

Stock Code: 6155



**2024 General Shareholders' Meeting**  
**Handbook**

**Date: May 30, 2024**

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

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

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**KING CORE ELECTRONICS INC.**  
**2024 General Shareholders' Meeting Procedures**

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

KING CORE ELECTRONICS INC.  
Agenda of 2024 General Shareholders' Meeting

Mode: Physical General Shareholders' Meeting

Date and time: 9:00 am, May 30, 2024 (Thursday)

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

- I. Call the meeting to order (Report on total shares represented by shareholders present in person or by proxy)
- II. Chairman's Speech
- III. Report Items
  - (I) 2023 Business Report
  - (II) 2023 Audit Committee's Audit Report
  - (III) 2023 distribution of remuneration to employees and directors
  - (IV) 2023 Report of Remuneration Paid to Directors
- IV. Proposed Resolutions
  - (I) 2023 business report and financial statements
  - (II) 2023 earnings distribution proposal
- V. Election Matters
  - Re-election of directors
- VI. Matters for discussion
  - Discussion to approve the lifting of non-competition restrictions for newly elected directors and their representatives
- VII. Extempore Motions
- VIII. Meeting Adjourned

## Report Items

### I. 2023 Business Report

Description: The Company's 2023 business report and 2024 report on business prospects are submitted for review as follows.

### 2023 Business Report

Ladies and gentlemen!

First, thank you for taking time off your busy schedule to attend this year's shareholders' meeting. I hereby express the sincerest gratitude to all of you for your support and encouragement on behalf of the Company. Now, the Company's business operations in 2023 and future prospects are reported as follows:

#### I. 2023 Business Report

##### (I) Outcomes in Implementation of 2023 Business Report

1. In 2023, the consolidated net operating revenue amounted to NT\$544,602 thousand, which declined by 29.29% compared with that in 2022.
2. In 2023, the consolidated operating profit was NT\$7,061 thousand, which declined by 89.93% compared with that in 2022.
3. In 2023, the consolidated operating gross profit after tax was NT\$74,796 thousand, which declined by 60.76% compared with that in 2022.

(II) Budget execution: the Company has not made its 2023 financial forecast open, so its budget execution needn't be disclosed.

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

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

Unit: NT\$ thousands

Item	2023	Percentage
Net operating revenue	544,602	100%
Operating cost	427,646	79%
Operating gross profit	116,956	21%
Operating expenses	109,895	20%
Operating profit	7,061	1%
Net non-operating revenue and expense	80,932	15%
Profit after Tax	74,796	14%
Operating gross profit after tax attributable to the parent company	74,796	14%

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

###### 2. Profitability

Item	2023
Return on asset (%)	3.63
Return on shareholders' equity (%)	4.92

Operating profit to paid-in capital (%)	0.81
Net pretax profit to paid-in capital (%)	10.04
Profit margin (%)	13.73
EPS (NT\$)	0.85

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

#### (IV) Research and development

For more than 30 years, King Core has possessed professional knowledge of magnetic materials, formulas of ferrite core powder, and process know-how. Continuously committed to combating electromagnetic interferences (EMI), the Company actively pursues research and development initiatives, fostering innovation in product and technology realms. This steadfast dedication has solidified King Core's authoritative reputation as a premier solution provider for EMI challenges within the industry. It provides special product services for companies and research organizations which have EMI/EMC problems for solving. The specific R&D results include various sizes of ferrite cores and chip beads for EMI solutions, Multilayer, Wire-wound Inductors, Chip Bead and Common Mode Filters, and Wire-wound Power Inductors, etc. suitable for various frequency bands. Simultaneously, we have made significant strides in advancing wireless charging technologies, formulating electromagnetic wave shielding materials, and addressing high-frequency antenna requirements, catering to the specific needs of our clientele by delivering tailored solutions in these areas.

In addition to traditional nickel-zinc ferrite materials, our wire-wound power inductors incorporate high-current alloy materials and advanced magnetic resin shielded construction technologies. This enables us to customize solutions tailored to various circuit design requirements, including dimensions ranging from 2.0mm to 10mm and a wide range of inductance values from 0.1uH to 1000mH in response to customer demands. Our products cater to diverse applications, from general commercial portable consumer electronics, computer, and communication products to industrial computer servers and fixed power system modules, for purposes such as voltage regulation, voltage conversion, and bucket-boosting. We have developed a comprehensive range of products, and through material and process optimization, and have successfully met the stringent AEC-Q200 automotive electronics requirements.

The Company has long been dedicated to the development of common-mode filters, leveraging in-house production of ferrite cores and optimizing size designs and wire-wound mechanisms to enhance versatility. We cater to various module requirements for high-pass, low-pass, and band-pass filtering applications, spanning frequencies from several hundred kHz to several hundred MHz to dozens of GHz, which are tailored to the needs of various generations of HDMI2.0/USB3.2 applications. By leveraging the Company's expertise in core material and winding technology, as well as multilayer chip inductor technologies, the Company actively pursues the development of more advanced HDMI 2.1/USB4 communication protocol requirements.

In recent years, to meet the demands of customers from mainland China and Europe, we have actively leveraged our proprietary ferrite core materials and innovative wire-wound techniques to develop common-mode filters that comply with the 100BASE-T1 and 1000BASE-T1 specifications of the OPEN Alliance for in-vehicle Ethernet communication protocols. These filters not only fulfill frequency requirements ranging from 1MHz to 1GHz but also undergo optimization of materials and equipment processes to ensure reliability and productivity at automotive-grade levels. Additionally, our products meet

the stringent AEC-Q200 standard, positioning them as reliable components in the burgeoning automotive electronics and IoT industries, serving the needs of high-speed growth in these sectors.

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

## II. Summary of 2024 Business Plan

### (I) Operational guidelines

In 2022, the demand for parts and components saw a drastic reversal of demand. Interrelated factors such as the impact of the COVID-19 pandemic, strict lockdown measures in Mainland China, the war between Russia and Ukraine, geopolitics, decoupling from China, and climate change will continue to transform the global supply chain and the market demand will continue to fluctuate significantly. In 2023, as the pandemic began to subside, the economy faced sluggish growth, leading to subdued demand in the ICT industry. Customers managed their inventory levels cautiously, resulting in a significant downturn in procurement activities. Thanks to King Core's long-term strategic planning and concerted efforts, demand from automotive electronics and certain segments of smart home appliances remained stable amidst the challenging economic environment. The Company continued to invest in the development of materials and RF components for automotive electronics, underscoring its commitment to this sector.

In response to the many changes in the macro environment, King Core continues to invest in Taiwan and expand its investment in Taiwan. In the third quarter of 2023, construction commenced on a new powder material production line and facility for magnetic core materials at the Company's Pingzhen Plant in Taoyuan, Taiwan. The production capacity of the powder material is designed to reach 300 metric tons per month, with mass production expected to commence in Q3 2024. By mitigating external disruptions to material supply and production processes, King Core ensures stability and reliability in its Taiwan-based supply chain and manufacturing operations. This strategy aims to instill confidence and satisfaction in customers, fostering stronger and deeper trust and collaboration with King Core.

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

The solar power generation equipment set up by the Pingzhen Plant of the Company generated 471,269KWH power in total in 2023 and its cumulative power generation was up to 3,235,487KWH. This suggests that carbon emissions will be reduced by 1,699,101t when 5,628,688trees are planted and NT\$18,397 thousand will be earned from solar power generation. In the development of new energies, the Company will strengthen its contributions and efforts.

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

and determination, we are confident in achieving outstanding results, thus fulfilling our commitment to our shareholders' long-term trust and support and ensuring sustainable business operations.

(II) Expected sales quantity and basis

The Company's expected sales quantity in 2024 is as follows:

Main products	Sales quantity (thousand pcs)
Ferrite cores	145,000
Chip inductors	685,000
Precision coils	85,850

Estimation basis:

- (A) Ferrite cores: We anticipate continued demand for EMI ferrite cores used in smart home appliances, automotive electronics, networking and IoT products, power supply, automation and industrial equipment products. The Company will strengthen differentiation of ferrite cores, promote among foreign customers and keep informative about supply of raw materials. It is expected that sales of ferrite cores would be conservative in 2024.
- (B) Chip inductors: The demands for smart home appliances, automotive electronics, information products, network communication and IoT products, power supply products, industrial computers and chip inductors will gradually increase with the demands for new-generation intelligent products. Therefore, the Company continues to actively expand the sales of High Power Bead/Inductor products and the mass production sales of new ultra-thin ferrite products in chip processes. It is expected that sales of chip inductors would be conservative in 2024.
- (C) Precision coils: The Company will strengthen the application development, market promotion and sales of automotive electronics, information products, network communication and IOT products, power supply products, and industrial computer products. Adjust customer portfolio and product portfolio, increase automotive electronics applications, and aim to increase profitability. For the fiscal year 2024, we aim for conservative growth projections in sales of coil-related products.

(III) Vital production and sales policies

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

III. The development strategy of the future

The Company will pursue an active and stable growth strategy by recruiting professional talents and exploring new products and markets. We aim to establish the Company as a leader in the industry.

As a global corporate citizen, King Core is committed to the implementation of various environmental protection, energy saving, and waste reduction initiatives, as well as the fulfillment of corporate responsibility and improvement of corporate governance. In addition to the installation of photovoltaic



power generation facilities at the Taoyuan Pingzhen plant, the Company continues to promote various ESG-related activities.

