parties of such shareholders?	✓		The Company, on the 10th of each month, reports any changes in insider shareholdings in advance, and has appointed a person to handle stock-related matters. We liaise closely with stock transfer agencies to ensure the stability of our management rights.	No significant differences
(3) Whether the Company establishes or implements some risk control and firewall mechanisms between the Company and its affiliates?	✓		The Company and its affiliates have established their internal control systems and have the parent company supervise the systems. Meanwhile, each affiliate has also set up its own firewall.	No significant differences

(4) Has the Company established internal policies that prevent insiders from trading securities against non-public information?	√	<p>The Company has established Procedures for Handling Material Inside Information, Code of Ethics, and Ethical Corporate Management Operating Procedures and Code of Conduct, all of which are disclosed and made available to investors on the company website. Meanwhile, insiders such as directors or employees are strictly forbidden to use, for personal gains, information that is not available in the market in order to safeguard the interests of investors and the company. The Company has amended Article 10 of its Corporate Governance Code of Conduct. The amendment was approved by the Board of Directors on December 28, 2021 and states that “directors and managers shall not trade their shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.” We organize insider trading prevention courses every year. In 2024, attendance by directors and employees in insider trading prevention courses was 9,444 for a total of 2,306 hours. The courses covered the following contents: Insider trading, persons subject to insider trading restrictions, the act of actually knowing, material information, trading targets, date and time of trading, date and time of disclosure of material information, penalties, short-term trading, subject/period/target of regulation, calculation of right of disgorgement, etc. At the end of each course, course materials (slides and audio/video files) are made available on the employee portal system. During the insider trading prevention courses, directors and managers are reminded not to trade the company’s stocks 30 days before the publication of annual financial reports, and 15 days before the publication of quarterly financial reports. In November 2024, the Company notified the directors and managers of the 2025 board meeting date and the closed period before the publication of quarterly financial</p>	No significant differences
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			reports to prevent the directors and managers from violating regulations.	
3. The organization of the board of directors and its duties				
(1) Has the board formulated a diversity policy and specific management objectives, and have they been implemented?	√		<p>The Company nominates and elects board members in accordance with the Articles of Incorporation by using the candidate nomination system. The Company also complies with the Corporate Governance Code of Conduct and Regulations Governing the Election of Directors - both stipulate that the composition of the board of directors shall be determined by taking diversity into consideration and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated. The policy includes, without being limited to, two general standards, namely gender, age, and nationality and the necessary knowledge, skill, and experience to perform their duties. To achieve the ideals of corporate governance, the board as a whole must possess the following abilities: 1. The ability to make judgments about operations; 2. accounting and financial analysis ability; 3. business management ability; 4. crisis management ability; 5. knowledge of the industry; 6. an international market perspective; 7. leadership ability; and 8. decision-making ability.</p> <p>(1) The 15th Board of Directors consisted of nine directors, of which three are independent directors (33%) and one is an employee of the Company (11%). Two directors are relatives within the second degree of kinship (22%).</p> <p>(2) The Company takes proactive steps to promote corporate governance and sustainable development in alignment with the initiatives of the FSC, and also attaches importance to gender parity on the board. During the next shareholders' meeting in 2026, we intend to appoint at least one female director (accounting for 11% of</p>	No significant differences

			<p>the board). In future elections of directors, female candidates will be given priority to achieve our goal.</p> <p>(3) As of the end of 2024, two and seven directors were aged 51–60 and 61–70 years, respectively. One independent director has served a term of seven to nine years, the other has served four to six years, and the third one to three years. All independent directors did not serve more than three consecutive terms. Our independent directors are in compliance with the independent director regulations of the Securities and Futures Bureau of the FSC, and with the provisions of Article 26-3, paragraphs 3 and 4, of the Securities and Exchange Act.</p> <p>(4) All nine directors of the Company have completed at least six hours of continuing education courses in 2024 in accordance with the applicable laws and regulations.</p> <p>(5) For details on the succession plan and operation of the Board of Directors and key management, please refer to page 48 of the annual report.</p> <p>(6) For more information on the education, gender, professional qualifications, work experience, and diversity of board members, please refer to the sections Information on Directors (page 7-9 of the annual report) and Disclosure of the Professional Qualifications of Directors and Independence of Independent Directors (page 12-17 of the annual report).</p>	
(2) Whether the company, in addition to establishing the remuneration committee and audit committee, pursuant to laws, is willing to establish any other functional committees voluntarily?	√		<p>The Company has established a Sustainable Development Committee following the resolution of the board on November 8, 2024. The purpose of this is to build a good governance system, perfect and strengthen management functions, and commit to the implementation of corporate social responsibilities and sustainable development. For the composition, responsibilities and operations of the</p>	No significant differences

			Sustainable Development Committee, please refer to page 60 of the annual report.	
(3) Does the company establish a standard to measure the performance of the board, implement it annually and submit the results to the board of directors as reference for the remuneration of individual directors and the nomination of candidates?	√		The Board of Directors Performance Evaluation Guidelines was approved by resolution at the board of directors' meeting on December 27, 2019, and was approved for amendments at the board meeting on December 25, 2020. The performance of the board as a whole and its functional committees (Remuneration Committee and Audit Committee) is evaluated annually beginning as of 2020. The evaluation results are presented to the Board of Directors and disclosed on the company website. Please refer to pages 30-32 for more information on the relevant evaluations. Details of the performance evaluation have been presented at the 18th meeting of the 15th term of Board of Directors on February 21, 2025. These details served as a reference for the remuneration of individual directors and the nomination of candidates.	No significant differences
(4) Is CPAs' independence assessed on a regular basis?	√		The independence and competence of our CPAs are assessed annually by the Audit Committee and Board of Directors. Our CPAs are asked to provide a Statement of Independence and Audit Quality Indicators (AQIs); then, their independence is assessed by using the AQIs disclosure framework which is composed of 5 dimensions and 13 indicators. Based on our assessments, the CPAs have no other financial interests in or business relations with the company than the provision of compensated auditing and tax services, and their family members do not violate independence requirements. The Company's assessment of CPA independence and competence has been approved at the meetings of Audit Committee and Board of Directors on February 21, 2025, and a Statement of Independence and Audit Quality Indicators (AQIs) have been obtained from the CPAs. For the	No significant differences

			procedure of CPA independence assessment, please refer to page 50-53 of this annual report.	
4. Does the TWSE/TPEX listed company have a dedicated unit/staff member in charge of the Company's corporate governance affairs (including but not limited to providing information required for director/supervisor's operations, convening board/shareholder meetings in compliance with the law, applying for/changing the company registry, and producing meeting minutes of board/shareholder meetings)?	√		<p>On May 3, 2019, the Company's board of directors resolved to approve the appointment of the Senior Manager of the Stock affairs of Finance Division as the Corporate Governance Officer, who has at least 3 years of experience as a financial and stock supervisor in a public company.</p> <p>A Corporate Governance Officer is charged with handling matters relating to board meetings and shareholders' meetings according to laws, producing minutes of board meetings and shareholders' meetings, assisting in the election and continuing education of directors, furnishing information and legal materials required for business execution by directors, assisting directors with legal compliance, reviewing the compliance of independent directors' qualifications, handling matters related to director changes, and other matters set out in the articles of incorporation or contracts.</p> <p>The status of implementation of corporate governance in 2024:</p> <ol style="list-style-type: none"> <li>(1) Supervising the convening notice, providing meeting information and preparing meeting minutes for shareholders' meetings and board of directors' meetings.</li> <li>(2) Assisting in onboarding and continuous development of directors.</li> <li>(3) Assisting the independent directors in their communication with the internal audit officer, CPAs or related business executives.</li> <li>(4) Assisting the directors in providing information and related laws and regulations necessary for them to carry out duties.</li> <li>(5) Assessing the need for and purchasing liability insurance for directors and key staff members and reporting the content of the insurance policy to the board of directors.</li> </ol>	No significant differences

			<p>(6) Working periodically with units in charge of corporate governance to review the progress of implementation, response measures, and compliance in relation to corporate governance based on items evaluated in the Corporate Governance Evaluation.</p> <p>(7) Ramping up information disclosure efforts: By publishing financial reports in English to protect the interests of shareholders and ensure that shareholders are treated equally.</p> <p>(8) For the progress of the Corporate Governance Officer's continuing education this year, please refer to page 110 of this annual report.</p>	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including without limitation shareholders, employees, customers, suppliers, etc.), and properly respond to corporate social responsibility issues that stakeholders are concerned about?	√		<p>The Company has set up a "Stakeholder" section on its website to establish a transparent, effective, and timely multi-way communication channel for our stakeholders. Such a channel helps to gain the trust and support of stakeholders and enables us to keep abreast of their expectations, suggestions, and needs, which can serve as a reference and basis for creating future business plans that will help the Company realize the value of corporate sustainability and exert a positive impact. The Company's stakeholders include employees, shareholders and investors, customers, suppliers and contractors, and government agencies. For more information on stakeholder concerns, our communication channels, and how we respond to these concerns, please visit the company website at <a href="http://www.kyec.com.tw/">Http://www.kyec.com.tw/</a>, click the link to "Stakeholder area" under "ESG" or read the relevant contents in the "Sustainability Report" - Stakeholders and Concerned Issues - Identification and communication of stakeholders.</p> <p>(URL: <a href="http://www.kyec.com.tw/">www.kyec.com.tw</a>)</p>	No significant differences
6. Has the Company commissioned a professional stock service agent to handle shareholders' affairs?	√		The Company has hired Horizon Securities to be our stock service agent to handle shareholders' affairs.	No significant differences
7. Information disclosure				
(1)Has the company established a website that discloses financial,	√		The Company has set up a company website (URL:	No significant differences

business, and corporate governance-related information?			<a href="https://www.kyec.com.tw">https://www.kyec.com.tw</a> ), which is available in Traditional Chinese, Simplified Chinese, and English. The website discloses financial, business, and corporate governance-related information. There is an “Investor Relations” section that provides information for shareholders and stakeholders.	
(2) Has the company adopted other means to disclose information (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the company website)?	√		The Company has charged a specific person with the task of collecting and disclosing corporate information on the Market Observation Post System in accordance with the Securities and Exchange Act. Our Chief Financial Officer is the spokesperson, and the Director of the Planning Department is the acting spokesperson. We have a contact person who follows specific communication procedures to address shareholders’ comments and feedback. The Company is regularly invited to investor conferences. Any conference materials, including presentation slides and audio/video files, are made publicly available on the Investor Relations section of the company website and are also disclosed on the Market Observation Post System per regulations.	No significant differences
(3) Does the company announce and report the annual financial statement within two months after the end of the fiscal year, and announce and report the Q1, Q2 and Q3 financial statements and monthly operations reports within the prescribed period of time?	√		The Company publishes annual financial reports, Q1, Q2, and Q3 financial statements, and monthly business reports within the prescribed time limit. Details are available on the MOPS. (URL: <a href="https://mops.twse.com.tw/">https://mops.twse.com.tw/</a> )	No significant differences
8. Does the Company have other information that enables a better understanding of the Company’s corporate governance practices (including but not limited to, employee rights, employee care, investor relations, supplier relations, stakeholders’ interests, continuing education of directors, implementation of risk management policies and risk measurements, implementation of customer policy, and maintenance of liability insurance for the Company’s directors)?	√		Since the Company was incorporated, the Company has upheld the management philosophy dedicated to creating mutual benefits and pursuing maximum interest for its shareholders, employees and customers, etc. (1) Employee rights, employee care: The Company is dedicated to building a healthy and safe working environment and an unhindered communication channel for its employees. The Company established the employees’ welfare committee on September 2, 1993 to engage in planning various employees’ welfare policies. Meanwhile, it	No significant differences



			<p>also provides the pension reserves and concludes labor-management agreements in accordance with the Labor Standards Act. The Company treats its employees in good faith and with respect, stabilizes the employees' lives and improves the continuing education and training channels by broadening its welfare system, and establishes the fair relationship of mutual trust and cooperation with employees.</p> <p>(2) Investor relations: The Company has set up a dedicated spokesperson and proxy spokesperson to handle shareholders' suggestions or disputes while regularly disclosing financial and corporate governance information.</p> <p>(3) Supplier relations, rights of stakeholders: The Company has prepared Sustainability Reports, and created sustainability-related sections on the company website, specifically - "Sustainable Value Chain" and "Stakeholder area." (URL: <a href="http://www.kyec.com.tw">www.kyec.com.tw</a>)</p> <p>(4) For continuing education of the directors, The Company provides directors with information on relevant laws and regulations and knowledge-intensive courses from time to time to improve their professional knowledge and ensure that the board operates effectively. In accordance with laws and regulations, all directors of the Company have completed at least six hours of continuing education and a total of 78 hours in 2024.</p> <p>(5) Implementation: of the risk management policy and risk measurement standards: The Company has established management measures for important management indicators which are executed accordingly.</p> <p>(6) Implementation: of the customer policy: The Company adheres to the contracts signed with customers and their relevant</p>	
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			<p>regulations in a stringent manner to ensure the rights of customers.</p> <p>(7) The Company takes out liability insurance for directors: The Company purchases liability insurance every year for its directors and managerial officers. Details of the insurance policy, such as insured amount, insurance period, coverage, and premium rate, were reported at the 15th meeting of the 15th Board of Directors on November 8, 2024, and disclosed on the Market Observation Post System.</p>	
<p>IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement items and measures for any issues that are yet to be improved.</p> <p>(1) We published the English version of interim financial reports.</p> <p>(2) Sustainability reports have been presented the board of directors for their approval.</p> <p>(3) Links to the videos of two investor conferences are publicly available.</p> <p>(4) Audio and video recordings of the entire shareholders' meeting are provided on our company website for investor to access.</p> <p>(5) The composition, duties, and operation of the Sustainable Development Committee are disclosed on the company website and in our annual report.</p> <p>(6) The Company has established a cybersecurity risk management mechanism and keeps the Board of Directors informed of its implementation status.</p> <p>(7) Internal regulations prohibiting insider trading are provided on the Corporate Governance section of the company website.</p> <p>(8) Employee benefits, retirement systems, and their implementation status are disclosed on the company website and in our annual report.</p> <p>(9) The Company has devised succession plans for board members and key managerial personnel. These plans are available on the company website.</p> <p>(10) Investments in energy-efficient or green energy machinery and equipment and the purchase of renewable energy certificates (RECs) are disclosed on the company website.</p> <p>(11) The Company has established an intellectual property management plan that aligns with its business objectives, and keeps the Board of Directors informed of its implementation status.</p> <p>(12) All directors have completed the required hours of continuing education as specified in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies.</p> <p>(13) During the 2026 shareholders' meeting, the Company plans to elect and appoint at least one female director to serve on the board.</p> <p>(14) The Company will continue to promote and improve its performance in the competent authority's corporate governance evaluation.</p>				

#### **Note 1: The implementation status of our intellectual property management plan**

Our intellectual property management plan and its implementation status were reported to the Board of Directors on November 8, 2024 and disclosed on the company website.

#### **Intellectual property management plan**

To acquire the ability to autonomously develop testing equipment and key components, KYEC sets "innovation" as one of its core operating values in hopes of providing innovative semiconductor packaging and testing solutions to render satisfactory services of premium quality. The Company has formulated an intellectual property management plan that further reinforces the company's competitive advantages and business goals. The plan protects in-house developed semiconductor packaging and testing technologies and bestows economic value upon our

intellectual property to reduce operational risks and improve the company's operating performance.

**I. Patent management**

- (I) Patent review committee: In order to strengthen our abilities to develop packaging and testing technologies, to build up the company's intellectual properties, and to cement our competitive advantages, the Company has established a Patent Review Committee, with members comprising the President and department heads in R&D, manufacturing, and sales. Patent review meetings are held to review the company's patent applications, improve the quality of patent applications, and formulate patent application incentives, such as monetary rewards according to patent category to encourage in-house innovation.
- (II) IP-related education and training: The Company has established an "Education and Training System Management Procedure" to organize annual competency-based training programs on intellectual property. These programs help employees better understand the notion of protecting and building respect for intellectual property. R&D and innovation courses featuring TRIZ and brainstorming methods are also organized to stimulate innovative ideas and produce core patents.
- (III) Learning about intellectual property rights: The Company issues in-house bimonthly e-newsletters to impart knowledge about IP practices at home and abroad. Contents include the latest IP news, recent patents, real-life trade secret cases, and any other relevant legal information such as new IP law amendments, peer patents or trade secrets. The objective of these newsletters is to instill in our employees the idea that intellectual property is an integral part of corporate operations and to foster the ability to create IP strategies necessary for building competitive strength in the industry.
- (IV) Electronic intellectual property management system: The Company has an electronic intellectual property management system in place. The system features a "Patent Application System" function which manages all of our patent applications, and also an electronic "Patent Proposal System" that exports management reports for trends analysis and patent classification, the results of which provide a reference for research proposals. Our "Patent Management System" and "Trademark Management System" are used to manage patent and trademark maintenance works, among other matters. These systems enable us to manage our patents and trademarks more efficiently.

**II. Trade secret protection**

- (I) Confidential information management procedure: In the face of fierce industry competition, the Company has invested considerable resources in the development of packaging and testing technology, and established trade secret protection measures to protect our clients' and our important technologies. The measures include a set of "Confidential Information Management Procedure" that defines the confidentiality level of and access permissions to business documents. Access to important electronic files must be authorized by a managerial officer or person of higher authority, and the computer storing such important files is restricted to only a few select employees in order to reduce the risk of information leak. Written documents which are confidential should be stored in a secure location, such as a locked file cabinet or a locked record room, to avoid mix-ups and loss of information. These measures safeguard the company's business interests and ensure information security.
- (II) Non-disclosure agreement: All employees of the Company are required to sign an Employment Contract and a Non-Compete and Non-Disclosure Agreement. Both agreements contain confidentiality clauses that prohibit employees from unauthorized use, transfer, disclosure or possession of the company's or clients' confidential information and obligate them to keep such information safe.
- (III) Education and training: "Cybersecurity and IP Protection Policy" courses are arranged annually to strengthen employees' awareness of confidentiality. Through these courses, active employees are reminded of their obligation to protect confidential information and tested on their understanding of trade secret policies and regulations.

**Implementation**

The implementation status of the IP protection measures taken by the Company in recent years is

as follows:

- In 2012, we established patent review procedures to improve the quality of patent applications.
- In 2013, we developed an IP training system to educate employees on IP protection practices.
- In 2015, we improved our patent application system to incorporate a user-friendly interface that makes it easier for employees to submit patent applications.
- In 2016, we began issuing IP-related e-newsletters to keep employees apprised of the latest IP news and patent status.
- In 2020, we built an electronic patent management system to comprehensively manage the company's patents. The system provides important information such as annual patent fees and patent expiration dates so that patents can be maintained more efficiently.
- In 2022, we built an electronic trademark management system to manage the company's trademarks at home and abroad. The system features such functions as e-mail notification of trademark expiration, advanced search, and management report generation, to improve trademark management efficiency.
- In 2024, we removed expired patents from our system to free up more funds for other core testing technologies.
- Our achievements in terms of intellectual property are as follows:

As of December 31, 2024, the Company has obtained 393 valid patents and submitted 71 patents applications at home and abroad. We have 16 registered trademarks.

Intellectual property	Patents	Application pending	71
		Valid patents	393
	Trademarks	Application pending	0
		Registered trademarks	16

#### **Continuous improvement mechanism**

Our continuous expansion and innovation efforts in recent years have exposed us to risks of IP theft. Accordingly, we will strengthen our IP management practices so that in the event of IP infringements immediate actions can be taken to protect our patents. Furthermore, to meet customers' needs for semiconductor testing solutions while keeping pace with industry development trends, we will form strategic plans to apply for patents from multiple countries. This will allow us to better protect our IP and maintain our competitiveness in the industry.

#### **Note 2: Succession plans for the chairman of the board (or board members) and key management personnel, including training progress, scheduled time of succession, and the state of functioning of such plans**

##### **I. Succession Plan for Board Members**

1. The Company's Articles of Association prescribe that the election of Directors shall be based on a candidate nomination system, with seven to 11 Directors, among whom there shall be no less than three Independent Directors that occupy no less than one-third of the Board seats. The Corporate Governance Best Practice Principles emphasize that the composition of the Board of Directors shall be diversified. No more than one-third of the Directors shall serve as the Company's managers concurrently. Diversification policies shall be formulated based on the Company's operations, business and development needs, covering basic criteria (gender, age, nationality) and professional skills (operating judgment, financial analysis, business management, crisis management, industry knowledge, international perspective, leadership decision-making) to achieve ideal corporate governance.
2. The Company regularly evaluates the composition of the Board of Directors, and devises director training based on its size, business nature and future development to ensure that Directors have the necessary knowledge, skills and qualities. A Remuneration Committee is established to formulate and review director performance evaluation and remuneration policies. Evaluations are carried out every year in accordance with the Performance Evaluation Rules for the Board of Directors, covering aspects such as participation in company operations, decision-making quality, Board structure, Director selection and further training, internal

- control, etc. The results are used as a reference for Director appointment and salary adjustment.
3. In 2024, in order to improve the business decision-making ability of Board members, a total of six hours of education and training on issues of concern were held for the year. Courses include "Taiwan's Green Electricity Trading System and Procurement Practices" (three hours) hosted by the Securities and Futures Institute on August 8, and "IFRS General Sustainability-related Disclosures: Sustainability, Climate Information and Changes in Annual Report" (three hours) hosted by the Taiwan Corporate Governance Association on November 8.
  4. Through routine operations and strategic planning, the Board of Directors' succession mechanism will be gradually established. Based on the principle of diversity, appropriate candidates in terms of gender, age, professional knowledge, skills and industry experience will be identified. Meanwhile, the number of female Directors in the next term is set to be increased. The independence of the Board will be emphasized and an Independent Director may not serve more than three consecutive terms. An Audit Committee composed of only Independent Directors is established to strengthen corporate governance.

## **II. Succession Plan for Key Management**

1. The Company is committed to talent cultivation and sustainable management, and has formulated a succession plan for key management. We focus on selecting talents with professional capabilities and strategic thinking, who are in line with the Company's core values. The Company's key management mainly include the President, Senior Vice Presidents, and Vice Presidents and Assistant Vice Presidents of various functions. They are appointed based on annual performance and potential evaluations. We implement a diversified training strategy, including job experience and rotation, participation in major business management meetings, senior executive training courses, and key projects and assignments.
2. The Remuneration Committee regularly reviews the performance evaluation and remuneration system of the management. It sets KPIs for managers at different levels based on company goals. The evaluation results are used for salary adjustments and successor selection.
3. In the implementation process, we encourage successor candidates to participate in external professional courses and seminars. We also regularly evaluate their achievement of performance goals, consistently improve the successor evaluation mechanism, and strengthen cooperation with international management colleges to provide opportunities of diversified training.
4. Promotion and training of successor supervisors at all levels
  - (1) Promotion of successor supervisors at all levels: In response to the rapid growth and development of the Company, it is necessary to plan for the required training programs for management associates, take stock of the vacancies for successor management at all levels, review the capability shortfall of management associates and include them as training targets, and select and cultivate those with potential for succession upon evaluation at the qualification review meeting.
  - (2) Convene a qualification review meeting for management associates: The President of the Company, supervisors at business divisions and divisions will participate in the discussion of successor candidates.
  - (3) Hold successor training sessions: The talent cultivation program lasts for 1.5 years. During the training period, employees are required to take physical and digital courses, take on leadership roles of projects and receive mentor guidance. They will also receive appraisal at regular evaluation meetings.
5. In respect of management associate training, the management system courses are designed to cater to high-, mid-, and low-level supervisors according to the conduct and management capabilities required by each management level. The dual-tutor system is also implemented to strengthen supervisor guidance and develop the abilities and responsibilities of subordinates. Senior supervisors will also attend evaluation meetings every six months to review the training results of management associates. The Company holds training courses for high-level management (a total of 47 hours over the years) and cooperates with external institutes to do so (a total of 108 hours over the years). In addition, a multi-objective decision-making management course was held in 2024 (two batches, 16 hours each) to cultivate decision-making thinking in senior managers.

### Note 3: CPA independence evaluation

(1) A summary of AQIs is compiled by the CPA and presented to the Audit Committee.

Evaluation results of the most recent year were discussed and approved by the Audit Committee on February 21, 2025, and presented to the Board of Directors on February 21, 2025 for resolution, which approved the evaluation of CPA independence and competency.

The AQIs Disclosure Framework and Template published by the FSC provides a comprehensive and comparable set of 13 quantitative audit quality indicators categorized into 5 dimensions.

Scope of Assessment	Item	AQI	Explanation	CPA Wan-Ju Chiu	CPA Hsin-Min Hsu
Dimension 1: Professionalism	1	Audit Experience	Assessment of these AQIs (Dimension 1: Professionalism) considering firm-level and engagement-level indicators, shows that audit experience, training hours, attrition rate, and professional support were comparable to those of industry peers.		Meet criteria
	2	Training Hours			
	3	Attrition Rate			
	4	Professional Support			
Dimension 2: Quality Control	5	Workload	Assessment of these AQIs (Dimension 2: Quality control) considering firm-level and engagement-level indicators, shows that workload, involvement, engagement quality control review (EQCR), and quality supporting capacity were comparable to those of industry peers.		Meet criteria
	6	Involvement			
	7	Engagement quality control review (EQCR)			
	8	Quality supporting capacity			
Dimension 3: Independence	9	Non Audit Service (NAS)	Assessment of these AQIs (Dimension 3: Independence) shows that non-audit services in the past two years were primarily tax compliance checks and ESG consultation and guidance services. Familiarity refers to audit firm tenure; evaluation shows an absence of relationship or matter that may be considered to have an effect on the independence of CPA.		Meet criteria
	10	Familiarity			
Dimension 4: Monitoring	11	External Inspection Results & Enforcement	Assessment of these AQIs (Dimension 4: Monitoring) shows that in the past three years, the FSC did not identify any deficiencies during inspection of the accounting firm and the CPA did not receive any Official Improvement Letters from authorities.		Meet criteria
	12	Number of Official Improvement Letters Issued by Authority			
Dimension 5: Innovation	13	Innovative Planning or Initiatives	Assessment of these AQIs (Dimension 5: Innovation) shows that the CPA has undertaken appropriate planning or initiatives,		Meet criteria

			including education and training, internal quality review, periodic e-newsletters, and digital audit promotion, etc., to improve audit quality.	
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Note: The above evaluation items are based on the Company's AQI information and statement of independence issued by Ernst & Young.

(2) Procedures of the CPA's independence evaluation as follows

Company Name:	King Yuan Electronics Co., Ltd.
Accounting period:	January 1 to December 31, 2024

Description

- The procedures for the independence evaluation of Certified Public Accountants are based on the Certified Public Accountant Act, the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and Statements on Auditing Standards.
- According to the Bulletin of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10 "Integrity, Objectivity and Independence," the definitions are as follows:

**Financial interest:** An interest in an equity or other security, debenture, loan or other debt instrument of an entity, including rights and obligations to acquire such an interest and derivatives directly related to such interest.

**Direct financial interest:**

- Owned directly by and under the control of an individual or entity, including those managed on a discretionary basis by others.
- Beneficially owned through a collective investment vehicle, estate, trust or other intermediary over which the individual or entity has control, or the ability to influence investment decisions.

**Indirect financial interest:** A financial interest beneficially owned through a collective investment vehicle, estate, trust or other intermediary over which the individual or entity has no control or ability to influence investment decisions.

**Family:** A spouse (or equivalent) or underage children.

**Immediate family:** Lineal, immediate affinity and sibling.

Procedures of the accountant's independence evaluation		Compliance	
		Yes	No
<b>1. Financial interest</b>			
(i)	Whether or not the members of the audit team and their family members have any direct financial interest or material indirect financial interest in the Company?	Yes	
(ii)	Whether or not the other accountants in the accounting firm and their family members have any direct financial interest or material indirect financial interest in the Company?	Yes	
(iii)	Whether or not the accounting firm and their affiliated companies have any direct financial interest or material indirect financial interest in the Company?	Yes	

<b>Summary of Conclusion:</b> None of the above			
<b>2. Financing and guarantees (applied to non-financial industries)</b>			
Is there mutual financing or providing of guarantees between the accounting firm, its affiliated companies and audit service team members?		Yes	
<b>Summary of Conclusion:</b> None of the above			
Procedures of the accountant's independence evaluation		Compliance	
		Yes	No
<b>3. Business relationship</b>			
(i) Do members of the accounting firm, its affiliated companies or audit service team members have a close business relationship with the Company, between the Company's directors, supervisor or managers? Relationship such as: <ul style="list-style-type: none"> <li>■ Having strategic alliance with the Company or its controlling shareholders, directors and supervisors or managers with significant interests.</li> <li>■ Combining services and products provided by the Company with the services or products of the accounting firm or its affiliated companies while marketing them externally.</li> <li>■ Mutually promoting or marketing products or services between the accounting firm or its affiliated companies and the Company to gain benefits.</li> </ul> (ii) Does the Company sell goods or provide services to the accounting firm, its affiliated companies or the audit service team members based on the normal business behavior?		Yes	
		Not applicable.	
<b>Summary of Conclusion:</b> None of the above			
<b>4. Family and individual relationship</b>			
(i) Have family members of the audit service team served as the Company's directors, supervisors, managers, or conducted duties that have significant impact on the audit, or any of the previously mentioned duties during the auditing period? (ii) Have close relatives of the audit service team served as the Company's directors, supervisors, or managers, or conducted duties that have significant impact on the audit, or any of the previously mentioned duties during the auditing period?		Yes	
		Yes	
<b>Summary of Conclusion:</b> None of the above			
<b>5. Employment relationship</b>			
(i) Does the accounting firm, its affiliated companies or the audit service team members serve as the Company's directors, supervisors, or managers, or conduct duties that have significant impact on the audit? (ii) Audit service team members, accountants or accountants departed from the accounting firm hired by the Company should take into account the following situations to determine the level of impact on the accountant's independence: <ul style="list-style-type: none"> <li>■ The position held in the Company.</li> <li>■ The duration of employment with the Company from the time of departure from the accounting firm.</li> <li>■ The importance of the position held in the previous accounting firm.</li> </ul> (iii) Whether or not the party knows that the audit service members are hired by the Company in the future? (iv) Do accountants or employees of the accounting firm or its affiliated companies provide services to the Company's directors, supervisors, managerial or equivalent positions?		Yes	
		Not applicable.	
		Yes	
		Yes	



<b>Summary of Conclusion:</b> None of the above		
<b>6. Gifts and special offers</b>		
Are gifts or special offers given to the audit service team members based on social courtesy or business practices and are not of significant value and without any motive or intent to affect professional decisions or to obtain confidential information?	Not applicable.	
<b>Summary of Conclusion:</b> None of the above		
<b>7. Rotation of CPAs</b>		
Has the Company's primary accountant served for less than seven years and with at least a two-year interval between rotations before returning to the Company?	Yes	
<b>Summary of Conclusion:</b> The Company has complied with related rotation rules		
<b>8. Non-audit business</b>		
Ask the accountant regarding details of the non-audit business provided by the Company and its impact on independence.	Yes	
<b>Summary of Conclusion:</b> The non-audit fees this year included tax compliance checks of NT\$300 thousand, and direct deduction checks of NT\$60 thousand, all of which were handled in accordance with applicable regulations and did not have an impact on the independence of the CPAs.		
<b>9. Statement of Independence for Accountants</b>		
Obtained the Statement of Independence prepared by the audit committee.	Yes	
<b>Summary of Conclusion:</b> The Statement of Independence for Accountants has been obtained.		

