

股票代碼：5498

keyware 凱 歲 電 子 股 份 有 限 公 司
KEY WARE ELECTRONICS CO., LTD.

Meeting Handbook

2024 Annual Shareholders' Meeting

Date: June 21, 2024

Address: No. 128, Dehua St., Taoyuan Dist., Taoyuan City

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Key Ware Electronics Co., Ltd.

2024 Annual Shareholders' Meeting Procedure

- I. Call the Meeting to Order.
- II. Chairman's Remarks
- III. Reports
- IV. Proposals
- V. Elections
- VI. Discussion Topics
- VII. Extempore Motions
- VIII. Adjournment

Key Ware Electronics Co., Ltd.
2024 Annual Shareholders' Meeting Agenda

Convening Method: Physical Shareholders Meeting

Time: 9:00 a.m. on June 21, 2024 (Friday)

Address: No. 128, Dehua St., Taoyuan Dist., Taoyuan City (Boyann Hall)

Chairperson for the Meeting: Chairman Chow, Pong-Chi

I. Call the Meeting to Order.

II. Chairman's Remarks

III. Report Items

Report No. 1: Report on the operating conditions of the company for the year 2023.

Report No. 2: 2023 financial statement report of the company reviewed by the audit committee.

Report No. 3: Report on the investment situation in mainland China for the year 2023 of the company.

Report No. 4: Report on the handling of endorsements and guarantees for the year 2023 of the company.

Report No. 5: Report on the distribution of employee remuneration and director remuneration for the year 2023 of the company.

Report No. 6: Report on the execution of the third unsecured convertible corporate bonds issuance in the domestic market for the company.

IV. Proposal

Proposal No. 1: Annual Business Report and Financial Statements (including Consolidated Financial Statements) for the year 2023 of the company.

Proposal No. 2: Profit Distribution Statement for the Year 2023 of the Company.

V. Election Matters

Election Matter No. 1: Election of nine directors (including three independent directors) for the company.

VI. Discussions Matters

Discussion No. 1: Motion to lift restrictions on competition for newly appointed directors of the company.

VII. Extempore Motions

VIII. Adjournment

Report Items

Report No. 1

Proposed by the Board

2023 Operating Report.

Explanation:

- I. The Company's consolidated sales revenue for 2023 was NT\$1,068,270 thousand, and net income after tax was NT\$4,939 thousand. The 2023 Business Report is attached as pp.10-12, Attachment I.
- II. The above is hereby reported for your consideration.

Report No. 2

Proposed by the Board

2023 Financial Statement Report of the Company reviewed by the Audit Committee.

Explanation:

- I. The Audit Committee's Review Report and the Auditor's Review Report are attached as pp. 13, Attachment II and pp. 15-18 and 30-33, Attachment IV.
- II. The above is hereby reported for your consideration.

Report No. 3

Proposed by the Board

Report on Investment in Mainland China 2023.

Explanation:

- I. In 2023, the Company indirectly invested in China through its subsidiary, Key Ware International Limited, to engage in the production, manufacture and sale of related electronic products, which was approved by the Investment Committee of the Ministry of Economic Affairs.
- II. The summary table of investment in Mainland China for 2023 is attached as pp. 14, Attachment III.
- III. The above is hereby reported for your consideration.

Report No. 4

Proposed by the Board

Report on the Company's endorsement and guarantee in 2023.

Explanation:

- I. The following table presents the Company's endorsements and guarantees for the year ended December 31, 2023:

Unit: NT\$ thousand

Name of endorsement/guarantee provider	Subject of endorsements/guarantees	Limits on endorsement/guarantee	Actual amount used	Limit of Endorsements/Guarantees for a Single Entity	Maximum endorsement/guarantee amount	Relationship
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Key Ware Electronics Co., Ltd.	Key De Precise Industries Co., Ltd.	200,000	6,000	404,481	1,213,142	Holding company with 51% shareholding
Key Ware Electronics Co., Ltd.	Jia Chi Co., Ltd.	30,000	30,000	404,481	1,213,142	Holding company with 83.63% shareholding

Note: The above limits were calculated based on the net financial statements audited or reviewed by the auditors for 2023.

II. The above is hereby reported for your consideration.

Report No. 5 Proposed by the Board
Report on the Company's allocation of employee compensation and director remuneration for 2023.

Explanation:

- I. The proposal was discussed and approved by the Remuneration Committee, and it is proposed to distribute NT\$195,704 in cash to the Company's employees and no remuneration to directors.
- II. The employee's remuneration has been expensed and there is no difference between the amount charged to expense and the amount proposed to be allotted by the Board of Directors.
- III. The above is hereby reported for your consideration.

Report No. 6 Proposed by the Board
Report on the Implementation of the Third Domestic Unsecured Convertible Bonds Issued by the Company.

Explanation:

- I. The Company issued domestic unsecured convertible bonds for the third time on May 10, 2021, amounting to NT\$200,000 thousand. These bonds mature on May 10, 2024. According to Article 6 of the issuance and conversion regulations of these convertible bonds, the principal amount shall be fully repaid in accordance with the face value of the bonds after the maturity date.
- II. The above is hereby reported for your consideration.

Proposal

Proposal No. 1

Proposed by the Board

Submission for Approval of the Company's Fiscal Year 2023 Business Report and Financial Statements (Including Consolidated Financial Statements) Compilation.

Explanation:

- I. The Company's 2023 financial statements (including consolidated financial statements) have been prepared and are attached as pp. 15-33, Attachment IV.
- II. The 2023 Annual Report on Operations is attached as pp. 10-12, Attachment I.
- III. The above financial statements have been audited by Deloitte & Touche, Li, Kuan-Hao and Lin, Wang-Sheng, Certified Public Accountants, who have issued an unqualified audit report.
- IV. The proposal has been approved by the Board of Directors and sent to the Audit Committee for review, and a written review report has been issued.
- V. Please acknowledge the above.

Resolution:

Proposal No. 2

Proposed by the Board

Submission for Approval of the Company's Fiscal Year 2023 Profit Distribution Plan.

Explanation:

- I. For the fiscal year 2023, the Company's after-tax profit amounted to NT\$11,851,862. After deducting the reassessment amount of NT\$2,527,726 for defined benefit plans and recognizing a cumulative loss of NT\$7,831,220 from disposal of equity instruments measured at fair value through other comprehensive income, and setting aside statutory surplus reserves of NT\$149,292 and special surplus reserves of NT\$1,343,624 in accordance with the law, there are no distributable profits for the year. It is proposed not to distribute dividends.
- II. Please refer to page 34 of this manual, Attachment Five, for the profit distribution statement.
- III. Please acknowledge the above.

Resolution:

Election Matters

Matter No. 1: Election of Nine Directors (Including Three Independent Directors)

Explanation:

- I. The term of office of the current directors of the Company is expiring. Therefore, we respectfully request the comprehensive election of directors at the 2024 Annual General Meeting of Shareholders to appoint nine Board of Directors

(including three independent directors).

II. The newly appointed nine Board of Directors will assume office immediately after the election, with a term of three years from June 21st, 2024 to June 20th, 2027.

III. The following is the list of candidates for directors (including independent directors) in the election at the 2024 Annual General Meeting of Shareholders, as approved by the Board of Directors.

Position	Name	Main Education	Main Experience	Number of Shares Held
Director	Representative of Jiaju Investment Co., Ltd.: Zhou Bangji	Master's degree from Columbia Business School	Current positions: Chairman (Legal Representative) of Concord Venture Capital Group Chairman (Legal Representative) of Huirong Technology Co., Ltd. Chairman (Legal Representative) of Hechang Technology Co., Ltd Director of Ruizhe Biotechnology Co., Ltd.	11,169,353
	Representative of Jiaju Investment Co., Ltd.: Zhou Jiaju	Master of Business Administration from the National Taiwan University Management College Bachelor of Business Administration from New York University	Current positions: Vice General Manager of Investment Department at Concord Venture Capital Group Director (Legal Representative) of Kaida Precision Industry Co., Ltd. Manager of Songrui Pharmaceutical Co., Ltd. Director (Legal Representative) of Hechang Technology Co., Ltd. Director of Ruizhe Biotechnology Co., Ltd.	11,169,353
	Representative of Concord Venture Capital Group: Zhao Yuanqi	Master's degree in Finance from New York University	Current positions: Chairman of Hancheng Financial Management Co., Ltd. Experiences: General Manager of First Financial Holding Co., Ltd. Independent Director of Taipei Fubon Commercial Bank Co., Ltd.	6,347,063
	Representative of Concord Venture Capital Group: Li Xiangyun	Master's degree in Accounting from the University of Houston	Current positions: Deputy General Manager of Concord Venture Capital Group Director of Suishen Games Co., Ltd. Director (Legal Representative) of Hechang Technology Co., Ltd. Chairman (Legal Representative) of Rongpei Technology Co., Ltd. Chairman (Legal Representative) of Songrui Pharmaceutical Co., Ltd. Chairman (Legal Representative) of Shengding Enterprise Co., Ltd. Director (Legal Representative) of Concord Venture Capital Group Chairman of Ruizhe Biotechnology Co., Ltd. Supervisor (Legal Representative) of Songrui Biotechnology Co., Ltd.	6,347,063
	Representative of Concord Venture Capital Group: Zheng Zhong	Master's degree in Electrical and Computer Engineering from the University of California Master of Business Administration from Santa Clara University	Current positions: Chairman of China Construction Manager Co., Ltd. Chairman of China Development Asset Management Co., Ltd. Director of Jianguo Engineering Co., Ltd. Chairman of Conning Industries Co., Ltd.	7,734,118