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

1. Products of the Company mainly include inductive elements, which are used for suppressing electromagnetic interferences, completing magnetic and wave filtration and converting waveforms. These years, governments of countries have attached more and more importance to electromagnetic interferences of electronic products. With constant increase in computing speed of related products such as electric vehicles, IoT, AI, 5G, intelligence home appliances, industrial equipment, medical devices and game machines, there has been growing demand for suppression of electromagnetic interferences and inductive elements. In addition, lifecycles of electronic products have become increasingly shorter. Swift changes occur to products and specifications. Because of this trend, the Company has obtained more and more opportunities. Meanwhile, it has faced greater challenges. To embrace these challenges, the Company has built a more powerful management team for improving its performances in different aspects such as research, development, manufacturing, sales and finance. Believe that the Company will get opportunities of business growth.
2. Effects of China-US trade wars upon supply chains and increasingly more stringent requirements of Mainland China policies for Taiwan companies in Mainland China affect and create opportunities for the Company's sales and channel layout. ESG-related issues such as energy saving and carbon reduction, environmental protection, corporate social responsibility and corporate governance have increasingly gained widespread attention, and the competent authorities and clients have correspondingly increased their requirements on related issues. Clients require high quality, fast delivery, regulatory compliance and R&D capabilities. In Taiwan, issues on labor force, personnel cost, environmental protection and energy utilization have become more and more complicated. How to strike a balance among quality, production capacity, friendly environment and profit and activate assets of the Company to maximize shareholders' benefits will be a serious issue that the Company has to strive to settle through persistent efforts.
3. Looking ahead to 2024, uncertainties brought about by trade wars, climate change, regional conflicts, inflation, and rising costs are expected to persist. However, amidst these challenges, opportunities arise in sectors such as smart home appliances, automotive electronics, green energy, information and communication technology products, industrial computers, and medical equipment. King Core possesses proprietary magnetic materials technology and has expanded into the production and development of multi-layer chip and precision coils, and can provide customers with complete solutions in electromagnetic compatibility and inductive components. The Company will continuously develop new products and specifications according to target customers' needs. It will seize opportunities for promotion and market development. It will implement complete quality rules, constantly improve mass production technologies and supply raw materials, in order to become the customers' best partner providing countermeasures for suppressing electromagnetic shield and creating value for its shareholders.

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

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

Chairman: Yang Cheng-Li

Managerial Personnel: Tsai Yuh-Chiang

Chief Accounting Officer: Yeh Mei-Ling

## II. 2023 Audit Committee's audit report

Description: For details of 2023 Audit Committee's audit report, refer to Annex 1 (please refer to Page 17).

## III. Report on 2023 employees' profit sharing bonus and directors' compensation

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

(II) The Company proposes distributing NT\$1,405,880 (approximately accounting for 1.5% of the annual profit) in cash as directors' remuneration in 2023.

(III) The Company proposes distributing NT\$4,686,270 (nearly occupying 5% of the current year's profit) by issuing new shares as employee remuneration. One day before issuing new shares according to a resolution of the Board of Director as employee remuneration, 172,289 new shares will be issued based on the closing price of NT\$27.2. Remuneration of any employee who holds less than one share shall be determined based on the closing price of NT\$10 and paid in cash. This time, employee remuneration will be paid by increasing capital and issuing new shares. The Board of Director will be authorized to additionally determine the base date of capital increase.

## IV. 2023 Report of Remuneration Paid to Directors.

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

(II) Information on directors' remuneration, including the remuneration policy, details and amounts of individual remunerations, etc., are detailed in Attachment 2 (pages 18~19 of this Handbook).

## **Proposed Resolutions**

Item 1: (proposed by the Board of Directors)

Proposal: As to the 2023 business report and financial statements, approval is respectfully requested.

Description: (I) The Company's 2023 standalone and consolidated financial statements have been certified by CPA Lin Cheng-Wei and Chen Kuo-Shuai of Ernst & Young, Taiwan, who have issued unqualified opinions and an audit report on other matters. Such opinions and report have been submitted to the Audit Committee for review together with the business report.

(II) For details of the business report (please refer to Page 3~8 of this handbook), CPA's audit report and above financial statements, refer to Annex 3 (please refer

to Page 20~43 of this handbook).

(III) Hereby presented for recognition.

Resolution:

Item 2: (proposed by the Board of Directors)

Proposal: 2023 Earnings Distribution Proposal is hereby submitted for recognition.

Description: (I) For details of the Company's 2023 Disposition of Net Earnings, refer to Annex 4 (please refer to Page 44 of this handbook).

(II) As to 2023 earnings distribution proposal of the Company, it is resolved by the Board of Director that NT\$0.85 per share shall be distributed as cash dividend.

(III) For this distribution, cash dividends will be calculated by “unconditional rounding off of fractions” and the total sum of such fractional amounts shall be rounded off by decimal point from large to small and account number from front to back until the total amount of cash dividends for distribution is reached. Once such amount is approved at this general shareholders’ meeting, the Chairman will be authorized to additionally determine related matters such as base date of dividends distribution and payment date.

(IV) In the event that the total quantity of outstanding shares and the dividends payout ratio to shareholders are affected owing to the Company’s redemption of outstanding shares, transfer of treasury stocks or other factors, it shall be proposed at the shareholders’ meeting to fully authorize the Chairman to handle related matters.

(V) Hereby presented for recognition.

Resolution:

### **Election Matters**

Proposal: Re-election of directors(proposed by the Board of Directors)

Description: (I) The term of office of the current directors of the Company will expire on August 17, 2024, and it is proposed to hold a full re-election in advance in conjunction with the upcoming shareholders’ meeting.

(II) In accordance with Article 16 of the Company’s Articles of Incorporation, nine director positions (including three independent director positions) will be elected this time, following a candidate nomination system. The new directors will be elected for a duration of 3 years from May 30, 2024 to May 29, 2027. The original directors shall hold office until the conclusion of the current shareholders’ meeting.

(III) The Company’s Independent Director, Mr. Huang Hsu-Nan, has served as the Company’s independent director for more than three terms. Taking into account his familiarity with relevant laws and corporate governance, as well as his expertise and experience, which significantly benefit the company, Mr. Huang, Hsu-Nan will be nominated again as a candidate for independent director in this election. This will enable him to continue leveraging his expertise and providing

oversight and advice to the board of directors while fulfilling his duties as an independent director.

(IV) The list of director candidates (including independent directors) has been approved by the board of directors of the Company on April 15, 2024. The relevant information is as follows:

Serial number	Candidate Status	Name	Education (expertise) and current position	Number of shares held (Unit: share)
1	Director	Yang Cheng-Li	<p>Education: MBA, Tulane University Department of Business Administration, National Chengchi University</p> <p>Current position: Chairman of KING CORE ELECTRONICS INC. Chairman of KING CORE ELECTRONICS (SUZHOU) CO., LTD. (legal representative) Chairman of ALLIED BIOTECH CORP. (legal representative) Chairman of YI BAO SHOE MATERIAL CORP. Director of NCCU Academic Development Foundation Independent Director of SCIENTECH CORPORATION Director of SHENG BAO INVESTMENT CORP. Director of JIN BAO INVESTMENT CORP. Director of ZHENG BAO INVESTMENT CORP. Director (legal representative) of King Core (B.V.I.) Electronics Co., Ltd. Director of ULTIMATE BEYOND LIMITED Director of InnoFund II Ltd. (legal representative) Independent Director of GIGA-BYTE TECHNOLOGY CO., LTD. Director of InnoFund V Ltd. (legal representative)</p>	2,989,391
2	Director	Chuang Yung-Shun	<p>Education: EMBA of National Taiwan University MBA, Tulane University</p> <p>Current position: Director of KING CORE ELECTRONICS INC. Chairman of AAEON TECHNOLOGY INC. (legal representative) Chairman of YANYOU INVESTMENT LIMITED (legal representative) Chairman of ONYX HEALTHCARE INC. (legal representative) Chairman of Aaeon Technology (Suzhou) Inc.</p>	2,913,305

Serial number	Candidate Status	Name	Education (expertise) and current position	Number of shares held (Unit: share)
			<p>(legal representative)  Director of Outstanding Electronics (Dongguan) Manufacturer Co., Ltd.  Director and General Manager of Outstanding Electronics MANUFACTURER(Danyang) Co., Ltd.  Chairman of YANXIN INVESTMENT LIMITED  Director of Consortium Legal Person Aaeon Cultural and Educational Foundation  Director of ATECH OEM INC.  Director (legal representative) of XAC AUTOMATION CORP.  Director of LITEMAX ELECTRONICS INC.  Director of SUNENGINE CORPORATION LTD.  (legal representative)  Independent Director of TOP UNION ELECTRONICS CORPORATION  Chairman of EVERFOCUS ELECTRONICS CORP.  Director of ALLIED BIOTECH CORP.  Director of MACHVISION, INC.  Director of MACHVISION (Dongguan) Testing Equipment Co., Ltd.  Director of Chengye Biomedical Investment Corporation.  (legal representative)  Director of Suzhou Taiyong Electronics Factory  Director of AAEON TECHNOLOGY SINGAPORE PTE. LTD.  Director of AAEON TECHNOLOGY (Europe) B.V.I  Director of AAEON TECHNOLOGY GMBH  Director of ONYX Healthcare USA, Inc.  Director of ONYX Healthcare Europe B.V.I  Director of AAEON Electronics Inc.  Director of Allied Oriental International Ltd.  Chairman of Onyx Healthcare (Shanghai) INC.  (legal representative)  Director of LitemaxTechnology, Inc.  Director of Mcfees Group Inc.  Chairman of FULI INVESTMENT LIMITED  Director of Fengxin Venture Capital Limited  (legal representative)  Director of iHELPER Inc.  (legal representative)  Director of WINMATE INC.  (legal representative)  Director of IBASE TECHNOLOGY INC.</p>	