**Note 4: The issues, channels and frequency of stakeholder communication are as follows:**

Stakeholder	Communication issues	Communication channels	Frequency
Investor	<ul style="list-style-type: none"> <li>Operations strategy</li> <li>Corporate governance</li> <li>Financial Performance</li> <li>Dividend policy</li> </ul>	Disclosed on MOPS	From time to time
		Domestic and international investment forum	From time to time
		Annual shareholders meetings	Each year
Customers	<ul style="list-style-type: none"> <li>Corporate social responsibility</li> <li>Customer commitments and services</li> <li>Fire equipment installation and management</li> <li>Disaster prevention and emergency response</li> <li>Greenhouse gas emissions and management</li> <li>Environmental and safety and health laws and regulations</li> <li>Environmental protection</li> <li>Customer privacy</li> <li>Customer relationship management</li> </ul>	Customer satisfaction survey	Each year
		Customer questionnaire	From time to time
		Email	From time to time
		Customer document release	From time to time
		Customer audit	From time to time
		Company website	From time to time

Employees	<ul style="list-style-type: none"> <li>Recruitment</li> <li>Leave system</li> <li>Salary and bonus</li> <li>Career development</li> <li>Employee wellness</li> <li>Communication between labor and management</li> <li>Employee engagement</li> <li>Employee benefits</li> <li>Welfare Committee activities</li> <li>Club activities</li> <li>Accident and public injury management</li> <li>Workplace safety</li> </ul>	Labor and management meeting	Quarterly
		Staff meeting	Quarterly
		New staff meeting	Quarterly
		Foreign staff meeting	6 months
		Departmental meeting	Weekly/Monthly
		Improvement system by proposals	From time to time
		Grievance Handling Committee	As needed
		Personnel Review Committee	As needed
		Employee message board	Permanent
		Employee survey form	Every two years
		Year-end banquet	Each year
		Welfare Committee meeting	Quarterly
		Labor union meeting	Permanent
		Trade union committee	As needed
		Occupational Safety and Health Committee	Quarterly
Supplier	<ul style="list-style-type: none"> <li>Quality performance evaluation</li> <li>Hazardous material management</li> <li>Procurement policy</li> <li>Supplier Responsibility Business Alliance Code of Conduct</li> <li>Management of conflict minerals</li> </ul>	Supplier education and training	Each year
		Supplier assessment	Monthly/quarterly
		Email	Immediately
Contractors	<ul style="list-style-type: none"> <li>In-plant safety and health operations</li> <li>COVID-19 pandemic monitoring and management</li> </ul>	Contractor meetings	Monthly
		Email	From time to time
Communities	<ul style="list-style-type: none"> <li>Industry-academia cooperation</li> <li>Community activities</li> </ul>	Company managers teach classes in partnering schools	From time to time
		Partnering schools visit in-plant facilities	From time to time
		Community cleanups	Monthly
Government institution	<ul style="list-style-type: none"> <li>Overall training/education quality</li> <li>Corporate governance</li> <li>Regulatory compliance</li> <li>Financial information transparency</li> <li>Contract and change management</li> <li>COVID-19 pandemic monitoring and management</li> </ul>	TTQS assessment	From time to time
		Correspondence and Emails	From time to time
		Awareness seminars/compliance conferences	From time to time
		Letter order release	From time to time
		External correspondence	From time to time

	<ul style="list-style-type: none"> <li>• Wastewater discharge and management</li> <li>• Waste management</li> <li>• Water resource management</li> <li>• Disaster prevention and emergency response</li> <li>• Hazardous substances/dangerous goods management</li> <li>• Machinery and equipment safety management</li> <li>• GHG management</li> <li>• Green energy subscription and energy management</li> </ul>	Survey of COVID-19 vaccination rate	From time to time
		On-site inspection	From time to time
		Public hearing on laws and regulations	From time to time

**Stakeholder contact:**

Share Registration Agent

Name	Share Registration Agency Service Department, Horizon Securities Co., Ltd.
Address	No. 236, Sec. 4, Xinyi Rd., Xinyi Dist., Taipei City, Taiwan, R.O.C.
Telephone	886-2-27008899
Website	<a href="http://www.honsec.com.tw">http://www.honsec.com.tw</a>

Institutional investor relations

Name	Division Director Aaron Chang
Telephone	886-3-5751888 ext.128200
Email	<a href="mailto:AaronChang@kyec.com.tw">AaronChang@kyec.com.tw</a>

**(IV) The composition, duties and operation of the Company's remuneration committee**

**1. Information about remuneration committee members**

Qualification		Professional qualifications and experience	Independence	Number of other public companies in which the member also serves as a member of their remuneration committee
Title Name				
Independent director (Convener)	Semi Wang	Wang graduated from the Department of Aeronautics and Astronautics, National Cheng Kung University. He possesses knowledge of the industry, practical experiences, international market perspective, the ability to lead, and the abilities to make operational judgments, conduct management administration, and conduct crisis management. He is currently serving as the chairman of Mingxing Creative Management Consultations Inc., and concurrently serving as an independent director of Creative Sensor, Inc., director of FIT Holding Co., Ltd., member of the Compensation Committee of LeadSun Greentech Corporation, and convener of the Company's Audit Committee and Remuneration Committee. Not a person of the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act.	According to the Company's Articles of Incorporation, Corporate Governance Best Practice Principles, and Regulations Governing the Election of Directors, election of directors adopts a candidates nomination system. During the nomination and selection of board members, the Company has obtained the written statement, education experience, and current incumbency certificate, to verify and confirm that they, their spouses, and relatives within the second degree kinship are independent of the Company. Three independent directors all fulfilled the qualification requirements stipulated in FSC's Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act during the two years before	1
Independent director	Dar-Yeh Hwang	Hwang holds a Master's degree and a doctorate degree in finance from Rutgers, the State University of New Jersey. He possesses knowledge of the industry, international market perspective, the ability to lead, and the abilities to perform accounting and financial analysis, make operational judgments, conduct management administration, and conduct crisis management. He was the chairman and director of the Department of Finance at National Taiwan University and has		0

		over 30 years of teaching experience. He is currently the chairman of McBorter AFMA and Academy of Promoting Economic Legislation, and a member of the Company's Audit Committee and Remuneration Committee. Not a person of the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act.	their election and during their tenure. In addition, our independent directors have been empowered to fully participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act to exercise their powers independently.	
Independent director	Shi-Jer Sheen	Sheen, holder of an MBA degree from Kyushu University, Japan, possesses knowledge of the industry, international market perspective, the ability to lead, and the abilities to perform accounting and financial analysis, make operational judgments, conduct management administration, and conduct crisis management. He holds an MBA degree from Kyushu University, Japan. He is currently the responsible person of Private Short-Term Busiban, and a member of the Company's Audit Committee, Remuneration Committee, and Sustainable Development Committee. Not a person of any conditions defined in Article 30 of the Company Act.		0
Other	Chung-Chi Huang	Huang studied medicine at Taipei Medical University. He possesses more than five years of working experience in commercial, legal, financial, accounting or other work experience required to perform the assigned duties. He is a professional and technical specialist who has passed a national examination and been awarded a certificate in a profession necessary to practice as a doctor. Huang is currently an attending physician in the Department of Respiratory Diseases, Department of Thoracic Medicine, Chang Gung University, Lin Kou, and a professor at Chang Gung University. Not a person of the conditions specified in any of the sub-paragraphs of Article 30 of the Company Act.	During the 2 years before being appointed or during the term of office, Huang did not violate each of the provisions regarding independence in Article 6 of Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange, nor concurrently serve as remuneration committee member at other public companies.	0

## 2. Operation of the Remuneration Committee

- (1) The Company approved the establishment of a Remuneration Committee on August 16, 2011. The mission of the Remuneration Committee is to assist the Board of Directors in the execution and assessment of the Company's overall compensation and welfare policies as well as the remuneration for directors and managers.

Members of the remuneration committee are appointed under the resolution of the board of directors. The committee comprises four directors, one of whom is appointed as the convener.

Accordance with the Company's Charter for the Remuneration Committee - the remuneration committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the board of directors for discussion.

- Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors and managers
- Periodically evaluate and prescribe the remuneration of directors and managers

- (2) The current Remuneration Committee has 4 members.

- (3) Duration of service: June 12, 2023 to May 29, 2026.

The Remuneration Committee has met 4 times in 2024. The attendance of the members is as follows:

Term	Title	Name	Actual attendance	Attendance by proxy	Attendance rate(%)	Remarks
5th	Convener and Chairperson	Semi Wang	4	0	100%	
	Member	Dar-Yeh Hwang	4	0	100%	
	Member	Shi-Jer Sheen	4	0	100%	
	Member	Chung-Chi Huang	4	0	100%	

Other items to be stated:

- I. If the board of directors declines to adopt or modify a recommendation of the compensation committee, the date, session, topic discussed and the resolution of the board meeting and handling of the resolution of the compensation committee shall be specified (if the compensation package approved by the Board is better than the recommendation made by the committee, please specify the discrepancy and its reason): None.
- II. For resolution(s) made by the remuneration committee with the committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and the company's handling of the said opinions: None.
- III. Discussions and resolutions by the Company's 2024 Remuneration Committee meeting and the Company's response to opinions of its members:

Remuneration Committee Date/Session	Motion	Resolutions adopted by the Remuneration Committee	The Company's response to remuneration committee's opinions
2024/02/23 5th meeting of the 5th Committee	1. Review of the Company's 2023 directors' remuneration 2. Adjustment of the 2024 remuneration for the Company's managerial officers	Approved by all members of the remuneration committee present at the meeting without objections	1, 2. Approved by all board members present at the meeting without objections
	3. Review of the business expenses of Mr. Chi-Chun Hsieh, Vice-Chairman of the Company, as		3. Vice Chairman Chi-Chun Hsieh is a party of interest in this motion and therefore recused himself from the discussion and voting on the

	recommended by the Remuneration Committee		motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection.
2024/05/03 6th meeting of the 5th Committee	The motion for allocation of directors' remuneration in 2023 as recommended by the Remuneration Committee	Approved by all members of the remuneration committee present at the meeting without objections	Approved by all board members present at the meeting without objections
2024/08/08 7th meeting of the 5th Committee	The review of the 2023 proposed employee's cash remuneration to the Company's managerial officers.	Approved by all members of the remuneration committee present at the meeting without objections	Director Gauss Chang is a manager of the Company and is therefore recused from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection.
2024/11/08 8th meeting of the 5th Committee	1. Review of the motion on paying Chairman Chin-Kung Lee directors' remuneration in 2025	Approved by all members of the remuneration committee present at the meeting without objections	1. Chairman Chin-Kung Lee is a party of interest in this motion and therefore recused himself from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection.
	2. Review of the business expenses in 2025 of Mr. Chi-Chun Hsieh, Vice-Chairman of the Company		2. Vice Chairman Chi-Chun Hsieh is a party of interest in this motion and therefore recused himself from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection.
	3. Approval of the remuneration to Steven Chang, the Company's newly appointed Executive Vice President 4. Approval of the remuneration to Morris Chang, the Company's new Assistant Vice President		3, 4. Approved by all board members present at the meeting without objections

**(V) Information on the members of the Sustainable Development Committee and its operating status**

The Company created a Sustainable Development Committee in November 2024 to strengthen board functions, realize the core value of corporate sustainability, and actively promote and strengthen sustainable operations, sustainable development, and CSR-related corporate governance functions. The Sustainable Development Committee is made up of four working groups - Corporate Governance, Sustainable Environment, Community Care, and Sustainability Information Disclosure. These groups are responsible for assisting the Board of Directors in formulating sustainable development policies, systems or management guidelines, and for planning matters concerning sustainability to align with international standards and comply with the laws and regulations. The Board of Directors is reported at least annually on ESG-related strategies and implementation results, and quarterly per FSC regulations on the plans and progress of the “Sustainable Development Roadmap.” Visit the company website for access to the Sustainable Development Committee Charter.

**1. Appointment criteria and duties of the Sustainable Development Committee:**

- (1) Committee members are appointed by a resolution of the Board of Directors. The committee shall comprise no less than three members. Each member must possess expertise and capability in the area of corporate sustainability, and at least one director must be involved in supervising committee operations. All members shall nominate one person to serve as the convener and chair of committee meetings. The Committee shall convene a meeting at least once a year.
- (2) Main responsibilities:
  - Formulate, promote and strengthen the Company's sustainable development policies, annual plans and strategies, etc.
  - Review, follow up and revise the implementation of sustainable development and the effectiveness thereof.
  - Supervise sustainability information disclosure and review the Sustainability Report.
  - Supervise the implementation of the Company's sustainable development regulations or other sustainable development-related affairs approved by the Board of Directors.

**2. Professional qualifications, experience, and operations of the Sustainable Development Committee members**

- (1) The Company's Sustainable Development Committee consisted of three members.
- (2) Duration of service: From November 8, 2024 to May 29, 2026. In 2024 the Sustainable Development Committee convened one meeting. The qualifications, experiences, and attendance of the members and matters discussed during the meeting are as follows:



Title	Name	Professional qualifications and experience	Actual attendance	Attendance by proxy	Attendance rate (%)	Remarks
Convener and Chair	Chi-Chun Hsieh	<ul style="list-style-type: none"><li>Hsieh possesses knowledge of the industry, and the abilities to conduct management administration, sustainable development, risk management, make decisions and judgments.</li><li>Hsieh has received training in ESG.</li></ul>	1	0	100%	Vice-Chairman
Member	Gauss Chang	<ul style="list-style-type: none"><li>Chang possesses knowledge of the industry, and the abilities to conduct sustainable development, risk management, make decisions and judgments.</li><li>Chang has received training in ESG.</li></ul>	1	0	100%	Director and President
Member	Shi-Jer Sheen	<ul style="list-style-type: none"><li>Sheen possesses knowledge of the industry, and the abilities to conduct sustainable development, risk management, make decisions and judgments, and perform accounting and financial analysis.</li><li>Sheen has received training in ESG.</li></ul>	1	0	100%	Independent director
Other items to be stated: I. If the Board of Directors does not accept or revises the Sustainable Development Committee's recommendation, specify the date of the Board meeting, session, contents of the agenda item, resolution of the Board of Directors, and the Company's response to the Sustainable Development Committee's opinions: None. II. Resolutions of the Sustainable Development Committee concerning corporate governance about which a member expresses an objection or reservation that has been included in records or stated in writing: None. III. Discussions and resolutions during a meeting of the Company's Sustainable Development Committee in 2024 and the Company's response to opinions of its members:						
Meeting Date/Term of Committee	Motion		Resolutions adopted by the Sustainable Development Committee		Company's response to the opinions of the Sustainable Development Committee	
2024/12/27 1st meeting of the 1st Committee	Discussion: Because public companies in Taiwan are required to adopt IFRS Sustainability Disclosure Standards starting from January 1, 2026, the Company intends to create a plan and timetable for adopting these disclosure standards.		Approved by all members of the Sustainable Development Committee present at the meeting without objection		Approved by all board members present at the meeting without objection Approved without objection	

**(VI) Implementation of sustainable development promotion and difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof**

Promotion	Implementation			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
1. Has the company constructed a governance structure to promote sustainable development and established a dedicated (part-time) unit for the promotion of sustainable development, which is managed by senior management by authorization of the board of directors and is supervised by the board of directors?	√		<p>To address sustainability-related issues concerning environmental protection, social responsibility, and corporate governance and to achieve goals in these areas, the Company's Board of Directors resolved on November 8, 2024 to set up a Sustainable Development Committee as a means of strengthening board functionality and management mechanisms, and formulated the Sustainable Development Committee Charter.</p> <p>Committee members are appointed by a resolution of the Board of Directors and include two directors and an independent director, with the Vice Chairman acting as the convener and chair of committee meetings. The Committee serves the same duration of term as that of the Board of Directors. Four working groups - Sustainable Environment (E), Social Welfare (S), Corporate Governance (G) and Sustainability Information Disclosure - serve under the committee to strengthen the company's operating systems and commit to conserving the environment and fulfilling social responsibilities. The committee complies with applicable laws and regulations, and reports ESG-related implementation performance to the Board of Directors at least once a year.</p> <p>The Sustainable Development Committee held one meeting in 2024 and submitted its resolutions to the Board of Directors for discussion to implement sustainability-related matters of the company. For the organization, responsibilities, and focus tasks of the Sustainable Development Committee, please refer to page 60 of the annual report. Our Board of Directors must evaluate the likelihood of success of the SDG goals proposed by the Sustainable Development Committee while reviewing the implementation progress from time to time, and urge management to make adjustments when necessary.</p>	No significant differences

Promotion	Implementation			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof						
	Yes	No	Summary							
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company’s operations in accordance with the materiality principle, and set up relevant risk management policies or strategies?	√		<p>We have built rigorous and stringent risk management for material risks. The board of directors is responsible for overseeing the risk management mechanism and control and reviewing related regulations and important reports. Visit our website for more risk-related information (including ESG issues): See Analysis and Identification of Major Issues - Management of Major Issues and Management Approaches to Major Issues in our Sustainability Report (to access the report, go to ESG on the website and click on Sustainability Report). We have formulated the following management policies or strategies based on the risks after assessment:</p> <table><tr><th>Material issues</th><th>Risk assessment</th><th>Description</th></tr><tr><td>Environment</td><td>Environmental impact and management</td><td><p>1. By providing process safety management and systematic management cycle, KYEC Group is able to effectively reduce the emissions of pollution and their impact on the environment.</p><p>2. We have attained environmental and energy management certifications including ISO 14001 in 2002, ISO 50001 in 2016 and ISO46001 in 2023, and have been regularly certified since.</p><p>3. KYEC plants in Taiwan passed the UL2799 Zero Waste to Landfill Validation in 2024, verifying that our plant waste is recycled and reused, rather than disposed of in landfills, for a waste conversion rate of 100%.</p><p>4. We regularly</p></td></tr></table>	Material issues	Risk assessment	Description	Environment	Environmental impact and management	<p>1. By providing process safety management and systematic management cycle, KYEC Group is able to effectively reduce the emissions of pollution and their impact on the environment.</p> <p>2. We have attained environmental and energy management certifications including ISO 14001 in 2002, ISO 50001 in 2016 and ISO46001 in 2023, and have been regularly certified since.</p> <p>3. KYEC plants in Taiwan passed the UL2799 Zero Waste to Landfill Validation in 2024, verifying that our plant waste is recycled and reused, rather than disposed of in landfills, for a waste conversion rate of 100%.</p> <p>4. We regularly</p>	No significant differences
Material issues	Risk assessment	Description								
Environment	Environmental impact and management	<p>1. By providing process safety management and systematic management cycle, KYEC Group is able to effectively reduce the emissions of pollution and their impact on the environment.</p> <p>2. We have attained environmental and energy management certifications including ISO 14001 in 2002, ISO 50001 in 2016 and ISO46001 in 2023, and have been regularly certified since.</p> <p>3. KYEC plants in Taiwan passed the UL2799 Zero Waste to Landfill Validation in 2024, verifying that our plant waste is recycled and reused, rather than disposed of in landfills, for a waste conversion rate of 100%.</p> <p>4. We regularly</p>								

Promotion	Implementation				Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary		
				make an inventory on GHG emissions in accordance with ISO 14064-1 as an attempt to review the impact faced by the Company’s operations. We continuously adopt carbon reduction measures according to our carbon inventory results to effectively reduce Scope 1 emissions and Scope 2 emissions which are indirect GHG emissions from electricity use. 5. An annual internal audit plan is formulated targeting the compliance of KYEC Group with environmental regulations, while ensuring that all operation processes are on par with regulations.	
			Society	Occupational safety	1. In 2024, KYEC Group completed the “ISO 45001 occupational health and safety management system” certification. 2. We conduct periodic fire drills and industrial safety education and training each year to improve the ability to respond in the event of an

Promotion	Implementation				Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof	
	Yes	No	Summary			
			Corporate governance	Compliance, strengthen the functionality of directors	emergency. 1. We ensure that all employees and operations are in compliance with the applicable laws and regulations by establishing a governance organization and implementing an internal control mechanism. 2. Provide directors with training and regulatory information as needed. 3. We take out insurance policies for our directors and managers to protect them against lawsuits or claims.	
3. Environmental issues						
(1) Whether the Company establishes environmental policies suitable for the Company’s industrial characteristics?	√		KYEC Group subsidiaries has established an environmental management system in accordance with ISO 14001 and continued to undergo third-party verification (valid until December 30, 2026). Inventory of GHGs is conducted annually in accordance with the ISO 14064-1 regulations to monitor the effectiveness of carbon footprint reduction. The results are disclosed in sustainability reports and on company website. In 2023, plants in Taiwan adopted and implemented the ISO 46001 Water Efficiency Management Systems (valid until August 20, 2026), ISO14046 Water Footprint, and UL2799 Zero Waste to Landfill Validation. In 2024, they completed the UL2799 validation and obtained the Platinum designation. ( <a href="http://www.kyec.com.tw/csr/csrreport.aspx">http://www.kyec.com.tw/csr/csrreport.aspx</a> ) Pursuant to Environmental Safety Planning Management Procedures and Environmental Safety Management Handbook, the Company has established an Occupational Safety and Health and Environmental Management Committee to serve as the highest guiding body for environmental management. The committee is responsible for formulating the			No significant differences

Promotion	Implementation			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
			<p>company's environmental safety and health policies, and reviewing, coordinating and providing suggestions for reports related to environmental management. Its task is to facilitate environmental protection works. The committee convenes quarterly meetings, with the President presiding over the meeting as management representative. The committee systematically establishes and plans various operational control measures by using the PDCA management model.</p> <p>In 2003, the Company obtained ISO14001:2015 environmental management systems certification from SGS Taiwan.</p> <p>Details of the operating status and results of the environment management systems are disclosed on our website and in our Sustainability Report (see chapter "4. Environmental Friendliness").</p>	
(2) Is the company committed to enhancing the utilization efficiency of energy and use renewable materials that are with low impact on the environmental?	√		<p>Every year, KYEC Group adopts the ISO 50001 management system (valid until November 29, 2025) standards to identify significant energy use and equipment with improved energy performance. We also adopt energy-saving solutions, such as replacing in-plant equipment that uses a significant amount of energy. In addition to improving existing facilities, we opted to purchase energy-efficient products, such as high-efficiency or thermal recycling machines, high-efficiency rotational motors, and energy-saving products.</p> <p>In 2024, the total electricity consumption of KYEC Group was 886,742 MWh, up 90,959 MWh from 795,783 MWh in 2023, representing an increase of 11.43%. Such increase in power consumption was due to plant expansion. With the goal of achieving corporate growth and sustainable development, KYEC Group continues to adopt power/energy-saving solutions across our plants to increase energy efficiency. Due to an increase in business revenue in 2024, our electricity consumption intensity dropped 0.24% compared with that in 2023.</p> <p>Renewable energy: Tongluo Factory in Taiwan has completed the installation of a rooftop solar power facility in early 2024. This facility generated 2,598,667 KWH of electricity in 2024 (equivalent to reducing approximately 1,284 tons of CO<sub>2</sub>e). The solar power facility in our mainland China plants generated 2,358,200 KWH of electricity in 2024, equivalent to</p>	No significant differences

Promotion	Implementation			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
			<p>reducing approximately 2,538 tons of CO<sub>2</sub>e. Both facilities helped to mitigate the environmental impact caused by electricity consumption. We are also planning to install rooftop solar power facilities in our Chungwa Factory in Taiwan to increase its capacity to generate clean energy.</p> <p>As for green manufacturing, we reduce unnecessary resource waste and seek technology development on waste reduction and reuse. We will work together with our upstream and downstream partners of the value chain to recycle and reuse packaging materials, maximizing the benefits of a circular economy. We strive for creating circular value through recycling of process materials and waste reduction.</p>	
(3) Has the company assessed the potential risks and opportunities for business operations now and in the future regarding climate change and will the company adopt response measures?	✓		<p>Global warming has been extreme weather in Taiwan, such as typhoons, floods, rainstorm, and droughts, which are becoming more and more noticeable. In light of climate change, our factories in Taiwan have been operating under the ISO 22301 business continuity management system model since 2018. In doing so, we reduce significant property losses and irreversible operational impacts caused by natural or human-instigated disasters or other incidents, and also ensure that the organization is able to maintain minimum level of operation in any given circumstances. In November 2020, we passed the ISO 22301:2019 certification (valid until November 11, 2026). In 2024, we completed the flood potential analysis of key suppliers and devised countermeasures for high-risk suppliers to reduce the risk of supply chain disruption.</p> <p>Details of the analysis of the Company's climate change risks and opportunities are disclosed in the Company's sustainability reports.</p> <p>(<a href="http://www.kyec.com.tw/csr/csrreport.aspx">http://www.kyec.com.tw/csr/csrreport.aspx</a>)</p>	No significant differences
(4) Has the company inspected greenhouse gas emissions, water consumption, and total waste in the past two years, and formulated policies for greenhouse gas emissions, and water	✓		<p>KYEC Group completed ISO 14064-1 and ISO 50001 verification in 2024, while our factories in Taiwan also completed the ISO 46001 and UL 2799 verification in the same year. Both have obtained third-party verification.</p> <p>KYEC Group's GHG emissions in the past 2 years: (Units: tCO<sub>2</sub>e)</p>	No significant differences

Promotion	Implementation			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																										
	Yes	No	Summary																											
consumption, or other waste management policies?			<table><tr><th rowspan="2">Item</th><th colspan="2">Year</th></tr><tr><th>2023</th><th>2024</th></tr><tr><td>Scope 1</td><td>6,522.32</td><td>8,682.88</td></tr><tr><td>Scope 2</td><td>412,732.28</td><td>455,109.37</td></tr><tr><td>Scope 3</td><td>94,395.82</td><td>503,375.00</td></tr><tr><td>Total</td><td>513,650.41</td><td>967,167.24</td></tr></table> <p>In 2024, total emissions were 967,167.24tCO<sub>2</sub>e, with Scopes 1, 2, and 3 accounting for 0.90%, 47.06%, and 52.05%, respectively. The main source of emissions was use of purchased electricity. In terms of proportion, most of the GHG emissions of KYEC Group were from purchased electricity.</p> <p>In addition to taking an inventory of and reducing Scopes 1 and 2 GHGs within the boundaries of the organization every year, KYEC Group also began incorporating inventory data for Scope 3 as of 2022, which have been verified by a third party. Our factories in Taiwan completed a total inventory of Scope 3 emissions by adopting the GHG Protocol in 2024 and passed the verification.</p> <p>It is our longstanding effort to focus on water-saving issues. In terms of water-saving plans, the design of water-saving process was set as the standard and the use of every drop of water is optimized through wastewater recovery and reuse. By doing this, we are able to reduce tap water consumption. Additionally, each department has also established a water-saving promotion team responsible for formulating an annual plan and reviewing the use of change in water consumption. We ensure the performance of the facilities in our plants on a regular basis and replace water-consuming facilities to avoid waste.</p> <p>Water consumption in the past 2 years: (all plants and subsidiaries) (Units: million liters)</p> <table><tr><th>Year</th><th>2023</th><th>2024</th></tr><tr><td>Total water consumption</td><td>3,425.930</td><td>3,235.436</td></tr><tr><td>Water consumption</td><td>1,761.789</td><td>1,730.962</td></tr></table> <p>In 2024, the total water consumption of KYEC Group was 3,235.436 million liters. Approximately 2,249.315 million liters of water used were sourced from raw water supply, accounting for 69.52% of the total water consumption. The amount of water recycled from process wastewater or water treatment system was</p>	Item	Year		2023	2024	Scope 1	6,522.32	8,682.88	Scope 2	412,732.28	455,109.37	Scope 3	94,395.82	503,375.00	Total	513,650.41	967,167.24	Year	2023	2024	Total water consumption	3,425.930	3,235.436	Water consumption	1,761.789	1,730.962	
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			<p>980.670 million liters, accounting for 30.31% of the total water consumption. We will continue to implement recycling and reuse projects including the recycling or recovery of UF and RO concentrated water and rainwater/condensate, to recycle water for reuse.</p> <p>As we continue to carry out recycling and reuse of process and water systems, through promoting a variety of water-saving projects, our Chu-Nan Plant and subsidiary saved a total of 251.280 million liters of water and reduced carbon emissions by 40.45 tons in 2024. In 2025, we continue to plan and implement water-saving projects - including setting water consumption reduction targets for water-intensive locations, specifically Chu-Nan/Tongluo Factory and subsidiaries, improving the water recycling mechanism of our pure water system, and assessing the addition of recycling systems. The Company has invested NT\$80 million to build a domestic water treatment facility and to install a recycling system, both expected to be in operation in 2025, providing more recycled water to reduce our water consumption. In 2023, the Company's Chinese subsidiary invested NT\$4.524443 million in a wastewater recycling project to save 182.5 million liters of water annually.</p> <p>With our dedication to environmental protection, we have established waste reduction plans. Each quarter, we carry out a performance review and internal and external audits. In 2024, we passed the ISO 14001 environmental management system certification. The Company is mainly involved in semiconductor testing, packaging, and grinding/dicing processes. All client-commissioned products (wafer/IC) are delivered to clients. We do not have our own products. The wastes we generate are mostly discarded packaging materials. The Company does not use toxic substances, so our testing processes do not contribute to air pollution problems. The organic gasses of COG cutting, grinding and alcohol wiping of the subsidiary of China are treated by photocatalysis and discharged via a 15-meter-high exhaust pipe; hence, there is only wastewater treatment and waste generation. Waste generated is treated by outsourced qualified vendors; no waste is being transported outside of Taiwan. Each year, we take into account the Company's environmental policy and establish various waste and energy reduction objectives and periodically and track waste and energy reduction within the plant.</p>	

Promotion	Implementation			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																		
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			<p>Furthermore, we have also built an auditing system on waste treatment vendors and perform audits on a consistent basis without early warning, ensuring the legality of our outsourced treatment vendors.</p> <p>Waste generation intensity for the past 2 years: (all plants and subsidiaries)</p> <table><tr><th colspan="2">Year</th><th>2023</th><th>2024</th></tr><tr><td rowspan="2">General businesses</td><td>Weight (ton)</td><td>3,129.182</td><td>2,959.763</td></tr><tr><td>Intensity (tons/NT\$100 million)</td><td>9.475</td><td>7.999</td></tr><tr><td rowspan="2">Harmful businesses</td><td>Weight (ton)</td><td>328.668</td><td>269.793</td></tr><tr><td>Intensity (tons/NT\$100 million)</td><td>0.995</td><td>0.792</td></tr></table> <p>In 2024, our factories in Taiwan passed the UL2799 Zero Waste to Landfill Validation verifying that our waste is properly recycled and reused, rather than disposed of in landfills. We identified reusable packaging materials on-site, and adopted a policy of minimizing waste and maximizing recycling to achieve a circular economy characterized by an overall resource conversion rate of 100% or more.</p>	Year		2023	2024	General businesses	Weight (ton)	3,129.182	2,959.763	Intensity (tons/NT\$100 million)	9.475	7.999	Harmful businesses	Weight (ton)	328.668	269.793	Intensity (tons/NT\$100 million)	0.995	0.792	
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4. Social issues																						
(1) Whether the Company has established the related management policies and procedures in accordance with the relevant laws and international human rights conventions?	√		<p>The Company recognizes and voluntarily follows internationally recognized human rights standards, including the UN Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, 10 principles of the UN Global Compact, UN Guiding Principles on Business and Human Rights, and International Bill of Human Rights. The Company has enforced the KYEC Human Rights Management Policy and published it on the company website to show our respect for international human rights conventions.</p> <p>Our Human Resources Division is responsible for maintaining employee relations, which involves such tasks as employee identification, assessments, and discussions. Subsequently units in charge review laws and internal policies to identify human rights-related risks and assess the impact of these risks. Risk-related issues are then managed by following our “Labor Rights and Corporate Social Responsibility Best Practice Principles.” Training courses (covering the Sexual</p>	No significant differences																		