		Bachelor's degree in Electronic Physics from National Chiao Tung University	Director of Xuchang Biotechnology Co., Ltd.	
	Representative of Concord Venture Capital Group: Chu TsungWei	Bachelor's degree in Accounting from Feng Chia University	Current positions: Director (Legal Representative) of Kaida Precision Co., Ltd. Supervisor of Jia Zhi Co., Ltd. Director (Legal Representative) of Raywei Optoelectronic Technology Co., Ltd. Supervisor of Hui Peng Technology Co., Ltd. Chairman (Legal Representative) of Kunshan Huawei Electronics Co., Ltd. Director (Legal Representative) and General Manager of Kunshan Raywei Optoelectronic Technology Co., Ltd. General Manager of Wuhan Raywei Optoelectronic Technology Co., Ltd. Director (Legal Representative) and General Manager of Shenzhen Raywei Optoelectronic Technology Co., Ltd. Director (Legal Representative) of Jinwei (Chongqing) Electronics Co., Ltd.	7,734,118

	Position	Main Education	Main Experience	Number of Shares Held
Independent Director	Lin Zongtan	Master of Business Administration from Santa Clara University Master of Electrical Engineering from the University of Florida	Current positions: Executive Director of BNP Paribas International Asset Management Co., Ltd. Experiences: Vice Chairman of Concord Venture Capital Group	0
	Xie Hanping	Ph.D. in Electrical and Computer Engineering from Carnegie Mellon University, USA	Director (Legal Representative) of Duantai Electronics Co., Ltd. External Director of Huirong Technology Co., Ltd. Independent Director of Shunda Technology Co., Ltd. Director of Da Liang Technology Co., Ltd. Director of Zhongqiang Optoelectronics Co., Ltd. Experiences: Former Vice President of National Yang Ming Chiao Tung University and Dean of the College of Electrical Engineering National Yang Ming Chiao Tung University, Lifetime Distinguished Professor	0
	Zhang Wenzhong	Ph.D. in Electrical and Computer Engineering from Carnegie Mellon University, USA	Current positions: Professor in the Department of Information Engineering at Asia University Independent Director of Qiaoding Information Co., Ltd. Experiences: Former Professor in the Department of Electrical Engineering at National Yang Ming Chiao Tung University	0

IV. The above is respectfully submitted for re-election.

Election Results:

Discussions

Discussion No. 1

Proposed by the Board

Subject: Proposal to Lift Restrictions on Newly Appointed Directors from Engaging in

Competitive Activities

Explanation:

- I. According to Article 209 of the Company Law, directors engaging in activities for themselves or others within the scope of the company's business shall explain the essential content of their actions to the shareholders' meeting and obtain their permission.
- II. In response to business needs and to enhance operational performance, some directors of the Tenth Board have invested in or operated other companies within the same or similar scope of business as the Company and have served as directors. Therefore, we propose to discuss this matter at the shareholders' meeting in accordance with the law.
- III. The competitive activities of the newly appointed directors are as follows:

Position	Name	Positions held in other companies
Director	Representative of Jiaju Investment Co., Ltd.: Zhou Bangji	Chairman (Legal Representative) of Concord Venture Capital Group Investment Advisory Co., Ltd. Chairman (Legal Representative) of Kewei Electronics Co., Ltd. Chairman (Legal Representative) of Huirong Technology Co., Ltd. Chairman (Legal Representative) of Hechang Technology Co., Ltd. Director of Ruizhe Biotechnology Co., Ltd.
	Representative of Jiaju Investment Co., Ltd.: Zhou Jiaju	Director (Legal Representative) of Hechang Technology Co., Ltd. Director (Legal Representative) of Kaida Precision Industry Co., Ltd. Manager of Songrui Pharmaceutical Co., Ltd. Director (Legal Representative) of Hechang Technology Co., Ltd. Director of Ruizhe Biotechnology Co., Ltd.
	Representative of Concord Venture Capital Group: Li Xiangyun	Director of Suishen Games Co., Ltd. Director (Legal Representative) of Hechang Technology Co., Ltd. Chairman (Legal Representative) of Rongpei Technology Co., Ltd. Supervisor of Kunshan Huwei Electronics Co., Ltd.
	Representative of Concord Venture Capital Group: Chu Tsung Wei	Director (Legal Representative) of Kaida Precision Co., Ltd. Supervisor of Jia Zhi Co., Ltd. Director (Legal Representative) of Raywei Optoelectronic Technology Co., Ltd. Supervisor of Hui Peng Technology Co., Ltd. Chairman (Legal Representative) of Kunshan Huwei Electronics Co., Ltd. Director (Legal Representative) and General Manager of Kunshan Raywei Optoelectronic Technology Co., Ltd. General Manager of Wuhan Raywei Optoelectronic Technology Co., Ltd. Director (Legal Representative) and General Manager of Shenzhen Raywei Optoelectronic Technology Co., Ltd. Director (Legal Representative) of Jinwei (Chongqing) Electronics Co., Ltd.

Position	Name	Positions held in other companies
Independent Director	Xie Hanping	Director (Legal Representative) of Duntai Electronics Co., Ltd. External Director of Huirong Technology Co., Ltd. Independent Director of Shunda Technology Co., Ltd. Director of Daliang Technology Co., Ltd. Director of Zhongqiang Optoelectronics Co., Ltd. Director (Legal Representative) of Duntai Electronics Co., Ltd.
	Zhang Wenzhong	Independent Director of Qiaoding Information Co., Ltd.

IV. The above is respectfully submitted for discussion.

Resolution:

Extempore Motions

Adjournment

Attachment I.2023 Fiscal Year Business Report

Dear Shareholders,

We sincerely thank all shareholders for taking the time to attend the 2024 Annual General Meeting of our company. Looking back at the overall PCB industry, despite enduring the devastation caused by the outbreak and rampant spread of the COVID-19 pandemic, the output value for the fiscal year 2023 reached 769.8 billion NT dollars, representing a decline of 16.7% compared to the previous year. According to data released by the Taiwan Printed Circuit Association, the overall product structure was as follows: multilayer boards (29.9%), flexible boards (26.0%), HDI (19.3%), carrier boards (15.6%), single and double-sided boards (7.6%), and other products (1.6%). Apart from the momentum generated by automotive and AI-driven multilayer boards, all other products experienced comprehensive declines due to the pressure of destocking at the terminal. In terms of end-product applications, automotive applications were the only area that saw growth last year during the economic downturn, with a full-year growth rate of 2.8%. However, other applications such as communications, computers, and consumer products were adversely affected by high inflation, high interest rates, and economic uncertainty, leading to insufficient consumer confidence and, in response to customer destocking strategies, further exacerbating the continued sluggish market demand.

Our company's operations were also affected by the sluggish market demand. The total operating income for the full year of 2023 fiscal year was NT\$1,068,270 thousand, with an operating loss of NT\$184,043 thousand, representing a significant decline of 27% and 94% compared to the previous year. The pre-tax net profit was NT\$148,621 thousand, mainly due to the recognition of partial benefits from the relocation of the factory in Kunshan, China. Hereby, we present the report on the operating results for the fiscal year 2023 and the operating plan for the fiscal year 2024 as follows:

I. 2023 Operating Results

(I) Operating Results for the Fiscal Year 2023:

Unit: NT\$ thousand

Item/Year	2023	2022	Amount Change	Amount Percentage Change
Operating Income	1,068,270	1,453,993	(385,723)	(26.53)
Gross Profit	(40,120)	51,555	(91,675)	(177.82)
Operating Profit	(184,043)	(94,716)	(89,327)	(94.31)
Pre-tax Net Profit	148,621	19,693	128,928	654.69
After-tax Net	4,939	3,166	1,773	56.00

(II) Budget Execution Status:

The company did not publicly disclose financial forecasts for the fiscal year 2023.

(III) Financial income and expenditure and profitability analysis:

1. Financial income and expenditure:

For the fiscal year 2023, the net cash flow generated from operating activities was NT\$161,045 thousand. The net cash flow generated from investing activities was NT\$230,191 thousand, while the net cash flow used in financing activities was

NT\$447,831 thousand. After deducting the impact of exchange rate changes on cash and cash equivalents of NT\$4,237 thousand, the net cash outflow for the period was NT\$60,832 thousand. This was mainly due to the repayment of convertible corporate bonds and partial bank loans aimed at reducing operating costs.

2. Profitability analysis:

Item		2023	2022
Profitability	Return on assets (%)	0.77%	0.69%
	Return on equity (%)	0.24%	0.15%
	Ratio of operating income to paid-in capital (%)	(9.57)%	(5.15)%
	Ratio of income before tax to paid-in capital (%)	7.73%	1.04%
	Net profit margin (%)	0.46%	0.22%
	Earnings per share	0.06	0.01

(IV) Research and development:

1. With high-frequency materials and production techniques, continuously develop and mass-produce a new series of membrane products including drill bits and milling cutters. Additionally, enhance chip evacuation and wear resistance for drill bits dedicated to ABF carriers, automotive electronics, low-orbit satellite applications, and AI server products. This aims to improve tool utilization efficiency, optimize drilling and cutting quality, strengthen product competitiveness, and expand industrial application scope.
2. Our company has a complete supply manufacturing chain for printed circuit boards, including raw materials and dry process outsourcing. We have assisted customers several times in integrating solutions for various production technologies and capacity bottleneck issues. We will continue to work with customers on future product development directions, including high-speed computing, low-orbit satellites, AI servers, automotive electronics, and other related fields, to find corresponding and optimal solutions for PCB drilling.

II. Overview of Business Plan for 2024

(I) Management principles and key policies:

1. Focus on developing niche products to expand overall market share in drill bit industry.
2. Allocate production product structure and production regions according to market demand, to meet customer's one-stop service needs efficiently.
3. Precisely manage production costs to maintain cost competitiveness.