Serial number	Candidate Status	Name	Education (expertise) and current position	Number of shares held (Unit: share)
			(legal representative) Independent Director of TAIFLEX SCIENTIFIC CO., LTD. Director of China University of Technology Chairman of JETWAY INFORMATION CO., LTD. (legal representative)	
3	Director	SHENG BAO INVESTMENT CORP. Representative: Tsai Yuh-Chiang	Education (expertise): Master of Business Administration, National Chengchi University Executive Vice President of KING CORE ELECTRONICS INC. Current position: Director of KING CORE ELECTRONICS INC. (legal representative) Director and General Manager of KING CORE ELECTRONICS (SUZHOU) CO., LTD (legal representative)	10,054,530
4	Director	SHENG BAO INVESTMENT CORP. Representative: Shyu Lih-Hwa	Education (expertise): Department of Business Administration, National Chengchi University Current position: Director of KING CORE ELECTRONICS INC. (legal representative) Chairman of SHENG BAO INVESTMENT CORP. Chairman of Tian Ren He Yi Productions Co., Ltd. Supervisor of JIN BAO INVESTMENT CORP. Director of ZHENG BAO INVESTMENT CORP. Director of YI BAO SHOE MATERIAL CORP. Director of Everlight Cultural Foundation	10,054,530
5	Director	Kuo Kun-Chang	Education: Department of Business Administration, National Chengchi University Current position: Director of KING CORE ELECTRONICS INC. Supervisor of KING CORE ELECTRONICS (SUZHOU) CO., LTD. (legal representative) Chairman of Shenzhen Zhen King Electronics Components Co.,Ltd. (legal representative)	2,944,353
6	Director	Hsieh Yu-Tien	Education (expertise): Institute of Business Administration, Chinese	53,873

Serial number	Candidate Status	Name	Education (expertise) and current position	Number of shares held (Unit: share)
			Culture University Vice General Manager of NSC Securities Ltd. Current position: Director of KING CORE ELECTRONICS INC. Independent Director of TAIWAN OASIS TECHNOLOGY CO., LTD. Independent Director of SUN MAX TECH LIMITED Independent Non-executive Director of Intellicentrics Global Holdings Ltd.	
7	Independent Director	Huang Hsu-Nan	Education (expertise): Ph.D., Management Science, National Chiao Tung University Dean of the School of Management, Ming Chuan University Director of Business Administration, Management Institute of Ming Chuan University Associate researcher of the Department of Business Administration, National Yunlin University of Science and Technology Associate researcher/group leader of Economic Construction Committee, Executive Yuan Executive Director of Taiwan Efficiency and Productivity Association Executive Supervisor of Global Logistics Council of Taiwan Evaluation committee member of Higher Learning Evaluation Center and Taiwan Assessment and Evaluation Association Current position: Independent director of KING CORE ELECTRONICS INC. Director of Huayang SME Development Co., Ltd. (legal representative) Full-time professor of Ming Chuan University and director of SME Cultivation Center Director of Academy of Promoting Economic Legislation Director of LITEMAX ELECTRONICS INC. Supervisor of LE YOUNG CONSTRUCTION CO., LTD. Independent Director of XAC AUTOMATION CORP. Independent Director of EVERFOCUS ELECTRONICS CORP. Independent Director of Top Union Electronics Corporation	0



Serial number	Candidate Status	Name	Education (expertise) and current position	Number of shares held (Unit: share)
8	Independent Director	Chang Shih-Chung	Education (expertise): MBA, California State University Current position: Chairman of WELLPOOL CO., LTD. Director (representative) of GUOPU CO., LTD.	660,000
9	Independent Director	Chan Yun-Hao	Education (expertise): Master's Degree, Accounting, Missouri State University Listing Audit Department of Taipei Exchange Special assistant of the Chairman of Gemtek Current position: Independent director of KING CORE ELECTRONICS INC. Chairman of TSE Technologies Corp. Director of PRODRIVES & MOTIONS CO., LTD. (legal representative)	0

(V) Please refer to Attachment 5 for the Regulations Governing the Election of Directors and Independent Directors (page 45~46 of this Handbook).

(VI) Please vote.

Election results:

### **Matters for discussion**

Proposal: Discussion to approve the lifting of non-competition restrictions for newly elected directors and their representatives is presented for discussion.

Description: (I) According to Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business shall explain to the shareholders' meeting the essential contents of such an act and obtain its approval."

(II) To leverage the expertise and relevant experience of the Company's directors, it is proposed, in accordance with the law, to request the approval of the shareholders' meeting to lift the restrictions on competition for the directors and their representatives appointed at the 2024 shareholders' meeting.

(III) Details of the dismissal of directors are as follows:

Position	Name	Other Position
Director	Yang Cheng-Li	Independent Director of SCIENTECH CORPORATION Independent Director of GIGA-BYTE TECHNOLOGY CO., LTD.
Director	Chuang Yung-Shun	Chairman of AAEMON TECHNOLOGY INC. (legal representative) Chairman of ONYX HEALTHCARE INC. (legal representative) Director of ATECH OEM INC. Director of SUNENGINE CORPORATION LTD.

Position	Name	Other Position
		(legal representative) Independent Director of TOP UNION ELECTRONICS CORPORATION Chairman of EVERFOCUS ELECTRONICS CORP. Director of iHELPER Inc. Director of WINMATE INC. (legal representative) Independent Director of TAIFLEX SCIENTIFIC CO., LTD. Chairman of JETWAY INFORMATION CO., LTD. (legal representative)
Director	Hsieh Yu-Tien	Independent Director of TAIWAN OASIS TECHNOLOGY CO., LTD.
Independent Director	Huang Hsu-Nan	Independent Director of EVERFOCUS ELECTRONICS CORP. Independent Director of TOP UNION ELECTRONICS CORPORATION.
Independent Director	Chan Yun-Hao	Director of PRODRIVES & MOTIONS CO., LTD. (legal representative)

(IV) Hereby presented for discussion.

Resolution:

**Extempore Motions**

**Meeting Adjourned**

KING CORE ELECTRONICS INC.  
Audit Committee's Review Report

Authorized

The Board of Director has prepared the Company's 2023 Business Report, financial statements and earnings distribution proposal. Lin Cheng-Wei and Chen Kuo-Shuai, as CPAs of Ernst & Young, Taiwan, have audited the financial statements and issued an audit report. The abovementioned business report, financial statements and earnings distribution proposal have been examined and approved by the Audit Committee and there was no discrepancy found. The Review Report is therefore issued in accordance with the Securities Exchange Act and the Company Act; please review and verify.

Best regards

2024 General Shareholders' Meeting of the Company

King Core Electronics Inc.

Convener of Audit Committee: Huang Hsu-Nan

February 19, 2024

## Information on Directors' Remuneration

Unit: \$NT thousand; thousand shares

Position	Name	Remuneration to Directors						Remuneration in the capacity as employees				Ratio of the total amount of A, B, C, D, E, F and G to operating gross profit after tax (Note 10)		Remuneration received from invested companies other than subsidiaries or the parent company (Note 11)				
		Remuneration(A) (Note 2)		Pension(B)		Bonus to Directors(C) (Note 3)		Fees for services rendered (D) (Note 4)		Ratio of the total amount of A, B, C and D to operating gross profit after tax (Note 10)		Ratio of the total amount of A, B, C, D, E, F and G to operating gross profit after tax (Note 10)						
		The Company	All companies included in consolidated statements (Note 7)	The Company	All companies included in consolidated statements (Note 7)	The Company	All companies included in the financial statement (Note 7)	The Company	All companies included in the financial statement (Note 7)	The Company	All companies included in the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)					
Chairman	Yang Cheng-Li	0	0	0	128	24	24	24	24	152	152	2,962	0	0	0	3,114	3,114	0
Director	Chuang Yung-Shun	0	0	0	128	24	24	24	24	152	152	0	0	0	0	152	152	0
Director	Liu Ming-Hsin	0	0	0	128	18	18	18	18	146	146	0	0	0	0	146	146	0
Director	Kuo Kun-Chan	0	0	0	128	12	12	12	12	140	140	0	0	0	0	140	140	0
Director	Hsieh Yu-Tien	0	0	0	128	24	24	24	24	152	152	0	0	0	0	152	152	0
Director (Corporate shareholder)	SHENG BAO INVESTMENT CORP.	0	0	0	382	0	0	0	0	382	382	0	0	0	0	382	382	0
Director (legal representative)	Shyu Lih-Hwa	0	0	0	0	24	24	24	24	24	24	0	0	0	0	24	24	0
Director (legal representative)	Chen Cheng-Han	0	0	0	0	24	24	24	24	24	24	2915	84	0	0	3,268	3,268	0
Director (legal representative)	Tsai Yuh-Chian	0	0	0	0	24	24	24	24	24	24	1936	108	0	0	2305	2305	0
Independent Director	Huang Hsu-Nan	0	0	0	128	24	24	24	24	152	152	0	0	0	0	152	152	0
Independent Director	Wang Chia-Ho	0	0	0	128	12	12	12	12	140	140	0	0	0	0	140	140	0

Position	Name	Remuneration to Directors				Remuneration in the capacity as employees				Ratio of the total amount of A, B, C, D, E, F and G to operating gross profit after tax (Note 10)		Remuneration received from invested companies other than subsidiaries or the parent company (Note 11)			
		Remuneration(A) (Note 2)		Pension(B)		Bonus to Directors(C) (Note 3)		Fees for services rendered (D) (Note 4)		Ratio of the total amount of A, B, C and D to operating gross profit after tax (Note 10)			The Company	All companies included into the financial statement (Note 7)	
		The Company	All companies included in consolidated statements (Note 7)	The Company	All companies included in consolidated statements (Note 7)	The Company	All companies included into the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)				
Independent Director	Chan Yun-Hao	0	0	0	128	128	24	24	152	0	0	0	152	0.2	0

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

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

Note 2: Refers to director's remuneration in 2023 (including salaries, allowances, severance pay, various bonuses and incentives etc.).