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			<p>Harassment Prevention Act, Act of Gender Equality in Employment, Code of Ethical Conduct, and Responsible Business Alliance Code of Conduct) related to the identified issues are provided. Training completion rate was 100%, which demonstrates our commitment to human rights protection. We also provide employees with a variety of communication channels, including employee suggestion box, labor-management meetings, whistleblowing hotline/mailbox, and quarterly meetings with the OSH Committee. Various issues are identified every year according to laws and company policies to ensure human rights protection. In 2024, we provided human rights protection training for employees, which saw 9,444 participants. In the future, the Company will continue to pay attention to human rights protection issues and promote related education and training, further raising the awareness of human rights protection. The Company's human rights management policy and specific plans are summarized as follows:</p> <table><tr><th>Human rights management policy</th><th>Specific plans</th></tr><tr><td>Abide by regulatory requirements</td><td>Employees are provided with a safety and healthy working environment as required by the regulations set forth in the Labor Standards Act and Gender Equality in Employment Act.</td></tr><tr><td>Establish an interactive labor-management relationship</td><td>Forced or compulsory employment and unlawful discrimination are prohibited. Equal employment opportunities and equal pay for equal work are ensured.</td></tr><tr><td>Support public information transparency</td><td>Education and training on human rights is promoted; the Company's human rights advocacy is conveyed through the Company's website and public announcements.</td></tr><tr><td>Build a friendly workplace</td><td>Establish diverse communication and grievance channels to smoothly express views in a timely manner and effectively solve problems.</td></tr></table>	Human rights management policy	Specific plans	Abide by regulatory requirements	Employees are provided with a safety and healthy working environment as required by the regulations set forth in the Labor Standards Act and Gender Equality in Employment Act.	Establish an interactive labor-management relationship	Forced or compulsory employment and unlawful discrimination are prohibited. Equal employment opportunities and equal pay for equal work are ensured.	Support public information transparency	Education and training on human rights is promoted; the Company's human rights advocacy is conveyed through the Company's website and public announcements.	Build a friendly workplace	Establish diverse communication and grievance channels to smoothly express views in a timely manner and effectively solve problems.	
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Promotion	Implementation				Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
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			Promote family life and work balance	Set up health management and promotion plans to emphasize the health of employees.	
(2) Has the company established and implemented reasonable measures for employee benefits (including remuneration, holidays and other benefits), and appropriately reflected the business performance or achievements in the employee remuneration?	√		<u>Employee remuneration</u> Salaries of KYEC Group employees are determined by their education level, professional skills, and experiences, and not by their gender, race, religion, political affiliation, marital status, trade union associations, etc. Our standard starting salary is higher than the minimum requirement stipulated by local laws and regulations. Overall employee remuneration includes basic salary, allowances, bonuses and dividends. Salary increase and bonus/dividend are differentiated across the company based on the operating status of the company, individual performance, and work contributions. This is to reward employees for their exertions and motivate their continuous growth. We uphold the principle of sharing profits with employees. If the company is profitable during the year, 8% to 10% of it is allocated as employee remuneration, and the range of salary increase is maintained at 3% to 5% each year to compensate employees for their valuable contributions. In 2024, female employees accounted for 43% and female supervisors accounted for 33%. We support the employment of people with disabilities, hiring more than 100% of people with disabilities in 2024, which is higher than the stipulated requirement. We identify job posts suitable for people with disabilities and provide them job opportunities accordingly. In addition, we hire health professionals regularly to set up stations in the plant to provide health care, and take an active part in the Ministry of Labor's job redesign program by installing accessible ramps and toilet handrails and providing assistive devices to build a friendly workplace environment. <u>Employee benefits</u> The Company attaches great importance to balancing the physical and mental health of our employees. For the workplace, we have planned a variety of welfare systems, providing not only insurance-related benefits and pension contributions in accordance with local laws, but also group insurance that is superior to legal requirements, as well as insurance coverage for employees' dependents at their own expense.		No significant differences

Promotion	Implementation			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
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(3) Whether the Company provides the existence of a safe and healthy work environment, and regular safety and health training to employees?	✓		<p>KYEC Group organizes the employees' health checkup and various health promotion activities each year, and also provides the employees whose health condition is found to be abnormal with care and health education information case by case.</p> <p><u>Occupational Safety and Health Policy</u></p> <p>KYEC Group abides by the Occupational Safety and Health Act and policies formulated by customers and related organizations. We also respect our stakeholders' policies and their OSH requirements to build a healthy happy workplace.</p> <p>KYEC Group has developed a comprehensive occupational safety and health policy. The policy has been announced by the President of the Company and implemented by all employees and managers. The policy specifies the Company's principles with respect to the implementation of occupational and health improvement actions, overall safety and health objectives, and commitment to improving safety and health performance.</p> <p>Based on the ISO 45001 occupational safety and health management system and the spirit of PDCA for continuous improvement and autonomous management, we formulate various safety and health management processes and work rules as the basis of our operating activities. In doing so, we can not only reduce the incidence of occupational hazards, but also minimize any damages to and impact on our property, personnel, and environment.</p> <p>In 2024, KYEC Group recorded 31 occupational injury-related incidents. Occupational injury-related mortality rate was 0. Severe occupational injury rate was 0. Recordable rate of occupational injury, a frequency-severity indicator (FSI), was 0.11. Occupational injury-related deaths and rate were 0. Recordable cases of occupational disease were 0. We continue to conduct risk assessments each year and implement improvement measures for major risks and hazards, effectively reducing the incidence of occupational disasters.</p> <p>There were no fire incidents in 2024. Our workplace safety unit regularly holds fire and earthquake disaster prevention drills to ensure that every employee is properly trained and to reduce accident-related injuries.</p> <p><u>Monitoring the workplace</u></p> <p>To ensure that workers are protected from hazards of harmful substances in the workplace and provide them</p>	No significant differences

Promotion	Implementation			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
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			<p>with a healthy and comfortable workplace, we conduct workplace monitoring twice a year. In doing this, we are able to better understand the actual state of exposure of workers to hazards.</p> <p><u>Intelligent Safety Management</u></p> <p>In response to the technological advancements, our factories in Taiwan have improved their operations by introducing an AI identification system to reduce occupational safety hazards and risks. For example, as part of the control measure, the AI system reminds machine operators, such as grab dredger operators, chemical tanker filling operators, and workers in noisy areas, to follow factory rules, wear protective gears, and ensure operational safety, thereby ensuring a safe work environment.</p> <p><u>Work safety inspection</u></p> <p>KYEC Group perform a work safety inspection on a monthly basis and unscheduled inspections on vendors. We issue monthly NCR improvement according to suggestions made from the inspections conducted, and review deficiencies on the monthly meeting with vendors.</p> <p><u>Machinery and equipment safety management</u></p> <p>The safety of KYEC Group's machinery and equipment is managed at the source. Any machines, before use, are subjected to hazard identification and risk assessment. We also implement change request management and personnel education and training, to further reduce the incidence of disasters and accidents. To ensure the safety of operators, a Release system is implemented after a machinery has been installed. This way, we ensure that the safety devices function properly and other safety facilities or labeling are completed. Normal production and operation can only be carried out, provided the safety requirements are met. The safety devices and hazard warning labeling of machinery and equipment are included in the procurement and acceptance criteria. Safety operation standards for equipment removal, installation, operation, maintenance and repairs are established. Safety protection functions at routine maintenance or repair of equipment are included in the inspection items.</p>	

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			<p>Education and training on workplace safety and emergency drills provided by KYEC over the past 3 years:</p> <table> <tr> <th>Year</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> <tr> <td>Education and training (persons)</td> <td>66,715</td> <td>62,268</td> <td>99,192</td> </tr> </table> <p>Emergency response drill:</p> <table> <tr> <th>Type</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> <tr> <td>Fire rescue/Earthquake disaster</td> <td>18</td> <td>35</td> <td>34</td> </tr> <tr> <td>Chemical leakage</td> <td>4</td> <td>4</td> <td>8</td> </tr> <tr> <td>Plant-wide evacuation</td> <td>2</td> <td>5</td> <td>4</td> </tr> <tr> <td>Transportation bus drill</td> <td>2</td> <td>51</td> <td>41</td> </tr> <tr> <td>Total</td> <td>26</td> <td>95</td> <td>87</td> </tr> </table> <p><u>Company Verification</u> KYEC Group has obtained international certifications, including ISO45001 Occupational Safety and Health Management Systems (valid until 2026/11/25) and CNS 45001 Taiwan Occupational Safety and Health Management Systems (valid until 2026/11/24). Information on these certifications are disclosed on our website and in our sustainability report.</p>	Year	2022	2023	2024	Education and training (persons)	66,715	62,268	99,192	Type	2022	2023	2024	Fire rescue/Earthquake disaster	18	35	34	Chemical leakage	4	4	8	Plant-wide evacuation	2	5	4	Transportation bus drill	2	51	41	Total	26	95	87	
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(4) Whether the Company has established some effective career development training plans for employees?	√		The Company has established the regulations governing educational training systems applicable to the various levels. The Company will also fulfill and organize annual training plans each year.	No significant differences																																
(5) Has the company complied with laws and international standards with respect to issues such as customers’ health, safety and privacy, marketing and labeling of all products and services offered, and implemented consumer or customers protection policies	√		Not applicable and, therefore, no related consumer protection policy or complaints procedure needs to be established.	No significant differences																																

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and complaint procedures?										
(6) Has the company established supplier management policies demanding compliance with relevant regulations and their execution status regarding issues such as environmental, occupational safety, and health or labor rights?	✓		<div>The Company has formulated a “Supplier Code of Conduct” and management concepts for suppliers to follow. We work side by side with suppliers to make an effort to promote CSR commitments to the respective group of our suppliers. Meanwhile, we also concentrate on social, economic, and environmental sustainability risk management. For supplier-related issues, please visit the Company’s website at <a href="http://www.kyec.com.tw/">http://www.kyec.com.tw/</a>, go to “ESG” &gt; “Sustainability Report” &gt; see “Sustainable Value Chain” section. Examples of relevant requirements and implementations are as follows:<table><tr><td>Supplier management</td><td>All suppliers must comply with the product quality management system, environmental safety and health management system, and supplier chain safety management system assessment. They are also required to sign the “Statement of Commitment to Responsible Business Alliance (RBA) Code of Conduct” for CSR management, and ban the use of conflicting minerals.</td></tr><tr><td>Supplier selection</td><td>All suppliers are required to complete and submit a Supplier Evaluation Questionnaire, pass the ESG Management Survey and Raw Material (Accessory) Supplier Evaluation, and sign a Statement of Commitment to RBA Code of Conduct, Letter of Guarantee to Not Use Banned Substances, and KYEC Supplier Integrity Rules, all of which serve as the basis for evaluation and review.</td></tr><tr><td>Supplier audit</td><td>The scope of audit on supplier sustainability encompasses economic, environmental, and social factors as well as five RBA dimensions: labor, health and safety, environment, business ethics, and management systems. In 2024, the risks of 66 key suppliers were identified, 16 key and high-risk suppliers were subject to onsite (paper-based) inspection. All suppliers have improved deficiencies within the prescribed time.</td></tr></table></div>	Supplier management	All suppliers must comply with the product quality management system, environmental safety and health management system, and supplier chain safety management system assessment. They are also required to sign the “Statement of Commitment to Responsible Business Alliance (RBA) Code of Conduct” for CSR management, and ban the use of conflicting minerals.	Supplier selection	All suppliers are required to complete and submit a Supplier Evaluation Questionnaire, pass the ESG Management Survey and Raw Material (Accessory) Supplier Evaluation, and sign a Statement of Commitment to RBA Code of Conduct, Letter of Guarantee to Not Use Banned Substances, and KYEC Supplier Integrity Rules, all of which serve as the basis for evaluation and review.	Supplier audit	The scope of audit on supplier sustainability encompasses economic, environmental, and social factors as well as five RBA dimensions: labor, health and safety, environment, business ethics, and management systems. In 2024, the risks of 66 key suppliers were identified, 16 key and high-risk suppliers were subject to onsite (paper-based) inspection. All suppliers have improved deficiencies within the prescribed time.	No significant differences
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5. Has the company taken	✓		The Company adheres to the internationally accepted	No significant						



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	Yes	No	Summary	
reference from the internationally accepted reporting standards or guidance when compiling sustainability reports to disclose non-financial information? Have the aforementioned disclosures been assured, verified or certified by a third party?			GRI Standards (2021 Version) when compiling the “2023 KYEC Sustainability Report” and passed the AA1000 Type 1 Medium Assurance Level by a third-party certification entity (SGS). Information regarding the GRI standards and assurance is provided on the company website at <a href="http://www.kyec.com.tw/">http://www.kyec.com.tw/</a> , go to “ESG” > “Sustainability Report” > “About the Report” > “Reporting Standards” and “External Assurance”.	differences
<p>6. Has the Company established its own Sustainability Development Best-Practice Principles based on “Sustainability Development Best-Practice Principles for TWSE/TPEX Listed Companies”? If any, please describe any discrepancy between the principles and their implementation: The Company’s Board of Directors approved the formulation of the “Corporate Social Responsibility Best-Practice Principles” in April 2015 and amendments to the Principles were approved by the Board of Directors in March 2017 to strengthen the implementation of our corporate social responsibility. The actual operation is not significantly different from the Principles.</p>				
<p>7. Other important information that helps understand the implementation of sustainable development:</p> <p>(I) The Company’s website has an ESG section that provides investors and stakeholders with access to information on the company’s sustainability practices.</p> <p>(II) Investment in green energy industry: In 2024, KYEC’s factories in Taiwan have supplied 17.5 million kWh of renewable energy, generating 17,500 renewable energy certificates and reducing 8,645 tons of carbon emissions.</p> <p>(III) The Company contributes to carbon emission reduction to fulfill its social responsibility. Each year, our factories in Taiwan participate in an environmental protection program organized by the Environmental Protection Bureau of Miaoli County Government - The program involves promoting the use of a straw-decomposing bacterial community as a means of removing plant debris from windbreak forests. In 2024, the Company increased the area of application of the straw-decomposing bacterial community to 600 hectares, which can help to reduce 5,400 metric tons CO2 emitted from burning rice straws. Through these efforts, we hope to curtail farmers’ burning of rice straws in the open air, and in turn reduce the harmful effects of air pollution on the human body and contribute to improving air quality. In 2015, our factories in Taiwan began adopting a green procurement policy, which gives priority to purchasing materials that cause minimal adverse environmental impacts. Our green purchases have exceeded standards since 2021 and for this achievement, we have received multiple awards and recognition from the environmental protection agency. In 2023, the Company’s green procurement reached NT\$107 million. In 2024, the Company received the “2023 Green Procurement by Private Companies and Groups” Special Merit Award by Environmental Protection Bureau of Miaoli County Government and “2023 Green Procurement” by the Environmental Protection Administration, Executive Yuan. KYEC Group has invested considerable effort in waste recycling and reuse. KYEC has cooperated with numerous recycling companies, creating mutually beneficial outcomes. For example: We recycle aluminum foil bags, which are process packaging materials, and reprocess them into high-quality aluminum ingots, which are then used to produce aluminum foil packaging materials that are commonly sold on the market. KYEC is willing to spend higher</p>				

Promotion	Implementation			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
			<p>cost to turn process wastes into useful materials. We also use recycled wastes to make usable items, such as traffic cones, connecting rods, and writing pens, and then put them into good use in factory activities. These actions demonstrate KYEC's determination to reuse waste. The Company's Taiwanese factories have set up a resource recycling bulletin board to raise employees' awareness of the circular economy so that they can better understand how important it is to recycle and reuse waste and make it their mission to do so.</p> <p>(IV) KYEC Group is engaged in the technical service industry for the IC industry and, therefore, there is no such problem about discharge of pollutants in the process of production. Meanwhile, the management values the various pollution prevention works very much. The various inspections all comply with the governmental laws and regulations. The Company has obtained the following certifications: ISO14001:2015 environmental management system, ISO45001:2018 occupational health and safety management systems, ISO14064 international GHG system (changed to ISO 14064-1:2018 in 2021) the scope of which encompasses the group's entire operations. In 2024, factories in Taiwan adopted a new standard, the GHG Protocol, and passed this inventory verification. Chu-Nan Factory passed ISO50001 energy management system certification in 2016, and Tongluo Factory was included into the scope of certification in 2017. It was converted into ISO50001:2018, and the packaging factory and Hsinchu factory were included into the scope of certification in 2019. Passed ISO22301:2019 business continuity management system in 2020. Factories in Taiwan passed ISO 46001 Water Efficiency Management Systems and ISO14046 Water Footprint verification in 2023, and also the UL2799 Zero Waste to Landfill Validation in 2024.</p> <p>(V) The Company responds to the multiple employment plans prepared by the government. It received the "Employment Creation Contribution Award" for the agricultural and industrial group awarded by the Ministry of Economic Affairs and Council of Labor Affairs, Executive Yuan on November 30, 2010. Meanwhile, the Company establishes the Employees' Welfare Committee, implements the pension system, organizes various employee training programs and group insurance, arranges periodic health checkups and values the harmonious labor-management relationship. The Company also actively works with local schools. For the time being, it is working with the schools including National Kaohsiung University of Science and Technology, National Yunlin University of Science and Technology, National Changhua University of Education, National United University, National Quemoy University, Chaoyang University of Technology, National Formosa University and Yu Da University of Science and Technology, etc. The Company not only fulfills its social responsibility but also trains professional human resources. The Company has engaged in industry-academia cooperation for 18 years, working with a total of 2,882 people.</p> <p>(VI) For social involvement, the Company established the KYEC Care Association. The Company takes care of disadvantaged groups, cares for the independent-living elderly, participates in community activities and actively sponsors various activities organized by city/county governments as its mission and philosophy. It will also set up public welfare booths in large-scale activities of the Company each year and work with various public welfare groups in some bazaars. It spares no effort in boosting the fund-raising activities organized by the public welfare groups. At the same time, it hopes to fulfill its corporate social responsibility.</p> <p>(VII) The Company's 2023 Sustainability Report discloses ESG-related information in accordance with the GRI standards issued by the Global Sustainability Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) standards, and the framework of the Task Force on Climate-related Financial Disclosures (TCFD). This report is disclosed on the company website and the Market Observation Post System. To access the report, visit the Company's website at <a href="http://www.kyec.com.tw/">http://www.kyec.com.tw/</a>, go to "ESG" &gt; "Sustainability Report".</p>	

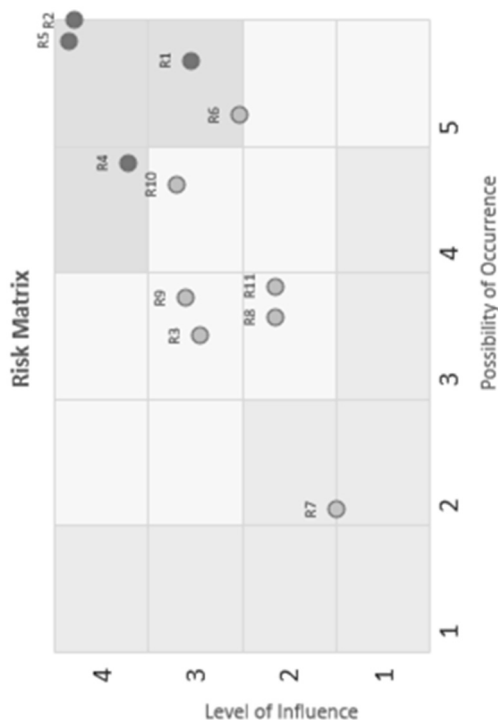
8. Climate-Related Information of Listed Company

1. Implementation Status of Disclosure of Climate-Related Information

Item	Implementation
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Sustainable Development Committee is responsible for overseeing the risk management mechanism and control and reviewing related regulations and important risk reports. KYEC adopts the TCFD framework to produce a Climate Risk and Opportunity Matrix. When issues are identified as medium or high risk in assessment results, the Sustainable Development Committee launches cross-department coordination, conducts financial impact assessments, and forms a task force, while relevant departments propose countermeasures and report annually to the Board of Directors.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	List of climate risks / opportunities and associated issues: The Company refers to the scientific reports published by the United Nations Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) to obtain a comprehensive understanding of the transition risks, physical risks, and opportunities related to climate change. The Company also takes into consideration the climate change risks and opportunities identified by industry peers in Taiwan and abroad, as well as its GHG reduction targets and renewable energy targets, and assesses any potential risks (transition and physical), opportunities, and issues that we may be exposed to over a time frame. The results are then used to compile a list of climate risks / opportunities and issues that concern KYEC. Time frames: Short-term (2022–2023), medium-term (2024–2030), long-term (2031–2050) Possibility of Occurrence: Possibility of occurrence: Scored on a scale of 1 to 5, where 1=extremely unlikely and 5=extremely likely to occur. Level of influence: Scored on a scale of 1 to 4, where 1=minor influence and 4=severe influence.

Description of KYEC's climate change risks:						
Code	Type	Category	Topic	Possible time of occurrence	Risk level	
R1	Transition risk	Technology	KYEC improves energy/resource efficiency standards for various assets in response to low-carbon development trends, thereby increasing capital expenditures.	Short-term	High	
R2	Transition risk	Existing laws and regulations	KYEC increases use of renewable energy in response to regulatory requirements, which lead to an increase in operating costs.	Medium-term	High	
R3	Transition risk	Reputation	Customers are committed to reducing emissions from the value chain. If KYEC cannot meet the needs of business operators in the value chain, it may lead to a decline in product demand.	Medium-term	Moderate	
R4	Transition risk	New laws and regulations	New carbon pricing laws and regulations require KYEC to pay carbon fees, which in turn increase operating costs.	Long-term	High	
R5	Transition risk	Market	KYEC strives to increase its use of renewable energy to align with low-carbon development trends, to meet the needs of value-chain customers, and to achieve net zero emissions. These consequently increase operating costs.	Long-term	High	
R6	Transition risk	Technology	Adopting policies that support the consumption of alternative fuels in alignment with low-carbon trends is required, resulting in an increase in KYEC's transportation costs.	Medium-term	Moderate	
R7	Physical risk	Chronic risk	Rising global sea level floods low-lying coastal areas, causing asset impairment.	Long-term	Low	
R8	Physical risk	Acute risk	Increase in the frequency and severity of heavy rains and floods causes factory equipment to become inoperable and services to be interrupted.	Long-term	Moderate	

R9	Physical risk	Chronic risk	Rising temperature increases the cost of running air conditioners, and employees working outdoors may leave their job because of high temperature, further leading to a decrease in production capacity and increase in employee medical expenses.	Medium-term	Moderate
R10	Physical risk	Chronic risk	Changes in precipitation patterns and extreme weather lead to insufficient natural water sources, resulting in regional water restrictions and reduced production.	Medium-term	Moderate
R11	Physical risk	Acute risk	Extreme precipitation (or more intense tropical cyclones) cause river siltation or disruption to land transportation, which in turn prevents cargo ships from entering the port due to severe siltation and disrupts railways and roads, affecting delivery.	Medium-term	Moderate



Description of KYEC's climate change-related <b>opportunities</b>					
Code	Type	Category	Topic	Possible time of occurrence	Opportunity
O1	Opportunity	Resource efficiency	Factories are improved with energy-saving solutions to continuously raise energy efficiency, thereby reducing energy costs.	Medium-term	High
O2	Opportunity	Market	Low technology costs and low-cost financing in the future market enable the company to benefit from market investment in low-carbon technology, thereby reducing the cost of setting up renewable energy.	Medium-term	Moderate
O3	Opportunity	Energy Source	According to the Announced Pledges Scenario (APS), KYEC actively increases its use of renewable energy and reduces Scope 2 emissions, thereby reducing carbon expenses.	Medium-term	High
O4	Opportunity	Resilience	The capability (UPS, business continuity) to recover from heavy rainfall and flooding faster than peers increases the resilience of KYEC and ensures no disruption to production activities.	Medium-term	High
O5	Opportunity	Products and Services	KYEC commits to low-carbon transition, improves its competitiveness among peers, and keeps pace with changes in customer preference to increase revenue.	Medium-term	Moderate

	<p style="text-align: center;"><b>Opportunity Matrix</b></p> <p>The Opportunity Matrix is a 5x5 grid with 'Possibility of Occurrence' on the horizontal axis (1 to 5) and 'Level of Influence' on the vertical axis (1 to 4). Five points are plotted: O1 (4, 4), O2 (5, 3), O3 (4, 4), O4 (5, 4), and O5 (3, 3). A grey rectangular box labeled 'R4 碳定价' is positioned in the lower-left area, covering the range of Possibility 2-3 and Influence 1-2.</p>
<p>3. Describe the financial impact of extreme weather events and transformative actions.</p>	<p>1. Risk-related issues: R4 carbon pricing</p> <p>A. Description of impact: According to IEA's 2021 World Energy Outlook (WEO), carbon pricing has been widely implemented in countries around the world under the NZE scenario, in which the carbon price for China is assumed to be USD 200 USD/t-CO<sub>2</sub>e. In February 2023, Taiwan promulgated the Climate Change Response Act, officially legislating carbon pricing by levying carbon fees on specific large emitters that produce more than 25,000 tonnes of carbon per year. In sum, KYEC's operational sites in both Taiwan and China may be required to pay carbon fees or purchase carbon quotas in the future, which will lead to an increase in operating costs.</p> <p>B. Description of scenario: The financial impact on the Company in 2050 is assessed by using the estimated carbon prices for various countries at different time periods and assuming the NZE scenario described in IEA's 2021 WEO report.</p>

	<p>C. Potential financial impact: We assume that the company will not introduce any new carbon reduction measures in the future and its use of renewable energy will reach 20% by 2030. Accordingly, when a carbon pricing policy is enforced in the country where our operations are located, its financial impact on our operation in 2050 will be equivalent to NT\$3.466 billion (based on a carbon fee of NT\$6,000 per ton).</p> <p>2. Risk-related issues: R5 Energy Transition</p> <p>A. Description of impact: According to “Renewables 2021” report issued by the International Renewable Energy Agency (IREA), the renewable share of total generation capacity has been growing rapidly at a rate of 10%, reaching 36.6% in 2020, with major industries around the world also actively responding to the growing trend. In the midst of changes in renewable energy policies and client requirements, KYEC may have to increase its use of renewable energy, which consequently increases its operating costs.</p> <p>B. Description of scenario: The financial impact on the Company in 2050 is assessed by assuming a scenario in which the Company achieves its RE100 target by 2050.</p> <p>C. Potential financial impact: We assume that the company will no longer install its own renewable energy systems in the future and the stipulated use of renewable energy in the country where our operations are located is increased further (the cost of purchasing renewable energy will no longer increase). Under these assumptions, the financial impact on our operation in 2050 will be equivalent to NT\$1.8 billion.</p> <p>3. Risk-related issues: R10 Changes in precipitation patterns and extreme variability in weather patterns</p> <p>A. Description of impact: Climate in Taiwan is subtropical with distinct wet and dry seasons, and typhoons and seasonal monsoon contributing to the country’s annual precipitation. Extreme precipitation patterns make it impossible to effectively conserve and utilize water resources. According to “Taiwan Climate Change Index Infographic”, the maximum number of consecutive dry days in various parts of Taiwan is increasing in the coming years. To improve the company’s water resilience, we may have to impose water restrictions, which will lead to increased capital expenditures and operating costs.</p> <p>B. Description of scenario: The financial impact on the Company in 2030 is assessed by analyzing only operational locations in Taiwan, referencing the Taiwan Climate Change Index Infographic, and assuming the RCP 8.5 scenario described in IPCC AR5.</p> <p>C. Potential financial impact: We assume that the company will no longer introduce new water-saving systems</p>
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	<p>in the future. Accordingly, the Company may have to impose water restrictions, which is projected to exert a financial impact on the Company in 2030 that is equivalent to approximately NT\$318,600.</p> <ol style="list-style-type: none"> <li>1. Opportunity-related issues: O1 Low-carbon transition reduces operating costs <ol style="list-style-type: none"> <li>A. Description of impact: According to the 2020 WEO report, purchasing renewable energy and improving energy efficiency are both key to achieving sustainability. KYEC implements energy-saving measures in each of its factory, such as using energy-efficient lights, air-conditioning systems, and air compressors, to stay in line with low-carbon development trends and create opportunities for cost reduction.</li> <li>B. Description of scenario: The financial impact resulting from a reduced use of energy when the company actively implements energy-saving solutions in 2030 is assessed by assuming the NZE scenario described in IEA's 2021 WEO report.</li> <li>C. Potential financial impact: We assume that all of the company's energy-saving plans are implemented as scheduled. Accordingly, the company should be able to cut down costs by approximately NT\$14,5055 million in 2030.</li> </ol> </li> <li>2. Opportunity-related issues: O3 Use of lower-emission sources of energy <ol style="list-style-type: none"> <li>A. Description of impact: To continuously improve GHG reduction measures and effectively achieve Paris Agreement goals in response to the global sustainability trend, KYEC strives to increase the use of renewable energy, reduce Scope 2 emissions, and thereby lower our carbon expenses.</li> <li>B. Description of scenario: The financial impact resulting from reduced GHG emissions when the company strives to increase its use of renewable energy by 2030 is assessed by assuming the NZE scenario described in IEA's 2021 WEO report.</li> <li>C. Potential financial impact: We assume that the company's renewable energy targets have been achieved as planned. Accordingly, the company should be able to cut down carbon costs and expenditures by approximately NT\$38,9127 million in 2030.</li> </ol> </li> <li>3. Opportunity-related issues: O4 Strengthening of climate resilience <ol style="list-style-type: none"> <li>A. Description of impact: IPCC AR6 WG1 mentioned that the frequency and intensity of heavy rainfall events in land areas have increased since the 1950s. As the impact and frequency of extreme weather continue to increase, governments and companies worldwide have begun attaching importance to climate resilience for</li> </ol> </li> </ol>
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	<p>not only their location of operations, but also industries and supply chains. KYEC is able to use its business continuity management system in the event of extreme weather events possibly caused by climate change. This facilitates the company's capability to ensure early prevention, swift response to emergencies, and quick post-disaster recovery, which in turn enhance business resilience, thereby creating opportunities for obtaining more orders.</p> <p>B. Description of scenario: The RCP 8.5 scenario described in IPCC AR5 is used to assess business opportunities that arise when the company is sufficiently climate-resilient.</p> <p>C. Potential financial impact: We assume that the company possesses sufficient climate resilience as a result of its sound business continuity management system. According to KYEC statistics, 24% of KYEC clients have requirements for "business continuity". This is the percentage of clients who are likely to increase orders because the company has sufficient climate resilience.</p>
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>The process for identifying, assessing and managing climate-related risks and opportunities is as follows:</p> <ol style="list-style-type: none"> <li>1. KYEC conducts a preliminary screening of issues that pertain to the nature of the company's business based on international scientific reports and reports relevant to peer industries in Taiwan and abroad.</li> <li>2. We follow the TCFD context for identification of risks and opportunities and classify risks and opportunities related to climate change. Based on the contents and potential financial impacts of various risks and opportunities, relevant international intelligence reports are analyzed, and possible risks and opportunities are compiled into questionnaires. Through questionnaires and interviews, senior managers of relevant departments are asked to make judgments based on their responsibilities and professional experience and assess each issue in terms of "possibility of occurrence", "level of financial impact" and "time frame", among other factors.</li> <li>3. Once each department has been interviewed and questionnaires collected from them, we then converge the opinions of each department by assessing and calculating the impact of risks and opportunities related to each issue based on the time frame, possibility of occurrence, and level of impact.</li> <li>4. We produce a KYEC TCFD-Based Climate Risk and Opportunity Matrix that features three levels, high, medium and low. When issues are identified as medium or high risk in assessment results, the Sustainability Committee launches cross-department coordination and conducts financial impact assessments, while</li> </ol>

	relevant departments propose countermeasures and report to the chairperson of the Sustainability Committee and the Board of Directors.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	<p>1. Assessment of transition risks: KYEC continues to watch out for international GHG reduction policies in order to achieve business sustainability. We opt for IEA's Net Zero Emissions (NZE) scenario to evaluate the impact on the company when emissions reduction policies are actively implemented worldwide in the future. In the meantime, we prepare a set of counter strategies in advance to seize opportunities.</p> <p>2. Assessment of physical risks: The RCP 8.5 scenario, selected as the representative concentration pathway (RCP) for GHG concentration in IPCC AR5, assumes that countries around the world did not take any new reduction actions in the future, which is the most worst-case scenario used to assess the extent to which companies are impacted by the most extreme climate challenges. Physical risks related to water resources are assessed by using WRI Aqueduct tool to identify the risk impact of water stress on operating sites.</p>
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	In taking a step-by-step approach to enhancing climate resilience and adaptation capability, KYEC uses energy usage, GHG emissions, water usage, waste disposal, and days of disruption in business operations as indicators for managing climate-related risks and opportunities. These indicators are based on risk identification results and reference to the adaptation plans of peer industries.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Currently, KYEC is still assessing its internal carbon pricing management strategies.