4. Promote and implement ESG-related requirements and regulations, complying with laws and fulfilling corporate social responsibility.

(II) Expected Sales Quantity and Basis:

Benefiting from the demand for AI servers and the applications of high-performance computing and high-bandwidth mobile devices, the company optimistically estimates global sales of drill bits and tools to exceed 150 million units in year 2024. Revenue contribution from OEM services is expected to grow by 50%, with sales of various types of boards reaching over 1 million pieces.

III. Future company development strategy

According to the "World Economic Outlook" report by the International Monetary Fund (IMF) in January of year 2024, the global economic growth rate is expected to remain unchanged at 3.1% in 2024. This reflects upward revisions in growth for China, the United States, as well as large emerging markets and developing economies. With adverse supply shocks receding, the likelihood of an economic hard landing is also gradually diminishing, leading to an overall balanced risk in the global economic outlook. Looking ahead to year 2024, the shipment volume of major end products may experience slight growth, but not necessarily a significant rebound in demand. Inventorying the development trends of various product types, including advanced packaging, autonomous driving, and AI servers, will significantly affect the global PCB production value. Therefore, the company will focus on future product demands, continue to invest in research and development, and enhance product competitiveness.

IV. Effect of external competition, the legal environment, and the overall business environment

Our company will continue to establish a strong presence in Taiwan, operate in mainland China, and expand into the Southeast Asian market. We will implement efficient cost management, strengthen our R&D capabilities, and maintain product competitiveness. Fulfilling our social and environmental responsibilities, we will promote ESG-related initiatives to meet regulatory requirements and strive to achieve positive business outcomes for our shareholders.

We extend our sincere gratitude to all shareholders for their support and encouragement. The company's management team will redouble its efforts to generate favorable performance and provide satisfactory returns to our valued shareholders.

Key Ware Electronics Co., Ltd.

Chairman	Chow, Pong-Chi
President	Chu, Tsung-Wei
Accounting Manager	Lee, Yun-Ting

Attachment II. Audit Committee's Review Report

Key Ware Electronics Co., Ltd.

Audit Committee's Review Report

The 2023 Financial Statements prepared and submitted by the Board of Directors have been audited by CPA Li, Kuan-Hao and CPA Lin, Wang-Sheng of Deloitte & Touche. The above statements and reports have been examined and reviewed by the Audit Committee, and no irregularities were found. According to the Article 219 of the Company Act, we hereby submit this report.

To:

The 2024 Annual Shareholders' Meeting of the Company

Key Ware Electronics Co., Ltd.

Convener of the Audit Committee: Lin, Tsung-Tan

March 8, 2024

Attachment III. Summary of Investment in Mainland China in 2023

Key Ware Electronics Co., Ltd.
Summary of Investment in Mainland China in 2023

Unit: NT\$ thousand

Investee in Mainland China	Principal Business Activities	Paid-in Capital	Investment Amount Remitted or Received for the Current Period		Profit or Loss of Investee Company in the Current Period (Note)	Investment Gains Repatriated by the End of the Current Period
			Remitted	Received		
Kunshan Key Ware Electronics Co., Ltd.	Drilling tools, hand tools	337,755	0	0	205,665	56,563
Kunshan Wei Xing Electronics Co., Ltd.	Drilling tools, hand tools	404,293	0	0	0	0
Kunshan Laserware Laser Technology Co., Ltd.	Drilling foundry	30,346	0	0	(34,325)	0
King Ware (Chongqing) Electronics Co., Ltd	Electronic Components Wholesale	4,335	0	0	742	0
Wuhan Laserware Laser Technology Co., Ltd.	Drilling foundry	169,073	0	0	(2,048)	0
Shenzhen Laserware Laser Technology Co., Ltd.	Drilling foundry	19,769	0	0	(9,199)	0

Accumulated Investment Remitted from Taiwan to Mainland China at the End of the Period	Investment Amount Approved by the Investment Commission of the Ministry of Economic Affairs (MOEAIC)	Upper Limit on Investment Authorized by MOEAIC
\$680,331	\$743,890	\$1,223,719

Note: This is based on the financial reports audited by accountants for the 2023 fiscal year

Attachment IV. 2023 Auditor's Report and Financial Statements

Independent Auditors' Report

To the Board of Directors of Key Ware Electronics Co., Ltd.:

Audit Opinion

The individual financial statements, including the balance sheets as of December 31 of the 2023 and 2022 fiscal years, and the comprehensive income statements, statements of changes in equity, cash flow statements, and accompanying notes to the individual financial statements (including a summary of significant accounting policies) for the periods from January 1 to December 31 of 2023 and 2022 fiscal years of Key Ware Electronics Co., Ltd. (hereinafter referred to as "Key Ware Electronics"), have been audited by us.

In our opinion, based on our audit, the aforementioned individual financial statements have been prepared in accordance with the Generally Accepted Accounting Principles for Securities Issuers and are adequate for expressing the financial position of Key Ware Electronics as of December 31 of 2023 and 2022 fiscal years, as well as the financial performance and cash flows for the periods from January 1 to December 31 of 2023 and 2022 fiscal years.

Basis for Audit Opinion

We conducted our audit in accordance with the Regulations Governing the Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under these standards are further explained in the Auditor's Responsibility section of the auditor's report. Personnel within our firm, to which we belong, adhere to the standards of independence regulations and professional ethics, ensuring independence from Key Ware Electronics and fulfilling other responsibilities under these regulations. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Key Audit Matters

Key audit key matters refer to those most material key matters for the audit on the Consolidated Financial Statements of the year 2023 of Key Ware Group, based on the professional judgment of the accountant. 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.

In our judgment, key audit matters for the Group's Consolidated Financial Statements for the year ended December 31, 2023 are stated as follows:

Truthfulness of Sales Revenue

Given that 59% of Key Ware Electronics' sales revenue comes from the sale of drill bits, the auditor believes that there may be pressure on industry competition and management to achieve

expected business targets. Therefore, the auditor considers the accuracy of revenue recognition to be a key audit matter for the 2023 fiscal year. For details on revenue recognition accounting policies, please refer to Note 4 of the individual financial statements.

The major audit procedures performed by us for revenue recognition are as follows:

1. We understood and tested the effectiveness of the design and implementation of internal controls in the recognition of sales revenue.
2. We obtained detailed information on sales revenue, examined the relevant supporting documents for shipment and the status of collection of payment, and verified the consistency of the sales counterparties and the recipients to confirm the truthfulness of sales transactions.

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

The responsibility of the management is to prepare individual financial statements that are adequately expressed in accordance with the Generally Accepted Accounting Principles for Securities Issuers and to maintain necessary internal controls related to the preparation of individual financial statements to ensure that they are free from material misstatement due to fraud or error.

In preparing the individual financial statements, the responsibility of the management also includes assessing the ability of Key WareElectronics to continue as a going concern, disclosing relevant matters, and adopting accounting principles for the going concern basis, unless the management intends to liquidate or cease operations, or there are no other realistic alternative plans other than liquidation or cessation.

The governance body of Key WareElectronics (including the audit committee) is responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in 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 financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Consolidated Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for their audit

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 controls 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 controls of Key Ware Group.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the 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 Key Ware Group's ability to operate as a going concern. 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 Key Ware Group to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the Consolidated Financial Statements (including relevant Notes), and whether the Consolidated Financial Statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Key Ware Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Consolidated Financial Statements of Key Ware Group.

The matters communicated by the auditor to the governance body include the planned scope and timing of the audit, as well as significant audit findings (including significant deficiencies in internal control identified during the audit process).

The auditor also provides the governance body with a statement that personnel within the auditor's firm, subject to independence regulations, have followed the independence provisions of the Code of Professional Ethics for Certified Public Accountants. The auditor communicates to the governance body all relationships and other matters that may be considered to affect the auditor's independence (including relevant safeguards).

Based on the matters communicated with the governance body, the auditor determines the key audit matters for the audit of Key Ware Electronics' individual financial statements for 2023 fiscal year. The auditor includes these matters in the audit report, unless prohibited by law from disclosing specific matters or in extremely rare circumstances where the auditor determines that communicating specific matters in the audit report would result in a greater negative impact than the public interest it serves.