Note 3: Represents the amount of directors' remuneration that the Board of Director has approved as part of the earnings appropriation in 2023

Note 4: Refers to compensations for services rendered (including travel, special allowances, various subsidies, accommodation, corporate vehicle and other items) in 2023. Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the remuneration paid to the above beneficiaries.

Note 5: Refers to any salaries, allowances, severance pay, bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, vehicles, etc. which the director has received in 2023 for assuming the role of a company employee (such as General Manager, Vice General Manager, other managerial personnel or employees). Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the remuneration paid to the above beneficiaries. Also, based on the IFRS 2 share-based payment regulation, remuneration should include the employee stock option, restricted stock awards, and private placement for capital increase.

Note 6: Refers to any compensation that the director received (in cash or in shares) in 2023 for assuming the role of an employee (such as General Manager, Vice General Manager, other managerial personnel or employees). The amount of employee compensation proposed by the Board of Director in the last year has been disclosed (where the amount could not be estimated, the actual amount paid in the last year was presented instead). Schedule 1-3 has also been completed for reference.

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

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

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

Note 10: Profit after tax refers to the amount of profit after tax shown in the 2023 consolidated and standalone financial reports.

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

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

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

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

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

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

**Opinion**

We have audited the accompanying parent-company-only balance sheets of King Core Electronics Inc. (the “Company”) as of December 31, 2023 and 2022, and the related parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including the summary of material accounting policies (together referred as “the parent-company-only financial statements”).

In our opinion, based on the results of our audits and the report of other auditors (please refer to the Other Matter – Making Reference to the Audit of Other Auditor section of our report), the parent-company-only financial statements referred to above present fairly, in all material respects, the parent-company-only financial position of the Company as of December 31, 2023 and 2022, and their parent-company-only financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**Basis for Opinion**

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

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of 2023 parent-company-only financial statements. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue Recognition

The Company recognized NT\$451,552 thousand as revenue for the year ended December 31, 2023. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, Europe, etc. Among these locations, the Company has established foreign hub-warehouse for certain foreign customers' convenience. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. We therefore conclude that there are significant risks with respect to the topic of revenue recognition.

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

### **Other Matter – Making Reference to the Audit of Other Auditor**

We did not audit the financial statements of Allied Biotech Corp., an invested associate accounted for using the equity method by the Company. The financial statements of Allied Biotech Corp. as of December 31, 2023 and 2022, and for the years then ended were audited by other auditors, whose reports thereon have been furnished to us. Our audit, insofar as it related to the investment in the associate accounted for using the equity method amounting to NT\$254,569 thousand and NT\$258,283 thousand as of December 31, 2023 and 2022 representing 12.02% and 11.13% of the Company's total assets, the related shares of income before tax from the associate under the equity method for the years then ended amounting to NT\$18,352 thousand and NT\$27,660 thousand representing 20.94% and 11.88% of the Company's income before tax, and the related shares of other comprehensive income from the associate under the equity method for the years then ended amounting to NT\$(720) thousand and NT\$417 thousand, representing (4.30)% and (5.74)% of the other comprehensive income, respectively.

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

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

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

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

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



## **Auditor’s Responsibilities for the Audit of the Parent-Company-Only Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the accompanying notes, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 parent-company-only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/Lin, Cheng-Wei

/s/Chen, Kuo-Shuai

Ernst & Young  
Taiwan, R.O.C.  
February 19<sup>th</sup>, 2024

Notice to Readers

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

*Accordingly, the accompanying parent-company-only financial statements and report of independent accountants are*

*not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.*

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese  
King Core Electronics Inc.  
Parent-Company-Only Balance Sheets  
As at December 31, 2023 and 2022  
(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Accounts	Notes	As at December 31, 2023		As at December 31, 2022	
			Amount	%	Amount	%
	<b>Current assets</b>					
1100	Cash and cash equivalents	4, 6(1)	\$326,770	15	\$504,760	22
1110	Financial assets at fair value through profit or loss	4, 6(2)	59,035	3	46,767	2
1120	Financial assets at fair value through other comprehensive income	4, 6(3)	55,571	3	56,219	3
1136	Financial assets measured at amortized cost	4, 6(4), 8	446,785	21	474,960	21
1150	Notes receivable, net	4, 6(5)	2,291	-	2,507	-
1170	Accounts receivable, net	4, 6(6)	72,859	3	120,649	5
1180	Accounts receivable-related parties, net	4, 6(6), 7	14,807	1	5,696	-
1200	Other receivables		3,427	-	2,594	-
1220	Current tax assets	4, 6(24)	9,123	-	-	-
1310	Inventories, net	4, 6(7)	158,735	8	166,445	7
1410	Prepayments		3,454	-	4,736	-
1470	Other current assets		275	-	206	-
11xx	Total current assets		<u>1,153,132</u>	<u>54</u>	<u>1,385,539</u>	<u>60</u>
	<b>Non-current assets</b>					
1510	Financial assets at fair value through profit or loss	4, 6(2)	16,969	1	13,881	1
1517	Financial assets at fair value through other comprehensive income	4, 6(3)	128,792	6	105,805	5
1550	Investment accounted for using equity method	4, 6(8)	493,558	23	516,869	22
1600	Property, plant and equipment	4, 6(9), 8	301,395	14	278,898	12
1780	Intangible assets	4, 6(10)	107	-	205	-
1840	Deferred tax assets	4, 6(24)	9,971	1	8,458	-
1900	Other non-current assets	4, 6(11)	13,269	1	10,640	-
15xx	Total non-current assets		<u>964,061</u>	<u>46</u>	<u>934,756</u>	<u>40</u>
1xxx	Total Assets		<u>\$2,117,193</u>	<u>100</u>	<u>\$2,320,295</u>	<u>100</u>

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

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese  
King Core Electronics Inc.  
Parent-Company-Only Balance Sheets (Continued)  
As at December 31, 2023 and 2022  
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity		As at December 31, 2023		As at December 31, 2022		
		Amount	%	Amount	%	
Code	Accounts					
	Current liabilities					
2100	Short-term loans	\$494,000	23	\$582,000	25	
2120	Financial liability at fair value through profit or loss	28	-	433	-	
2130	Contract liabilities	179	-	185	-	
2150	Notes payable	491	-	404	-	
2170	Accounts payable	36,515	2	69,578	3	
2180	Accounts payable-related parties	28,127	1	22,627	1	
2200	Other payables	33,346	2	52,847	2	
2230	Current income tax liabilities	-	-	34,459	2	
2300	Other current liabilities	4,169	-	4,101	-	
21xx	Total current liabilities	596,855	28	766,634	33	
	Non-current liabilities					
2570	Deferred tax liabilities	8,282	1	8,900	-	
2600	Other non-current liabilities	4,437	-	10,625	1	
25xx	Total non-current liabilities	12,719	1	19,525	1	
2xxx	Total liabilities	609,574	29	786,159	34	
31xx	Equity attributable to shareholders of the parent					
3100	Capital					
3110	Common stock	876,390	41	871,477	38	
3200	Capital surplus	208,422	10	200,654	9	
3300	Retained earnings					
3310	Legal reserve	293,712	14	274,507	12	
3320	Special reserve	15,836	1	6,584	-	
3350	Unappropriated earnings	110,511	5	196,750	8	
3400	Other components of equity	2,748	-	(15,836)	(1)	
3xxx	Total equity	1,507,619	71	1,534,136	66	
	Total liabilities and equity	\$2,117,193	100	\$2,320,295	100	

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

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

Parent-Company-Only Statements of Comprehensive Income

For the Years Ended December 31, 2023 and 2022

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

Code	Items	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(18), 7	\$451,552	100	\$656,496	100
5000	Operating costs	6(7), 7	(361,228)	(80)	(476,362)	(73)
5900	Gross profit		90,324	20	180,134	27
5920	Unrealized gross (profit) loss from sales		(358)	-	(487)	-
5950	Gross profit		89,966	20	179,647	27
6000	Operating expenses	7				
6100	Sales and marketing		(25,531)	(6)	(31,615)	(5)
6200	General and administrative		(44,996)	(10)	(57,846)	(9)
6300	Research and development		(13,781)	(3)	(14,320)	(2)
6450	Expected credit gains (losses)	4, 6(19)	930	-	-	-
	Total operating expenses		(83,378)	(19)	(103,781)	(16)
6900	Operating income		6,588	1	75,866	11
7000	Non-operating income and expenses	6(22), 7				
7100	Interest income		33,614	8	13,726	2
7010	Other income		15,724	3	18,652	3
7020	Other gains and losses		36,350	8	122,628	19
7050	Finance costs		(7,458)	(2)	(7,684)	(1)
7070	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method		2,815	1	9,726	1
	Total non-operating incomes and expenses		81,045	18	157,048	24
7900	Income before income tax		87,633	19	232,914	35
7950	Income tax expense	4, 6(24)	(12,837)	(3)	(42,298)	(6)
8200	Net income		74,796	16	190,616	29
8300	Other comprehensive income (loss)	6(23)				
8310	Item that will not be reclassified subsequently to profit or loss					
8311	Remeasurements of defined benefit plans		(1,190)	-	3,062	1
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive		22,339	5	(17,457)	(3)
8331	Remeasurements of defined benefit plans of subsidiaries, associates and joint ventures		(667)	-	607	-
8336	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income of subsidiaries, associates and joint ventures		(128)	-	(352)	-
8360	Items that may be reclassified subsequently to profit or loss					
8381	Exchange differences on translation of foreign operations		(3,627)	(1)	6,869	1
	Total comprehensive income (loss), net of tax		16,727	4	(7,271)	(1)
8500	Total comprehensive income		\$91,523	20	\$183,345	28
9750	Earnings per share-basic (in NTD)	6(25)	\$0.85		\$2.19	
9850	Earnings per share-diluted (in NTD)	6(25)	\$0.85		\$2.17	