<p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p>	Management of climate-related goals and performance			
	Management of climate-related goals	2024 Goals	Goal Achievement in 2024	Corresponding Strategy
	<p>Use of renewable energy (Factories in Taiwan)</p> <p>GHG reduction targets (Group-wide)</p>	<p>Supply 15 million kWh of renewable energy</p> <p>Reduce GHG intensity (Scope 1 + Scope 2) by 2% compared with the previous year</p>	<p>The Company has supplied a cumulative total of 15.75 million kWh, achieving the annual goal.</p> <p>Scope-1 and Scope-2 GHG emissions in 2024 totaled 463,792.24tCO<sub>2</sub>e, and intensity was 12.535tCO<sub>2</sub>e/million NTD. Scope-1 and Scope-2 GHG emissions in 2023 totaled 418,396.76 tCO<sub>2</sub>e, and intensity was 12.669 tCO<sub>2</sub>e/million NTD. Emission intensity decreased by approximately 1.06%.</p>	<p>Continue to work with renewable energy companies to monitor the amount of electricity transferred/supplied.</p> <p>Gradually increase the use of renewable energy in Taiwan factories to effectively mitigate GHG emissions.</p>

	Water conservation goals (Group-wide)	Reduce water intensity in 2024 by 4% compared with that in 2020	Water intensity decreased by 24% compared with that in 2020	Continue to draw up water conservation plans by using the water resources management system.
9. Greenhouse gas inventory and assurance status, and reduction targets, strategies, and specific action plans (filled out separately below in 1-1 and 1-2).	See explanations in 1-1 and 1-2 below.			

1-1 Greenhouse Gas Inventory and Assurance Status in the Past Two Years

1-1-1 Greenhouse gas inventory information

Describe the emissions (metric tons CO <sub>2</sub> e) and intensity (metric tons CO <sub>2</sub> e/million NTD) of GHG in the past two years and scope of data.
1. The scope of GHG inventory in 2022 encompassed the parent company and all subsidiaries in the consolidated financial statements of KYEC. Information on GHG inventory is disclosed as scheduled in accordance Article 10, Paragraph 2, of the Regulations.
2. Scope 1 and Scope 2 GHG emissions in 2023 totaled 419,254.60tCO <sub>2</sub> e, and emissions density was 12.669tCO <sub>2</sub> e/million NTD. Scope 1 and Scope 2 GHG emissions in 2024 totaled 463,792.24tCO <sub>2</sub> e, and emissions density was 12.535tCO <sub>2</sub> e/million NTD.
3. KYEC Group conducts inventory in accordance with ISO 14064-1.
4. In 2024, factories in Taiwan began adopting the GHG Protocol, a new inventory standard, to complete our scope 3 inventories.

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

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

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$ 1 million) should be described.

1-1-2 Greenhouse gas assurance information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.			
Total GHG emissions disclosed by KYEC:			
Scope of assurance conducted	2023 Total Emissions (metric tons CO2e)	2024 Total Emissions (metric tons CO2e)	
Factories in Taiwan (including overseas subsidiaries)	Scope 1	5,613.46	7,906.69
	Scope 2	295,841.04	320,171.18
	Scope 3	85,129.95	478,382.97
	Total	386,584.44	806,460.84
	Assurance Institution	SGS Taiwan	SGS Taiwan
Subsidiaries in Mainland China	Scope 1	875.74	776.19
	Scope 2	116,066.53	134,938.18
	Scope 3	11,200.05	24,992.03
	Total	128,142.32	160,706.40
	Assurance Institution	WIT	WIT
Total GHG emissions of KYEC Group		514,726.76	967,167.24

1. From 2023 to 2024, the assurance institution commissioned by KYEC Group conducted assurance using the ISO 14064-3 standard and determined that the level

of assurance for Scopes 1 and 2 is that of reasonable assurance and for Scope 3 is that of limited assurance.

2. In 2024, factories in Taiwan (including overseas subsidiaries) began adopting the GHG Protocol, a new inventory standard, to complete our scope 3 inventories. Similarly, the level of assurance for their Scopes 1 and 2 is that of reasonable assurance and for Scope 3 is that of limited assurance. The inventory data of our Chinese subsidiary are verified internally. Its assurance information will be disclosed in our sustainability report.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the

Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that “Complete assurance information will be disclosed in the sustainability report.” If the Company does not prepare a sustainability report, it shall note that “Complete assurance information will be disclosed on the Market Observation Post System (MOPS),” and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 2: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEX.



## 1-2 Greenhouse Gas Reduction Targets, Strategy, and Specific Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.					
<p>1. In 2022, the Company began completing the disclosure of greenhouse gas inventory and assurance in its consolidated financial reports in compliance with Article 4-1 of the <u>Rules Governing the Preparation and Filing of Sustainability Reports</u> by TWSE Listed Companies. Therefore, the base year is 2022.</p> <p>2022 as the base year:</p> <ul style="list-style-type: none"> <li>- Total carbon emissions: 498,772 (tCO<sub>2</sub>)</li> <li>- Scope 1 - Direct emissions: 6,522.8346 (tCO<sub>2</sub>)</li> <li>- Scope 2 - Indirect emissions from purchased energy: 412,521.9046 (tCO<sub>2</sub>)</li> <li>- Scope 3 - Indirect emissions from transportation: 14,885.3206 (tCO<sub>2</sub>)</li> </ul> <p>Indirect emissions from organizational use of products: 64,842.8983 (tCO<sub>2</sub>)</p>					
2. Reduction target:					
Annual reduction target	2025	2030	2040	2050	
Reduce emission intensity (Scopes 1 + 2) by 2% across KYEC Group compared with the previous year	Reduce greenhouse gas emissions (Scopes 1 + 2) by 10% across KYEC Group compared with 2022	Reduce greenhouse gas emissions (Scopes 1 + 2) by 15% across KYEC Group compared with 2022	Reduce greenhouse gas emissions (Scopes 1 + 2) by 30% across KYEC Group compared with 2022	Reduce greenhouse gas emissions by 100% across KYEC Group compared with 2022	
3. Reduction strategies and concrete action plans:					
Our main strategy to reduce carbon emissions is purchasing renewable energy in conjunction with various in-factory energy-saving projects and assessing the need					

for coolant replacement to reduce Scopes 1 and 2 emissions. Reducing Scope 3 emissions is imperative for achieving net zero emissions. Currently, plans are being made to purchase carbon rights, use low-carbon materials, and strengthen green supply chains to continuously reduce indirect emissions outside the organization, thereby achieving net zero emissions by 2050.

4. Achievement of reduction target:

In 2024, Tongluo Factory #3 and a new factory in mainland China commenced operation to meet future semiconductor orders and demands. This production expansion resulted in a relatively higher electricity consumption compared to 2023. Due to an increase in business revenue in 2024, the intensity of our Scopes 1 + 2 GHG emissions dropped 1.06% compared with that in 2023.

Note 1: This information is disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. For example, under the order issued under Article 10, paragraph 2 of the Regulations, a company with capital of NT\$10 billion shall complete the inventory for its fiscal 2024 annual consolidated financial report in 2025, so the base year will be 2024. If a company has disclosed its inventory in its consolidated financial report in an earlier year, it may take the earlier fiscal year as its base year. Also, the data for the base year may be calculated based on a single fiscal year or the average of multiple fiscal years.

**(VII) The state of the company's performance in the area of ethical corporate management, any variance from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance**

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
1. Enactment of ethical management policy and program				
(1) Has the Company formulated an ethical policy approved by the board of directors and does the Company expressly state the ethical policy and its fulfillment by the board of directors and the management in its Articles of Incorporation and public documents?	√		<p>The Company has formulated Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct to regulate the business conducts of all our employees (including subsidiary employees). These regulations prohibit any acts of directly or indirectly offering, promising to offer, requesting or accepting any improper benefits, committing unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. The Ethical Corporate Management Best Practice Principles have been approved by our board of directors, and relevant policies are also disclosed on our website.</p> <p>The Company's Board of Directors shall fulfill its duties as a prudent manager to oversee that the Company acts to prevent unethical conduct and ensure the implementation of ethical corporate management policies. To strengthen the integrity management of the Company, compliance with the Ethical Corporate Management Best</p>	No significant differences

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>Practice Principles is included in the scope of auditing, and any deficiencies and improvements thereof are regularly reported to the Board of Directors.</p> <p>In addition we require directors or the juristic person that the director represents to recuse themselves from discussion or voting on an item in which they are an interested party and when such relationship is likely to prejudice the interest of the company.</p>	
(2) Does the company establish appropriate precautions against high potential unethical conducts, with analysis and assessments on business activities of high potential unethical conducts, and formulate a prevention plan stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?	√		<p>In our Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct, we have specific preventive measures against offering and acceptance of bribes; illegal political donations, improper charitable donations or sponsorship; offering or acceptance of unreasonable presents or hospitality, or other improper benefits; misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights; engaging in unfair competitive practices; damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services. These measures are regularly examined to determine their</p>	No significant differences

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			adequacy and effectiveness. The Company conducts risk assessment on corruption-related matters in the operating activities held in all of its business locations. The business management units conduct self-assessments and compliance self-assessments in order to ensure effective management. The audit unit performs independent audits to ensure uninterrupted operation of the organization as a whole. Training and awareness campaigns are organized for all members of the Company to achieve a concerted effort in managing and preventing unethical behaviors.	
(3) Has the company specified operational procedures, behavioral guidelines, disciplines of violations, as well as an appeal system in the program against unethical behavior, and implemented such programs, and reviewed and revised the previous program on a regular basis?	√		The Company has Procedures for Ethical Management and Guidelines for Conduct in place to regulate the conduct of business and performance of duties. Specifically the Procedures state that the Company shall take into consideration the legitimacy of its agents, suppliers, customers or other business trading counterparts and whether they are involved in any unethical activities before engaging in transactions, in order to avoid engaging in transactions with unethical ones; shall make a clear statement about the Company's ethical management policy and related rules and clearly refuse to provide, promise, request, or accept, directly or indirectly, any	No significant differences

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>improper benefits in whatever form or name. We also have other measures in place for reporting unethical behaviors, including Rules for Reporting Unethical Behaviors and a whistleblowing system composed of channels, hotline, and email for reporting unethical conduct. As regards whistleblowers' identity and content of their report, it is kept confidential or protected by appropriate means in accordance with law. Upon receiving reports of unethical conduct and verifying that there is indeed a violation of applicable laws and regulations or the Company's ethical corporate management policies and rules, the Company will take immediate actions, requesting the violator to cease such conduct and imposing punishment accordingly. In the case of serious violations, the violator will be terminated or dismissed in accordance with relevant laws or company management regulations. Where necessary, the Company shall file for damage claims through legal proceedings to protect its reputation and interests. To ensure that everyone in the company abides by the code of ethics, the Company regularly organizes training and awareness campaigns to inform employees of the company's determination, policies, and prevention plans in relation to ethical management, as well as</p>	

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			the consequences of unethical behaviors. Rewards and punishments are handled in accordance with company regulations.	
2. Implementation of ethical management				
(1) Whether the Company assesses a trading counterpart's ethical management record, and expressly states the ethical management clause in the contract to be signed with the trading counterpart?	√		Before developing a commercial relationship with another party, the Company evaluates the legality and ethical management policy of agents, suppliers, customers, or other business counterparts and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the counterparty in commercial interactions conducts business in a fair and transparent manner and will not request, offer, or take bribes. For suppliers, we expressly state the ethical management clause and other relevant requirements in the Statement of Commitment to KYEC Supplier Integrity Rules, to be signed with suppliers. When a counterparty or partner in cooperation is found to have engaged in unethical conduct, immediate actions are taken to cease dealing with the counterparty and blacklist them for any further business interaction in order to effectively implement the Company's ethical management policy.	No significant differences
(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the board to be in charge of corporate integrity? Does the Company	√		The Company has appointed the President's Office as the dedicated unit subordinated to the board of directors responsible for establishing and	No significant differences

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
report policies to the board on a regular basis (once a year) to prevent conflicts of interest and provide proper statement channels?			<p>supervising the execution of ethical corporate management policies and preventive measures, taking charge of various matters and reporting to the board of directors periodically.</p> <p>The Company's implementation of ethical management policies in 2024 is as follows:</p> <ol style="list-style-type: none"> <li>1. In 2024, the Company organized general RBA and human rights training courses for all employees. The courses cover human rights issues (including forced labor, child labor, discrimination, harassment, freedom of association, privacy, standard on working hours, and suitable salaries and benefits), labor workers, health and safety, wrongful harm in the workplace and sexual harassment prevention, environmental protection, code of ethics (including ethical management and anti-corruption), and management systems. Training completion rate was 100%.</li> <li>2. As regards whistleblowing system and whistleblower protection, our Corporate Governance Best-Practice Principles and Ethical Corporate Management Best-Practice Principles describe specific whistleblowing management systems to actively prevent</li> </ol>	



Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			unethical behaviors and encourage reporting, by both insiders and outsiders, of unethical or improper behaviors. In addition, the Stakeholder area section on the company website provides channels of communication and means of whistleblowing for employees, shareholders, stakeholders, and outsiders. The number of complaints filed externally in 2024 was zero.	
(3) Whether the Company defines any policy against conflict of interest, provides adequate channels thereof, and fulfills the same precisely?	√		The Company has defined a policy against conflict of interest in its Procedures for Ethical Management and Guidelines for Conduct. Specifically the policy states that the Company's directors, managers, and other interested parties attending or present at the Board of Directors meetings who have a conflict of interest regarding a board meeting agenda item, whether concerning themselves or the juristic person they represent, shall disclose the material aspects of their conflict of interest during that board meeting. If the matter may be detrimental to the Company's interests, they shall not participate in the discussion or voting on the issue. Furthermore, they must recuse themselves from both discussion and voting and may not act as a proxy to exercise voting rights on behalf of other directors. The directors shall exercise self-	No significant differences

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			discipline and may not support one another in improper dealings. If, in the course of conducting company business, any company personnel 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 their immediate supervisor and the Responsible Unit of the Company, and the immediate supervisor shall provide the personnel with proper instructions. No company personnel may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by their involvement in the commercial activities other than those of the Company.	
(4) Has the company established an effective accounting system and internal control system in order to implement ethical management, propose relevant audit plans according to the assessment results of the risks of unethical behaviors, and review the compliance status of the prevention of unethical behaviors, or entrusted an accountant to carry out the review?	√		In order to implement ethical corporate management, the Company has set up an effective accounting system and internal control system to ensure that ethical corporate management has been enforced. The audit division reviews the compliance of the said systems according to the annual auditing plans. The Company also complies with	No significant differences

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			applicable regulations of the “Company Act” and the “Securities and Exchange Act,” and the Company’s accountants are responsible for the auditing of accounting books.	
(5) Whether the Company organizes internal/external education training programs for ethical management periodically?	√		<p>The Company has made available the rules and regulations concerning ethical management on its website for directors, managers, and employees of the Company. Clauses requiring compliance with ethical management policy are stipulated in the standard contracts signed between the Company and its business trading counterparts. Our Board of Directors and executive management have signed a written statement committing themselves to our ethical management policy.</p> <p>The Company organizes education training programs for ethical management annually. Issues relating to ethical management are also promoted in our orientation training and internal training programs.</p> <p>Implementation:</p> <ol style="list-style-type: none"> <li>1. In 2024, the number of participants in the Company’s internal education and training on ethical management, code of conduct, prevention of insider trading and other related topics amounted to 9,444 people, and 2,306 hours.</li> <li>2. Our current directors of</li> </ol>	No significant differences

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>the board and managers are furnished with educational materials, such as the Handbook of FAQs on Insider Trading of Listed Companies, to keep insiders informed of applicable regulations for effective compliance. The Company provided education training programs for current directors on December 27, 2024.</p> <p>3. The Company notified all directors and insiders by email on April 17, 2024, July 22, 2024, October 22, 2024 and January 15, 2025 of the closed period before the publication of quarterly financial reports, reminding them not to engage in trading before the release of financial report to avoid violations.</p>	
3. Status of the Company's complaint system				
(1) Whether the Company has defined a specific complaints and rewards system, and established some convenient complaint channel, and assigned competent dedicated personnel to deal with the situation?	✓		Internal grievance channels: The Company has set up the employees' message board, opinion mailbox and hotline dedicated to accepting the complaints from employees.	No significant differences
(2) Has the company implemented any standard procedures, subsequent measures or confidentiality measures for handling reported misconducts?	✓		Investigations are conducted by the Company's Human Resources Department and are conducted confidentially.	No significant differences
(3) Whether the Company has adopted any measures to prevent	✓		According to Article 22 of the Company's "Ethical Corporate	No significant differences

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
the complainants from being abused after filing complaints?			Management Best-Practice Principles” and Article 21 of the “Procedures for Ethical Management and Guidelines for Conduct,” the Company protects the identify and content of the whistleblower so that he/she is not improperly treated due to whistleblowing. The Company’s grievance channel for external parties is established on its official website at “Business Conduct and Ethics Grievance System”.	
4. Information disclosure improvement				
(1) Has the company disclosed the contents or its ethical corporate management principles as well as relevant implementation results on its website and on the Market Observation Post System?	✓		The Company has disclosed “Ethical Corporate Management Best-Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct”, and “Codes of Ethical Conduct” on its website to disclose the implementation results of its ethical management. The implementation results for 2024 are as follows: Our ethical management practices in our business activities included prohibition of unethical behaviors and of infringement of stakeholders’ rights, and exercising of the duty of confidentiality to the company’s intellectual property rights. The content of our Ethical Corporate Management Best-Practice Principles and procedures for handling material inside information are compiled and disclosed during labor-management meetings, orientation training, on-the-job	No significant differences

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			training, and on internal websites to inform employees of matters to watch out for when performing their duties. The Company has incorporated business integrity as part of employees' performance evaluation and its human resource policy, establishing clear and effective punishment systems. The Company did not receive any reports of unethical behavior in 2024.	
<p>5. Has the Company established its own ethical business best-practice principles based on “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”? If any, please describe any discrepancy between the principles and their implementation: The Company has established its own “Ethical Corporate Management Best-Practice Principles” to create and develop a sound corporate culture of ethical corporate management. There is no discrepancy between our implementation and the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>				
<p>6. Other important information to help the better understanding of the Company's ethical corporate management</p> <ul style="list-style-type: none"> <li>• <b>Promotion and Training for Insider Trading Prevention</b></li> </ul> <p>I. The Company's implementation of ethical corporate management policies in 2024 is as follows:</p> <ol style="list-style-type: none"> <li>1. Following the amendment to “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” in 2019, the Board of Directors has approved the amendment to the Company's “Ethical Corporate Management Best-Practice Principles” during a board meeting on December 27, 2019. The contents of the Principles have been thoroughly implemented.</li> <li>2. In addition to developing human rights policies for employees, suppliers, and community residents, the Company also arranges face-to-face or online training programs every year for new hires and existing employees. Training programs cover topics on business conduct (e.g., safeguarding human rights, ethical management), ethics, workers' rights, human rights policies, the Responsible Business Alliance (RBA) Code of Conduct, and Employee Code of Conduct. Through training, employees are made aware of how much the Company values and respects employees. Course training totaled 42,577 hours and completed by 9,444 people for a training completion rate of 100%.</li> <li>3. New employees are regularly informed of the company's organization, culture, and workplace ethics, with emphasis placed on the importance of integrity as an individual and at work. In 2024, 140 sessions of education and training were held for new employees. In total, 2,117 new hires participated in training activities.</li> </ol> <p>II. To facilitate employee compliance for the purposes of establishing good internal processing and disclosure mechanisms for material inside information, avoiding improper disclosure of information, and ensuring consistency and accuracy of information published, the Company established and promulgated the Procedures for Handling Material Inside Information at the major internal regulation section.</p>				

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>Furthermore, the Company conducts education and communication of the procedures and related laws and regulations for Directors, managers, and employees at least once a year to prevent insider trading violation or occurrence.</p> <p>1. In 2024, 9,444 people participated in the Company’s internal education and training on ethical management, code of conduct, prevention of insider trading and other related topics, for a total of 42,577 hours. For Board participation in prevention of insider trading, one member participated for a total of 3 training hours.</p> <p>2. Directors and managers are not allowed to trade the Company’s stocks 30 days before the publication of the annual financial report, and 15 days for the quarterly financial report. The status of execution is as follows:</p> <p>(1) The Company established the Code of Ethical Conduct, the Procedures for Ethical Management and Guidelines for Conduct, and the Procedures for Handling Material Inside Information. Insiders are not allowed to use undisclosed information they gain knowledge of to engage in insider trading, nor are they allowed to leak the information to others. For internal regulations prohibiting insider trading, please visit the Corporate Governance section of the Company’s website. Please visit <a href="https://www.kyec.com.tw/zh-tw/Ir/Company">https://www.kyec.com.tw/zh-tw/Ir/Company</a> for details.</p> <p>(2) The Company prohibits insider trading using undisclosed information. On December 28, 2021, pursuant to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies promulgated by the Taiwan Stock Exchange Corporation on December 8 2021, the Company's Board of Directors approved amendments to Paragraph 4, Article 10 of the Corporate Governance Best-Practice Principles (a TWSE/TPEX listed company shall place high importance on the shareholder right to know, and rules prohibiting insider trading). Before a financial report is approved at a quarterly board meeting, the following written notice (email) is issued: “Stock trading control measures from the date insiders of the company become aware of the contents of the company’s financial reports or relevant results, include (but not limited to) those prohibiting a director and insider from trading its shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.”</p> <p>(3) During the above closed period (April 17, 2024, July 22, 2024, October 22, 2024 and January 21, 2025), the Company notified all directors and insiders by email about the 2024 board meeting dates and the publication dates of financial reports. All directors and insiders were reminded not to engage in insider trading before the information was made public, or 30 days before the publication of the annual financial report or 15 days before the publication of the quarterly financial report to ensure compliance.</p>				

**(VIII) Disclosure of other information enabling better understanding of the Company's corporate governance:**

1. The Company has Procedures for Handling Material Inside Information in place, for compliance by directors, managers, and employees, to regulate the company's handling and disclosure of material inside information.

2. Directors' continuing education in 2024 is as follows:

Position/ name	Date	Organizer	Course Name	Number of hours
Director Chin-Kung Lee	2024/08/08	Securities & Futures Institute	Taiwan's Green Electricity Trading System and Procurement Practices	3.0
	2024/09/30	Taiwan Stock Exchange Corporation (TWSE)	Summit of Strengthening Taiwan's Capital Market	3.0
	2024/11/08	Taiwan Corporate Governance Association	IFRS General Sustainability- related Disclosures: Sustainability, Climate Information and Changes in Annual Report	3.0
Director Chi-Chun Hsieh	2024/08/06	Taiwan Business Council for Sustainable Development	Sustainability Knowledge Empowerment Promotion Course - Electronics Industry	6.0
	2024/08/08	Securities & Futures Institute	Taiwan's Green Electricity Trading System and Procurement Practices	3.0
	2024/11/08	Taiwan Corporate Governance Association	IFRS General Sustainability- related Disclosures: Sustainability, Climate Information and Changes in Annual Report	3.0
Director Gauss Chang	2024/07/03	Taiwan Stock Exchange Corporation (TWSE)	2024 Cathay Sustainable Finance and Climate Change Summit	6.0
	2024/08/08	Securities & Futures Institute	Taiwan's Green Electricity Trading System and Procurement Practices	3.0
	2024/09/30	Taiwan Stock Exchange Corporation (TWSE)	Summit of Strengthening Taiwan's Capital Market	3.0
	2024/11/08	Taiwan Corporate Governance Association	IFRS General Sustainability- related Disclosures: Sustainability, Climate Information and Changes in Annual Report	3.0



Position/ name	Date	Organizer	Course Name	Number of hours
Director Kao-Yu Liu	2024/03/22	Business Council for Sustainable Development of Taiwan	A New Carbon Era Sustainability Conference	3.0
	2024/06/03	Securities & Futures Institute	Institutional Investor Perspectives Forum	3.0
Director Kuan-Hua Chen	2024/03/22	Business Council for Sustainable Development of Taiwan	A New Carbon Era Sustainability Conference	3.0
	2024/09/19	Securities & Futures Institute	Silicon Photonics-defined Network: Silicon Photonics (SiPh) and Co-Packaged Optics (CPO) Development Trends	3.0
	2024/10/28	Taipei Foundation of Finance	Corporate Governance - Generative AI Industry Development Trends	3.0
Corporate representative of directors: Ping-Kun Hung	2024/08/08	Securities & Futures Institute	Taiwan's Green Electricity Trading System and Procurement Practices	3.0
	2024/09/26	Taiwan Securities Association	The Latest ESG Trends and Sustainability Reporting Framework	3.0
Independent director Semi Wang	2024/05/14	Taiwan Corporate Governance Association	Mastering AI Risk Management Framework and Strengthening Trust in AI Integrated Applications	3.0
	2024/08/08	Securities & Futures Institute	Taiwan's Green Electricity Trading System and Procurement Practices	3.0
	2024/08/08	Taiwan Corporate Governance Association	Business Administration Practices: Strategy and Execution	3.0
Independent director Dar-Yeh Hwang	2024/08/08	Securities & Futures Institute	Taiwan's Green Electricity Trading System and Procurement Practices	3.0
	2024/10/04	Securities & Futures Institute	2024 Annual Conference on Prevention of Insider Trading	3.0
Independent director Shi-Jer Sheen	2024/08/08	Securities & Futures Institute	Taiwan's Green Electricity Trading System and Procurement Practices	3.0
	2024/11/08	Taiwan Corporate Governance Association	IFRS General Sustainability-related Disclosures: Sustainability, Climate Information and Changes in Annual Report	3.0

### 3. Continuing education for Corporate Governance Officer in 2024:

Date	Organizer	Course Name	Number of hours
2024/06/27	Taiwan Securities Association	New Forms of Securities Crime and Market Manipulation [Corporate governance]	3
2024/08/08	Securities & Futures Institute	Taiwan's Green Electricity Trading System and Procurement Practices	3
2024/09/20	Securities & Futures Institute	2024 Annual Conference on Prevention of Insider Trading	3
2024/09/26	Taiwan Securities Association	The Latest ESG Trends and Sustainability Reporting Framework	3
2024/11/08	Taiwan Corporate Governance Association	IFRS General Sustainability-related Disclosures: Sustainability, Climate Information and Changes in Annual Report	3
2024/11/22	Securities & Futures Institute	2024 Equity Transfer by Insiders of Legal Compliance	3

## (IX) Implementation of the internal control system

### 1. Statement on Internal Control

Statement on Internal Control: Available on the MOPS at

<https://mops.twse.com.tw/mops/#!/web/t06sg20>. To access, go to:

Market Observation Post System > Single Entity > Corporate Governance >

Company Regulations/Internal Control > Statement on Internal Control

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

**(X) Important resolutions made by the shareholders' meeting board of directors' meeting during the current fiscal year and up to the date of printing of the annual report**

1. Resolutions of the 2024 shareholders' meeting

Date	Resolution by shareholders' meetings	Implementation
2024/05/31	(1) The motion for business report and financial statements 2023 was ratified.	Announced and filed as stipulated.
	(2) The motion for allocation of earnings 2023 was ratified.	Approved the motion for setting July 22, 2024 as the dividend baseline date, and cash dividend was distributed on August 14, 2024. (cash dividend was distributed at NT\$3.2 per share)
	(3) By-election of the 15th term of Board of Directors: To elect a director, List of elected directors: Gauss Chang.	Registration change was approved in Jing-Shou-Shang No. 11330102190 Letter dated July 4, 2024.
	(4) Approved the removal of non-compete clause for the Company's directors.	Removed following approval at the Annual General Meeting.
	(5) Approved the amendment to the Company's Articles of Incorporation.	Registration change was approved by the Ministry of Economic Affairs on July 4, 2024, and announced on the company website.