Deloitte & Touche
CPA, Li, Kuan-Hao

CPA, Lin, Wang-Sheng

Financial Supervisory Commission Approval
Document No.:
FSC Approval Document No. 1100372936

Financial Supervisory Commission Approval
Document No.:
FSC Approval Document No. 1060023872

March 26, 2024

Key Ware Electronics Co., Ltd.
Parent Company Only Balance Sheets
As of December 31, 2023 and 2022

Unit: NT\$ thousand

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current Assets					
1100	Cash and Cash Equivalents (See Notes 4 and 6)	\$ 51,648	2	\$ 123,888	3
1110	Financial Assets at Fair Value Through Profit or Loss - Current (See Notes 4 and 7)	43,071	1	53,468	2
1120	Financial Assets at Fair Value Through Other Comprehensive Income - Current (See Notes 4, 8, and 27)	282,220	9	354,046	10
1150	Notes Receivable (See Notes 4 and 9)	2,791	-	3,624	-
1170	Accounts Receivable (See Notes 4 and 9)	138,748	4	228,947	6
1180	Accounts Receivable - Related Parties (See Notes 4 and 26)	45,221	1	58,210	2
1200	Other Receivables (See Notes 4 and 9)	12,733	-	7,712	-
1210	Other Receivables - Related Parties (See Notes 4 and 26)	12,883	1	7,462	-
130X	Inventory (See Notes 4 and 10)	216,676	7	210,017	6
1460	Non-current Assets Held for Sale (See Notes 4 and 11)	33,975	1	-	-
1470	Other Current Assets	36,857	1	34,896	1
11XX	Total Current Assets	<u>876,823</u>	<u>27</u>	<u>1,082,270</u>	<u>30</u>
Non-current Assets					
1510	Financial Assets at Fair Value Through Other Comprehensive Income - Non-current (See Notes 4 and 8)	40,409	1	52,765	1
1550	Investments Accounted for Using Equity Method (See Notes 4 and 12)	1,748,865	53	1,674,722	46
1600	Property, Plant, and Equipment (See Notes 4, 13, and 27)	566,950	17	777,377	21
1755	Right-of-use Assets (See Notes 4 and 14)	13,112	1	19,998	1
1840	Deferred Tax Assets (See Notes 4 and 21)	41,955	1	39,076	1
1915	Non-current Prepayments (See Note 13)	-	-	12,339	-
1920	Deposits for Non-current Assets (See Note 4)	1,530	-	1,539	-
1990	Other Non-current Assets	1,493	-	2,569	-
15XX	Total Non-current Assets	<u>2,414,314</u>	<u>73</u>	<u>2,580,385</u>	<u>70</u>
1XXX	Total Assets	<u>\$ 3,291,137</u>	<u>100</u>	<u>\$ 3,662,655</u>	<u>100</u>
Liabilities and Equity					
Current Liabilities					
2100	Short-term Loans (See Notes 15 and 27)	\$ 451,922	14	\$ 599,257	17
2110	Accounts Payable Due within One Year (See Note 15)	24,979	1	44,965	1
2120	Financial Liabilities at Fair Value Through Profit or Loss - Current (See Notes 4, 7, and 16)	-	-	4,380	-
2150	Notes Payable and Accounts Payable	53,265	2	66,292	2
2180	Accounts Payable - Related Parties (See Note 26)	21,899	1	27,190	1
2219	Other Payables (See Note 17)	40,210	1	34,557	1
2220	Other Payables - Related Parties (See Note 26)	1,105	-	12,725	-
2230	Current Income Tax Payable (See Note 4)	9,716	-	-	-
2280	Lease Liabilities - Current (See Notes 4 and 14)	6,591	-	6,871	-
2190	Current Portion of Bonds Payable within One Year (See Notes 4 and 16)	56,759	2	-	-
2320	Current Portion of Long-term Loans Due within One Year (See Notes 15 and 27)	16,274	-	21,621	1
2399	Other Current Liabilities	6,700	-	7,262	-
21XX	Total Current Liabilities	<u>689,420</u>	<u>21</u>	<u>825,120</u>	<u>23</u>
Non-current Liabilities					
2530	Bonds Payable (See Notes 4 and 16)	-	-	193,912	5
2540	Long-term Loans (See Notes 15 and 27)	463,787	14	501,808	14
2570	Deferred Tax Liabilities (See Notes 4 and 21)	3,791	-	9,870	-
2580	Lease Liabilities - Non-current (See Notes 4 and 14)	6,866	-	13,457	1
2630	Long-term Deferred Revenue (See Note 13)	87,517	3	9,841	-
2670	Net Defined Benefit Liabilities (See Notes 4 and 18)	17,853	1	12,210	-
25XX	Total Non-current Liabilities	<u>579,814</u>	<u>18</u>	<u>741,098</u>	<u>20</u>
2XXX	Total Liabilities	<u>1,269,234</u>	<u>39</u>	<u>1,566,218</u>	<u>43</u>
Equity					
3100	Share Capital	1,923,135	58	1,899,283	52
3200	Capital Surplus	80,479	2	80,139	2
3300	Retained Earnings	185,255	6	224,607	6
3400	Other Equity	(166,966)	(5)	(107,592)	(3)
3XXX	Total Equity	<u>2,021,903</u>	<u>61</u>	<u>2,096,437</u>	<u>57</u>
Total Liabilities and Equity		<u>\$ 3,291,137</u>	<u>100</u>	<u>\$ 3,662,655</u>	<u>100</u>

The attached notes are an integral part of this individual financial report.

Chairman: Chow, Pong-Chi

President: Chu, Tsung-Wei

Accounting Manager: Lee, Yun-Ting

Key Ware Electronics Co., Ltd.

Parent Company Only Statements of Comprehensive Income

From January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousands, except for
Earnings per share (in Dollars)

Code		2023		2021	
		Amount	%	Amount	%
4000	Operating Revenue (See Notes 4 and 26)	\$ 488,347	100	\$ 699,454	100
5000	Operating Costs (See Notes 10, 18, 20, and 26)	<u>483,393</u>	<u>99</u>	<u>693,313</u>	<u>99</u>
5900	Gross Profit from Operations	4,954	1	6,141	1
5920	Realized (Unrealized) Gain on Sales	<u>3</u>	<u>-</u>	<u>(8)</u>	<u>-</u>
5950	Realized Gross Profit from Operations	<u>4,957</u>	<u>1</u>	<u>6,133</u>	<u>1</u>
	Operating Expenses (See Notes 9, 18, and 20)				
6100	Selling and Marketing Expenses	28,358	6	28,562	4
6200	Administrative Expenses	35,032	7	31,022	5
6300	Research and Development Expenses	3,456	1	2,287	-
6450	Expected Credit Impairment Benefit	<u>(94)</u>	<u>-</u>	<u>(140)</u>	<u>-</u>
6000	Total Operating Expenses	<u>66,752</u>	<u>14</u>	<u>61,731</u>	<u>9</u>
6900	Operating Loss	<u>(61,795)</u>	<u>(13)</u>	<u>(55,598)</u>	<u>(8)</u>
	Non-operating Income and Expenses (See Notes 12, 20, and 26)				
7100	Interest Income	761	-	303	-
7010	Other Income	7,252	2	26,786	4
7020	Other Gains and Losses	<u>(94,339)</u>	<u>(19)</u>	5,430	1
7050	Financial Costs	<u>(27,494)</u>	<u>(6)</u>	<u>(25,383)</u>	<u>(4)</u>
7070	Share of Profit or Loss of Subsidiaries and Associates Accounted for Using Equity Method	<u>194,990</u>	<u>40</u>	<u>49,409</u>	<u>7</u>

7000	Total Non-operating Income and Expenses	<u>81,170</u>	<u>17</u>	<u>56,545</u>	<u>8</u>
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Code		2023		2022	
		Amount	%	Amount	%
7900	Profit Before Tax	\$ 19,375	4	\$ 947	-
7950	Income Tax Expense (Benefit) (See Notes 4 and 21)	<u>7,523</u>	<u>2</u>	<u>(1,701)</u>	<u>(1)</u>
8200	Net Profit for the Year	<u>11,852</u>	<u>2</u>	<u>2,648</u>	<u>1</u>
	Other Comprehensive Income				
8310	Items not Reallocated to Profit or Loss				
8311	Remeasurements of Defined Benefit Plans (See Notes 4 and 18)	(3,160)	-	(2,824)	(1)
8316	Unrealized Gains and Losses on Equity Instruments at Fair Value Through Other Comprehensive Income (See Notes 4 and 19)	(42,889)	(9)	103,510	15
8349	Related Income Tax for Items not Reallocated (See Notes 4 and 21)	632	-	565	-
8360	Items that may be Reclassified subsequently to Profit or Loss				
8361	Translation Differences on Financial Statements of Foreign Operations (See Notes 4 and 19)	(30,395)	(6)	23,549	4
8399	Related Income Tax for Items that may be Reclassified (See Notes 4, 19, and 21)	<u>6,079</u>	<u>1</u>	<u>(4,710)</u>	<u>(1)</u>
8300	Other Comprehensive Income for the Year	<u>(69,733)</u>	<u>(14)</u>	<u>120,090</u>	<u>17</u>

8500	Total Comprehensive Income for the Year	(<u>\$ 57,881</u>)	(<u>12</u>)	<u>\$ 122,738</u>	<u>18</u>
	Earnings per Share (See Note 22)				
9750	Basic	<u>\$ 0.06</u>		<u>\$ 0.01</u>	
9850	Diluted	<u>\$ 0.06</u>		<u>\$ 0.01</u>	

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman:
Chow, Pong-Chi

President:
Chu, Tsung-Wei

Accounting Manager:
Lee, Yun-Ting

Key Ware Electronics Co., Ltd.
Parent Company Only Statements of Changes in Equity
From January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

Code		Share capital			Retained earnings			Other equity		Total Equity
		Capital stock - common shares	Capital collected in advance	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized valuation gains (losses) on financial assets at fair value through other comprehensive income	
A1	Balance as of January 1, 2022	\$ 1,899,133	\$ 176	\$ 79,217	\$ 20,835	\$ 158,644	\$ 37,679	(\$ 109,332)	(\$ 113,549)	\$ 1,972,803
D1	Net income in 2022	-	-	-	-	-	2,648	-	-	2,648
D3	Other comprehensive income after tax in 2022	-	-	-	-	-	(2,259)	18,839	103,510	120,090
D5	Total comprehensive income in 2022	-	-	-	-	-	389	18,839	103,510	122,738
	Appropriation and distribution of earnings for 2022									
B1	Appropriation to Legal Reserve	-	-	-	3,538	-	(3,538)	-	-	-
B3	Appropriation to Special Reserve	-	-	-	-	34,141	(34,141)	-	-	-
N1	Stock-based Compensation - Employee Stock Option Exercise (See Note 23)	150	(176)	26	-	-	-	-	-	-
N1	Stock-based Compensation - Employee Stock Option Cost (See Note 23)	-	-	896	-	-	-	-	-	896
O1	Disposal of Equity Instruments at Fair Value Through Other Comprehensive Income	-	-	-	-	-	7,060	-	(7,060)	-
Z1	Balance as of December 31, 2022	1,899,283	-	80,139	24,373	192,785	7,449	(90,493)	(17,099)	2,096,437
D1	Net Profit for the Year Ended 2023	-	-	-	-	-	11,852	-	-	11,852
D3	Other Comprehensive Income after Tax for the Year Ended 2023	-	-	-	-	-	(2,528)	(24,316)	(42,889)	(69,733)
D5	Total Comprehensive Income for the Year Ended 2023	-	-	-	-	-	9,324	(24,316)	(42,889)	(57,881)
	Appropriation and Distribution of Profits for the Year Ended 2022									
B1	Appropriation to Legal Reserve	-	-	-	745	-	(745)	-	-	-
B3	Reversal of Special Reserve	-	-	-	-	(34,141)	34,141	-	-	-
B5	Cash Dividends on Common Stock	-	-	-	-	-	(18,993)	-	-	(18,993)
B9	Stock Dividends on Common Stock	21,852	-	-	-	-	(21,852)	-	-	-
N1	Stock-based Compensation - Employee Stock Option Exercise (See Note 23)	2,000	-	340	-	-	-	-	-	2,340