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

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese  
King Core Electronics Inc.  
Parent-Company-Only Statements of Changes in Equity  
For the Years Ended December 31, 2023 and 2022  
(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent						Total Equity	
		Capital	Capital Surplus	Retained Earnings	Other components of equity	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	3XXX		
				Legal Reserve	Special reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations		
A1	Balance as of January 1, 2022	\$869,204	\$198,157	\$266,256	\$6,584	\$86,833	\$24,411	\$19,515	\$1,422,138
B1	Appropriation and distribution of 2021 retained earnings								
B5	Legal reserve			8,251		(8,251)			-
C7	Cash dividends-common shares					(73,883)			(73,883)
	Changes in subsidiaries, associates, and joint ventures accounted for using equity method		(618)			(2,234)			(2,852)
D1	Net income for 2022					190,616			190,616
D3	Other comprehensive income (loss), for 2022					3,669	6,869	(17,809)	(7,271)
D5	Total comprehensive income (loss)					194,285	6,869	(17,809)	183,345
N1	Issuance of common stock from compensation of employees								
Z1	Balance as of December 31, 2022	2,273	3,115			\$196,750	\$17,542	\$1,706	5,388
		\$871,477	\$200,654	\$274,507	\$6,584	\$196,750	\$17,542	\$1,706	\$1,534,136
A1	Balance as of January 1, 2023	\$871,477	\$200,654	\$274,507	\$6,584	\$196,750	\$17,542	\$1,706	\$1,534,136
B1	Appropriation and distribution of 2022 retained earnings								
B3	Legal reserve			19,205		(19,205)			-
B5	Special reserve				9,252	(9,252)			-
C7	Cash dividends-common shares					(130,721)			(130,721)
	Changes in subsidiaries, associates, and joint ventures accounted for using equity method		226						226
D1	Net income for 2023					74,796			74,796
D3	Other comprehensive income (loss), for 2023					(1,857)	(3,627)	22,211	16,727
D5	Total comprehensive income (loss)					72,939	(3,627)	22,211	91,523
N1	Issuance of common stock from compensation of employees								
Z1	Balance as of December 31, 2023	4,913	7,542			\$110,511	\$23,917		12,455
		\$876,390	\$208,422	\$293,712	\$15,836	\$110,511	\$23,917		\$1,507,619

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



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

Parent-Company-Only Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	2023		2022		Code	Items	2023		2022	
		Amount	Amount	Amount	Amount			Amount	Amount		
A20900	Cash flows from operating activities:					BBBB	Cash flows from investing activities:				
A10000	Income before income tax	\$87,653		\$232,914		B00010	Acquisition of financial assets at fair value through other comprehensive income	-		(3,076)	
A20000	Adjustments:					B00040	Acquisition of financial assets measured at amortized cost	28,175		431,903	
A20010	Profit or loss not effecting cash flows:					B01800	Acquisition of investments accounted for using equity method	-		(24,350)	
A20100	Depreciation	26,647		33,163		B02700	Acquisition of property, plant and equipment	(51,623)		(43,883)	
A20200	Amortization	260		292		B02800	Proceeds from disposal of property, plant and equipment	-		734	
A20300	Expected credit losses (gains)	(930)		-		B03700	Increase in refundable deposits	(150)		-	
A20400	Net loss (gain) of financial assets at fair value through profit or loss	(15,356)		9,120		B04500	Acquisition of intangible assets	(162)		(454)	
A20400	Net loss (gain) of financial liabilities at fair value through profit or loss	(184)		(390)		BBBB	Net cash provided by (used in) investing activities	(23,760)		360,874	
A20900	Interest expense	7,458		7,684							
A21200	Interest income	(33,614)		(13,726)		CCCC	Cash flows from financing activities:				
A21300	Dividend income	(7,957)		(8,780)		C00100	Increase in (repayment of) short-term loans	(88,000)		(737,000)	
A22300	Share of profit or loss of subsidiaries, associates and joint ventures accounted	(2,815)		(9,726)		C04500	Cash dividends	(130,721)		(73,883)	
A22500	Loss (gain) on disposal of property, plant and equipment	-		(543)		C09900	Employee bonus paid	-		(10)	
A24000	Loss (gain) on disposal of investments	358		487		CCCC	Net cash provided by (used in) investing activities	(218,721)		(810,893)	
A23100	Loss (gain) on disposal of investments	-		688							
A30000	Changes in operating assets and liabilities:					EEEE	Increase (decrease) in cash and cash equivalents	(177,990)		(136,173)	
A31115	Financial assets at fair value through profit or loss	-		4,312		E00100	Cash and cash equivalents at beginning of period	504,760		640,933	
A31130	Notes receivable	216		1,367		E00200	Cash and cash equivalents at end of period	\$326,770		\$504,760	
A31150	Accounts receivable	48,720		14,737							
A31160	Accounts receivable-related parties	(9,111)		5,563							
A31180	Other receivables	(830)		(518)							
A31200	Inventories	7,710		(31,489)							
A31230	Prepayment	1,282		(1,164)							
A31240	Other current assets	(69)		6							
A32110	Financial liabilities at fair value through profit or loss	(221)		653							
A32125	Contract liabilities	(6)		(60)							
A32130	Notes payable	87		(142)							
A32150	Accounts payable	(33,063)		(20,073)							
A32160	Accounts payable-related parties	5,500		22,627							
A32180	Other payables	(7,118)		14,068							
A32230	Other current liabilities	68		284							
A32240	Net defined benefit liability	(7,378)		(2,043)							
A33000	Cash generated from (used in) operations	67,287		259,311							
A33100	Interest received	33,611		12,785							
A33200	Dividend received	29,529		55,346							
A33300	Interest paid	(7,386)		(7,933)							
A33500	Income tax paid	(58,550)		(5,663)							
AAA	Net cash provided by (used in) operating activities	64,491		313,846							

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

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

**MANAGEMENT REPRESENTATION LETTER**

The entities that are required to be included in the combined financial statements of King Core Electronics Inc. as of December 31, 2023 and for the year then ended under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, King Core Electronics Inc. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

King Core Electronics Inc.

By

Yang, Cheng-Li

Chairman

February 19<sup>th</sup>, 2024

## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

We have audited the accompanying consolidated balance sheets of King Core Electronics Inc. (the “Company”) and its subsidiaries as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including the summary of material accounting policies (together referred as “the consolidated financial statements”).

In our opinion, based on the results of our audits and the report of other auditors (please refer to the Other Matter – Making Reference to the Audit of Other Auditor section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2023 and 2022, and their consolidated financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

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

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue Recognition

The Company and its subsidiaries recognized NT\$544,602 thousand as revenue for the year ended December 31, 2023. The Company and its subsidiaries have conducted these sale activities in multi-marketplace, including Taiwan, China, and Europe, etc. Among these locations, the Company has established foreign hub-warehouse for certain foreign customers' convenience. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. We therefore conclude that there are significant risks with respect to the topic of revenue recognition. Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including checking the revenue recognition from foreign hub-warehouses, obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing, and performance obligation for revenue recognition with sale agreement or orders, performing analytical review procedures on monthly sale revenues, executing sale cut-off tests, etc. We have also evaluated the appropriateness of the related disclosure in Notes 4 and 6 to the consolidated financial statements.

### **Other Matter – Making Reference to the Audit of Other Auditor**

We did not audit the financial statements of Allied Biotech Corp., an invested associate accounted for using the equity method by the Group. The financial statements of Allied Biotech Corp as of December 31, 2023 and 2022, and for the years then ended were audited by other auditor, whose report thereon has been furnished to us. Our audit, insofar as it related to the investment in the associate accounted for using the equity method amounting to NT\$254,569 thousand and NT\$258,238 thousand as of December 31, 2023 and 2022 representing 11.99% and 11.07% of the Company's consolidated total assets, the related shares of income before tax from the associate under the equity method for the years then ended amounting to NT\$18,352 thousand and NT\$27,660 thousand representing 20.86% and 11.85% of the Company's consolidated income before tax, and the related shares of other comprehensive income from the associate under the equity method for the years then ended amounting to NT\$(720) thousand and NT\$417 thousand representing (4.30)% and(5.74)% of the other comprehensive income, respectively.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Others**

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent-company-only financial statements of the Company as of December 31, 2023 and 2022, and for the years then ended.