2. Summary of the Company's important resolutions made by the shareholders' meeting board of directors' meeting for 2024 and up to the date of printing of the annual report:

Meeting Date	Important board resolutions
2024/02/23	<ol style="list-style-type: none"> <li>1. Approved the motion to apply for medium and long-term loans from a financial institution.</li> <li>2. Approved the 2023 Statement on Internal Control.</li> <li>3. Approved amendments to the internal control system.</li> <li>4. Approved the motion for the Company's 2024 budget.</li> <li>5. Approved the motion for assessment on independence and competency of CPAs.</li> <li>6. Approved the amendment to the "Charter for the Audit Committee".</li> <li>7. Approved amendments to the Company's Rules of Procedures for Board of Directors Meetings.</li> <li>8. Approved the amendment to the Company's Articles of Incorporation.</li> </ol>

Meeting Date	Important board resolutions
	<ol style="list-style-type: none"> <li>9. Approved the discussion of the motion for allocation of remuneration to employees in 2023 and the motion proposed by the remuneration committee for the remuneration to directors in 2023.</li> <li>10. Approved the 2023 separate financial statement and consolidated financial statements.</li> <li>11. Approved the 2023 business report.</li> <li>12. Approved the motion for the 2023 earnings distribution.</li> <li>13. Approved the motion for the re-election of directors.</li> <li>14. Approved the director candidates for the 15th-term Board of Directors.</li> <li>15. Approved the removal of non-competition restriction for directors.</li> <li>16. Approved the motion for organization of the Company's 2024 general shareholders' meeting at 2F., No. 6, Yule St., Toufen City, Miaoli County, Taiwan (Grand Royal Hotel Conference Room 205) on May 31, 2024 (Friday) at 9 a.m.</li> <li>17. Approved the adjustments made by the Remuneration Committee to the remuneration recommended for the Company's managers for 2024.</li> <li>18. Approved the motion regarding the business expenses of Mr. Chi-Chun Hsieh, Vice-Chairman of the Company, as recommended by the Remuneration Committee.</li> </ol>
2024/04/26	<ol style="list-style-type: none"> <li>1. Approved the 2024 capital expenditures for the Company and its subsidiaries.</li> <li>2. Signed the "Technology Transfer Agreement" and "Technology Licensing Agreement" for the burn-in oven technology.</li> <li>3. Authorized subsidiary KYEC Microelectronics Co., Ltd. to dispose of all 92.1619% of its equity in Chinese subsidiary, King Long Technology (Suzhou) Ltd.</li> </ol>
2024/05/03	<ol style="list-style-type: none"> <li>1. Approved the interim consolidated financial statements for the period January 1 to March 31, 2024.</li> <li>2. Approved the discussion of the motion for allocation of directors' remuneration in 2023 recommended by the Remuneration Committee.</li> </ol>
2024/06/28	<ol style="list-style-type: none"> <li>1. Approved the date of dividend distribution.</li> </ol>
2024/08/08	<ol style="list-style-type: none"> <li>1. Approved the 2024 capital expenditures for the Company.</li> <li>2. Approved the interim consolidated financial statements for the period January 1 to June 30, 2024.</li> <li>3. Approved the 2023 Sustainability Report.</li> <li>4. Approved the discussion of the motion on personnel changes.</li> <li>5. Approved the discussion of the adjustments made by the Remuneration Committee regarding the proposed distribution of cash remuneration to the Company's employees for 2023.</li> </ol>

Meeting Date	Important board resolutions
2024/08/30	<ol style="list-style-type: none"> <li>1. Approved the increase of 2024 capital expenditures for subsidiary King Long Technology (Suzhou) Ltd.</li> <li>2. Approved the proposal to acquire real estate.</li> <li>3. Approved the appointment of offshore investing advisor by subsidiary KYEC Microelectronics Co., Ltd.</li> <li>4. Approved the proposal for the Company to provide a loan to subsidiary KYEC Microelectronics Co., Ltd.</li> </ol>
2024/11/08	<ol style="list-style-type: none"> <li>1. Approved the motion to apply for medium and long-term loans from a financial institution.</li> <li>2. Approved the interim consolidated financial statements for the period January 1 to September 30, 2024.</li> <li>3. Approved the motion of the 2025 audit plan.</li> <li>4. Approved the establishment of the “Sustainable Development Committee Charter” and “Sustainable Development Committee”.</li> <li>5. Approved the motion for employee promotion.</li> <li>6. Approved the motion regarding the 2025 business expenses of Mr. Chi-Chun Hsieh, Vice-Chairman of the Company, as recommended by the Remuneration Committee.</li> <li>7. Approved the motion on paying Chairman Chin-Kung Lee directors’ remuneration in 2025 as recommended by the Remuneration Committee.</li> <li>8. Approved the acquisition of real property right-of-use assets.</li> </ol>
2024/11/25	<ol style="list-style-type: none"> <li>1. Approved matters regarding the settlement of the disposal, by KYEC Microelectronics Co., Ltd., a subsidiary of the Company, of all 92.1619% of its equity interest in Chinese subsidiary, King Long Technology (Suzhou) Ltd.</li> </ol>
2024/12/27	<ol style="list-style-type: none"> <li>1. Approved the motion to apply for a syndicated loan of NT\$14 billion with a syndicate including First Commercial Bank (hereinafter referred to as Syndicated Loan).</li> <li>2. Approved the 2025 capital expenditures for the Company and its subsidiaries.</li> <li>3. Approved the following motion: Because public companies in Taiwan are required to adopt IFRS Sustainability Disclosure Standards starting from January 1, 2026, the Company intends to create a plan and timetable for adopting these disclosure standards.</li> <li>4. Approved amendments to the internal control system.</li> <li>5. Approved the motion for the 2024 professional fees of CPAs.</li> <li>6. Approved the motion to have Ernst &amp; Young and its affiliates provide non-assurance services to the Company and its subsidiaries as of January 1 to December 31, 2025.</li> </ol>

Meeting Date	Important board resolutions
	7. Approved the letter explaining the closing date of the settlement of the disposal, by KYEC Microelectronics Co., Ltd., a subsidiary of the Company, of all 92.1619% of its equity interest in Chinese subsidiary, King Long Technology (Suzhou) Ltd.
2025/02/21	<ol style="list-style-type: none"> <li>1. Approved the motion to apply for medium and long-term loans from a financial institution.</li> <li>2. Approved the 2024 Statement on Internal Control.</li> <li>3. Approved the motion for the Company's 2025 budget.</li> <li>4. Approved the motion for assessment on independence and competency of CPAs.</li> <li>5. Approved the amendment to the Company's Articles of Incorporation.</li> <li>6. Approved the discussion of the motion for allocation of remuneration to employees in 2024 and the motion proposed by the remuneration committee for the remuneration to directors in 2024.</li> <li>7. Approved the 2024 separate financial statement and consolidated financial statements.</li> <li>8. Approved the 2024 business report.</li> <li>9. Approved the motion for the 2024 earnings distribution.</li> <li>10. Approved the motion for organization of the Company's 2025 general shareholders' meeting at 2F., No. 6, Yule St., Toufen City, Miaoli County, Taiwan (Grand Royal Hotel Conference Room 205) on May 27, 2025 (Tuesday) at 9 a.m.</li> <li>11. Approved the adjustments made by the Remuneration Committee to the remuneration recommended for the Company's managers for 2025.</li> </ol>

**(XI) Where a director has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof in the most recent fiscal year or up to the date of publication of the annual report: None.**

#### IV. Information on the Professional Fees of the Attesting CPAs

Amount unit: NTD thousand

Name of CPA firm	Name of CPA	Independent Auditor's Report	Audit Fee	Non-Audit Fees	Total	Remarks
Ernst & Young	Wan-Ju Chiu	2024	6,740	360	7,100	The non-audit fees include: Tax compliance checks of NT\$300 and tax inventory of NT\$60.
	Hsin-Min Hsu					

- (I) When the company changes its accounting firm and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: None.
- (II) Any reduction in audit remuneration by more than 10% compared to the previous year; state the amount, the percentage and reason of such variation: None.

#### V. Change of auditor

- (I) Regarding the former CPA:

Date of change	December 22, 2023		
Reason for change and description	The Company hired a new accounting, effective as of the first quarter of 2024 due to internal changes within the accounting firm.		
Description of whether client or CPA terminated or declined the appointment	Counterparty	CPA	Client
	Circumstance		
	Terminated engagement	Not applicable	Not applicable
	Discontinued engagement	Not applicable	Not applicable
Opinion and reason if an audit report during the most recent 2 years contains an opinion other than an unqualified opinion	None.		
Disagreements with issuer	Yes		Accounting principles or practices
			Disclosure of financial reports
			Scope or step of auditing
			Others
	None	V	
	Description		
Other disclosures (Disclosures specified in Article 10.6.1.4 through to 1.7 of the Standards)	None.		

(II) Regarding the successor CPA

Name of CPA firm	Ernst & Young
Name of CPA	Wan-Ju Chiu and Hsin-Min Hsu
Date of engagement	Approved by the Board of Directors on December 22, 2023
Matters consulted prior to engagement regarding the accounting treatment of or application of accounting principles to a specific transaction or the type of audit opinion that might be rendered on the financial report, and consultation results	None
Successor CPAs' written opinions that are different from those of the former CPAs	None

(III) The former CPA's reply to Article 10, Subparagraph 6, Item 1 and Item 2, Point 3 of the Standards: None.

**VI. Information on the Chairman, President and Financial or Accounting Managerial Officer of the Company who had worked at the Firm of the Independent CPA or its affiliate in the past year:** None.

**VII. Changes to equity transfer or pledge loan of directors, managers, and major shareholders whose shareholding ratio exceeds 10% in the most recent year and up to the printing date of the Annual Report**

**(I) Changes in equity of directors, managerial officers and major shareholders:**

For more information regarding the summary of changes in the equity of directors, supervisors, managerial officers, and major shareholders holding more than 10% of shares, go to the MOPS at <https://mops.twse.com.tw/mops/#/web/IRB110>

**(II) Information on counterparty of share transfer as a related party:**

For more information regarding the share transfer, go to the MOPS at [https://mops.twse.com.tw/mops/#/web/query6\\_1](https://mops.twse.com.tw/mops/#/web/query6_1). To access, go to: Market Observation Post System > Single Entity > Equity Change/Securities Issuance > Equity Transfer Information Inquiry > Ex-post Filing of Insiders Shareholding Change.

Name	Reasons for share transfer	Date of transfer	Counterparty	Relationship between transaction counterparty and the company, its director, manager, and shareholder holding a stake of more than 10% in the Company	Shares	Transaction price
Gauss Chang	Inherited	2024/05/08	Chao-Ling Wang	Spouse	146,953	-
		2024/06/13			28	-

**(III) Information on counterparty of share pledge as a related party:** None.

For more information regarding the share pledge, go to the MOPS at [https://mopsov.twse.com.tw/mops/web/STAMAK03\\_1](https://mopsov.twse.com.tw/mops/web/STAMAK03_1). To access, go to: Market Observation Post System > Single Entity > Equity Change/Securities Issuance > pledges made or repaid by insiders > List of pledges made or repaid by insiders.



**VIII. Information on the relationship of the Top 10 shareholders by proportion of shareholding, related parties, spouse, or kindred within the 2nd degree**

March 29, 2025, unit: Share

Name	Shareholdings by oneself		Shareholdings of spouse and underage children		Shareholding using another's name		Names and relationships of the top 10 shareholders who are related parties, spouses, or within second-degree of kinship to each other		Remarks
	Shares	Shareholdin g ratio (%)	Shares	Shareholdin g ratio (%)	Shares	Shareholdin g ratio (%)	Name	Relationship	
Yuanta Taiwan High Dividend Fund	64,578,383	5.28	0	0	0	0	None	None	
New Labor Pension Fund	54,088,791	4.42	0	0	0	0	None	None	
Yann Yuan Investment Co., Ltd.	52,600,000	4.30	0	0	0	0	None	None	
Representative: Chun Kuan	-	-	-	-	-	-	-	-	
Representative of Fubon Life Insurance Co., Ltd.: Howard Lin	49,615,000	4.06	0	0	0	0	None	None	
	-	-	-	-	-	-	-	-	
Taipei Fubon Commercial Bank Co., Ltd. in custody for Fuh Hwa Taiwan Technology Dividend Highlight ETF	44,645,000	3.65	0	0	0	0	None	None	
Chin-Kung Lee	34,100,941	2.79	4,263,053	0.35	0	0	None	None	
Chunghwa Post Co., Ltd	26,575,000	2.17	0	0	0	0	None	None	
Representative: Kuo-Chai Wang	-	-	-	-	-	-	-	-	
Labor Insurance Fund	19,687,218	1.61	0	0	0	0	None	None	
Norges Bank	17,226,038	1.41	0	0	0	0	None	None	
National Pension Insurance Fund	13,639,000	1.12	0	0	0	0	None	None	

Note: Calculated based on the outstanding common stock on the date of suspension of stock transfer by the general shareholders' meeting.

**IX. The shareholders of the Company, the Company's directors, managers, and the business entity directly or indirectly controlled by the Company on the same invested company, and also the consolidated comprehensive shareholding ratio**

December 31, 2024, unit: Share, %

Invested enterprise	Investment made by the company		Investment by directors and managers or by directly or indirectly controlled enterprises		Total investment	
	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)
KYEC USA Corp. (Note 1)	160,000	100	0	0	160,000	100
KYEC SINGAPORE PTE. LTD. (Note 2)	78,000	100	0	0	78,000	100
KYEC JAPAN K.K. (Note 3)	1,899	89.83	0	0	1,899	89.83
KYEC Investment International Co.,Ltd. (Notes 4, 7, 8)	164,923,636	100	0	0	164,923,636	100
KYEC Technology Management Co.,Ltd. (Notes 4, 7)	7,500,000	100	0	0	7,500,000	100
KYEC Microelectronics Co.,Ltd. (Notes 4, 7)	125,500,000	100	0	0	125,500,000	100
King Long Technology (Suzhou) Ltd. (Notes 5, 7)	0	92.16	0	0.87	0	93.03
Suzhou Zhen Kun Technology Ltd. (Notes 6, 8)	0	92.16	0	0.87	0	93.03
Fixwell Technology Corp. (Note 9)	2,800,000	23.33	1,045,000	8.71	3,845,000	32.04
Wei Jiu Industrial Co., Ltd. (Note 10)	1,020,000	34.00	0	0	1,020,000	34.00

Note: The Company's investment using the equity method.

Note 1: Acts as the agent for business in the territories of the U.S.A. and related communications.

Note 2: Acts as the agent for business in the territories of Southeast Asia and Europe and related communications.

Note 3: Engages in electronic parts manufacturing and trading, and acts as the agent for business in the territories of Japan and related communications.

- Note 4: General investment.
- Note 5: Research and development, design, manufacturing, packaging, testing, processing and maintenance of semiconductor integrated circuits, transistors, electronic components, electronic materials, analog or hybrid automatic data processors, solid-state memory systems, heating ovens and related products and components. Integrated circuit-related technology transfer, technical consultation, technical services, sales of the Company's products and after-sales services.
- Note 6: Research and development, production (packaging, testing), processing of large-scale integrated circuits for electronic components, electronic materials, analog or hybrid automatic data processing machines, solid state memory systems, and heating oven controllers, sales of independently produced products, and provision of related after-sales services; integrated circuit-related technology transfer, technical consultation, technical services.
- Note 7: (1) Since 2002, the Company has been indirectly investing in King Long Technology (Suzhou) Ltd. in mainland China through KYEC Investment International Co., Ltd. (BVI) and KYEC Microelectronics Co., Ltd. (CAYMAN). As of December 31, 2024, the Company has made cumulative investments totaling USD116,155 thousand.
- (2) On November 1, 2003 and in November 2009, the Company contributed technical skills as a form of investment in KYEC Technology Management Co., Ltd. (SAMOA), thus indirectly investing in King Long Technology (Suzhou) Ltd. through KYEC Microelectronics Co., Ltd. (CAYMAN). The investments amounted to USD5,325 thousand and USD2,175 thousand, respectively, both of which were approved by the Investment Commission, Ministry of Economic Affairs, under Letter No. (92)-Jing-Shen-2-092031647 dated October 20, 2003 and (98)-Jing-Shen-2-09800350290 dated October 21, 2009, respectively.
- Note 8: (1) The Company has successively invested in Suzhou Zhen Kun Technology Ltd. in mainland China, indirectly, via KYEC Investment International Co., Ltd. (BVI) and Sino-Tech Investment Co., Ltd. (SAMOA) since September 2009. On March 6, 2019, Sino-Tech Investment Co., Ltd. transferred RMB 53,226 thousand in ownership of Suzhou Zhen Kun Technology Ltd. to King Long Technology (Suzhou) Ltd., and remitted an equivalent amount of investment capital in December 2019. Sino-Tech Investment Co., Ltd. has completed the liquidation and cancellation processes in 2020Q1. As of December 31, 2024, the Company has accumulated an outward remittance of investment capital totaling USD32,431 thousand.
- (2) The Company has successively invested in Suzhou Zhen Kun Technology Ltd. in Mainland China, indirectly, via KYEC Investment International Co., Ltd. (BVI) and Strong Outlook Investments Limited (BVI) since September 2010. On March 6, 2019, Strong Outlook Investments Ltd. transferred RMB 32,789 thousand worth of ownership of Suzhou Zhen Kun Technology Ltd. to King Long Technology (Suzhou) Ltd., and remitted an equivalent amount of investment capital in December 2019. Strong Outlook Investments Ltd. has completed the liquidation and cancellation processes in 2020Q1. As of December 31, 2024, the Company has accumulated an outward remittance of investment capital totaling USD16,337 thousand.
- Note 9: Manufacturing of electronic parts, wholesale and retail of electronic materials, and repairing of electric appliances and electronic products.
- Note 10: CNC & milling machine processing design and manufacturing of various precision mechanical parts.

### Three. Financing Status

#### I. Capital and Shares

##### (I) Capital sources

Units: Share; NT\$

Year/ Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Capital sources	Investment by properties other than cash	Others
1986.05	1,000	7,000	7,000,000	7,000	7,000,000	Capital stock at the time of incorporation	None	None
1990.02	1,000	9,500	9,500,000	9,500	9,500,000	Capital increase in cash by NT\$2,500 thousand	None	None
1994.07	10	2,050,000	20,500,000	2,050,000	20,500,000	Capital increase in cash by NT\$11,000 thousand	None	None
1995.10	10	3,000,000	30,000,000	3,000,000	30,000,000	Capital increase in cash by NT\$9,500 thousand	None	None
1996.09	10	5,000,000	50,000,000	5,000,000	50,000,000	Capital increase in cash by NT\$20,000 thousand	None	None
1997.05	10	9,000,000	90,000,000	9,000,000	90,000,000	Capital increase in cash by NT\$40,000 thousand	None	None
1997.09	10	35,000,000	350,000,000	17,000,000	170,000,000	Capital increase in cash by NT\$80,000 thousand	None	None
1998.02	20	35,000,000	350,000,000	35,000,000	350,000,000	Capital increase in cash by NT\$180,000 thousand	None	None
1998.08	20	80,000,000	800,000,000	54,975,000	549,750,000	Capital increase by NT\$140,000 thousand in cash; Recapitalized by NT\$59,750 thousand from earnings	None	None
1998.09	10	80,000,000	800,000,000	65,000,000	650,000,000	Recapitalized by NT\$100,250 thousand from capital surplus	None	None
1998.12	30	80,000,000	800,000,000	70,000,000	700,000,000	Capital increase in cash by NT\$50,000 thousand	None	None
1999.07	30	150,000,000	1,500,000,000	99,375,000	993,750,000	Capital increase by NT\$100,000 thousand in cash; Recapitalized by NT\$123,750 thousand from earnings;	None	None

Year/ Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Capital sources	Investment by properties other than cash	Others
						Recapitalized by NT\$70,000 thousand from capital surplus		
1999.12	46	150,000,000	1,500,000,000	124,375,000	1,243,750,000	Capital increase in cash by NT\$250,000 thousand	None	None
2000.07	70	560,000,000	5,600,000,000	263,225,446	2,632,254,460	Capital increase by NT\$700,000 thousand in cash; Recapitalized by NT\$439,754 thousand from earnings; Recapitalized by NT\$248,750 thousand from capital surplus	None	None
2001.07	10	700,000,000	7,000,000,000	436,672,214	4,366,722,140	Recapitalized by NT\$1,023,759 thousand from earnings; Recapitalized by NT\$710,708 thousand from capital surplus	None	None
2002.05	10	870,000,000	8,700,000,000	436,672,214	4,366,722,140	Change of authorized capital stock	None	None
2002.07	10	870,000,000	8,700,000,000	447,879,749	4,478,797,490	Overseas convertible bond: NT\$112,075 thousand	None	None
2002.10	10	870,000,000	8,700,000,000	452,591,205	4,525,912,050	Overseas convertible bond: NT\$47,115 thousand	None	None
2003.01	10	870,000,000	8,700,000,000	452,876,747	4,528,767,470	Overseas convertible bond: NT\$2,855 thousand	None	None
2003.04	14	870,000,000	8,700,000,000	556,871,604	5,568,716,040	NT\$1,039,949 thousand for private placement	None	None
2003.11	10	870,000,000	8,700,000,000	579,303,374	5,793,033,740	Overseas convertible bond: NT\$224,318 thousand	None	None
2004.01	10	870,000,000	8,700,000,000	687,905,995	6,879,059,950	Overseas convertible bond: NT\$1,086,026 thousand	None	None
2004.04	10	870,000,000	8,700,000,000	699,942,564	6,999,425,640	Overseas convertible bond: NT\$120,366 thousand	None	None
2004.08	10	1,090,000,000	10,900,000,000	754,955,164	7,549,551,640	Change of authorized capital stock; Recapitalized by	None	None

Year/ Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Capital sources	Investment by properties other than cash	Others
						NT\$550,126 thousand from earnings		
2004.10	10	1,090,000,000	10,900,000,000	767,839,164	7,678,391,640	Exercise of employee stock option in exchange of new shares: NT\$128,840 thousand	None	None
2005.01	10	1,090,000,000	10,900,000,000	768,405,664	7,684,056,640	Exercise of employee stock option in exchange of new shares: NT\$5,665 thousand	None	None
2005.04	10	1,090,000,000	10,900,000,000	769,176,664	7,691,766,640	Exercise of employee stock option in exchange of new shares: NT\$7,710 thousand	None	None
2005.07	10	1,090,000,000	10,900,000,000	781,266,164	7,812,661,640	Exercise of employee stock option in exchange of new shares: NT\$120,895 thousand	None	None
2005.08	10	1,090,000,000	10,900,000,000	907,897,897	9,078,978,970	Recapitalized by NT\$1,266,317 thousand from earnings	None	None
2005.10	10	1,090,000,000	10,900,000,000	912,958,739	9,129,587,390	Exercise of employee stock option in exchange of new shares: NT\$48,195 thousand Overseas convertible bond: NT\$2,413 thousand	None	None
2006.01	10	1,090,000,000	10,900,000,000	915,401,740	9,154,017,400	Exercise of employee stock option in exchange of new shares: NT\$14,535 thousand Overseas convertible bond: NT\$9,895 thousand	None	None
2006.04	10	1,090,000,000	10,900,000,000	955,024,900	9,550,249,000	Exercise of employee stock option in exchange of new shares: NT\$10,205 thousand	None	None

Year/ Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Capital sources	Investment by properties other than cash	Others
						Overseas convertible bond: NT\$386,027 thousand		
2006.07	10	1,300,000,000	13,000,000,000	986,793,076	9,867,930,760	Change of authorized capital stock; Exercise of employee stock option in exchange of new shares: NT\$29,640 thousand Overseas convertible bond: NT\$288,042 thousand	None	None
2006.08	10	1,300,000,000	13,000,000,000	1,010,099,813	10,100,998,130	Exercise of employee stock option in exchange of new shares: NT\$6,085 thousand Overseas convertible bond: NT\$226,982 thousand	None	None
2006.08	10	1,300,000,000	13,000,000,000	1,089,670,967	10,896,709,670	Recapitalized by NT\$795,712 thousand from earnings	None	None
2006.10	10	1,300,000,000	13,000,000,000	1,090,079,967	10,900,799,670	Exercise of employee stock option in exchange of new shares: NT\$4,090 thousand	None	None
2007.01	10	1,300,000,000	13,000,000,000	1,090,543,467	10,905,434,670	Exercise of employee stock option in exchange of new shares: NT\$4,635 thousand	None	None
2007.04	10	1,300,000,000	13,000,000,000	1,091,078,967	10,910,789,670	Exercise of employee stock option in exchange of new shares: NT\$5,355 thousand	None	None
2007.07	10	1,300,000,000	13,000,000,000	1,091,594,467	10,915,944,670	Exercise of employee stock option in exchange of new shares: NT\$5,155 thousand	None	None
2007.08	10	1,500,000,000	15,000,000,000	1,214,696,675	12,146,966,750	Change of authorized capital stock; Recapitalized by	None	None

Year/ Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Capital sources	Investment by properties other than cash	Others
						NT\$1,231,022 thousand from earnings		
2008.01	10	1,500,000,000	15,000,000,000	1,214,706,675	12,147,066,750	Exercise of employee stock option in exchange of new shares: NT\$100 thousand	None	None
2008.04	10	1,500,000,000	15,000,000,000	1,215,037,175	12,150,371,750	Exercise of employee stock option in exchange of new shares: NT\$3,305 thousand	None	None
2008.07	10	1,500,000,000	15,000,000,000	1,215,154,175	12,151,541,750	Exercise of employee stock option in exchange of new shares: NT\$1,170 thousand	None	None
2008.08	10	1,500,000,000	15,000,000,000	1,280,854,009	12,808,540,090	Recapitalized by NT\$656,998 thousand from earnings	None	None
2009.03	10	1,500,000,000	15,000,000,000	1,256,675,009	12,566,750,090	Capital decrease by NT\$241,790 thousand upon cancellation of treasury stock	None	None
2009.08	10	1,500,000,000	15,000,000,000	1,259,735,576	12,597,355,760	Recapitalized by NT\$30,606 thousand from earnings	None	None
2009.12	10	1,500,000,000	15,000,000,000	1,247,287,576	12,472,875,760	Capital decrease by NT\$124,480 thousand upon cancellation of treasury stock	None	None
2010.05	10	1,500,000,000	15,000,000,000	1,237,287,576	12,372,875,760	Capital decrease by NT\$100,000 thousand upon cancellation of treasury stock	None	None
2010.12	10	1,500,000,000	15,000,000,000	1,224,410,576	12,244,105,760	Capital decrease by NT\$128,770 thousand upon cancellation of treasury stock	None	None
2011.01	10	1,500,000,000	15,000,000,000	1,245,037,914	12,450,379,140	Capital decrease by NT\$100,000 thousand upon cancellation of treasury stock; Overseas convertible bond: NT\$306,273 thousand	None	None



Year/ Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Capital sources	Investment by properties other than cash	Others
2011.04	10	1,500,000,000	15,000,000,000	1,272,549,545	12,725,495,450	Capital decrease by NT\$100,000 thousand upon cancellation of treasury stock; Overseas convertible bond: NT\$375,116 thousand	None	None
2011.07	10	1,500,000,000	15,000,000,000	1,274,814,783	12,748,147,830	Overseas convertible bond: NT\$22,652 thousand	None	None
2011.12	10	1,500,000,000	15,000,000,000	1,224,888,354	12,248,883,540	Capital decrease by NT\$500,000 thousand upon cancellation of treasury stock; Overseas convertible bond NT 736 thousand	None	None
2012.04	10	1,500,000,000	15,000,000,000	1,197,544,282	11,975,442,820	Capital decrease by NT\$300,000 thousand upon cancellation of treasury stock; Overseas convertible bond: NT\$26,559 thousand	None	None
2012.07	10	1,500,000,000	15,000,000,000	1,170,241,900	11,702,419,000	Capital decrease by NT\$300,000 thousand upon cancellation of treasury stock; Overseas convertible bond: NT\$26,976 thousand	None	None
2012.10	10	1,500,000,000	15,000,000,000	1,186,889,400	11,868,894,000	New restricted employee shares: NT\$30,000 thousand; Overseas convertible bond: NT\$136,475 thousand	None	None
2013.01	10	1,500,000,000	15,000,000,000	1,190,751,900	11,907,519,000	Overseas convertible bond: NT\$38,625 thousand	None	None
2013.04	10	1,500,000,000	15,000,000,000	1,190,671,900	11,906,719,000	Cancellation of new restricted employee shares: NT\$800 thousand	None	None
2013.05	10	1,500,000,000	15,000,000,000	1,192,671,900	11,926,719,000	New restricted employee shares: NT\$20,000 thousand	None	None

Year/ Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Capital sources	Investment by properties other than cash	Others
2013.05	10	1,500,000,000	15,000,000,000	1,192,631,900	11,926,319,000	Cancellation of new restricted employee shares: NT\$400 thousand	None	None
2013.08	10	1,500,000,000	15,000,000,000	1,192,536,900	11,925,369,000	Cancellation of new restricted employee shares: NT\$950 thousand	None	None
2014.03	10	1,500,000,000	15,000,000,000	1,192,442,400	11,924,424,000	Cancellation of new restricted employee shares: NT\$945 thousand	None	None
2014.07	10	1,500,000,000	15,000,000,000	1,192,318,400	11,923,184,000	Cancellation of new restricted employee shares: NT\$1,240 thousand	None	None
2015.03	10	1,500,000,000	15,000,000,000	1,192,303,400	11,923,034,000	Cancellation of new restricted employee shares: NT\$150 thousand	None	None
2015.05	10	1,500,000,000	15,000,000,000	1,192,294,400	11,922,944,000	Cancellation of new restricted employee shares: NT\$90 thousand	None	None
2015.11	10	1,500,000,000	15,000,000,000	1,162,294,400	11,622,944,000	Capital decrease by NT\$300,000 thousand upon cancellation of treasury stock	None	None
2016.10	10	1,500,000,000	15,000,000,000	1,167,483,269	11,674,832,690	Overseas convertible bond: NT\$51,889 thousand	None	None
2017.03	10	1,500,000,000	15,000,000,000	1,171,173,138	11,711,731,380	Overseas convertible bond: NT\$36,899 thousand	None	None
2017.07	10	1,500,000,000	15,000,000,000	1,173,709,921	11,737,099,210	Overseas convertible bond: NT\$25,368 thousand	None	None
2017.10	10	1,500,000,000	15,000,000,000	1,206,542,676	12,065,426,760	Overseas convertible bond: NT\$328,328 thousand	None	None
2018.01	10	1,500,000,000	15,000,000,000	1,220,238,284	12,202,382,840	Overseas convertible bond: NT\$136,956 thousand	None	None
2018.04	10	1,500,000,000	15,000,000,000	1,221,277,681	12,212,776,810	Overseas convertible bond: NT\$10,394 thousand	None	None
2018.05	10	1,500,000,000	15,000,000,000	1,222,745,065	12,227,450,650	Overseas convertible	None	None

Year/ Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Capital sources	Investment by properties other than cash	Others
						bond: NT\$14,674 thousand		