Q1	Disposal of Equity Instruments Measured at Fair Value Through Other Comprehensive Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	(<u>7,831</u>)	<u>-</u>	<u>7,831</u>	<u>-</u>
Z1	Balance as of December 31, 2023	<u>\$ 1,923,135</u>	<u>\$ -</u>	<u>\$ 80,479</u>	<u>\$ 25,118</u>	<u>\$ 158,644</u>	<u>\$ 1,493</u>	(<u>\$ 114,809</u>)	(<u>\$ 52,157</u>)	<u>\$ 2,021,903</u>

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman: Chow, Pong-Chi

President: Chu, Tsung-Wei

Accounting Manager: Lee, Yun-Ting

Key Ware Electronics Co., Ltd.
Parent Company Only Statements of Cash Flows
From January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

Code		2023	2022
	Cash flows from operating activities		
A10000	Net income before tax	\$ 19,375	\$ 947
A20010	Adjustments to reconcile income (loss):		
A20100	Depreciation expenses	56,535	68,690
A20200	Amortization expenses	1,750	1,842
A20300	Expected credit impairment loss (reversal gains)	(94)	(140)
A20400	Valuation loss (gain) on financial assets and liabilities measured at fair value through profit or loss	(5,145)	20,853
A20900	Finance costs	27,494	25,383
A21200	Dividend income	(761)	(303)
A21300	Interest income	(1,342)	(2,256)
A21900	Share-based compensation cost	-	896
A22300	Shares of profits or loss of subsidiaries and associates accounted for using equity method	(194,990)	(49,409)
A22500	Gain on Disposal of Property, Plant, and Equipment	(2,038)	(1,655)
A22900	Impairment Loss on Non-current Assets Held for Sale	18,000	-
A23700	Impairment Loss on Property, Plant, and Equipment	77,009	-
A29900	Realized (Unrealized) Gain on Sales	(3)	8
A23900	Inventory Write-downs and Obsolescence Losses	4,709	-
A24100	Unrealized Foreign Exchange (Gain) Losses	(303)	944
A24200	Loss on Redemption of Convertible Bonds	431	-
A30000	Changes in operating assets and liabilities, net		
A31130	Notes receivable	833	4,091
A31150	Accounts receivable	83,351	(65,388)
A31160	Accounts receivable - related parties	14,276	2,311
A31180	Other receivables	(5,021)	1,059
A31190	Other receivables - related parties	(5,440)	188,714
A31200	Inventories	(11,368)	(22,260)
A31230	Prepayments	260	(8,885)

A31240	Other current assets	(2,891)	(1,977)
A32130	Notes and accounts payables	(13,027)	789
A32160	Accounts payable - related parties	(3,600)	(11,880)
A32190	Other payables - related parties	(12,144)	11,760
A32180	Other payables	5,847	414
A32230	Other Current Liabilities	(562)	1,142
A32240	Other Non-current Assets	<u>2,483</u>	<u>1,503</u>

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Code		2023	2022
A33000	Cash inflow (outflow) generated from operations	\$ 53,624	\$ 167,193
A33300	Interest paid	(24,897)	(19,364)
A33100	Interest received	761	303
A33200	Interest received	1,342	2,256
A33500	Income tax paid	(54)	(114)
AAAA	Cash inflow (outflow) from operating activities	<u>30,776</u>	<u>150,274</u>
	Cash flow from investment activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(15,178)
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	41,293	91,793
B00100	Acquisition of financial assets at fair value through profit or loss	(167,583)	(89,278)
B00200	Disposal of financial assets at fair value through profit or loss	181,785	24,275
B01800	Net cash outflow from acquisition of associates	18,480	-
B02600	Proceeds from Disposal of Property, Plant, and Equipment	128,195	-
B02700	Acquisition of property, plant, and equipment	(4,352)	(7,882)
B07100	Decrease in equipment payable	-	(262,924)
B03800	Decrease in refundable deposits	9	2,248
B07600	Dividends received from associates	<u>71,975</u>	<u>10,224</u>
BBBB	Net cash flows used in investing activities	<u>269,802</u>	(<u>246,722</u>)
	Cash flows from financing activities		
C00200	Repayments of short-term loans	(142,526)	(26,624)
C00500	Increase in short-term notes and bills payable	(19,986)	9,974
C01300	Repayment of Corporate Bonds	(143,414)	-
C01600	Proceeds from long-term loans	-	450,199
C01700	Repayments of long-term loans	(43,368)	(420,511)
C04020	Repayment of the lease principal	(6,871)	(8,962)
C04500	Cash dividends paid	(18,993)	-
C04800	Employees stock option exercised	<u>2,340</u>	<u>-</u>
CCCC	Net cash outflow used in financing activities	(<u>372,818</u>)	<u>4,076</u>
EEEE	(Decrease) increase in cash and bank deposits for the year	(72,240)	(92,372)

E00100	Cash and bank deposits at the beginning of the year	<u>123,888</u>	<u>216,260</u>
E00200	Cash and bank deposits at the end of the year	<u>\$ 51,648</u>	<u>\$ 123,888</u>

The accompanying notes are an integral part of the Parent Company Only Financial Statements.

Chairman:
Chow, Pong-Chi

President:
Chu, Tsung-Wei

Accounting Manager:
Lee, Yun-Ting

Independent Auditors' Report

To the Board of Directors of Key Ware Electronics Co., Ltd.:

Audit Opinion

We have audited the parent company only Balance Sheets of Key Ware Electronics Co., Ltd. (Hereinafter referred to as “Key Ware”) as of December 31, 2023, and 2022, the Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows, and Notes to Parent Company Only Financial Statements (including Summary of Significant Accounting Policies) for the annual periods from January 1 to December 31, 2023, and 2022.

In our opinion, based on our audit, the aforementioned consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles for Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretive Bulletins recognized and issued by the Financial Supervisory Commission and are adequate for expressing the financial position of Key Ware Electronics as of December 31 of the 2023 and 2022 fiscal years, as well as the financial performance and cash flows for the periods from January 1 to December 31 of the 2023 and 2022 fiscal years.

Basis for Audit Opinion

We conducted our audit in accordance with the Regulations Governing the Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under these standards are further explained in the Auditor's Responsibility section of the auditor's report. Personnel within our firm, to which we belong, adhere to the standards of independence regulations and professional ethics, ensuring independence from Key Ware Electronics and fulfilling other responsibilities under these regulations. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Key Audit Matters

Key audit key matters refer to those most material key matters for the audit on the Parent Company Only Financial Statements of the year 2023 of Key Ware Electronics Co., Ltd., based on the professional judgment of the accountant. 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.

In our judgment, key audit matters for the Company's Parent Company Only Financial Statements for the year ended December 31, 2023 are stated as follows:

Truthfulness of Sales Revenue

Key Ware Electronics' Given that 56% of Key Ware Electronics's sales revenue comes from the sale of drill bits, the auditor believes that there may be pressure on industry competition and management to achieve expected business targets. Therefore, the auditor considers the accuracy

of revenue recognition for this sales item to be a key audit matter for the 2023 fiscal year. For details on revenue recognition accounting policies, please refer to Note 4 of the consolidated financial statements.

The major audit procedures performed by us for revenue recognition are as follows:

1. We understood and tested the effectiveness of the design and implementation of internal controls in the recognition of sales revenue.
2. We obtained detailed information on sales revenue, examined the relevant supporting documents for shipment and the status of collection of payment, and verified the consistency of the sales counterparties and the recipients to confirm the truthfulness of sales transactions.

Other Matters

Key Ware Electronics Co., Ltd. has prepared individual financial statements for the 2023 and 2022 fiscal years and has obtained an unqualified audit report from the auditor, which is available for reference.

Responsibility of Management and Governance Body for the Consolidated Financial Statements

The responsibility of the management is to prepare consolidated financial statements that are adequately expressed in accordance with the Generally Accepted Accounting Principles for Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretive Bulletins recognized and issued by the Financial Supervisory Commission and to maintain necessary internal controls related to the preparation of consolidated financial statements to ensure that they are free from material misstatement due to fraud or error.

In preparing the consolidated financial statements, the responsibility of the management also includes assessing the ability of Key Ware Electronics to continue as a going concern, disclosing relevant matters, and adopting accounting principles for the going concern basis, unless the management intends to liquidate Key Ware Electronics or cease operations, or there are no other realistic alternative plans other than liquidation or cessation.

The governance body of Key Ware Electronics (including the audit committee) is responsible for overseeing the financial reporting process.