/s/Lin, Cheng-Wei

/s/Chen, Kuo-Shuai

Ernst & Young, Taiwan, R.O.C

February 19<sup>th</sup>, 2024

Notice to Readers

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

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



English Translation of Consolidated Financial Statements Originally Issued in Chinese  
King Core Electronics Inc. and Subsidiaries  
Consolidated Balance Sheets  
As at December 31, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets		As at Dec.31, 2023		As at Dec.31, 2022		
Code	Accounts	Notes	Amount	%	Amount	%
	<b>Current assets</b>					
1100	Cash and cash equivalents	4, 6(1)	\$368,545	17	\$568,347	24
1110	Financial assets at fair value through profit or loss	4, 6(2)	59,035	3	46,767	2
1120	Financial assets at fair value through other comprehensive income	4, 6(3)	55,571	3	56,219	3
1136	Financial assets measured at amortized cost	4, 6(4), 8	497,950	24	505,033	22
1150	Notes receivable, net	4, 6(5)	10,463	1	8,557	-
1170	Accounts receivable, net	4, 6(6)	136,712	6	183,073	8
1200	Other receivables		3,470	-	2,632	-
1210	Other receivables-related parties	7	4,725	-	-	-
1220	Current tax assets	4, 6(24)	9,123	-	-	-
1310	Inventories, net	4, 6(7)	194,501	9	211,623	9
1410	Prepayments		5,814	-	8,970	-
1470	Other current assets		275	-	206	-
11xx	Total current assets		<u>1,346,184</u>	<u>63</u>	<u>1,591,427</u>	<u>68</u>
	<b>Non-current assets</b>					
1510	Financial assets at fair value through profit or loss	4, 6(2)	16,969	1	13,881	1
1517	Financial assets at fair value through other comprehensive income	4, 6(3)	128,792	6	105,805	5
1550	Investment accounted for using equity method	4, 6(8)	274,887	13	291,828	13
1600	Property, plant and equipment	4, 6(9), 8	326,559	15	305,702	13
1755	Right-of-use assets	4, 6(20)	5,860	-	5,734	-
1780	Intangible assets	4, 6(10)	107	-	205	-
1840	Deferred tax assets	4, 6(24)	10,206	1	8,691	-
1900	Other non-current assets	4, 6(11)	13,291	1	10,684	-
15xx	Total non-current assets		<u>776,671</u>	<u>37</u>	<u>742,530</u>	<u>32</u>
1xxx	Total Assets		<u>\$2,122,855</u>	<u>100</u>	<u>\$2,333,957</u>	<u>100</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
King Core Electronics Inc. and Subsidiaries  
Consolidated Balance Sheets (Continued)  
As at December 31, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars)

		Liabilities and Equity		As at Dec.31, 2023		As at Dec.31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%	
	Current liabilities						
2100	Short-term loans	6(12),8	\$494,000	23	\$582,000	25	
2120	Financial liabilities at fair value through profit or loss	4, 6(13)	28	-	433	-	
2130	Contract liabilities	4, 6(18)	858	-	564	-	
2150	Notes payable		491	-	404	-	
2170	Accounts payable		48,505	2	76,768	3	
2200	Other payables	6(14)	52,874	3	78,001	3	
2230	Current income tax liabilities	4, 6(24)	204	-	36,974	2	
2280	Lease liabilities	4, 6(20)	460	-	-	-	
2300	Other current liabilities		4,429	-	4,477	-	
21xx	Total current liabilities		601,849	28	779,621	33	
	Non-current liabilities						
2570	Deferred tax liabilities	4, 6(24)	8,517	1	9,133	-	
2600	Other non-current liabilities	6(15), 6(16)	4,870	-	11,067	1	
25xx	Total non-current liabilities		13,387	1	20,200	1	
2xxx	Total liabilities		615,236	29	799,821	34	
31xx	Equity attributable to shareholders of the parent						
3100	Capital	6(17)					
3110	Common stock		876,390	41	871,477	37	
3200	Capital surplus	6(17)	208,422	10	200,654	9	
3300	Retained earnings	6(17)					
3310	Legal reserve		293,712	14	274,507	12	
3320	Special reserve		15,836	1	6,584	-	
3350	Unappropriated earnings		110,511	5	196,750	9	
3400	Other components of equity		2,748	-	(15,836)	(1)	
3xxx	Total equity		1,507,619	71	1,534,136	66	
	Total liabilities and equity		\$2,122,855	100	\$2,333,957	100	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
King Core Electronics Inc. and Subsidiaries  
Consolidated Statements Of Comprehensive Income  
For the Years Ended December 31, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(18), 7	\$544,602	100	\$770,147	100
5000	Operating costs	6(7)	(427,646)	(79)	(565,133)	(73)
5900	Gross profit		116,956	21	205,014	27
6000	Operating expenses					
6100	Sales and marketing		(40,106)	(7)	(52,224)	(7)
6200	General and administrative		(56,938)	(10)	(68,353)	(9)
6300	Research and development		(13,781)	(3)	(14,320)	(2)
6450	Expected credit gains (losses)	4, 6(19)	930	-	-	-
	Total operating expenses		(109,895)	(20)	(134,897)	(18)
6900	Operating income		7,061	1	70,117	9
7000	Non-operating income and expenses	6(22)				
7100	Interest income		35,144	6	15,196	2
7010	Other income		13,370	2	17,819	2
7020	Other gains and losses		35,514	7	119,328	16
7050	Finance costs		(7,483)	(1)	(7,692)	(1)
7060	Share of profit or loss of associates and joint ventures accounted for using equity method		4,387	1	18,683	2
	Total non-operating income and expenses		80,932	15	163,334	21
7900	Income before income tax		87,993	16	233,451	30
7950	Income tax expense		(13,197)	(2)	(42,835)	(5)
8200	Net income	4, 6(24)	74,796	14	190,616	25
8300	Other comprehensive income (loss)	6(23)				
8310	Item that will not be reclassified subsequently to profit or loss					
8311	Remeasurements of defined benefit plans		(1,190)	-	3,062	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		22,339	4	(17,457)	(2)
8321	Remeasurements of defined benefit plans of associates and joint ventures		(667)	-	607	-
8326	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income of associates and joint ventures		(128)	-	(352)	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		(4,440)	(1)	7,605	1
8371	Exchange differences on translation of foreign operations of associates and joint ventures		813	-	(736)	-
	Total other comprehensive income (loss), net of tax		16,727	3	(7,271)	(1)
8500	Total comprehensive income (loss)		\$91,523	17	\$183,345	24
9750	Earnings per share - basic (in NTD)	6(25)	\$0.85		\$2.19	
9850	Earnings per share - diluted (in NTD)	6(25)	\$0.85		\$2.17	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
King Core Electronics Inc. and Subsidiaries  
Consolidated Statements of Change in Equity  
For the Years Ended December 31, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Equity attributable to owners of the parent							Total Equity
		Capital	Capital Surplus	Retained Earnings			Other Components of equity		
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	
A1	Balance as at January 1, 2022	3100	3200	3310	3320	3350	3410	3420	3XXX
	Balance as at January 1, 2022	\$869,204	\$198,157	\$266,256	\$6,584	\$86,833	\$(24,411)	\$19,515	\$1,422,138
B1	Appropriation and distribution of 2021 earnings:								
B1	Legal reserve			8,251		(8,251)			-
B5	Cash dividends - common shares					(73,883)			(73,883)
C7	Share of changes in net assets of associates and joint ventures accounted for using equity method		(618)			(2,234)			(2,852)
D1	Net income for 2022					190,616			190,616
D3	Other comprehensive income (loss) for 2022					3,669	6,869	(17,809)	(7,271)
D5	Total comprehensive income (loss)					194,285	6,869	(17,809)	183,345
N1	Issuance of common stock from compensation of employees	2,273	3,115						5,388
Z1	Balance as at December 31, 2022	\$871,477	\$200,654	\$274,507	\$6,584	\$196,750	\$(17,542)	\$1,706	\$1,534,136
A1	Balance as at January 1, 2023	\$871,477	\$200,654	\$274,507	\$6,584	\$196,750	\$(17,542)	\$1,706	\$1,534,136
	Appropriation and distribution of 2022 retained earnings:								
B1	Legal reserve			19,205		(19,205)			-
B3	Special reserve				9,252	(9,252)			-
B5	Cash dividends-common shares					(130,721)			(130,721)
C7	Share of changes in net assets of associates and joint ventures accounted for using equity method		226						226
D1	Net income for 2023					74,796			74,796
D3	Other comprehensive income (loss) for 2023					(1,857)	(3,627)	22,211	16,727
D5	Total comprehensive income (loss)					72,939	(3,627)	22,211	91,523
N1	Issuance of common stock from compensation of employees	4,913	7,542						12,455
Z1	Balance as at December 31, 2023	\$876,390	\$208,422	\$293,712	\$15,836	\$110,511	\$(21,169)	\$23,917	\$1,507,619