1. Registration of incorporation: The capital was NT\$7 million at the time of incorporation.
2. Capital increase in cash: Authorized capital stock NT\$9.5 million and paid-in capital NT\$9.5 million.
3. Capital increase in cash: (83) Jian-San-Bing-Zi No. 340845, authorized capital stock NT\$20.5 million and paid-in capital NT\$20.5 million.
4. Capital increase in cash: (84) Jian-San-Ren-Zi No. 487475, authorized capital stock NT\$30 million and paid-in capital NT\$30 million.
5. Capital increase in cash: (85) Jian-San-Jia-Zi No. 226939, authorized capital stock NT\$50 million and paid-in capital NT\$50 million.
6. Capital increase in cash: (86) Jian-San-Ding-Zi No. 162044, authorized capital stock NT\$90 million and paid-in capital NT\$90 million.
7. Capital increase in cash: Jing (86)-Shang-Zi No. 120076, authorized capital stock NT\$350 million and paid-in capital NT\$170 million.
8. Capital increase in cash: Jing (87)-Shang-Zi No. 130077, authorized capital stock NT\$350 million and paid-in capital NT\$350 million.
9. Capital increase in cash and recapitalization from earnings: Jing-Shou-Shang-Zi No. 087123302, authorized capital stock NT\$800 million and paid-in capital NT\$549.75 million.
10. Recapitalization from capital surplus: Jing-Shou-Shang-Zi No. 087128734, authorized capital stock NT\$800 million and paid-in capital NT\$650 million.
11. Capital increase in cash: Jing-Shou-Shang-Zi No. 087142402, authorized capital stock NT\$800 million and paid-in capital NT\$700 million.
12. Capital increase in cash and recapitalization from earnings and capital surplus: Jing-Shou-Shang-Zi No. 088127133, authorized capital stock NT\$1.5 billion and paid-in capital NT\$993.75 million.
13. Capital increase in cash: Jing-Shou-Shang-Zi No. 088143309, authorized capital stock NT\$1.5 billion and paid-in capital NT\$1243.75 million.
14. Capital increase in cash and recapitalization from earnings and capital surplus: Jing-Shou-Shang-Zi No. 089122231, authorized capital stock NT\$5.6 billion and paid-in capital NT\$2632.254460 million.
15. Recapitalization from earnings and capital surplus: Jing-Shou-Shang-Zi No. 09001276850, authorized capital stock NT\$7 billion and paid-in capital NT\$4366.72214 million.
16. Upgraded the authorized capital stock to NT\$8.7 billion.
17. Jing-Shou-Shang-Zi No. 09101278670, authorized capital stock NT\$8.7 billion and paid-in capital NT\$4478.79749 million.
18. Jing-Shou-Shang-Zi No. 09101442750, authorized capital stock NT\$8.7 billion and paid-in capital NT\$4525.91205 million.
19. Jing-Shou-Shang-Zi No. 09201018710, authorized capital stock NT\$8.7 billion and paid-in capital NT\$4528.76747 million.
20. Private placement securities: Jing-Shou-Shang-Zi No. 09201121500, authorized capital stock NT\$8.7 billion and paid-in capital NT\$5568.71604 million.
21. Jing-Shou-Shang-Zi No. 09201322980, authorized capital stock NT\$8.7 billion and paid-in capital NT\$5793.03374 million.
22. Jing-Shou-Shang-Zi No. 09301007670, authorized capital stock NT\$8.7 billion and paid-in capital NT\$6879.05995 million.
23. Jing-Shou-Shang-Zi No. 09301060440, authorized capital stock NT\$8.7 billion and paid-in capital NT\$6999.42564 million.
24. Jing-Shou-Shang-Zi No. 09301156810, authorized capital stock NT\$10.9 billion and paid-in capital NT\$7549.55164 million.
25. Jing-Shou-Shang-Zi No. 09301201590, authorized capital stock NT\$10.9 billion and paid-in capital NT\$7678.39164 million.
26. Jing-Shou-Shang-Zi No. 09401003210, authorized capital stock NT\$10.9 billion and paid-in capital

- NT\$7684.05664 million.
27. Jing-Shou-Shang-Zi No. 09401060170, authorized capital stock NT\$10.9 billion and paid-in capital NT\$7691.76664 million.
  28. Jing-Shou-Shang-Zi No. 09401136480, authorized capital stock NT\$10.9 billion and paid-in capital NT\$7812.66164 million.
  29. Jing-Shou-Shang-Zi No. 09401161000, authorized capital stock NT\$10.9 billion and paid-in capital NT\$9078.97897 million.
  30. Jing-Shou-Shang-Zi No. 09401204350, authorized capital stock NT\$10.9 billion and paid-in capital NT\$9129.58739 million.
  31. Jing-Shou-Shang-Zi No. 09501007380, authorized capital stock NT\$10.9 billion and paid-in capital NT\$9154.0174 million.
  32. Jing-Shou-Shang-Zi No. 09501077070, authorized capital stock NT\$10.9 billion and paid-in capital NT\$9550.249 million.
  33. Jing-Shou-Shang-Zi No. 09501160380, authorized capital stock NT\$13 billion and paid-in capital NT\$9867.9376 million.
  34. Jing-Shou-Shang-Zi No. 09501163350, authorized capital stock NT\$13 billion and paid-in capital NT\$10100.99813 million.
  35. Jing-Shou-Shang-Zi No. 09501191840, authorized capital stock NT\$13 billion and paid-in capital NT\$10896.70967 million.
  36. Jing-Shou-Shang-Zi No. 09501232620, authorized capital stock NT\$13 billion and paid-in capital NT\$10900.79967 million.
  37. Jing-Shou-Shang-Zi No. 09601019120, authorized capital stock NT\$13 billion and paid-in capital NT\$10905.43467 million.
  38. Jing-Shou-Shang-Zi No. 09601078430, authorized capital stock NT\$13 billion and paid-in capital NT\$10910.78967 million.
  39. Jing-Shou-Shang-Zi No. 09601177990, authorized capital stock NT\$13 billion and paid-in capital NT\$10915.94467 million.
  40. Jing-Shou-Shang-Zi No. 09601199070, authorized capital stock NT\$15 billion and paid-in capital NT\$12146.96675 million.
  41. Jing-Shou-Shang-Zi No. 09701009440, authorized capital stock NT\$15 billion and paid-in capital NT\$12147.06675 million.
  42. Jing-Shou-Shang-Zi No. 09701089030, authorized capital stock NT\$15 billion and paid-in capital NT\$12150.37175 million.
  43. Jing-Shou-Shang-Zi No. 09701175060, authorized capital stock NT\$15 billion and paid-in capital NT\$12151.54175 million.
  44. Jing-Shou-Shang-Zi No. 09701200320, authorized capital stock NT\$15 billion and paid-in capital NT\$12808.549 million.
  45. Jing-Shou-Shang-Zi No. 09801061510, authorized capital stock NT\$15 billion and paid-in capital NT\$12566.759 million.
  46. Jing-Shou-Shang-Zi No. 09801180250, authorized capital stock NT\$15 billion and paid-in capital NT\$12597.35576 million.
  47. Jing-Shou-Shang-Zi No. 09801280260, authorized capital stock NT\$15 billion and paid-in capital NT\$12472.87576 million.
  48. Jing-Shou-Shang-Zi No. 09901106450, authorized capital stock NT\$15 billion and paid-in capital NT\$12372.87576 million.
  49. Jing-Shou-Shang-Zi No. 09901275210, authorized capital stock NT\$15 billion and paid-in capital NT\$12244.10576 million.
  50. Jing-Shou-Shang-Zi No. 10001010550, authorized capital stock NT\$15 billion and paid-in capital NT\$12450.37914 million.
  51. Jing-Shou-Shang-Zi No. 10001070130, authorized capital stock NT\$15 billion and paid-in capital NT\$12725.49545 million.
  52. Jing-Shou-Shang-Zi No. 10001157030, authorized capital stock NT\$15 billion and paid-in capital NT\$12748.14783 million.
  53. Jing-Shou-Shang-Zi No. 10001286450, authorized capital stock NT\$15 billion and paid-in capital NT\$12248.88354 million.
  54. Jing-Shou-Shang-Zi No. 10101055590, authorized capital stock NT\$15 billion and paid-in capital

- NT\$11975.44282 million.
55. Jing-Shou-Shang-Zi No. 10101144030, authorized capital stock NT\$15 billion and paid-in capital NT\$11702.419 million.
  56. Jing-Shou-Shang-Zi No. 10101203850, authorized capital stock NT\$15 billion and paid-in capital NT\$11868.894 million.
  57. Jing-Shou-Shang-Zi No. 10201002850, authorized capital stock NT\$15 billion and paid-in capital NT\$11907.519 million.
  58. Jing-Shou-Shang-Zi No. 10201055970, authorized capital stock NT\$15 billion and paid-in capital NT\$11906.719 million.
  59. Jing-Shou-Shang-Zi No. 10201077850, authorized capital stock NT\$15 billion and paid-in capital NT\$11926.719 million.
  60. Jing-Shou-Shang-Zi No. 10201089780, authorized capital stock NT\$15 billion and paid-in capital NT\$11926.319 million.
  61. Jing-Shou-Shang-Zi No. 10201167530, authorized capital stock NT\$15 billion and paid-in capital NT\$11925.369 million.
  62. Jing-Shou-Shang-Zi No. 10301074130, authorized capital stock NT\$15 billion and paid-in capital NT\$11924.424 million.
  63. Jing-Shou-Shang-Zi No. 10301139200, authorized capital stock NT\$15 billion and paid-in capital NT\$11923.184 million.
  64. Jing-Shou-Shang-Zi No. 10401047430, authorized capital stock NT\$15 billion and paid-in capital NT\$11923.034 million.
  65. Jing-Shou-Shang-Zi No. 10401086750, authorized capital stock NT\$15 billion and paid-in capital NT\$11922.944 million.
  66. Jing-Shou-Shang-Zi No. 10401239940, authorized capital stock NT\$15 billion and paid-in capital NT\$11622.944 million.
  67. Jing-Shou-Shang-Zi No. 10501243690, authorized capital stock NT\$15 billion and paid-in capital NT\$11674.83269 million.
  68. Jing-Shou-Shang-Zi No. 10601033520, authorized capital stock NT\$15 billion and paid-in capital NT\$11711.73138 million.
  69. Jing-Shou-Shang-Zi No. 10601091290, authorized capital stock NT\$15 billion and paid-in capital NT\$11737.09921 million.
  70. Jing-Shou-Shang-Zi No. 10601144700, authorized capital stock NT\$15 billion and paid-in capital NT\$12065.42676 million.
  71. Jing-Shou-Shang-Zi No. 10701004040, authorized capital stock NT\$15 billion and paid-in capital NT\$12202.38284 million.
  72. Jing-Shou-Shang-Zi No. 10701034600, authorized capital stock NT\$15 billion and paid-in capital NT\$12212.77681 million.
  73. Jing-Shou-Shang-Zi No. 10701053680, authorized capital stock NT\$15 billion and paid-in capital NT\$12227.4565 million.

March 29, 2025, unit: Share

Types of shares	Authorized capital stock			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common stock	1,222,745,065	277,254,935	1,500,000,000	Including 30 million shares available for employee stock option certificates

Note: The shares issued by the Company are listed shares.

**Information relevant to the aggregate reporting policy:** Not applicable.

## (II) Major Shareholders

List of shareholders with a stake of 5% or greater, or of the top ten

Baseline date: March 29, 2025

Major Shareholders	Shares held	Shareholding ratio (%)
Yuanta Taiwan High Dividend Fund	64,578,383	5.28
New Labor Pension Fund	54,088,791	4.42
Yann Yuan Investment Co., Ltd.	52,600,000	4.30
Fubon Life Insurance Co., Ltd.	49,615,000	4.06
Taipei Fubon Commercial Bank Co., Ltd. in custody for Fuh Hwa Taiwan Technology Dividend Highlight ETF	44,645,000	3.65
Chin-Kung Lee	34,100,941	2.79
Chunghwa Post Co., Ltd	26,575,000	2.17
Labor Insurance Fund	19,687,218	1.61
Norges Bank	17,226,038	1.41
National Pension Insurance Fund	13,639,000	1.12
Total	376,755,371	30.81

Note 1: Top ten shareholders

Note 2: The baseline date for the data in this table is the most recent closing date, March 29, 2025.

## (III) Dividend policy and implementation

### 1. Dividend policy set forth in the Articles of Incorporation

Where there is a profit in the current year, the Company shall allocate 8–10 percent of the profit as the remuneration to employees, and no more than 1 percent thereof as directors' remuneration. However, if the Company has cumulative losses, an amount sufficient to make up losses shall be retained.

Employees' remuneration is distributed in the form of shares or in cash; those receiving such remuneration must include employees of subordinate companies meeting certain criteria.

"Profit in the current year" as referred to in the first paragraph means benefits before the distribution of employee remuneration and directors remuneration is deducted from current pre-tax benefits.

The Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' remuneration and directors' remuneration, and in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting.

If the Company's final statement for the year shows earnings, funds shall first be set aside for tax payments and to make up past losses, and another 10% shall be then be set aside as a statutory reserve; Furthermore, depending on the Company's operating needs and the requirements of laws and regulations, the Company may set aside or reverse a special reserve; if there are still earnings

and undistributed earnings at the beginning of the period, the board may draft a proposed earnings distribution plan, which shall be presented to the shareholders meeting for resolution.

The Company's dividend policy shall be conditioned by the investment environment, capital needs, domestic and international competition, and capital budgeting of the Company at the present moment and in the future. Shareholders' interest, balance of dividend payment and long-term financial planning of the Company shall also be taken into consideration by the board of directors when the board proposes the motion for allocation of stock dividends annually as required by law and presents the same before the general meeting of shareholders for ratification. The Company is currently in the growth stage of its life cycle and is still in need of capital for expansion and investment in the future. The cash dividend allocated to shareholders in the current year shall be no less than 20% of the total dividends to the shareholders for the year.

2. Distribution of dividend proposed in the current general shareholders' meeting  
The Company's 2024 Earnings Distribution has been approved in the 18th meeting of the 15th-term Board of Directors on February 21, 2025, and will be presented at the 2025 Shareholders' Meeting for discussion. The plan is to distribute a cash dividend of NT\$4,890,980,260 (NT\$4.0 per share) from earnings.
3. Description of expected change in dividend policy: None.

**(IV) Impacts of proposed stock dividends on the Company's business performance and earnings per share:** Not applicable.

**(V) Employee and directors' remuneration**

1. The percentage or range of remuneration to employees and directors specified in the Company's Charter:  
According to the Company's Articles of Incorporation, the Company shall allocate 8–10 percent of profit for the year as employee remuneration, and no more than 1 percent thereof as directors' remuneration. However, if the Company has cumulative losses, an amount sufficient to make up losses shall be retained. Employees' remuneration is distributed in the form of shares or in cash; those receiving such remuneration must include employees of subordinate companies meeting certain criteria.
2. The basis for estimating the amount of employee and director remuneration shall take into account the number of shares to be distributed as stock bonuses, and the accounting treatment of any discrepancy between the actual distributed amount and the estimated figure for the current period:
  - (1) The basis for estimating employee and directors' remuneration takes into account the Company's Articles of Incorporation (pending amendments by

the Board of Directors), laws and regulations, and industry standards.

- (2) The basis for calculating the number of shares to be distributed to employees as stock bonuses: Not applicable.
  - (3) Accounting treatment of the discrepancy between the actual distributed amount and the estimated amount: Discrepancy, if any, between the actual distributed amount and the estimated amount is treated as changes in accounting estimates.
3. Board of directors passed remuneration distribution:
- (1) Remuneration to employees/directors in cash or shares. Any discrepancy between the annual recognized distributed amount and figure, the difference, reason and response should be disclosed:  
NT\$850,211,408 to be distributed as employee remuneration and NT\$85,021,141 as directors' remuneration have been approved by the Board of Directors on February 21, 2025. There is no discrepancy.
  - (2) Proposed distribution of remuneration to employees in the form of stock bonus as a percentage to net profit after tax plus remuneration to employees in the entity or individual financial statement for the current period: For the current period, there is no plan to distribute remuneration to employees in the form of stock bonus.
4. The actual distribution of remuneration to employees and directors for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the estimated remuneration to employees and directors, additionally the discrepancy, cause, and how it is treated: In 2023, remuneration to employees and directors was NT\$626,837,682 and NT\$62,683,768, respectively. There was no discrepancy between the actual distribution and the estimated remuneration.

**(VI) Repurchase of the Company's shares:** None.

**II. Instance of corporate bonds:** None.

**III. Instance of preference shares:** None.

**IV. Issuance of Overseas Depositary Receipts:** None.

**V. Information on employee stock option certificates:** None.

**VI. Information on new restricted employee shares:** None.



**VII. Status of New Shares Issuance in Connection with Mergers and Acquisitions:**

None.

**VIII. Matters to be Documented Regarding the Implementation of Capital Utilization Plan**

The fund utilization plan of previous offerings or private placements of securities has not been completed, or the fund utilization plan over the past three years that has been completed but the expected benefits have not been realized: None.

## Four. Overview of Operations

### I. Business Contents

#### (I) Scope of business

1. Major lines of business: Design, manufacturing, test, accessories, processing, packaging and sale of various integrated circuits, manufacturing, processing and sale of various burn-in machines and spare parts thereof, and import and export of said products.
2. Weight of business lines: The Company was officially incorporated in May 1987 and primarily engaged in grinding, cutting, wire bonding and packaging of IC at the very beginning. Since 1996, the Company has successively added the testing services for various types of integrated circuits. Meanwhile, the Company invested funds to incorporate King Long Technology (Suzhou) Ltd. in 2002, and has also invested in Suzhou Zhen Kun Technology Ltd. since 2009, primarily in order to increase its package and test services for various integrated circuits in the territories of mainland China.

The consolidated company's proportion of import/export for the most recent five years is stated as follows:

In 2020, the proportion of import/export was 32.98% and 67.02% respectively.

In 2021, the proportion of import/export was 40.63% and 59.37% respectively.

In 2022, the proportion of import/export was 33.99% and 66.01% respectively.

In 2023, the proportion of import/export was 32.06% and 67.94% respectively.

In 2024, the proportion of import/export was 31.66% and 68.34% respectively.

Primary products/services and proportion of business in 2024

Units: NTD thousand

Product line	Operating revenue	Proportion of business (%)
Wafer test service	9,498,464	35.37
Integrated circuits test service	15,881,020	59.13
Others	1,476,547	5.50
Total	26,856,031	100.00

3. The Company's current primary products (services)

Wafer grinding and dicing, test and package services (Logic, Memory,

and mixed signals), Burn-in test and Turnkey Service.

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

Wireless network IC test and package services, integrated IC test and package services, and power management IC test and package services.

## (II) Industry Overview

### 1. Industry status and development

According to the questionnaire results of TSIA, ITRI's IEK statistics showed that the output value of Taiwan's entire IC industry amounted to NT\$1494.2 billion (US\$46.5B) in Q4 of 2024 (24Q4) (including IC design, IC manufacturing, IC package and IC testing), representing a growth of 8.0% from the previous quarter (24Q3) and a growth of 24.2% from the same period (23Q4) in 2023. The output value of the IC design industry amounted to NT\$333.8 billion (US\$10.4B), up 2.5% from the previous quarter (24Q3) and up 11.3% from the same period in 2023 (23Q4); the output value of the IC manufacturing industry amounted to NT\$996.6 billion (US\$31.0B), up 11.2% from the previous quarter (24Q3) and up 32.6% from the same period in 2023 (23Q4), including that of the foundry amounting to NT\$957.6 billion (US\$29.8B), up 12.6% from the previous quarter (24Q3) and 35.1% from the same period in 2023 (23Q4); the memory and other products amounted to NT\$39 billion (US\$1.2B), down 14.7% from the previous quarter (24Q3) and 8.7% from the same period in 2023 (23Q4); the output value of the IC package industry amounted to NT\$111 billion (US\$3.5B), down 0.4% from the previous quarter (24Q3) and 7.9% from the same period in 2023 (23Q4); the output value of the IC test industry amounted to NT\$52.8 billion (US\$1.6B), down 4.6% from the previous quarter (24Q3) and 8.2% from the same period in 2023 (23Q4). The exchange rate of NTD against USD was 1:32.1. The test industry is identified as a capital-intensive advanced high-tech industry with considerable barriers to entry. Recently, the constant evolution of IC process and increasingly complicated functions have made the IC test become increasingly more important. Notwithstanding, due to the increasing capital expenditure, more leading IDMs and foundries have given up expansion of the back-end production capacity and contracted the IC test services to others. As a result, the professional test industry was booming.

The IC design industry in 2025 will continue to gain competitive edge in the market with its flagship mobile phone chips, while its network communication technology and the penetration of Wi-Fi 7 network will continue to improve, attracting more orders for AI-related ASIC design services. Breakthroughs with respect to the previously inaccessible automotive and PC computing chips will be achieved as well owing to cooperation with international chip manufacturers. All of these factors are conducive to the output value of the IC design industry. The output value of Taiwan's IC design industry in 2025 is projected to reach approximately NT\$1.4155 trillion, an increase of 11.3% from 2024.

2. Association between upstream, midstream, and downstream industry participants

Upstream industry	IC design companies, foundries, and IDMs
Midstream industry	Testing equipment factories, package and test factories, and parts manufacturers
Downstream industry	IC resellers, IC design companies, and integrated device manufacturers (IDM)

3. Development trends and degree of competition for our products

The global semiconductor manufacturers moved their production bases to the territories of Asia in order to cut production costs. The domestic IC industry owns a complete and dynamic vertical division-of-labor system and, therefore, is recognized for its technology, quality and delivery period. Given the increasing proportion of foundries carried out by IDMs and IC design companies in Taiwan and the multiple domestic and foreign wafer fabs that are going to be put into production, there should be few demands for commissioning domestic manufacturers to engage in the back-end test service, in consideration of the cost, delivery period and maintenance of core competitiveness.

According to an MIC report, the global top ten suppliers in the packaging and testing industry by scale of operating revenue in 2024 were ASE, Amkor, Changjiang Electronics Technology Co. Ltd., Tongfu Microelectronics Co., Ltd., Powertech Technology Inc., Huatian Technology Co., Ltd., King Yuan Electronics Co., Ltd. (KYECC), Hana Micron, ChipMOS Technologies Inc., Chipbond Technology Corporation.

The Company owns complete testing machines, which afford to provide such comprehensive IC test services as logic IC, mixed signal IC, memory IC, wireless network, driver IC and integrated IC, and IC burn-in test. Meanwhile, the Company also provides the integrated services including wafer grinding and dicing and reeling & packaging to meet the customers' need for one-stop purchase and to win the competitive niche for the Company's customers.

### (III) Technology and R&D overview

1. R&D expenses during the most recent year and up to the date of publication of this annual report

Units: NTD thousand

Item/Year	2025 up to March 31	2024
R&D expenditure	242,556	855,470
Net operating revenue	7,315,490	26,856,031
To operating revenue (%)	3.32%	3.19%

Note: The information is a self-closing figure of the consolidated information as of March 31, 2025.

2. Successfully developed technology or product during the most recent year and up to the date of publication of this annual report
  1. Tray Box Stocker module.
  2. Tray Stocker module.
  3. AMR Automatic Battery Exchange.
  4. KYEC Intelligent Testing Solutions—Auto Burn In.
  5. CP line probe card storage.
  6. D320 Interface high speed cable for CP.
  7. E320 water cooling system.
  8. Establishment of CP line probe card automatic card distribution system architecture - Integration of probe card warehousing and ATLT.
  9. Develop High Power Burn In Oven & Burn In Board.
  10. Develop E-serial option board for analog production.
  11. Develop I-serial capture module for new protocol design.
  12. Develop Silicon Photonic Test Solution.
  13. Develop MEMS Magnetic device wafer probing test solution

and final test system.

14. Develop MEMS Gas Flow device test solution and system.
15. Develop VCPC for CRES Analysis Technology.
16. Develop RF and advance package for <60GHz RF Signal & High Speed interface PCB.
17. Develop PCB diagnosis analyzer solution.
18. Develop IC package simulation and design technical.

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

Short-term business development plan: We intend to expand current market share, fully utilize the test platform's conversion technology, upgrade the production efficiency of the testing machines, cut the production cost, and expand the production capacity to perfectly provide the production capacity to the existing product lines' customers, including Memory, Logic, RF/Base Band, LCD Driver, Mixed-Signal and Image Sensor, etc.

Long-term business development plan: As a response to the expansion of wide-ranging applications in AI high-speed computing, the Company is committed to developing test services for areas such as AI, HPC, automotive, and IOT. These developments help to support the rise of emerging HPC server markets, as well as various hand-held or fixed sensors and the use of wireless access points in Edge AI applications, including PC, NB, phone, access port, home digitalization, and automotive electronics. The Company will continue to invest in the research and development of high-frequency tests, silicon photonics, standard testing interface, and factory automation productivity solutions to create competitive advantages.

## II. An Overview of Market and Sales

### (I) Market analysis

#### 1. Territories where main products (services) are sold (provided)

Units: NTD thousand

Year	2024		2023	
Area	Domestic sales	Export sales	Domestic sales	Export sales
Sales value of primary products	Value	Value	Value	Value
Wafer test	2,987,251	6,511,213	2,507,509	6,458,447
Integrated circuits test	4,694,647	11,186,373	4,129,684	8,574,724
Others	821,332	655,215	1,053,399	1,267,817
Total	8,503,230	18,352,801	7,690,592	16,300,988

#### 2. Market share

The Company's consolidated operating revenue in 2024 was NT\$26.856 billion, a year-on-year increase of 11.94% from 2023. Due to consumer fatigue, capital expenditure for the year remained at NT\$10.4 billion. The turnover of annual package and test services generated by it in 2024 ranked 7th place in the same trade in the world, securing the stable market share.

#### 3. Future supply and demand in this market and growth outlook

Given IDMs' contracting their back-end needs to others successively and the increasing proportion of foundries carried out by domestic/foreign IC design companies in Taiwan, the demand for package and test services has been increasing day by day. Notwithstanding, in consideration of the cost, delivery period and quality, their production bases have been moved to the territories of Asia. The domestic IC industry owns a complete and dynamic vertical division-of-labor system and, therefore, is recognized for its technology, quality and delivery period. Given this, it is expected to catch this amazing business opportunity.

According to the latest research reports from domestic/foreign leading institutions, as boosted by Macroeconomy, wireless communication solutions and consumable products, the need for outsourcing production by the global semiconductor market is expected to increase and thereby drive the development of the IC test service industry.

#### 4. Competitive niche and positive factors for future development

##### (1) Capital and technique intensive

Given the machine and equipment required by the test getting more and more expensive and at large quantity, the rapid upgrading of product hierarchy, shortage of domestic R&D talents and management teams with complete experience, and difficulty in establishing long-term cooperation relationship trusted by customers, it is not easy for potential competitors to enter the industry. The Company has been dedicated to establishing close cooperation relationship with domestic IC manufacturers and IC design companies actively permanently, and won the recognition and reliance from customers in its quality and delivery period.

(2) Clear division-of-labor and outsourcing trend in the semiconductor industry

Under the development trend for professional division of labor in the semiconductor industry, IDMs have gradually increased the proportion of production commissioned to professional OEMs in consideration of the operating cost and effect and financial risks. The domestic IC industry has brought the huge business opportunity to the IC downstream test service suppliers, when the foundry suppliers were expanding their international domains and IC design service suppliers were working hard to cooperate with the international leading manufacturers. The Company owns complete testing machines, which afford providing such comprehensive IC test services as logic IC, mixed signal IC, memory IC, sensor, wireless network and integrated IC, and IC burn-in test. Meanwhile, the Company also provides the integrated services including wafer grinding and dicing and reeling & packaging to meet the customers' need for one-stop purchase and to win the competitive niche for the Company's customers.

(3) Economies of business scale and range of product line

The entire IC industry's development emphasizes the upstream IC design and IC manufacturing capabilities. Meanwhile, the on-site support by the IC back-end package and test services is also an important factor critical to enhancement of the IC industry's competitive strength. The depreciation expenses accounted for a high proportion of the cost in the package and test industry. The profitability and risk of loss may be decided relying on the product line portfolio and economies of scale. This may be considered as a competitive strength. The Company has engaged in the test industry for many years and, therefore, secured its solid position in the industry.

5. Negative factors for the prospects of our development and our



corresponding strategy

(1) Merger of competitors or alliance of upstream and downstream suppliers:

Successive expansion of domestic upstream IC manufacturers derived the massive demand for the back-end IC production process. Meanwhile, given the increasing economic recovery in the semiconductor industry and increasing proportion of outsourcing by IDMs, a lot of new IC test service providers allied with each other and, therefore, the competition will become more and more intensive in the market.

Corresponding Strategy: A. Provide integrated services which enable customers to receive the complete service for test, Burn-in and product package by placing one order, thereby cutting the entire production period.

B. Establish long-term cooperative relationship with customers: The Company works hard to establish the long-term cooperative relationship with customers with its strength in quality, speed and cost, so that its production capacity could be utilized perfectly and stably.

C. Strengthen technical capability: Make use of the Company's research team to improve the production process and research and develop new technology and products to increase the added value of products.

(2) Strong capital demand:

Given the business expansion and expensive price of the new generation test equipment, IC test service providers have a strong demand for working capital and funds for investment in machinery and equipment.

Corresponding Strategy: The Company raised consideration working capital through the Company's net cash inflow from operating activities to help the Company's development.

(3) More capital investment, more business risk

The annual capital expenditure of the package and test industry frequently ranges between NT\$1 billion and NT\$10 billion. The annual

depreciation expenses are tremendous in this industry. Given the fluctuation of the economy in the semiconductor industry, how to keep the Company seeking profit and avoiding loss is a critical business challenge.

Corresponding Strategy: Be cautious in investing in machinery and equipment, purchase mainstream test equipment, invest in customers with high growth ability, and strengthen the integration of effects of test platforms to disperse the proportion of single customer.

## (II) Main product applications and production processes

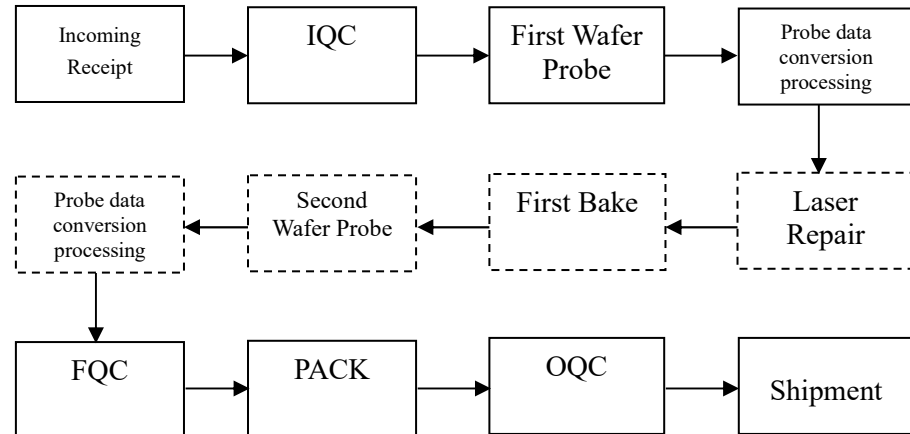
### 1. Important purpose of main products

Main products	Important purpose
Wafer probe	Primarily intended to check and test the defects in the wafer of the wafer before wafer grinding/dicing and wafer packing.
Wafer grinding/wafer dicing/wafer packing	After the wafer is ground and diced, the wafer is packed in the package process.
IC Final test	Primarily intended to verify whether such attributes of the IC products as function, speed, tolerance, electronic consumption, electronic emission and heat diffusion satisfy the relevant standards.
Burn-in	The selection in infant mortality period to promptly remove infant mortality products with manufacturing defects and ensure product quality.
Lead Scan & Reform/Backend Services	Help the lead scan & reform of tested IC products and pack the same into the tap-on-reel trays designated by customers for convenient shipping and processing, and also provide the Dropship service.
Package/test shipment	For the incoming from customers -e.g. chips, package/test the shipment after grinding and dicing. -e.g. in the case of wafer, package/test the shipment after packing/probing.