The Auditor's Responsibility for Auditing the Consolidated Financial Statements

The purpose of our audit of the consolidated financial statements is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error and to issue an audit report. Reasonable assurance is a high level of confidence, but the audit work performed in accordance with auditing standards cannot guarantee that all material misstatements in the consolidated financial statements will be detected. Material misstatements may arise from fraud or error. If the individual amounts or aggregates of misstatements are reasonably expected to affect the economic decisions of users of the consolidated financial statements, they are considered material.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Parent Company Only Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit 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 controls 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 controls of Key Ware Electronics.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the 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 Key Ware Electronics' ability to operate as a going concern. 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 Key Ware Electronics to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the Parent Company Only Financial Statements (including relevant Notes), and whether the Parent Company Only Financial Statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Key Ware Electronics to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Parent Company Only Financial Statements of Key Ware Electronics.

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 the key audit matters of Key Ware Electronics' Parent Company Only Financial Statements for the year ended December 31, 2023. We describe these matters in our auditors' report unless law or regulation

precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche
CPA, Li, Kuan-Hao

CPA, Lin, Wang-Sheng

Financial Supervisory Commission Approval
Document No.:
FSC Approval Document No. 1100372936

Financial Supervisory Commission Approval
Document No.:
FSC Approval Document No. 1060023872

March 26, 2024

Key Ware Electronics Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2023 and 2022

Unit: NT\$ thousand

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current Assets					
1100	Cash and cash equivalents (Notes IV and VI)	\$ 137,913	4	\$ 198,745	5
1110	Financial assets at fair value through profit or loss - current (Notes IV and VII)	110,266	3	75,516	2
1120	Financial assets at fair value through other comprehensive income - current (Notes IV, VIII and XXVIII)	282,220	8	354,046	9
1150	Notes receivable (Notes IV and IX)	61,616	2	158,669	4
1170	Accounts receivable (Notes IV and IX)	496,455	14	671,632	16
1180	Accounts receivable - related parties (Notes IV and XXVII)	72	-	65	-
1200	Other receivables (Notes IV and IX)	188,387	5	100,684	2
130X	Inventories (Notes IV and X)	447,605	12	477,875	12
1421	Prepayments for goods	12,675	-	14,469	-
1460	Non-current Assets Held for Sale (See Notes IV and XI)	49,227	1	-	-
1470	Other current assets	50,355	1	40,377	1
11XX	Total current assets	<u>1,836,791</u>	<u>50</u>	<u>2,092,078</u>	<u>51</u>
Non-current assets					
1517	Financial assets at fair value through other comprehensive income - current (Notes IV and VIII)	40,409	1	52,765	1
1550	Investments accounted for using the equity method (Notes IV and XIII)	13,138	1	20,658	1
1600	Property, plant, and equipment (Notes IV, XIII and XXVIII)	1,321,591	36	1,636,419	40
1755	Right-of-use assets (Notes IV, XIV and XXVIII)	81,176	2	108,434	3
1805	Goodwill (Notes IV)	7,155	-	7,277	-
1821	Other intangible assets (Notes IV and XVI)	18,211	1	21,573	1
1840	Deferred tax assets (Notes IV and XXIII)	82,093	2	90,949	2
1920	Refundable deposits	3,355	-	3,377	-
1915	Prepayment - non-current (Note XIII)	10,679	-	10,097	-
1930	Other Receivables - Non-current (Note IX and XIV)	242,746	7	43,189	1
1990	Other non-current assets	<u>3,740</u>	<u>-</u>	<u>6,412</u>	<u>-</u>

15XX	Total non-current assets	<u>1,824,293</u>	<u>50</u>	<u>2,001,150</u>	<u>49</u>
1XXX	Total assets	<u>\$ 3,661,084</u>	<u>100</u>	<u>\$ 4,093,228</u>	<u>100</u>
<u>Code</u>	<u>Liabilities and Equity</u>				
	Current Liabilities				
2100	Short-term loans (Note XVI)	\$ 552,950	15	\$ 724,855	18
2110	Accounts Payable - Short-term Notes (Note XVII)	24,979	1	44,965	1
2120	Financial Liabilities Measured at Fair Value through Profit or Loss - Current (Notes IV, VII, and XVIII)	-	-	4,380	-
2150	Notes Payable and Accounts Payable	116,242	3	134,251	3
2180	Accounts Payable - Related Parties (Note XXVIII)	22,721	1	28,507	1
2219	Other Payables (Note XIX)	103,598	3	88,965	2
2220	Other Payables - Related Parties (Note XXVIII)	165	-	171	-
2230	Current Income Tax Liabilities (Note IV)	68,421	2	91,224	2
2280	Lease Liabilities - Current (Notes IV, XV, and XXVIII)	18,292	-	19,896	1
2190	Current Portion of Long-term Corporate Bonds (Notes IV and XVIII)	56,759	2	-	-
2320	Short-term Borrowings Due within One Year (Notes XVII and XXIX)	16,274	-	25,460	1
2399	Other current liabilities	<u>7,795</u>	<u>-</u>	<u>8,309</u>	<u>-</u>
21XX	Total current liabilities	<u>988,196</u>	<u>27</u>	<u>1,170,983</u>	<u>29</u>
	Non-current liabilities				
2530	Corporate Bonds Payable (Notes IV and XVIII)	-	-	193,912	5
2540	Long-term Loans (Notes XVII and XXIX)	463,787	13	528,680	13
2570	Deferred Income Tax Liabilities (Notes IV and XXIII)	121,656	3	42,226	1
2580	Lease Liabilities - Non-current (Notes IV, XV, and XXVIII)	30,061	1	20,239	-
2670	Other Non-current Liabilities (Notes IV and XX)	<u>17,853</u>	<u>-</u>	<u>12,210</u>	<u>-</u>
25XX	Total non-current liabilities	<u>633,357</u>	<u>17</u>	<u>797,267</u>	<u>19</u>
2XXX	Total liabilities	<u>1,621,553</u>	<u>44</u>	<u>1,968,250</u>	<u>48</u>
	Equity attributable to owners of the parent				
3100	Share capital	1,923,135	53	1,899,283	46
3200	Capital surplus	80,479	2	80,139	2
3300	Retained earnings	185,255	5	224,607	6
3400	Other equity	<u>(166,966)</u>	<u>(5)</u>	<u>(107,592)</u>	<u>(3)</u>
31XX	Total equity attributable to owners of the Company	<u>2,021,903</u>	<u>55</u>	<u>2,096,437</u>	<u>51</u>
36XX	Non-controlling Interests	<u>17,628</u>	<u>1</u>	<u>28,541</u>	<u>1</u>
3XXX	Total equity	<u>2,039,531</u>	<u>56</u>	<u>2,124,978</u>	<u>52</u>

Total liabilities and equity

\$ 3,661,084

100

\$ 4,093,228

100

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman:
Chow, Pong-Chi

President:
Chu, Tsung-Wei

Accounting Manager:
Lee, Yun-Ting

Key Ware Electronics Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
From January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousands, except for
Earnings per share (in Dollars)

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating Revenue (Notes IV and XXVIII)	\$ 1,068,270	100	\$ 1,453,993	100
5000	Operating Costs (Notes IV, X, XX, XXII, and XXVIII)	<u>1,108,390</u>	<u>104</u>	<u>1,402,438</u>	<u>97</u>
5900	Gross Profit (Loss) from Operations	(<u>40,120</u>)	(<u>4</u>)	<u>51,555</u>	<u>3</u>
	Operating Expenses (Notes IV, IX, XX, and XXII)				
6100	Selling and Marketing Expenses	67,219	6	74,646	5
6200	Administrative Expenses	67,270	6	65,531	5
6300	Research Expenses	3,456	-	2,287	-
6450	Expected Credit Impairment Loss	<u>5,978</u>	<u>1</u>	<u>3,807</u>	<u>-</u>
6000	Total Operating Expenses	<u>143,923</u>	<u>13</u>	<u>146,271</u>	<u>10</u>
6900	Operating Loss	(<u>184,043</u>)	(<u>17</u>)	(<u>94,716</u>)	(<u>7</u>)
	Non-operating Income and Expenses (Notes IV, XIII, XIV, XXII, and XXVIII)				
7100	Interest Income	21,535	2	2,379	-
7010	Other Income	1,766	-	2,378	-
7020	Other Gains and Losses	383,385	36	143,541	10
7050	Financial Costs	(31,296)	(3)	(31,833)	(2)
7040	Expected Credit Impairment Loss	(65,879)	(6)	(3,159)	-
7060	Share of Profit or Loss of Associates Accounted for Using Equity Method	<u>23,153</u>	<u>2</u>	<u>1,103</u>	<u>-</u>
7000	Total Non-operating Income and Expenses	<u>332,664</u>	<u>31</u>	<u>114,409</u>	<u>8</u>
7900	Profit Before Tax	148,621	14	19,693	1

7950	Income Tax Expenses (Notes IV and XXIII)	<u>143,682</u>	<u>14</u>	<u>16,527</u>	<u>1</u>
8200	Net Profit for the Year	<u>4,939</u>	<u>-</u>	<u>3,166</u>	<u>-</u>