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

King Core Electronics Inc. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2023		2022		Code	Items	2023		2022	
		Amount	Amount	Amount	Amount			Amount	Amount		
A10000	Cash flows from operating activities:					BBBB	Cash flows from investing activities:				
A20000	Net income before tax	\$87,993		\$233,451		B00010	Acquisition of financial assets at fair value through other comprehensive income	-			(3,076)
A20010	Adjustments:					B00050	Proceeds from disposal of financial assets measured at amortised cost	7,083			444,353
A20100	Profit or loss not effecting cash flows:					B01800	Acquisition of investments accounted for using equity method	-			(24,350)
A20200	Depreciation (including right-of-use assets)	29,393		36,622		B02700	Acquisition of property, plant and equipment	(52,655)			(44,117)
A20300	Amortization	260		292		B02800	Proceeds from disposal of property, plant and equipment	58			733
A20400	Expected credit losses (gains)	(930)		-		B03700	(Increase) decrease in refundable deposits	(128)			129
A20400	Net loss (gain) of financial assets at fair value through profit or loss	(15,356)		9,120		B04500	Acquisition of intangible assets	(162)			(454)
A20400	Net loss (gain) of financial liabilities at fair value through profit or loss	(184)		(390)		BBBB	Net cash provided by (used in) investing activities	(45,804)			373,218
A20900	Interest expense	7,483		7,692							
A21200	Interest income	(35,144)		(15,196)		CCCC	Cash flows from financing activities:				
A21300	Dividend income	(7,957)		(8,780)		C00100	Increase in (repayment of) short-term loans	(88,000)			(737,000)
A22300	Share of profit or loss of associates and joint ventures accounted for using equity method	(4,387)		(18,683)		C03100	Increase (decrease) in deposits received	(9)			442
A22500	Loss (gain) on disposal of property, plant and equipment	40		(543)		C04020	Payments for principal portion of the lease liability	(475)			(478)
A23100	Loss (gain) on disposal of investments	-		688		C04500	Cash dividends	(130,721)			(73,883)
A30000	Changes in operating assets and liabilities:					C09900	Employee bonus paid	-			(10)
A31115	Financial assets at fair value through profit or loss	-		4,312		CCCC	Net cash provided by (used in) financing activities	(219,205)			(810,929)
A31130	Notes receivable	(1,906)		3,060							
A31150	Accounts receivable	48,249		35,415		DDDD	Effect of exchange rate changes	(4,801)			7,093
A31160	Accounts receivable-related parties	-		5,462							
A31180	Other receivables	(836)		3,111		EEEE	Net increase (decrease) in cash and cash equivalents	(199,802)			(137,859)
A31190	Other receivables-related parties	(4,725)		-		E00100	Cash and cash equivalents at beginning of period	568,347			706,206
A31200	Inventories	17,122		(8,733)		E00200	Cash and cash equivalents at end of period	\$368,545			\$568,347
A31230	Prepayment	3,156		2,858							
A31240	Other current assets	(69)		6							
A32110	Financial liabilities at fair value through profit or loss	(221)		653							
A32125	Contract liabilities	294		(553)							
A32130	Notes payable	87		(142)							
A32150	Accounts payable	(28,263)		(23,660)							
A32180	Other payables	(12,719)		13,345							
A32230	Other current liabilities	(48)		171							
A32240	Net defined benefit liability	(7,378)		(2,043)							
A33000	Cash generated from (used in) operations	73,954		277,535							
A33100	Interest received	35,142		14,256							
A33200	Dividend received	29,529		17,768							
A33300	Interest paid	(7,411)		(7,941)							
A33500	Income tax paid	(61,206)		(8,859)							
AAAA	Net cash provided by (used in) operating activities	70,008		292,759							

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

KING CORE ELECTRONICS INC.

Attachment 4

2023 Disposition of Net Earnings

Unit: NT Dollars

Items	Amount		Notes
	Subtotal	Total	
Balance at the beginning of period		<b>37,571,487</b>	<p>If the Company makes profit every year, it shall first appropriate no more than 2% as remuneration for directors and supervisors and 5% to 10% as employee remuneration, but where the Company has accumulated losses, certain amount of the profit shall be retained for loss recovery. The aforementioned employee remuneration shall be determined by the Board of Directors based on fulfillment of targets on net operating benefits and performances. It shall be distributed in the form of stocks or in cash. It shall be paid to affiliates' employees who satisfy the conditions specified by the Board of Directors or its authorized person.</p> <p>If the Company makes profits in the current accounting period, it shall first lawfully pay the taxes, make up any losses from the past years and then make contribution of 10% as the statutory reserve unless the statutory reserve reaches the total amount of the Company paid-in capital.</p> <p>After special earnings are appropriated or reversed according to the laws, regulations and rules of competent authorities, 10% (including the figure) to 100% of the total amount of undistributed earnings accumulated in the past years and those of the current year shall be appropriated and distributed to shareholders as dividends with the approval of the shareholders' meeting.</p> <p>At present, the Company is in a mature industry. It shall distribute dividends in cash or by way of stocks. It shall measure its capital demand and capital structure in the next years. Its cash dividends shall not be below 10% of the the shareholders' total dividends that year.</p>
Less: Other comprehensive income (remeasured amount under defined benefit plan in 2023)		<b>(1,190,208)</b>	
Less: Other comprehensive income (investment adjustment made by equity method)		<b>(666,383)</b>	
Add: Net profit after tax		<b>74,796,065</b>	
Subtotal		<b>110,511,011</b>	
Provision:			
Less: Legal reserve		<b>(7,293,952)</b>	
Add: Reversal of special reserves		<b>9,251,898</b>	
Sub-total amount of current earnings available for distribution		<b>112,468,957</b>	
Distributable items:		<b>(74,493,198)</b>	
Dividends to shareholders: cash (NT\$0.85 per share)		<b>(74,493,198)</b>	
Unappropriated retained earnings in the end of the term		<b>37,975,759</b>	
Note: market price of stocks calculated based on the Articles of Incorporation and the resolution date of the Board of Directors			
<b>Employee remuneration - stock price = 93,725,383 (excluding pre-tax amount of presented remuneration)*0.05 = NT\$4,686,270</b>			
<b>Director's remuneration = 93,725,383 (excluding pre-tax amount of presented remuneration)*0.015 = NT\$1,405,880</b>			

Chairman: Yang Cheng-Li

General Manger: Tsai Yuh-Chiang

Accounting Officer: Yeh Mei-Ling

## KING CORE ELECTRONICS INC.

## Regulations Governing the Election of Directors and Independent Directors

- I. The election of directors of the Company shall be conducted in accordance with these Regulations.
- II. Except as otherwise provided in the Articles of Incorporation of the Company, each share shall have voting rights in number equal to the directors to be elected and may be cast for a single candidate or split among multiple candidates.
- III. The Board of Directors or the person having the right to convene a shareholders' meeting shall prepare an election ballot with the number of voting rights marked down for distribution to the Shareholders attending the shareholders' meeting.
- IV. Before the election begins, the chair shall appoint a number of persons with the capacity to perform the respective duties of vote monitoring and counting personnel. The monitoring personnel shall be shareholders of the Company.
- V. For the election of directors, the ballot box shall be prepared by the Board of Directors or the person entitled to convene the shareholders' meeting and the scrutineers shall check the ballot before the vote.
- VI. The votes for directors shall be counted separately for independent directors and non-independent directors.
- VII. A ballot is invalid if one of the following occurs:
  - (I) The use of ballots not specified by these Regulations.
  - (II) A blank ballot is put into the ballot box.
  - (III) The writing is illegible and cannot be recognized or has been altered.
  - (IV) The candidate whose name is entered in the ballot does not conform to the Directors and Independent Directors Candidates List.
  - (V) Other words or markings are entered in addition to the candidate's account name (name) or shareholder account number (identification card number) and the number of voting rights allotted.
  - (VI) The candidate's account name (name) or shareholder account number (identity card number) is not filled in.
- VIII. Directors of the Company are appointed by the shareholders' meeting from among individuals with legal capacity, and in accordance with the quotas specified in the Company's Articles of Incorporation. Based on the results of electronic voting and the tally of election ballots, those who receive the highest number of votes, representing the most voting rights, are sequentially elected as independent and non-independent directors. When two or more people receive the same number of votes in excess of the specified number of votes, they shall draw lots to determine the winner. If any of the individuals are not present, the chairman will conduct the lottery on their behalf.
- IX. After the voting is completed, the ballots are counted on the spot, and the chairman shall announce the results immediately.

- X. Matters not provided for in these Regulations shall be handled in accordance with the Company Act, the Company's Articles of Incorporation and relevant laws and regulations.
- XI. The Regulations shall be implemented after the approval of the Shareholders' Meeting, and shall be amended in the same manner.  
These Regulations were established on May 25, 2007.  
The 1<sup>st</sup> amendment was made on June 13, 2008.  
The 2<sup>nd</sup> amendment was made on May 30, 2018.  
The 3<sup>rd</sup> amendment was made on August 18, 2021.



## Articles of Incorporation of KING CORE ELECTRONICS INC.

### Chapter 1 General Rules

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

### Chapter 2 Shares

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

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

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

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

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

### Chapter 3 Shareholders' meeting

Article 11: The shareholders' meetings may be convened in regular sessions or special sessions. General shareholders' meetings will usually and lawfully be convened once a year within 6 months after the end of a fiscal year by the Board of Director. Special session may be convened at any time as needed. The Company may convene a shareholders' meeting by video conference or other means announced by the central competent authority.

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

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

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

Article 15: When a shareholders' meeting is convened by the Board of Director, the Chairman will act as a chairperson. When the Chairman is absent for a reason, the Chairman shall appoint one Director as agent. If no such agent is appointed, the Directors shall elect one Director among themselves to be the chairperson. Where a shareholders' meeting is convened by any other convener, such convener shall act as Chairman. If there are more than two persons entitled to convene a shareholders' meeting, they shall elect either of them to be the Chairman.

#### Chapter 4 Board of Directors and Audit Committee

Article 16: The Company shall appoint 7 to 11 directors, who shall be capable persons of the shareholders' meeting. The directors shall be elected according to candidate nomination rules as stipulated in Article 192-1 of the Company Act. Each term of office is 3 years, and directors may be re-elected after their term of office expires. For corporate shareholders, their representatives shall be elected as directors. When a corporate shareholder has several representatives, all of its representatives shall be elected as directors and the corporate shareholder shall change its appointment from time to time based on their authority relationships for the remaining term of office. Total shareholding ratio of the Company's shareholders shall be determined according to rules of the securities management authority. Of the aforementioned directors, there shall be no less than 2 independent directors, who shall account for no less than one-five of all directors. The independent and non-independent directors shall be elected together pursuant to Article 198 of the Company Act. The number of these directors elected shall be separately counted.

Article 16-1: The company may purchase liability insurance for the directors during their term of office for the compensation liabilities according to law during their execution of duties within the business scope.