## 2. Production process of main products

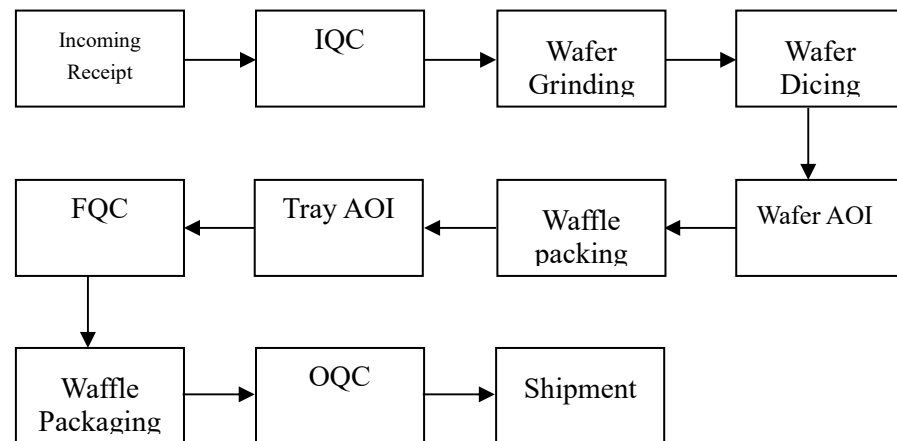
### A. Wafer probing

Wafer probing refers to a process dedicated to test wafers to screen accepted and defective goods. The probing result refers to an important basis for the IC assembly, and may serve as the reference and evidence for the yield review in the front-end wafer process. The wafer probing is stated as follows:



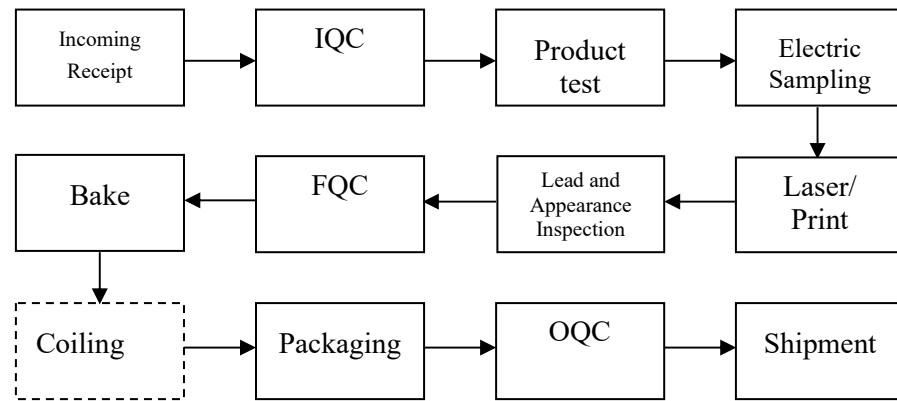
### B. Wafer grinding/wafer dicing/waffle packing

The wafer grinding/dicing is primarily intended to grind the finished IC to a specified thickness, and then dice the same to dies for the following wire bonding and package. The main process thereof is stated as follows:



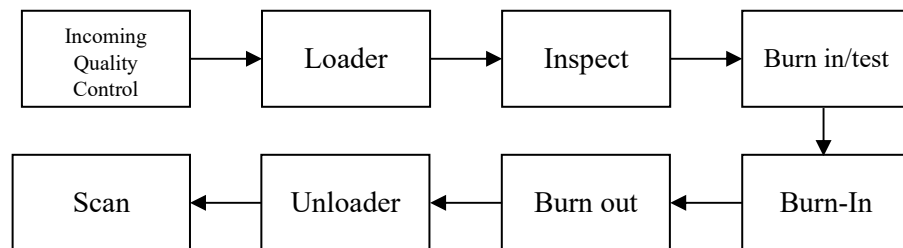
### C. IC product testing procedures

The final test is intended to test the packaged IC to distinguish the product quality. The IC passing the test is identified as the finished goods. The conditions for the final test vary depending on the functions of various products. The typical final testing is stated as follows:



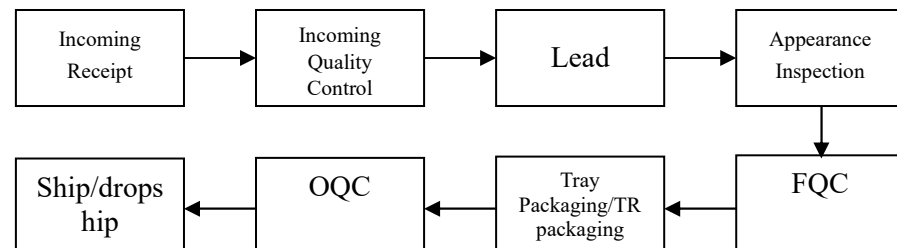
#### D. Burn-in

Burn-in is intended to test the reliability of IC products and screen infant mortality ones by accelerated test. The main process thereof is stated as follows:



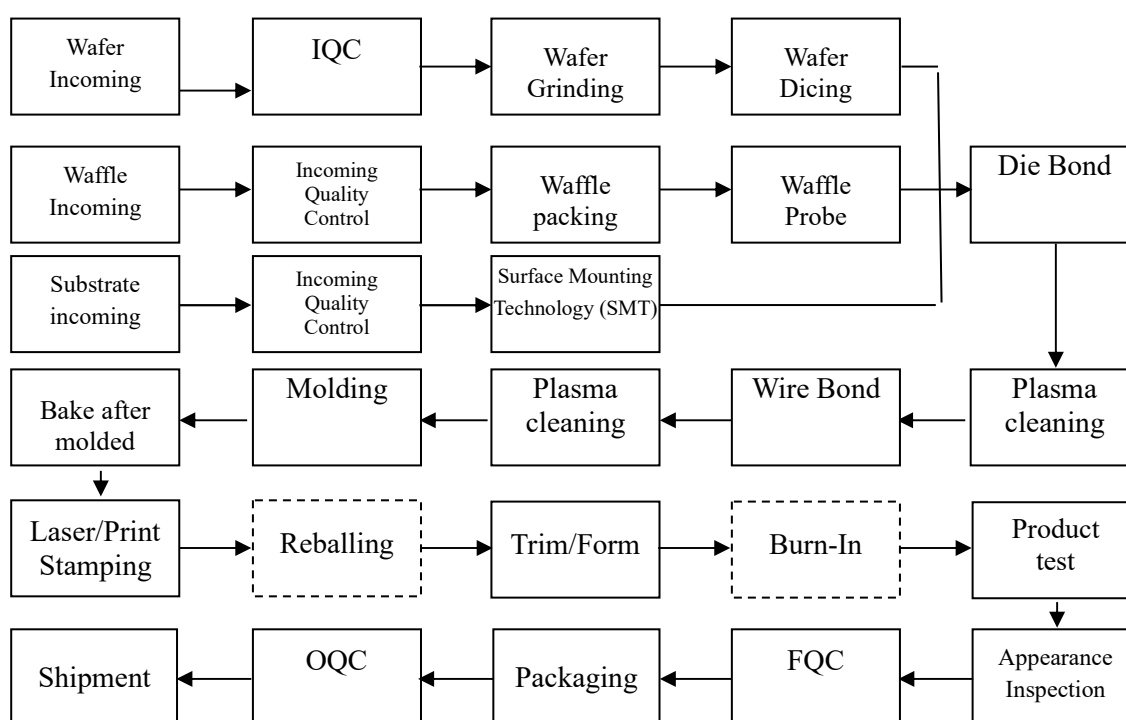
#### E. Lead/dropship

Help the lead scan & reform of tested IC products and pack the same into the tap-on-reel trays designated by customers for convenient shipping and processing, and also provide the Dropship service. The main process thereof is stated as following:



#### F. Package and Test Shipment

The Company's main package/test products include SIP (SSD/PATA/SATA), MSD/HSSD/UFD, QFN, TSOP, BGA and eMMC. Through the overall integrated circuit package and test services provided by the Company, the customers' products may be applied to such products as information, communication, office automation, automotive electronics and consumable electronics successfully. The main process thereof is stated as following:



### (III) Supply of main raw materials

The Company is engaged in the technical service industry for the IC industry and, therefore, there is no such problem about supply of main raw materials.

### (IV) A list of any suppliers and clients accounting for 10% or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures

1. Major import suppliers for the past 2 years: None.

Units: NTD thousand

Item	2024				2023			
	Title	Amount	To the annual net procurement amount (%)	Relationship with the issuer	Title	Amount	To the annual net procurement amount (%)	Relationship with the issuer
1	Customer A	309,121	13	-	Customer A	Note	Note	-
	Net purchases	2,321,846	100	-	Net purchases	1,539,830	100	-

Note: Purchases from Customer A in 2023 did not reach 10% of the consolidated net purchase.

## 2. Information on Major Customers for the Most Recent 2 Fiscal Years:

Units: NTD thousand

Item	2024				2023			
	Title	Amount	Percentage of net sales %	Relationship with the issuer	Title	Amount	Percentage of net sales %	Relationship with the issuer
1	Customer A	4,722,236	18	-	Customer A	Note 1	Note 1	-
2	Customer B	3,462,686	13	Note 2	Customer B	2,993,768	12	Note 2
	Net sales	26,856,031	100	-	Net sales	23,991,580	100	-

Note 1: The operating revenue from Customer A in 2023 did not reach 10% of the consolidated net operating revenue.

Note 2: The Company's Chairman is a relative within 2nd degree of kinship with that company's chairman.

Explanation of the reason for increase or decrease: Most of the Company's main customers remained stable from 2023 to 2024. Generally, there was no significant difference arising. Most of the Company's main customers were renowned semiconductor design companies and semiconductor manufacturers. The Company also maintained the long-term stable relationship with the customers.

## III. Information on Employees

Employer and employee relationships and up to the date of annual report publication

Year		2023	2024	2025 up to March 31
Number of employees	Administrative Staff	493	523	526
	R&D Engineers	4,104	4,369	4,562
	Operators	4,847	6,019	5,988
	Total	9,444	10,911	11,076
Average age		33.7	33.5	33.7
Average years of service		7.0	6.5	6.6
Education background	Ph. D.	0.03%	0.03%	0.03%
	Master's degree	8.07%	7.33%	7.30%
	University/college	66.61%	73.36%	72.18%
	Senior high school	13.92%	12.42%	13.91%
	Less than senior high school	11.36%	6.86%	6.58%

Note1: Consolidated number of employees at the Company and its subsidiaries King Long Technology (Suzhou) Ltd. and Suzhou Zhen Kun Technology Ltd.

Note2: Administrative personnel data from 2024 to March 31, 2025 include dispatched personnel.

#### IV. Information on Environmental Protection Expenses

- (I) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

Disposition date	How it was discovered	Description of reason for violation	The articles of law violated	Penalty amount	Improvement status and response measures
2024.08.21	Notice issued by competent authority	A vehicle belonging to the property of KYEC (number plate: AAJ-682), driving past the air quality maintenance zone in Hsinchu Science Park on January 10, 2024, was found to possess no vehicle inspection records within the past year.	Article 40, Paragraph 3, of the Air Pollution Control Act	NT\$500	1. Fine was paid as ordered and vehicle inspection was completed. 2. The Company will abide by laws and regulations in the future.
2024.10.01	Notice issued by competent authority	A vehicle belonging to the property of KYEC (number plate: KED-2966), driving past the air quality maintenance zone in Hsinchu Science Park on February 25, 2024, was found to possess no vehicle inspection records within the past year.	Article 40, Paragraph 3, of the Air Pollution Control Act	NT\$500	1. Fine was paid as ordered and vehicle inspection was completed. 2. The Company will abide by laws and regulations in the future.

- (II) Measures being taken in the future, including improvement measures and possible expenditures:

KYEC Group continued to launch a variety of energy-saving projects in 2024. The actual expenditure thereof was about NT\$388,079 thousand.

1	KYEC Group has established the ISO 50001 (energy management system) and ISO 14064-1 greenhouse gas inventory.
2	In 2024, KYEC Group recycled approximately 980.670 million liters of wastewater.
3	KYEC Group implemented energy-saving projects in 2024, conserving 11.022 million kWh of electricity in total, which generated NT\$41.8836 million in benefits.

4	KYEC Group continued to implement energy-saving projects in 2025, which are estimated to save approximately 20 million kWh of electricity.
5	KYEC Group passed the ISO 14001 for environmental management, followed the local competent authorities' policies, and sought recycling methods to mitigate the burden imposed by the waste on the environment.
6	<p>(1) In 2024, KYEC's factories in Taiwan have supplied 15.75 million kWh of renewable energy, generating 15,750 renewable energy certificates and reducing emission of 7,780 tons of CO<sub>2</sub>e.</p> <p>(2) In 2025, KYEC's factories in Taiwan will supply 61.7 million kWh of renewable energy, generating 61,700 renewable energy certificates and reducing emission of 29,246 tons of CO<sub>2</sub>e.</p>

## **V. Employer and employee relationships**

### **(I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests**

#### **1. Employee benefits, continuing education, training:**

A. Employees' Welfare Committee: The Company established the Employees' Welfare Committee on September 2, 1993 to engage in planning various employees' welfare policies.

The Committee provides the following subsidies:

- a. Childbirth
- b. Gift certificates for three major festivals (Lunar Chinese New Year, Dragon Boat Festival and Moon Festival)
- c. Gift certificate for birthday
- d. Merchants
- e. Marriage
- f. Funeral
- g. Injury and sickness
- h. Budget of social activities
- i. Periodic organization of various activities and competitions
- j. Free massage service
- k. Field service of coffee bar
- l. Field service of convenient chain store and preferential treatment for shopping

#### **B. Other benefits**

- a. Employee Remuneration



Provide the allocation of incentive compensation for employees subject to their personal performance to share earnings with all colleagues.

b. Free periodic health checkup

The Company values the employees' health very much and arranges the employees to take the free health checkup periodically.

c. Provide diversified activities

Encourage the colleagues to relax and adjust themselves physically and mentally besides the routine work through diversified activity design.

d. Medical room and free medical consultation with specialists

e. Provide colleagues who are away from home with the employee dormitory (equipped with bed, chair and desk, closet, air conditioner and Wi-Fi)

f. Staff restaurant and meal allowance

g. A reading room

h. Parking lots for cars and motorcycles

i. Incentives for senior employees (seniority of 5/10/25 years)

j. Selection of model employees and reward to the model employees

k. Subsidies to budget of department activities

C. Continuing education/training

The Company is used to sparing no efforts to train talents and develop employees' ability. Therefore, the Company believes that talents should refer to one of the important assets to the Company and also a critical factor to decide the Company's competitive strength and weakness. In order to achieve the goal to train talents, the Company's training system combines the Company's vision, mission, strategy, and core values, and constructs the core competency and management competency required for the various job ranks and required courses to be taken by them based on the analysis information. The Company's training system is categorized into: in-house training, off-site training, in-service training, self-inspiration and so on.

For new employees, the Company establishes the tutorship system to train and certify their work skills to ensure the quality of the test operations. For the staff engaged in production and

operation technicians, the skill test should be conducted each year to ensure improving and correcting work skills. The high-rank management should tutor and promote the management talents in person to upgrade the effectiveness of both theoretical and practical management. Meanwhile, the Company works hard to promote its core value, build common values and philosophy, and enhance its performance and foundation of competitiveness.

The training is intended to upgrade the inspiration to the colleagues in knowledge and technology, and also to shape the Company's corporate culture, core values and organizational common view. In the future, when facing the changeable environment, the Company will continue to uphold its lifelong-learning philosophy to fulfill the purpose for holistic education.

## 2. Retirement system and the status of its implementation:

The company has established Employee Retirement Regulations in accordance with the Labor Standards Act, and created a Supervisory Committee of Workers' Retirement Reserve Funds. The committee meets quarterly to review the company's retirement reserve and expenditures and eligibility for retirement. Each year, the Company commissions a professional actuary to calculate pension funds and makes monthly contributions to the designated pension account.

The Company adopts two pension systems:

The old pension system (contributions to labor retirement reserve account) in which employers contribute 2% of the monthly salary, and employees may apply for voluntary retirement in any of the following situations:

- I. Where the worker attains the age of 55 and has worked for 15 years or more.
- II. Where the worker has worked for more than 25 years.
- III. Where the worker attains the age of 60 and has worked for 10 years or more.
- IV. Where the worker's age plus years of service equals 60 years and the worker has worked for 10 years or more. (This retirement plan is exclusive for employees of KYEC)

The second system is the new pension system (contributions to individual pension account) in which employers contribute pension no

less than 6% of the monthly salary and employees contribute 0–6%. The new system allows workers to claim the accumulated principle and profits in the individual account after meeting the retirement element stipulated in the Labor Pension Act.

As of the end of 2024, the labor retirement reserve account under the old pension system had a balance of NT\$362 million. The new and old pension expenses and employee contributions in the 2024 accounting book totaled NT\$ 243 million, and the weighted average duration of the pension plan was 16 years. The Company offers both pension options to secure employees' retirement life, promote positive labor-management relations, and safeguard employees' right to retirement.

In order to take care of the employees' life after retirement, facilitate the labor-management relations and improve work efficiency, the Company established the Supervisory Committee of Workers' Pension Preparation Fund pursuant to laws. The Committee shall supervise the deposit and disbursement of the Fund, and provide pension reserves at 2% of the total monthly salary and deposit the same at the Bank of Taiwan on a monthly basis pursuant to the relevant requirements. As of July 1, 2005, the employees who apply the new system should contribute the pension at 6% of their personal monthly salary to be deposited at the personal pension account opened in the Bureau of Labor Insurance.

### 3. Labor-management agreement

In addition to complying with the Labor Standard Act, the Company also sets up the employee's message board and opinion mailbox, and organizes periodic labor-management meeting meetings and employee symposium, etc. The Company values employees' opinion and appoints dedicated personnel to process the opinion. The communication channel between the labor and management is so smooth that the relationship between the labors and management is considered harmonious.

The Company respects freedom of assembly and association in the workplace. Two unions have been established by employees but ceased operations in 2022 and 2023, respectively; therefore, the company was unable to sign a collective bargaining agreement with the union.

### 4. Measures for preserving employees' interests and rights

The Company treats its employees in good faith and with respect, stabilizes the employees' lives and improves the continuing education and training channels by broadening its welfare system, and establishes the fair relationship of mutual trust and cooperation with employees. By aligning with the Company's policies, the employees can fully exert the spirit and effectiveness of teamwork, so that the relationship between the labor force and management is full of harmony.

**(II) Describe any losses suffered by the company in the most recent fiscal year and up to the date of publication of the annual report due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.**

Disposition date	Disposition reference number	The articles of law violated	The content of law violated	Disposition	Improvement status and response measures
2024/02/16	Fu-Lao-Zi-No. 1130033735	Article 24 of the Labor Standards Act	Failure to pay overtime wages in accordance with regulations	A fine of NT\$20,000	1. Fine was paid as instructed. 2. For employees who worked overtime but did not report it, an "Attendance System" was developed to document reasons for working overtime and remind employees to report overtime.

## **VI. Cyber Security Management**

### **(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:**

#### **1. Cyber security risk management framework:**

The Company established an Information Security Committee in 2022. The committee is responsible for implementing cyber security management plans, building and maintaining cyber security management systems, and overseeing the formulation, implementation, risk management, and compliance audits of cyber security and protection-related policies.

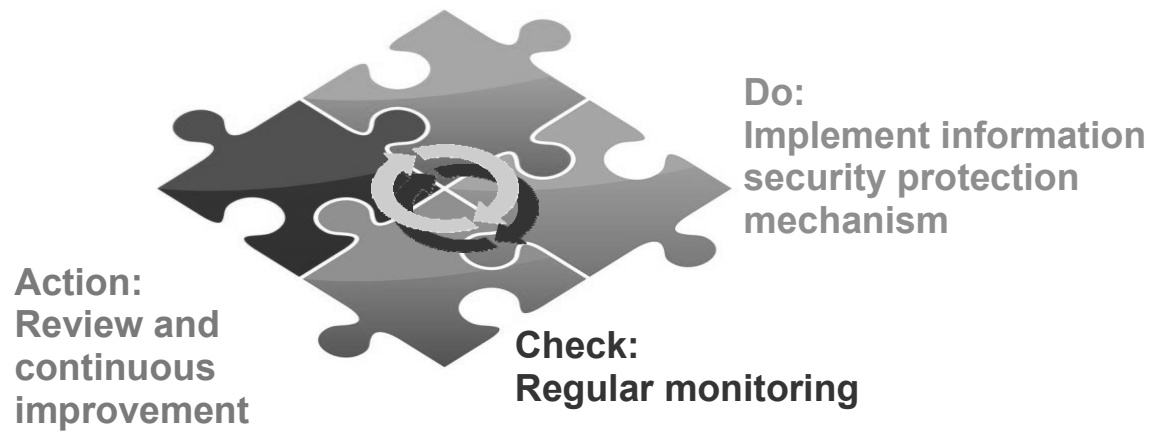
The Information Security Committee is headed by the Executive Vice President as Chief Information Security Officer, with Senior Division Chief as the Chief Convener and appointed representatives from each business division as members. Information security meeting is held at least once annually to discuss policies and issues relating to cyber security. The committee ensures the confidentiality, integrity and availability of information security management, and reports the implementation status of cyber security management to the Board of Directors once a year.

#### **2. Information security policy:**

- The Company attaches importance to information security, committing fully to protecting customer privacy and ensuring confidentiality. We strictly adhere to agreements with customers and safeguard customers' privacy and confidential information.
- The Company ensures the confidentiality, integrity, and availability of important assets in compliance with applicable laws and regulations.
- The Company has obtained ISO27001 certification (valid from October 13, 2022 to October 31, 2025) and adopts the information security management mechanism, using the PDCA method for correction and prevention to continuously strengthen its cyber security management.
- The Company raises employees' awareness of and skills in information security by organizing information security courses and seminars for all employees. The Company conducts social engineering drills regularly to strengthen employees' ability to identify and respond

to phishing emails.

### **Plan: Information Security Risks**



### 3. Concrete management programs:

Management plan	Management results
Network security	<ul style="list-style-type: none"> <li>● Next-generation firewall: This technology detects and prevents intrusion attempts, regularly examines firewall policies and vulnerabilities to block malicious traffic.</li> <li>● Network segmentation: Network segmentation prevents factory-wide spreading of virus or malware attacks.</li> <li>● Security operations center (SOC), a cyber threat detection management mechanism: Security Operation Center): This mechanism compiles cyber security information, keeps abreast of internal and external cyber threats, and responds in real time to minimize damage.</li> </ul>
Device safety	<ul style="list-style-type: none"> <li>● Proactive email filtering system</li> <li>● Use of personal mobile devices and portable media is actively controlled</li> <li>● Unreasonable software installations are detected actively</li> <li>● Dr. IP: Before network connection to a new machine, virus scan must be performed to prevent the risk of virus infection and spread.</li> </ul>
Information security and protection:	<ul style="list-style-type: none"> <li>● USB and printing management: This involves data encryption, transmission encryption, and access control.</li> <li>● Document control procedure: This includes setting confidentiality levels and access permissions and ensuring that important files are encrypted to prevent leakage of sensitive information.</li> <li>● Multi-factor authentication (MFA): This authentication method examines whether a user is legally granted access in order to prevent unauthorized access to internal company information.</li> </ul>
Computer security management	<ul style="list-style-type: none"> <li>● Personal account/password management: Regular password changes are mandatory, and password complexity rules are enforced.</li> <li>● Anti-virus software: The software updates virus signatures whenever needed, automatically sends updates to users' computers, and performs full scans weekly.</li> </ul>
External threat detection and protection	<ul style="list-style-type: none"> <li>● Penetration test and vulnerability scanning: The company commissions a third party to conduct cyber security inspection and perform reinforcement and repair as needed to reduce cyber security risks.</li> <li>● Third-party risk assessment system: The system monitors and analyzes information security risks and vulnerabilities.</li> </ul>
Supplier management	<ul style="list-style-type: none"> <li>● Signing of non-disclosure agreement (NDA): This requirement ensures the authorized use of the company's information to prevent unauthorized access, modification, and destruction.</li> <li>● Supplier education and training: Cyber security-related education training is regularly organized for suppliers.</li> </ul>
Enhancement of cyber security defense capabilities	<ul style="list-style-type: none"> <li>● New employees are asked to attend cyber security training and sign NDA forms.</li> <li>● All employees: All employees are required to complete information security awareness education and training each year for a training completion rate of 100%.</li> <li>● Social engineering drills on phishing email: These drills are conducted regularly every year to raise employees' awareness of cyber security.</li> <li>● Cyber security awareness efforts: Cyber security awareness is raised by putting up posters and showing a reminder message on computer start screen.</li> </ul>
Business continuity and cyber incident management	<ul style="list-style-type: none"> <li>● Disaster recovery drill: This is performed annually on critical systems.</li> <li>● Cyber incident reporting and handling procedure: This procedure is used to assess the impact of the incident and damages inflicted, and includes internal and external reporting processes.</li> </ul>

#### 4. Investment of resources in information security management:

Units: NT\$

Resources invested	2022	2023	2024
Amount invested in cyber security projects	NT\$5 million	NT\$7 million	NT\$10 million
Human resources invested in cyber security projects	Information security manager: 1 Dedicated personnel: 2	Chief Information Security Officer: 1 Information security manager: 1 Dedicated personnel: 2	Chief Information Security Officer: 1 Information security manager: 1 Dedicated personnel: 2 Part-time staff: 2
Establishment of cyber security policies and targets	V	V	V
Regular meetings with Information Security Committee	V	V	V
ISO27001 certification	V	V	V
Vulnerability scanning, penetration testing, social engineering drills	V	V	V
Cyber security education training and awareness efforts	V	V	V
Becoming a member of a cyber security defense alliance	V	V	V
Regular reporting to the Board of Directors	X	X	V
Cyber incidents	X	X	X

- **Dedicated personnel:** The Company has two full-time and two part-time personnel in charge of information security. They are responsible for planning and implementing the company's information security policies, managing the security of information systems, and incorporating information security technology to maintain and continuously strengthen cyber security management.
- **Certification:** The Company has passed the ISO27001 information security certification (the current certificate is valid from October 13, 2022 to October 31, 2025). No major deficiencies were found in information security audits.
- **Information Security Committee:** The Committee meets at least once annually to review the effectiveness of information security policies.
- **Information security education training:** New employees are required to complete education training in cyber security. Every year all employees must complete training online and pass the test for a training completion rate of 100%. Each year, information divisions must do at least 3 hours



of information security education training, while persons in charge of information security are to attend at least 40 hours of external seminars and professional training on information security. Phishing email test must be performed once a year.

- Information security awareness: Awareness efforts are exerted at least five times a year by showing reminder messages on computer start screen or putting up posters of information security rules and precautions.
- As a member of Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC), the Company has been attending the center's annual conferences to collect intelligence and case studies for analysis. We are also a regular attendant of CYBERSEC, during which we actively collect intelligence on external cyber threats for risk assessment to strengthen our abilities to protect against external threats.
- The implementation status of our cyber security is reported to the Board of Directors once a year, with the latest report given on November 8, 2024.

**(II) In the most recent fiscal year and up to the annual report publication date, losses, possible impacts and countermeasures as a result of major cyber security incidents in the last year up to the publication date of this annual report, state the reasons if losses cannot be reasonably estimated:** The Company has not identified any cyber attacks that posed a significant impact on its operations.