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Code		2023		2022	
		amount	%	amount	%
8310	Other Comprehensive Income Items not to be reclassified to profit or loss				
8311	Remeasurement of Defined Benefit Plans (Notes IV and XX)	(\$ 3,160)	-	(\$ 2,824)	-
8316	Unrealized Gains and Losses on Equity Instruments Measured at Fair Value through Other Comprehensive Income (Notes IV and XXI)	(42,889)	(4)	103,510	7
8349	Income Tax related to items not to be reclassified (Notes IV and XXIII)	632	-	565	-
8360	Items that may be subsequently reclassified to profit or loss				
8361	Exchange Differences on Translation of Financial Statements of Foreign Operations (Notes IV and XXI)	(30,395)	(3)	23,549	1
8399	Income Tax related to items that may be subsequently reclassified (Notes IV, XXI, and XXIII)	<u>6,079</u>	<u>1</u>	<u>(4,710)</u>	<u>-</u>
8300	Other Comprehensive Income for the Year	<u>(69,733)</u>	<u>(6)</u>	<u>120,090</u>	<u>8</u>
8500	Total Comprehensive Income for the Year	<u>(\$ 64,794)</u>	<u>(6)</u>	<u>\$ 123,256</u>	<u>8</u>
	Net Profit Attributable to:				
8610	Equity Owners of the Company	\$ 11,852	1	\$ 2,648	-
8620	Non-controlling Interests	<u>(6,913)</u>	<u>(1)</u>	<u>518</u>	<u>-</u>
8600		<u>\$ 4,939</u>	<u>-</u>	<u>\$ 3,166</u>	<u>-</u>
	Total Comprehensive Income Attributable to:				
8710	Equity Owners of the Company	(\$ 57,881)	(5)	\$ 122,738	8
8720	Non-controlling Interests	<u>(6,913)</u>	<u>(1)</u>	<u>518</u>	<u>-</u>

8700		(<u>\$ 64,794</u>)	(<u>6</u>)	<u>\$ 123,256</u>	<u>8</u>
	Earnings Per Share (Note XXIV)				
9750	Basic	<u>\$ 0.06</u>		<u>\$ 0.01</u>	
9850	Diluted	<u>\$ 0.06</u>		<u>\$ 0.01</u>	

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman:
Chow, Pong-Chi

President:
Chu, Tsung-Wei

Accounting Manager:
Lee, Yun-Ting

Key Ware Electronics Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
From January 1 to December 31, 2023 and 2022

Unit: NTS thousand

Code		Equity attributable to owners of the parent (Note IV, VIII and XIX)						Other equity		Total	Non-controlling Interests	Total Equity
		Capital stock - common shares	Capital collected in advance	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized valuation gains (losses) on financial assets at fair value through other comprehensive income			
A1	Balance as of January 1, 2022	\$ 1,899,133	\$ 176	\$ 79,217	\$ 20,835	\$ 158,644	\$ 37,679	(\$ 109,332)	(\$ 113,549)	\$ 1,972,803	\$ 36,897	\$ 2,009,700
D1	Net income in 2022	-	-	-	-	-	2,648	-	-	2,648	518	3,166
D3	Other comprehensive income after tax in 2022	-	-	-	-	-	(2,259)	18,839	103,510	120,090	-	120,090
D5	Total comprehensive income in 2022	-	-	-	-	-	389	18,839	103,510	122,738	518	123,256
	Appropriation and Distribution of Profits for the Year 2011											
B1	Legal reserve	-	-	-	3,538	-	(3,538)	-	-	-	-	-
B3	Reversal of special reserve	-	-	-	-	34,141	(34,141)	-	-	-	-	-
N1	Share-based Payments - Exercise of Employee Stock Options (Note XXV)	150	(176)	26	-	-	-	-	-	-	-	-
N1	Share-based Payments - Employee Stock Option Compensation Cost (Note XXV)	-	-	896	-	-	-	-	-	896	-	896
O1	Disposal of Equity Instruments Measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	7,060	-	(7,060)	-	-	-
O1	Cash Dividends to Shareholders of Subsidiaries	-	-	-	-	-	-	-	-	-	(8,874)	(8,874)
Z1	Balance as of December 31, 2022	1,899,283	-	80,139	24,373	192,785	7,449	(90,493)	(17,099)	2,096,437	28,541	2,124,978
D1	Net Profit for the Year 2023	-	-	-	-	-	11,852	-	-	11,852	(6,913)	4,939
D3	Other Comprehensive Income After Tax for the Year 2023	-	-	-	-	-	(2,528)	(24,316)	(42,889)	(69,733)	-	(69,733)
D5	Total Comprehensive Income for the Year 2023	-	-	-	-	-	9,324	(24,316)	(42,889)	(57,881)	(6,913)	(64,794)
	Appropriation and Distribution of Profits for the Year 2022											
B1	Transfer to Legal Reserve	-	-	-	745	-	(745)	-	-	-	-	-
B3	Reverse of Special Reserve	-	-	-	-	(34,141)	34,141	-	-	-	-	-
B5	Cash Dividends for Common Shares	-	-	-	-	-	(18,993)	-	-	(18,993)	-	(18,993)
B9	Stock Dividends for Common Shares	21,852	-	-	-	-	(21,852)	-	-	-	-	-
N1	Share-based Payments - Exercise of Employee Stock Options (Note XXV)	2,000	-	340	-	-	-	-	-	2,340	-	2,340
O1	Disposal of Equity Instruments Measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(7,831)	-	7,831	-	-	-
O1	Cash Dividends to Shareholders of Subsidiaries	-	-	-	-	-	-	-	-	-	(4,000)	(4,000)
Z1	Balance as of December 31, 2023	\$ 1,923,135	\$ -	\$ 80,479	\$ 25,118	\$ 158,644	\$ 1,493	(\$ 114,809)	(\$ 52,157)	\$ 2,021,903	\$ 17,628	\$ 2,039,531

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman: Chow, Pong-Chi

President: Chu, Tsung-Wei

Accounting Manager: Lee, Yun-Ting

Key Ware Electronics Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
From January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

Code		2023	2022
	Cash flows from operating activities		
A10000	Net income before tax	\$ 148,621	\$ 19,693
A20010	Adjustments to reconcile income (loss):		
A20100	Depreciation expenses	147,643	168,621
A20200	Amortization expenses	6,858	5,219
A20300	Expected credit losses (gains)	71,857	6,966
A20400	Valuation loss (gain) on financial assets and liabilities measured at fair value through profit or loss	(5,904)	20,202
A20900	Finance costs	31,296	31,833
A21200	Interest income	(21,535)	(2,379)
A21300	Dividend income	(1,342)	(2,256)
A21900	Share-based compensation cost	-	896
A22500	Gains on property, plant, and equipment	12,960	(53,674)
A22600	Impairment Loss on Property, Plant, and Equipment	86,423	-
A22800	Impairment Loss on Non-current Assets Held for Sale	44,333	-
A22900	Benefits from Land Use Rights Acquisition	(514,185)	-
A22300	Share of Profit or Loss of Associates Accounted for Using Equity Method	(23,153)	(1,103)
A23700	Inventory Write-down and Obsolescence Loss	39,218	3,673
A24100	Unrealized Foreign Exchange Loss	2,134	5,301
A24200	Loss on Redemption of Convertible Bonds	431	-
A30000	Net Change in Operating Assets and Liabilities		
A31130	Notes Receivable	96,268	(48,892)
A31150	Accounts Receivable	157,399	33,416
A31160	Accounts Receivable - Related Parties	(7)	42
A31180	Other Receivables	2,569	(49,079)
A31200	Inventory	(363)	(28,828)
A31230	repayments	1,794	(6,567)
A31240	Other Current Assets	(22,267)	25,320
A32130	Notes Payable and Accounts Payable	(16,971)	(31,019)
A32160	Accounts Payable - Related Parties	(5,786)	(29,532)
A32180	Other Payables	17,229	9,033
A32190	Other Payables - Related Parties	(6)	36
A32230	Other Current Liabilities	(514)	349
A32240	Other Non-current Liabilities	2,483	1,504
A33000	Cash Generated from Operations	257,483	78,775

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Code		2023	2022
A33300	Interest Paid	(\$ 31,447)	(\$ 22,828)
A33100	Interest Received	2,460	2,379
A33200	Dividends Received	1,342	2,256
A33500	Income Tax Paid	(68,793)	(10,375)
AAAA	Net Cash Inflow from Operating Activities	<u>161,045</u>	<u>50,207</u>
	Cash Flow from Investing Activities		
B00010	Acquisition of Financial Assets Measured at Fair Value through Other Comprehensive Income	-	(15,179)
B00020	Disposal of Financial Assets Measured at Fair Value through Other Comprehensive Income	41,293	91,793
B00100	Acquisition of Financial Assets Measured at Fair Value through Profit or Loss	(317,665)	(369,197)
B00200	Disposal of Financial Assets Measured at Fair Value through Profit or Loss	286,277	330,624
B01800	Dividends Received from Associates	12,193	988
B02000	Increase (Decrease) in Prepayments	(6,234)	8,508
B02400	Return of Capital from Invested Companies Using Equity Method	18,480	-
B02700	Purchase of Property, Plant, and Equipment	(13,949)	(44,227)
B02800	Proceeds from Disposal of Property, Plant, and Equipment	4,193	101,946
B05350	Decrease in Receivable Compensation	206,410	-
B07100	Decrease in Payable Equipment Amount	-	(262,188)
B03700	Increase in Deposits Paid	(2)	(501)
B03800	Decrease in Deposits Paid	19	2,318
B06700	Increase in Other Non-current Assets	(824)	(45,054)
BBBB	Net Cash Inflow (Outflow) from Investing Activities	<u>230,191</u>	<u>(200,169)</u>
	Cash Flow from Financing Activities		
C00100	Short-term Borrowings (Decrease) Increase	(166,012)	30,092
C00500	Notes Payable (Decrease) Increase	(19,986)	9,974
C01300	Redemption of Convertible Bonds	(143,414)	-
C01600	Long-term Borrowings Obtained	-	454,406
C01700	Repayment of Long-term Borrowings	(74,079)	(394,007)
C04020	Principal Repayments on Leases	(23,687)	(27,548)
C04500	Payment of Cash Dividends	(18,993)	-
C04800	Exercise of Employee Stock Options	2,340	-
C05800	Payment of Cash Dividends to Non-controlling Interests	(4,000)	(8,874)
CCCC	Net Cash Flow from Financing Activities (Outflow) Inflow	<u>(447,831)</u>	<u>64,043</u>
DDDD	Effect of Exchange Rate Changes on Cash and Cash Equivalents	<u>(4,237)</u>	<u>5,417</u>