Article 16-2: The Company has the Audit Committee set-up in accordance with the Securities Exchange Act. The Audit Committee shall be composed by all independent directors. The Audit Committee or the Audit Committee members are responsible for carrying out the duties and responsibilities of supervisors as stipulated in the Company Act, Securities Exchange Act and other laws and regulations.

Article 17: When the number of vacancies in the Directors equals one-third of the total number of directors or all Independent Directors are removed, the Board of Director shall call, within 60 days, a special shareholders' meeting to elect succeeding directors to fill the vacancies for the remaining service time of the dismissed directors.

Article 18: The Board may convene via video conference and the Directors participating in the video conference shall be deemed attending the Board session in person. In case a director cannot attend a Board of Director meeting in person for a reason and appoints another director to attend the meeting on his/her behalf, he/she shall issue a written power of attorney, state therein the scope of authority with reference to the subjects to be discussed at the meeting, and entrust another director to act on his or her behalf. The proxy mentioned in the preceding paragraph is limited to only one proxy.

- Article 19: The Board of Directors' meetings shall be convened by directors and attended by over two-thirds of directors. A chairman shall be elected among the directors with the consent of more than half directors present at the meeting, and externally, the Chairman shall represent the Company. Dependent upon business needs, a Vice Chairman shall be elected among the directors in the same way.
- Article 20: The Chairman shall be the chairperson of shareholders' meetings and Board of Directors' meetings. If the Chairman asks for leave or cannot execute his/her powers, this shall be done pursuant to Article 208 of the Company Act.
- Article 21: Unless otherwise specified in related measures, resolutions of the Board of Director may be made by a session with the presence of at least half of directors and with the consent of more than half of these directors.
- Article 22: The Board of Director shall be convened according to Article 204 of the Company Act. The meeting notices shall be sent by fax or email, etc.
- Article 23: Directors' remuneration shall be determined by the Board of Director based on their degree of involvement in and contribution to the Company's business operations and with reference to the general level within the industry regardless of the Company's profit or loss.
- Article 23-1: The Board of Director of the Company may establish a remuneration committee or other functional committees for business needs.

## Chapter 5 Managerial Personnel

- Article 24: The Company shall employ several managerial personnel and the appointment, dismissal and remuneration of whom shall be carried out pursuant to Article 29 of the Company Act.
- Article 24-1: According to the resolutions of Board of Director, the Company shall appoint several persons to be Chief Executive Officer, Deputy Chief Executive Officer, General Manager, General Manager of the Business Unit and consultants.

## Chapter 6 Accounting

- Article 25: At the end of each fiscal year, the Board of Directors shall prepare the following reports for the ratification at the annual general shareholders' meeting in accordance with the legal procedure: 1. Business report. 2. Financial statements 3. Proposal for the distribution of earnings and appropriation for making up losses
- Article 26: If the Company makes profit every year, it shall first appropriate no more than 2% as remuneration for directors and 5% to 10% as employee remuneration, but where the Company has accumulated losses, certain amount of the profit shall be retained for loss recovery. The aforementioned employee remuneration shall be determined by the Board of Director based on fulfillment of targets on net operating benefits and performances. It shall be distributed in the form of stocks or in cash. It shall be paid to affiliates' employees who

satisfy the conditions specified by the Board of Director or its authorized person.

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

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

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

## Chapter 7 Supplemental Provisions

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

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

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

The 1<sup>st</sup> amendment was made on December 28, 1987.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- I. The Company's Shareholders' Meeting, unless otherwise provided by law, shall be handled in accordance with the Rules of Procedure for Shareholders' Meetings.
- II. The Company shall provide an attendance book to record attendance of shareholders; alternatively, sign-in cards may be presented to signify their presence at the meeting. The number of shares represented by the shareholders present shall be calculated as the sum of those shares indicated by the attendance book and sign-in cards handed in, shareholders signing in through the provided video conference platform, and the sum total of the number of shares whose voting rights are exercised by correspondence or electronically. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extempore motions and amendments to original proposals of that meeting. Sign-in for attendance of the shareholders' meeting via video conference shall be accepted at the video conference platform of the shareholders' meeting at least 30 minutes before the commencement of the meeting. Shareholders who have completed the signing-in process are deemed to be present in person at the shareholders' meeting. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or via the provided video conference platform, a declaration of intent to retract shall be made known to the Company, by the same means by which the voting rights were exercised, no less than two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.
- III. Attendance and vote at a shareholders' meeting shall be counted based on shares.
- IV. The shareholders' meeting location must be at the Company's premises or where it is suitable and convenient for shareholders to attend. The shareholders' meeting time may not be earlier than 9:00am or later than 3:00pm; when the Company holds a shareholders' meeting via video conference, the Company shall not be restricted by the location requirements for holding the aforementioned shareholders' meeting.
- V. When a shareholders' meeting is convened by the Board of Director, the Chairman will act as a chairperson. When the Chairman is absent for a reason, the Chairman shall appoint one Director as agent. If no such agent is appointed, the Directors shall elect one Director among themselves to be the chairperson. Where a shareholders' meeting is convened by any other convener, such convener shall act as Chairman. If there are more than two persons entitled to convene a shareholders' meeting, they shall elect either of them to be the Chairman.
- VI. The Company's lawyers, CPAs or other related personnel may be invited to attend the board meeting. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.
- VII. The shareholders' meeting in session should be recorded or filmed and kept for at least one year.
- VIII. The chairperson shall call the meeting to order. However, the chairperson may declare adjournment

at the meeting time when the attending shareholders constitute less than a majority of shareholdings. The meeting is limited to two adjournments for a total of less than 1 hour. A tentative resolution could be reached in accordance with Article 175 of the Company Act if there are insufficient attendees to attend the meeting after two adjournments, but the shareholders represent more than one third of the total issued shares.

If the session is still in progress with the eventual presence of shareholders representing more than half the total outstanding shares, the chairperson shall refer the tentative resolution to the shareholders' meeting for the finalization pursuant to Article 174 of the Company Act.

- IX. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the Board of Director. In either of the two arrangements described above, the chairperson may not dismiss the meeting while an agenda item (including extempore motions) is still in progress unless otherwise resolved. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the shareholders present shall elect a new chair with the consent of more than half of the voting rights represented by them and then continue the meeting. After the meeting is adjourned, shareholders cannot nominate another chairman or seek another venue for the continuation of the meeting.
- X. When a shareholder present at the meeting wishes to speak, a statement slip shall be filled out with a summary of the speech, shareholder account number (or the number of the sign-in card) and the account name. The sequence of speeches by shareholders shall be decided by the chairperson. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the speech shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
- XI. Unless otherwise permitted by the chairperson, each shareholder shall speak no more than two times, for five minutes each, on the same agenda. The Chairman shall prevent further speech of a particular shareholder who violates the aforementioned requirements or where the content of the speech is irrelevant to the motion in point. Shareholders participating by video conference means may raise questions by text on the video conference platform of the shareholders' meeting after the chairman announces the commencement of the meeting and before the meeting is adjourned, provided the number of questions per motion shall not exceed two, and each question raised shall be limited to 200 words.
- XII. Where a juristic person may be appointed as a proxy to attend the shareholders' meeting, it may appoint only one representative to attend the meeting. When a juristic person appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
- XIII. After an attending shareholder has spoken, the chair may respond in person or direct relevant



personnel to respond.

- XIV. When the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed and call a vote.
- XIV-I. Each shareholder has one vote for each share held. If a particular person who has been appointed by two or more shareholders as proxy to attend the meeting, the voting right being represented under the authorization of agent shall not exceed 3% of the total quantity of outstanding voting shares, and the voting right in excess of relevant quantity shall not be counted.
- XV. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Any resolution on a proposal shall be reported on the spot based on in-person votes and voting through video conference and electronic means, which shall be recorded.
- XVI. The Chairman may announce a recess during the session.  
Resolution shall be made by a simple majority of the shareholders with voting right in session unless the Company Act or the Articles of Incorporation otherwise specified. At the time of a vote, each proposal shall be voted by the shareholders one by one. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
- XVII. When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- XVIII. The chairperson may command the proctors (or security guards) to assist with the maintenance of order. The proctors (or security guards) at the meeting venue assisting with maintenance of order shall wear armbands marked "Proctor."
- XIX. These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

These rules were formulated on June 2, 2000.

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

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

## KING CORE ELECTRONICS INC.

## Current Shareholding of Directors

- I. Class and total number of outstanding shares: 87,639,056 ordinary shares
- II. Minimum number of shares required to be held by all directors of the Company (10%): 7,011,124 shares (note)
- III. Number of shares held by directors recorded in the shareholders' register, individually or in aggregate, as of the book closure date (April 1, 2024) is stated as follows:

Position	Name	Registered shares as of the book closure date	Representative of juristic person
Chairman	Yang Cheng-Li	2,989,391	
Vice Chairman	SHENG BAO INVESTMENT CORP.	10,565,530	Chen Cheng-Han
Director			Shyu Lih-Hwa
Director			Tsai Yuh-Chiang
Director	Chuang Yung-Shun	2,913,305	
Director	Liu Ming-Hsiung	0	
Director	Kuo Kun-Chang	2,944,353	
Director	Hsieh Yu-Tien	53,873	
Independent Director	Huang Hsu-Nan	0	
Independent Director	Wang Chia-Ho	0	
Independent Director	Chan Yun-Hao	0	
Total shareholding ratio of directors		19,466,452	
Ratio to total outstanding shares (%)		22.21%	

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

**Other notes:**

Notes on response to shareholders' proposals:

- (I) This year, shareholders' proposals were accepted at the general shareholders' meeting in writing. It was specified that requests should be made from March 22, 2024 to April 1, 2024. They were lawfully announced on MOPS.
- (II) The Company didn't receive any shareholders' proposal.