## VII. Important Contracts

### (I) Supply and distribution contracts

Contract nature	Duration	Main contents	Restrictive terms
Processing contract	2024/01~	Integrated circuits consigned processing and testing	Confidentiality of a third party's business

### (II) Technologies cooperation contracts

Contract nature	Duration	Main contents	Restrictive terms
Cooperation agreement	2024/01/29~2025/01/28	Technology development contract	Confidentiality of a third party's business
Cooperation agreement	2024/04/26~	Supply Protection Agreement	Confidentiality of a third party's business
Cooperation agreement	2024/04/26~	Technology transfer agreement	Confidentiality of a third party's business
Cooperation agreement	2024/04/26~	Technology license agreement	Confidentiality of a third party's business
Cooperation agreement	2024/06/04~	Equipment co-development contract	Confidentiality of a third party's business

### (III) Engineering contracts (NT\$10 million or more)

Contract nature	Counterparty	Duration	Main contents
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2023/11/16~12/31	CH1-3F HP93K+HT9646LS (x 17 machines) hook-up project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2024/03/12~04/30	CH1-3F HP93K&HT-9046 ATC3.5 (x 30 machines) new installation electrical engineering project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2024/04/03~05/31	CH1-3F Zone B HP93K HT-9046 ATC3.5 (x 22 machines) new installation electrical engineering project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2024/05/28~07/31	CH1-2F HP93K HT-9046 ATC3.5 (x 31 machines) electrical engineering expansion project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2024/09/27~2025/06/30	CH1-B2F Ice machines #7, #8, #9 new piping and power line hook-up project
Construction contract	Universal Energy Co., Ltd.	2024/10/01~2025/06/30	CH1 #3 cooling tower LRC-N-500RT-C5 replacement project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2024/07/22~10/04	CH5-5F HP11-600 OVEN (x 26 machines) hook-up and ground air conditioning project

Contract nature	Counterparty	Duration	Main contents
Construction contract	Universal Energy Co., Ltd.	2023/12/11~06/30	CH4 cooling tower radiator (including radiator support frame) replacement and piping project
Construction contract	Chi Sheng Cleanness Technology Co., Ltd.	2024/05/13~08/30	CH2-4F&5F AC power FFU energy-saving transformation DC power FFU (x 1815 units) project (including energy-saving motor, controller, hardware installation, and group control system)
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2024/02/21~08/02	CH3-3F CHROMA 3200 (x 30 units) hook-up electrical expansion project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2024/02/05~09/06	CH4-3F BU3 Relay layout clean room (538 ping) project / CH4-3F clean room main power supply and manufacturing pipeline project
Construction contract	Third Enterprise Co., Ltd.	2024/08/15~10/01	CH2 3F-5F BUSWAY expansion project
Construction contract	Chu Yang Technology Engineering Co., Ltd.	2024/06/01~08/30	CH2-3F AVR503, 504 panel 1200A (x 6 panels) wiring project
Construction contract	UCAN HONG KONG LIMITED	2024/05/10~08/10	TL3-1F/4F/5F stage-1 clean room 4F&5F BUSWAY equipment expansion project
Construction contract	Xuan Tong System Integration Co. Ltd.	2024/04/01~06/30	TL3-4F, 5F clean room construction project
Construction contract	Chu Yang Technology Engineering Co., Ltd.	2024/04/08~06/30	TL3-1F/4F/5F MEP project
Construction contract	JQT Company Limited	2024/04/17~06/28	TL3-4F/5F stage-1 clean room central monitoring FMCS system project
Construction contract	Xuan Tong System Integration Co. Ltd.	2024/05/27~07/30	Tongluo Factor #3-1F 10k clean room construction project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2024/06/25~12/31	TL3-4F/5F clean room 1st phase of machinery hook-up project
Construction contract	UCAN HONG KONG LIMITED	2024/07/01~10/31	TL3-1F/4F/5F stage-1 clean room 1F BUSWAY equipment expansion project
Construction contract	Xuan Tong System Integration Co. Ltd.	2024/08/02~12/31	TL domestic sewage project - Addition of calcium/magnesium removal mixing system and temporary sludge storage area
Construction contract	JQT Company Limited	2024/06/03~07/28	TL3-1F clean room monitoring project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2024/08/09~11/29	TL3-1F Phase I production equipment hook-up project
Construction contract	Chu Yang Technology	2024/08/05~11/14	TL3-1F/4F/5F phase-2 MEP project

Contract nature	Counterparty	Duration	Main contents
contract	Engineering Co., Ltd.		
Construction contract	Xuan Tong System Integration Co. Ltd.	2024/08/13~11/14	TL3-3F clean room expansion PCW pipeline and MEP project
Construction contract	Xuan Tong System Integration Co. Ltd.	2024/08/23~10/31	TL3-5F phase-2 clean room construction project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2024/09/26~2025/01/30	TL3-1F/4F/5F phase-2 hook-up project
Construction contract	Liang Rui Engineering Co., Ltd.	2024/04/16~	TL4 Factory construction/Architectural design planning and focuses/Onsite supervision service commissioning project

#### (IV) Long-term loan contracts

Units: Expressed in thousands of New Taiwan Dollars

Contract nature	Counterparty	Duration	Interest rate (%)	Amount
Loan	Shanghai Commercial and Savings Bank	2024/03/10~2027/03/10	5.11	USD32,000
Loan	Bank of China Limited	2024/10/08~2026/10/07	5.58	USD27,000
Loan	Cathay United Bank	2024/09/24~2027/09/24	5.15	USD25,708
Loan	Cathay United Bank	2024/09/24~2027/09/24	1.95	NTD500,000
Loan	HSBC Bank (Taiwan)	2024/09/30~2027/09/30	5.61	USD28,000
Loan	Mizuho Bank	2024/01/01~2026/01/01	1.95	NTD900,000
Loan	Land Bank of Taiwan	2024/01/25~2026/01/25	5.40	USD3,000
Loan	CTBC	2024/08/31~2026/08/31	1.90	NTD1,900,000
Loan	Taipei Fubon Bank	2024/10/25~2027/10/25	1.93	NTD1,000,000
Loan	Bank of Communications	2023/05/08~2026/05/08	1.90	NTD300,000
Loan	Mega Bank	2024/12/29~2026/12/28	4.78	USD5,000
Loan	Mega Bank	2022/03/15~2028/03/15	2.26	NTD1,400,000
Loan	Far Eastern International Bank	2024/06/20~2027/06/20	1.97	NTD1,200,000
Loan	Yuanta Commercial Bank	2024/08/21~2027/08/21	1.90	NTD1,000,000
Loan	Yuanta Commercial Bank	2023/10/11~2027/10/11	5.31	USD29,909
Loan	Yuanta Commercial	2024/08/30~2028/08/30	5.13	USD24,619

Contract nature	Counterparty	Duration	Interest rate (%)	Amount
	Bank			
Loan	First Commercial Bank	2024/08/09~2029/08/09	2.06	NTD1,000,000
Loan	Taipei Fubon Bank	2024/11/01~2029/10/31	1.50	NTD400,000
Mortgage loan	15 banks including the Bank of Taiwan	2023/04/06~2028/04/06	2.25	NTD 200,000
Commercial papers	15 banks including the Bank of Taiwan	2023/04/06~2028/04/06	2.24	NTD5,000,000
Mortgage loan	14 banks including the Bank of Taiwan	2024/05/06~2029/05/06	2.24	NTD 50,000

**(V) Other contracts that would affect shareholders' equity**

Contract nature	Counterparty	Duration	Main contents
Agreement	1. King Legacy Investments Limited 2. Dense Forest Limited 3. LePower (HK) Limited 4. Anchor Light Holdings Ltd. 5. Cypress Solaia Venture Capital SPV 6. VK Global Investments Limited 7. King Long Technology (Suzhou) Ltd.	2024/04/26~	Equity transaction agreements (for foreign investments)
Agreement	1. Suzhou Industrial Park Industrial Investment Fund (Limited Partnership) 2. Tongfu Microelectronics 3. Suzhou Xinrui Equity Investment Partnership (Limited Partnership) 4. Shanghai State-owned Assets and Enterprises Comprehensive Reform Experimental Private Equity Fund Partnership (Limited Partnership) 5. King Long Technology (Suzhou) Ltd.	2024/04/26~	Equity transaction agreements (for domestic investment)
Selling/buying contract	Chih-Hao Chang	2024/10/02~	CH factory expansion area - Six transactions for the sale/purchase of industrial land property for urban renewal

Contract nature	Counterparty	Duration	Main contents
Selling/buying contract	Chih-Hao Chang	2024/11/01~	CH factory expansion area - Nine transactions for the sale/purchase of industrial land property for urban renewal
Lease agreement	LIE ZHE Corporation	2025/01/01~ 2029/12/31	Factory lease agreement

## Five. Review and analysis of financial position and financial performance, and risk assessment

### I. Financial Status

The main reasons for any material change in the Company's assets, liabilities, or shareholders' equity during the past two fiscal years, and the effect thereof, and the measures to be taken in response if the effect is of material significance.

#### Analysis of financial position

Units: NTD thousand

Item \ Year	2024.12.31	2023.12.31	Difference	
			Increase (decrease) amount	Variation (%)
Current assets	43,917,988	22,041,056	21,876,932	99.26
Non-current financial assets at fair value through other comprehensive income	6,369,337	6,541,681	(172,344)	(2.63)
Investment under equity method	99,727	93,982	5,745	6.11
Property, plant and equipment	34,923,771	44,140,466	(9,216,695)	(20.88)
Other non-current assets	1,399,963	1,094,048	305,915	27.96
Total assets	86,710,786	73,911,233	12,799,553	17.32
Current liabilities	16,906,628	7,747,992	9,158,636	118.21
Non-current liabilities	25,092,675	26,136,691	(1,044,016)	(3.99)
Total liabilities	41,999,303	33,884,683	8,114,620	23.95
Capital stock	12,227,451	12,227,451	-	-
Additional paid-in capital	5,077,764	4,955,581	122,183	2.47
Retained earnings	22,396,262	18,512,446	3,883,816	20.98
Total shareholders' equity	44,711,483	40,026,550	4,684,933	11.70
Main reasons for change by more than 20% between previous and current periods and change in amount by more than NT\$10 million, and the effect thereof are analyzed and stated as follows: Increase in current assets and liabilities and decrease in property, plant and equipment: Mainly due to the transfer of assets and liabilities to the disposal group held for sale following the disposal of King Long Technology (Suzhou) Ltd. in compliance with IFRS5 "Non-current Assets Held for Sale and Discontinued Operations". Increase of other non-current assets: Mainly due to the new lease of a factory in Toufen, which increased right-of-use assets by NT\$613,706 thousand. Increase of total liabilities: Mainly due to the increase in accounts payable and borrowings required for production expansion. Increase in retained earnings: Mainly due to the substantial increase in demand for AI high-performance computing (HPC) chips, which contributed to the growth of our revenues and profits.				

## II. Financial Performance

The main reasons for any material change in operating revenues, operating income, and income before tax during the past two fiscal years, and sales volume forecast and the basis thereof, and the effect upon the Company's financial operations as well as measures to be taken in response.

### Comparison and analysis of operating results

Units: NTD thousand

Year Item	2024	2023	Difference	
			Increase (decrease) amount	Variation (%)
Operating revenue	26,856,031	23,991,580	2,864,451	11.94
Operating cost	(17,512,212)	(16,064,707)	1,447,505	9.01
Gross profit	9,343,819	7,926,873	1,416,946	17.88
Operating expense	(3,171,553)	(2,675,118)	496,435	18.56
Net operating profit	6,172,266	5,251,755	920,511	17.53
Non-operating revenue and expense	(200,719)	(11,231)	(189,488)	(1,687.19)
Net profit before tax	5,971,547	5,240,524	731,023	13.95
Income tax expense	(1,210,746)	(955,071)	255,675	26.77
Continuing departments net income - current period	4,760,801	4,285,453	475,348	11.09
Profit or loss from discontinued units	3,334,485	1,730,917	1,603,568	92.64
Net profit - current period	8,095,286	6,016,370	2,078,916	34.55
Other comprehensive income (loss) - current period	462,471	1,233,125	(770,654)	(62.50)
Total comprehensive income - current period	8,557,757	7,249,495	1,308,262	18.05
Main reasons for change by more than 20% between previous and current periods and change in amount by more than NT\$10 million, and the effect thereof are analyzed and stated as follows: Decrease in non-operating income and expenditure: Mainly due to the recognition of earthquake-related losses and the provision for impairment losses on some machinery and equipment. Increase in income tax expense: Mainly due to the substantial increase in demand for AI high-performance computing (HPC) chips, which contributed to the growth of our revenues and profits. Increase in profit/loss from discontinued units: Mainly due to the disposal of King Long Technology (Suzhou) Ltd. in compliance with IFRS5 "Non-current Assets Held for Sale and Discontinued Operations," thus the depreciation or amortization of property, plant and equipment and intangible assets is no longer necessary. Decrease in other comprehensive income (loss) for the current period: Mainly due to loss from changes in the fair value of Yann Yuan Investment Co., Ltd. and Shieh Yong Investment Co., Ltd.				



### III. Cash flow

#### (I) Analysis of liquidity in the previous two years:

Item \ Year	2024	2023	Increase (decrease) (%)
Cash flow ratio	109.28%	184.05%	(74.77)
Cash flow adequacy ratio	104.20%	101.44%	2.76
Cash flow reinvestment ratio	9.59%	6.30%	3.29
Analysis of variations: Mainly due to the transfer of assets and liabilities to the disposal group held for sale following the disposal of King Long Technology (Suzhou) Ltd. in compliance with IFRS5 "Non-current Assets Held for Sale and Discontinued Operations".			

#### (II) Improvement plans for insufficient liquidity: None.

#### (III) Analysis of liquidity in the coming year:

Units: NTD thousand

Initial cash balance ①	Projected net cash flow from operating activities for the year ②	Projected cash outflow of the year ③	Expected cash surplus (deficit) ①+②-③	Remedial measures against insufficient projected cash flow	
				Investment plans	Financing plans
10,200,733	13,196,535	58,012,425	(34,615,157)	20,281,237	24,400,000
1. Analysis of change in cash flow for the year:					
(1) Operating activities: The net cash inflow, NT\$13,196,535 thousand, is expected to be generated from operating activities.					
(2) Investing activities: Capital expenditure is projected to be NT\$28,945,355 thousand.					
(3) Financing activities: Projected repayment of NT\$19,039,353 thousand for long-term loan, and of NT\$5,826,213 thousand for distribution of cash dividends, remuneration to employees, and director's remuneration.					
2. Remedial measures for expected cash deficit and liquidity analysis: Not applicable.					

#### IV. Impact of Material Capital Expenditures in the Most Recent Year on Business Performance

##### (I) Major capital expenditure and source of capital

Units: NTD thousand

Projects	Actual or expected source of fund	Actual or expected date of completion	Total fund to be required	Actual or expected fund utilization		
				2023	2024	2025
Investment in construction of factories and machine & equipment	Own funds and bank borrowings	2023.12	4,816,816	4,089,190	727,626	-
Investment in construction of factories and machine & equipment	Own funds and bank borrowings	2024.12	11,440,086	-	9,688,552	1,751,534
Investment in construction of factories and machine & equipment	Own funds and bank borrowings	2025.12	21,844,185	-	-	21,844,185

##### (II) Projected benefits

##### 1. Projected possible increased output/sale volume and value, and gross profit

Units: NTD thousand

Year	Item	Output volume	Sale volume	Sale value	Gross profit
2025	Integrated circuits processing and test	Note	Note	2,283,830	456,766
2026	Integrated circuits processing and test	Note	Note	3,262,615	913,532
2027	Integrated circuits processing and test	Note	Note	3,262,615	913,532

Note: It is impossible to enumerate the same, because the unit of measurement varies depending on different processes.

##### 2. Other benefits

- A. Strengthen the production structure of the vertical division of labor in the semiconductor industry.
- B. Balance the fab's production capacity which is growing rapidly, and share the risk over investment in the fab investment at the latter stage to upgrade the investment efficiency in the core business.
- C. Increase the high-efficiency and low-cost professional test services to upgrade the entire competitiveness.
- D. Solve the back-end production problems with respect to the IC design

companies which the Company has successively invested in.

**V. The investment Strategy in the most recent year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year**

- (I) The Company's investment strategy is primarily intended to align with the Company's enhanced development of the core business, so as to strengthen the relationship with major customers and extend the sensitivity of related industries.
- (II) The investment gain, NT\$19,445 thousand, recognized by the Company under equity method in 2024, primarily resulted from the gain from the operation of the Company's investees, Fixwell Technology Corp. and Wei Jiu Industrial Co., Ltd.
- (III) Investment plan for the coming one fiscal year: The investment plan will be submitted to the Board of Directors for approval after careful evaluation based on the overall industry situation and the company's business development needs.

**VI. Analysis and assessment of risk factors**

**(I) Impact of interest rate, exchange rate, and inflation on the Company's earnings, and responsive measures:**

1. Notes to the impact of interest rate and exchange rate changes and inflation on the Company's earnings

A. Impact of interest rate and exchange rate changes on the Company's earnings:

Units: NTD thousand

Item	2024	2023
Exchange gain (loss) (A)	141,058	83,327
Interest income (expense) (B)	(357,370)	(451,434)
Operating revenue (C)	26,895,990	24,005,557
Net income before tax (D)	9,724,332	7,167,779
A/C (%)	0.52	0.35
A/D (%)	1.45	1.16
B/C (%)	-	-
B/D (%)	-	-

Source of data: The financial statements certified by the CPA.

For the interest rate and exchange rate changes, the interest expenditure rendered more substantial impact on the earnings.

B. The influence of inflation on the Company's earnings: The inflation has no material impact on the Company's earnings.

2. The Company's responsive measures against interest rate and exchange

rate changes and inflation:

- A. The capital expenditure is intended for the import of equipment. In order to mitigate the impact rendered by the fluctuation in foreign exchange rate on profit, the Company reached an agreement with major customers to collect accounts receivable in USD, in part, to make some payments.
- B. Establish Article 12 of the Operating Procedures for Acquisition or Disposition of Assets, “Operating Procedure for Acquisition or Disposition of Derivatives” as the basis for operation of the foreign currency exchange rate hedging tools to mitigate the impact rendered by the fluctuation in foreign exchange rate on profit.
- C. Collect the information about fluctuation in foreign exchange rate and interest rate on a daily basis to help take responsive measures in a timely manner.

**(II) Policies on high-risk and highly leveraged investments, loans to third parties, endorsements/guarantees, and trading of derivatives; describe the main causes of any profits or losses incurred and future responsive measures:**

1. High risk, high leverage investments

The Company and its subsidiaries did not engage in any high-risk, high-leverage investments in 2024.

2. Lending to others, endorsements, and guarantees, and derivatives transactions

When lending to others, providing endorsements and guarantees, and engaging in derivative transactions, the Company and its subsidiaries comply with the Procedures for the Acquisition or Disposal of Assets, Procedures for Extending Loans to Others, and Procedures for Endorsements and Guarantees; assess associated risks and adopt necessary risk countermeasures; and report it within the time frame specified by the competent authority:

- (1) Lending to others: As of the date of publication of the annual report, the Company only extended loans to its subsidiaries.
- (2) Endorsements/guarantees: As of the date of publication of the annual report, the Company and its subsidiaries provided no endorsement or guarantee in 2024.
- (3) Derivatives transactions: As of the date of publication of the annual report, the Company and its subsidiaries did not engage in any derivative transactions in 2024.

### (III) Future research and development plans and projected expenses

Item No.	Plan	Projected duration	Projected expenses (NT\$)
1	CP Stocker Module (32 storage units) for FOUP	2025/Q4	2,200,000
2	3D visual module development for IC appearance inspection	2025/Q4	3,000,000
3	AGV Robot For FT Handler L/Un Loader	2025/Q4	2,445,000
4	FT handler developed for testing silicon photonics products	2025/Q4	10,000,000
5	KITS test system - liquid cooling application	2025/Q4	2,000,000
6	ATC three-temperature system development	2025/Q4	3,000,000
7	Develop High Power Burn In Oven & Burn In Board. 1. Burn In system with new function design (HP320). 2. Burn In system with high power and automation integration.	2025/Q4	17,000,000
8	Develop E-serial option board for analog production. 1. New tester for option board integration. 2. DPS option board development. (HADPS/UHV-DPS/UHC-DPS). 3. Improve system efficiency and reliability. 4. Create E320 customize new function.	2025/Q4	30,000,000
9	Develop I-serial capture module for new protocol design. 1. High Speed module improvement (CPHY 6G / MPHY 7G / APHY 10G). 2. LVDS 128 lanes system Development. 3. CP Tester and FT Tester for High Speed Upgrade. 4. Cost efficiency improvement.	2025/Q4	15,000,000
10	Develop Silicon Photonic Test Solution. 1. CP Test Solution (mechanism for Fiber array alignment). 2. FT Test Solution (with home made handler).	2025/Q4	9,000,000
11	Develop CRES Analysis Technology. 1. Develop PCB diagnosis analyzer. 2. Increase TDR option. 3. Pogo pin pick and place equipment.	2025/Q4	5,000,000
12	Develop RF and advance package for <60GHz RF Signal & High Speed test interface PCB.	2025/Q4	1,500,000
13	Develop IC package simulation and design technical. 1. Establish IC S parameter and environmental parameters for eye diagram verification 2. Establish warpage, molding flow stress, thermal, wires weep analysis and verification environment 3. Establish mold flow and wire sweep for FCST evaluation, simulation, and verification	2025/Q4	1,500,000

### (IV) Impact on the Company's financial standing due to changes in domestic or foreign policies and laws, and corresponding countermeasures

The Company conducts businesses in accordance with the laws and regulations of the competent authority. In the most recent year and as of the publication date of the Annual Report, the Company's finances and

businesses have not been affected by major changes in domestic or foreign policies and laws.

**(V) Impact on the Company's financial standing due to technological (including cyber security risks) or industrial changes, and corresponding countermeasures**

The Company's Board of Directors and management closely monitor technological and industrial changes and adopt proactive measures to adjust operations in a timely manner.

1. Given the increasing risks of cyber security, the Company conducts yearly social engineering drills involving phishing email to raise employees' cyber security awareness.
2. To ensure the continuity of information systems, we have a cloud backup data center that reconstructs core information systems in the event of major disasters to achieve business continuity.

**(VI) Crisis management, impacts, and responsive measures in the event of a change in corporate identity**

Ethics is the first priority which the corporate identity should focus on. The Company has specified such important principle in its corporate culture and articles of incorporation. Therefore, ethics has become an essence upheld by the Company in its corporate governance.

**(VII) Expected benefits, risks and responsive measures of planned mergers or acquisitions: None.**

**(VIII) Expected benefits, risks and responsive measures associated with plant expansions**

For the purpose of production expansion for future business expansion, our Board of Directors resolved on November 8, 2024 to rent a factory in Toufen City, Miaoli County, from LIE ZHE Corporation.

1. Expected benefits: Factory expansion allows for the adoption of advanced facilities that can effectively improve production efficiency and product yield, thereby quickly completing orders to meet customer demands.
2. Possible risks: Due to unpredictable fluctuations in demands for electronics and the divergence of technological development, low utilization or overcapacity may result if overall demand decreases or technical specifications change.
3. Response measures: We will keep abreast of market demands, carefully evaluate capital budgets, and develop strategic partnerships with customers to reduce the negative impact of market or technology

changes.

- (IX) Risks associated with over-concentration in purchases or sales, and response measures: None.**
- (X) The effects and risks of large-scale share transfers or conversions by directors or major shareholders holding more than 10% of the Company's shares, and response measures: None.**
- (XI) Impacts, risks and responsive measures associated with a change of management: None.**
- (XII) Major litigations and non-contentious cases: Describe the major litigations, non-contentious cases or administrative litigations involving the Company or any director, president, person-in-charge or major shareholder with more than 10% ownership interest, whether concluded or pending judgment, that are likely to pose a significant impact to shareholder equity or security prices of the Company, and disclose the nature of dispute, the amount involved, the date the litigation first started, the key parties involved, and progress as of the publication date of this annual report: None.**
- (XIII) Other significant risks and response measures: None.**

**VII. Other Significant Events: None.**

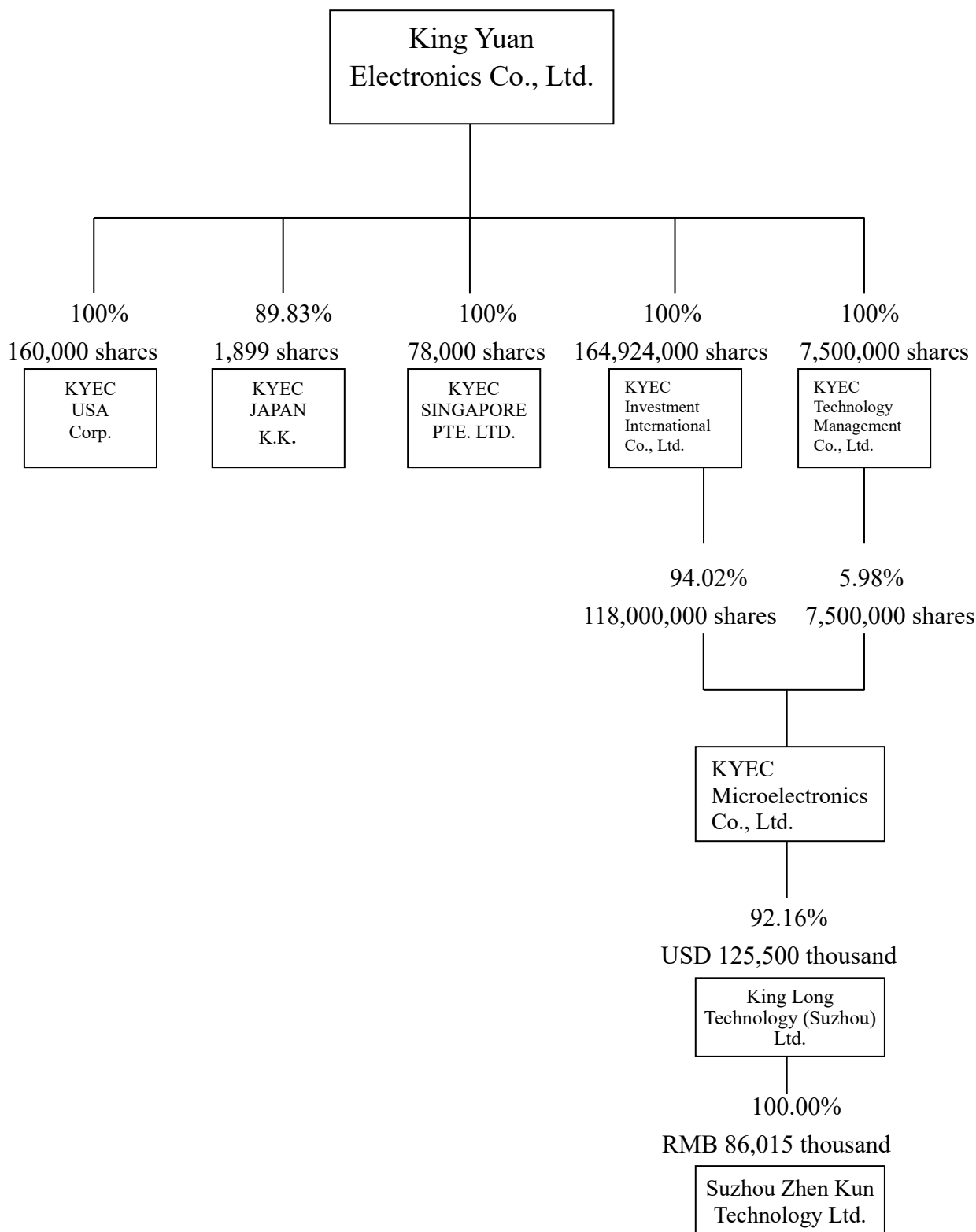
## Six. Special Items

### I. Information on Affiliates

#### (I) Consolidated Business Report

##### 1. Overview of affiliated corporations

##### (1) Organizational chart of affiliates





## (2) Basic information on affiliated companies

Corporate name	Date of Establishment	Address of Establishment	Paid-in capital	Core Business
KYEC USA Corp.	July, 2000	CA USA	USD 160 thousand	Acts as the agent for business in the territories of the U.S.A. and related communications
KYEC SINGAPORE PTE. LTD.	December, 2006	SINGAPORE	SGD78,000	Acts as the agent for business in the territories of Southeast Asia and Europe and related communications
KYEC JAPAN K.K.	April, 2002	FUKUOKA JAPAN	JP¥84,560,000	Engages in electronic parts manufacturing and trading, and acts as the agent for business in the territories of Japan and related communications.
KYEC Investment International Co., Ltd.	May, 2002	B.V.I	USD 164,924 thousand	General investment
KYEC Technology Management Co., Ltd.	January, 2003	SAMOA	USD 7,500 thousand	General investment
KYEC Microelectronics Co., Ltd.	May, 2002	CAYMAN	USD 125,500 thousand	General investment
King Long Technology (Suzhou) Co., Ltd.	September, 2002	Suzhou City, Jiangsu Province, China	RMB 547,941 thousand	Research and development, design, manufacturing, packaging, testing, processing and maintenance of semiconductor integrated circuits, transistors, electronic components, electronic materials, analog or hybrid automatic data processors, solid-state memory systems, heating ovens and related products and components. Integrated circuit-related technology transfer, technical consultation, technical services, sales of the Company's products and after-sales services

Corporate name	Date of Establishment	Address of Establishment	Paid-in capital	Core Business
Suzhou Zhen Kun Technology Ltd. Co., Ltd.	December, 2005	Suzhou City, Jiangsu Province, China	RMB 533,348 thousand	Research and development, production (packaging, testing), processing of large-scale integrated circuits for electronic components, electronic materials, analog or hybrid automatic data processing machines, solid state memory systems, and heating oven controllers, sales of independently produced products, and provision of related after-sales services; integrated circuit-related technology transfer, technical consultation, technical services

- (3) Information on identical shareholders of companies presumed to have control and subsidiary relationship: None.
- (4) The industry covered by the business operated by the affiliated companies: Please see the aforementioned list in (2) Basic information on affiliated companies.

(5) Information on directors, supervisors, and presidents of affiliated corporations

December 31, 2024

Name of affiliated corporations	Title	Name or Representative	Shareholding	
			Shares	Shareholding ratio (%)
KYTEC USA Corp.	Chairman	Gauss Chang (Representative of KYEC)	160,000 shares	100.00
	Director	Pei-Liang Sun (Representative of KYEC)	160,000 shares	100.00
	Director	Neil Chung (Representative of KYEC)	160,000 shares	100.00
KYTEC SINGAPORE PTE. LTD.	Chairman	Gauss Chang (Representative of KYEC)	78,000 shares	100.00
	Director	Chi-Yuan Hsueh (Representative of KYEC)	78,000 shares	100.00
	Director	Logan Chao (Representative of KYEC)	78,000 shares	100.00
KYTEC JAPAN K.K.	Chairman	Gauss Chang (Representative of KYEC)	1,899 shares	89.83
	Director	Jerry Su	0 shares	0.00
	Director (concurrently serves as President)	Yoshiaki Suzuki	40 shares	1.89
	Supervisor	Logan Chao	0 shares	0.00
	Supervisor	Yoshiro Hori	58 shares	2.74
KYTEC Investment International Co., Ltd.	Chairman	Chin-Kung Lee (Representative of KYEC)	164,924,000 shares	100.00
KYTEC Technology Management Co., Ltd.	Chairman	Chin-Kung Lee (Representative of KYEC)	7,500,000 shares	100.00

Name of affiliated corporations	Title	Name or Representative	Shareholding	
			Shares	Shareholding ratio (%)
KYEC Microelectronics Co., Ltd.	Chairman	Chin-Kung Lee (KYEC Investment International Co., Ltd. And KYEC Technology Management Co., Ltd. Representative)	125,500,000 shares	100.00
King Long Technology (Suzhou) Ltd.	Chairman	Gauss Chang (Representative of KYEC Microelectronics Co., Ltd.)	RMB 504,993 thousand of equity	92.16
	Director	Chin-Kung Lee (Representative of KYEC Microelectronics Co., Ltd.)	RMB 504,993 thousand of equity	92.16
	Director	Aaron Chang (Representative of KYEC Microelectronics Co., Ltd.)	RMB 504,993 thousand of equity	92.16
	Supervisor	Logan Chao (Representative of KYEC Microelectronics Co., Ltd.)	RMB 504,993 thousand of equity	92.16
Suzhou Zhen Kun Technology Ltd.	Chairman	Gauss Chang (Representative of King Long Technology (Suzhou) Ltd.)	Invested RMB 86,015,000 for RMB 533,348,000 in equity	100.00
	Director	Chin-Kung Lee (Representative of King Long Technology (Suzhou) Ltd.)	Invested RMB 86,015,000 for RMB 533,348,000 in equity	100.00
	Director	Steven Chang (Representative of King Long Technology (Suzhou) Ltd.)	Invested RMB 86,015,000 for RMB 533,348,000 in equity	100.00
	Supervisor	Logan Chao (Representative of King Long Technology (Suzhou) Ltd.)	Invested RMB 86,015,000 for RMB 533,348,000 in equity	100.00

## 2. Business overview of affiliated enterprises

Units: NTD thousand

Name of affiliated corporations	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Income (after tax) for the current period	Earnings per share (NTD) (after tax)
KYEC USA Corp.	4,973	31,553	15,024	16,529	72,947	(182)	1,404	8.77
KYEC SINGAPORE PTE. LTD.	1,830	17,079	3,554	13,525	35,230	1,543	1,444	18.51
KYEC JAPAN K.K.	23,897	89,901	7,229	82,672	29,942	11,842	8,170	3,864.53
KYEC Investment International Co., Ltd.	5,292,315	15,260,077	-	15,260,077	-	-	3,167,785	19.21
KYEC Technology Management Co., Ltd.	251,579	971,202	-	971,202	-	-	201,483	26.86
KYEC Microelectronics Co., Ltd.	4,074,993	16,577,144	336,305	16,240,839	-	(307,517)	3,369,268	26.85
King Long Technology (Suzhou) Ltd.	2,498,825	25,111,836	7,234,249	17,877,587	8,684,785	3,881,181	3,996,685	-
Suzhou Zhen Kun Technology Ltd.	2,397,835	1,645,905	446,560	1,199,345	1,420,903	187,325	229,377	-

## (II) Consolidated financial statements of affiliated enterprises

### Statement

We hereby declare that companies to be included in the consolidated financial statements in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as companies that are to be included in the consolidated financial statements of the parent company in accordance with IFRS10 in 2024 (From January 1, 2024 to December 31, 2024). All information on affiliated enterprises that must be disclosed in the consolidated financial statements has been disclosed in the abovementioned consolidated financial statements. Hence, we did not separately prepare consolidated financial statements of affiliated enterprises.

Statement made by

King Yuan Electronics Co., Ltd.

Responsible person: Chin-Kung Lee

February 21, 2025

(III) Affiliation report: Not applicable.  
Available on the MOPS at  
[https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10)  
To access, go to:  
Market Observation Post System > Single Entity > Download  
e-Documents > Affiliate Documents

- II. Any private placement of securities in the recent years up to the publication of this annual report: None.**
- III. Other important supplementary information: None.**
- IV. Corporate events with material impact on shareholders' equity or stock prices set forth in Article 36, Paragraph 3, Subparagraph 2 of Securities and Exchange Act in the most recent year and up to the publication date of this Annual Report should be listed individually: None.**

King Yuan Electronics Co., Ltd.  
Chairman: Chin-Kung Lee





**京元電子股份有限公司**  
The Testing Industry Benchmark

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