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<u>Code</u>		<u>2023</u>	<u>2022</u>
EEEE	Decrease in Cash and Cash Equivalents for the Year	(\$ 60,832)	(\$ 80,502)
E00100	Cash and Bank Balances at the Beginning of the Year	<u>198,745</u>	<u>279,247</u>
E00200	Cash and Bank Balances at the End of the Year	<u>\$ 137,913</u>	<u>\$ 198,745</u>

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman:
Chow, Pong-Chi

President:
Chu, Tsung-Wei

Accounting Manager:
Lee, Yun-Ting

Attachment V. 2023 Earnings Distribution Table

2023 Earnings Distribution Table

Unit: NT\$

Item	Amount
Beginning balance of retained earnings	\$0
Add: Net income after tax for the period	11,851,862
Deduct: Re-measurement of defined benefit plans recognized in retained earnings	(2,527,726)
Deduct: Disposal of equity instruments measured at fair value through other comprehensive income, with accumulated gains or losses on equity investments transferred to retained earnings.	<u>(7,831,220)</u>
Net profit after tax for the period plus/including items other than net profit for the period recognized in undistributed earnings for the year	1,492,916
Deduct: Appropriation to statutory surplus reserve (10%)	(149,292)
Deduct: Transfer to Special Surplus Reserve	<u>(1,343,624)</u>
Current year distributable earnings	<u>0</u>
Undistributed retained earnings for the year	<u>\$0</u>

Chairman:
Chow, Pong-Chi

President:
Chu, Tsung-Wei

Accounting Manager:
Lee, Yun-Ting

Appendix 1 Articles of Incorporation

Articles of Incorporation

Chapter 1. General Principles

Article 1. The Company shall be incorporated under the Company Act, and its name shall be Key Ware Electronics Co., Ltd. (hereinafter referred to as Kay Ware).

Article 2. The scope of business of the Company shall be as follows:

I. CC01080 Electronics Components Manufacturing.

II. F119010 Wholesale of Electronic Materials.

III. F219010 Retail Sale of Electronic Materials.

IV. CB01010 Mechanical Equipment Manufacturing.

V. F113010 Wholesale of Machinery.

VI. F213080 Retail Sale of Other Machinery and Equipment.

VII. I501010 Product Designing.

VIII. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3. The Company shall have its head office in Taoyuan City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up a branch office within or outside the territory of the Republic of China when deemed F .

Article 4. Any and all public announcements shall be made by the Company in accordance with Article 28 of the Company Act.

Chapter 2. Capital Stock

Article 5. The total capital of the Company shall be in the amount of NT\$2,500,000,000, divided into 250,000,000 shares, with a par value of NT\$10 each, and the board of directors is authorized to issue the shares in installments. Of these shares, 4,000,000 shares, at NT\$10 per share, are reserved for the exercise of subscription options, preferred shares with subscription options or corporate bonds with subscription options.

Article 5-1. To transfer shares to employees at less than the average actual share repurchase price, the Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares prior to the transfer.

Article 6. The Company may issue shares without physical certificates, and such shares shall be registered with a central securities depository.

Article 7. Shareholders shall submit their names, addresses and seals to the Company on the seal card for record, and the seal shall be used as a proof of receipt of dividends or written

correspondence with the Company, as well as for any changes.

Article 8. A shareholder who acquires shares by transfer, inheritance, gift or other reasons should file an application for transfer of shares together with the share certificate and necessary documents to the Company to claim a name change and transfer, which can only be done against the Company after it is registered in the shareholders' register.

Article 9. In the event of transfer, loss or destruction of shares, the Company shall follow the Company Act and the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authorities.

Article 10. In the event of a share split, merger, exchange of new shares, or any other request for a change of name, the Company shall follow the prescribed procedures.

Article 11. Share transfer shall be suspended within 60 days before the date of each annual shareholders' meeting, within 30 days before the date of each extraordinary shareholders' meeting, or within five days before the record date on which dividends, bonus, or any other distributions will be paid or made by the Company. The preceding period shall be calculated from the meeting date or base date.

Chapter 3. Shareholders' Meeting

Article 12. There are two types of shareholders' meetings: regular meetings and extraordinary meetings. Regular meetings are convened at least once a year, within six months after the end of each fiscal year, by the board of directors in accordance with the law; extraordinary meetings are convened when necessary in accordance with the law.

Article 12-1. The Company's shareholders' meetings shall be held by visual meeting or other means announced by the central competent authority.

Article 13. If a shareholder is unable to attend a shareholders' meeting for any reason, he/she may appoint a proxy in accordance with Article 177 of the Company Act.

Article 14. If the shareholders' meeting is convened by the board of directors, the chairperson of the board of directors shall be the chair. If the chairperson of the board of directors is on leave of absence or is unable to exercise his or her authority for any reason, his or her proxy shall be in accordance with Article 208 of the Company Act; if the meeting is convened by someone other than the board of directors, the chair of the meeting shall be the convener of the meeting.

Article 15. The shareholders of the Company shall have one vote per share, unless otherwise provided by law.

Article 16. Except as otherwise provided in the Company Act, the adoption of a proposal in a shareholders' meeting shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders, and the attending shareholders require the representation of a majority of the all shares issued by the Company.

Article 17. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The preparation and distribution of the foregoing minutes shall be governed by the provisions of Article 183 of the Company Act.

Chapter 4. Director

Article 18. The Company has five to nine directors with a three-year term of office, who are nominated by candidates and elected by the shareholders' meeting from a list of director candidates.

Among the preceding number of directors, the number of independent directors shall not be less than two and shall not be less than one-fifth of the number of directors, and shall be elected by the shareholders from the list of independent director candidates. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the competent securities authority. The remuneration of all directors is authorized to be determined by the board of directors' meeting based on the extent of their participation in the Company's operations and the value of their contributions, and with reference to domestic and international industry standards.

Article 18-1. The Company shall obtain liability insurance for the directors during their term of office in respect of their liability under the law for the performance of their business.

Article 18-2. The composition, terms of reference, rules of procedure and other matters to be followed by the Audit Committee of the Company shall be in accordance with the relevant regulations of the competent authorities.

Article 19. When the vacancies on the Board of Directors exceed one-third of the total number of the directors, the Board of Directors shall convene a special shareholders' meeting within sixty days for by-election. The newly elected directors shall serve the remaining terms

Article 20. If the directors' tenure has expired and an election fails to take place, their tenure shall be extended until the newly elected directors assume office.

Article 21. The directors shall organize the board of directors, and a chairman shall be elected by and from among the directors with the consent of a majority of the directors present at two-thirds of the board of directors' meeting, to execute all affairs of the Company in accordance with the Act, the Articles of Incorporation, and the resolutions of the shareholders' meeting and the board of directors' meeting.

Article 22. The Company's management policy and other important matters shall be resolved by the Board of Directors. Unless otherwise provided in the Company Act, the Board of Directors shall be convened by the Chairman of the Board of Directors, who shall be the Chairman. If the Chairman of the Board of Directors is absent from office or is unable to act for any reason, his or her proxy shall be governed by Article 208 of the Company Act.

Article 22-1. In addition to the provisions of Article 204 of the Company Act, the Company's Board of Directors may be convened by facsimile or e-mail.

Article 23. Unless otherwise provided in the Company Act, a majority of the directors must be present at a meeting of the board of directors and the consent of a majority of the directors present shall be required. If a director is unable to attend a meeting for any reason, he/she may appoint another director to attend a meeting of the board of directors as his/her proxy by issuing a proxy letter listing the scope of authority to convene the meeting, but only if one person is appointed by one person.

Article 24. The minutes of the board of directors' meetings shall be prepared, signed and sealed by the chairman, and distributed to each director within fifteen days after the meeting. The meeting minutes, along with the attendance list bearing the signatures of directors present at the meeting and the powers of attorney of the proxies, shall be kept at the premise of the Company.

Article 25. Deleted.

Article 26. Deleted.

Chapter 5. Managerial Personnel and Staff

Article 27. The Company may have managerial personnel. Appointment and discharge and the remuneration of the managerial personnel shall be decided in accordance with the Company Act.

Article 28. Deleted.

Article 29. Deleted.

Chapter 6. Accounting

Article 30. At the end of each fiscal year, the Board of Directors shall prepare the following statements and submit to the Audit Committee for review and recognition at the annual shareholders' meeting 30 days prior to the annual shareholders' meeting:

- (I) Business Report
- (II) Financial statements
- (III) Surplus earning distribution or loss off-setting proposals

Article 31. The Company shall first settle the taxes and make up for any deficit in the annual accounts and then set aside 10% of the remaining balance as legal reserve, except that the legal reserve may be waived when the legal reserve has reached the Company's capital, and after setting aside a special reserve or reversing a special reserve in accordance with the law. For the remaining surplus, the Board of Directors shall prepare a proposal for appropriation of earnings, including the undistributed earnings at the beginning of the period, and submit it to the shareholders meeting for resolution. For the current year's dividend distribution, cash dividends shall be distributed at a rate of not less than 10% of the total dividends distributed.

If the Company makes a profit in a year, the Company shall contribute 1% to 10% as compensation to employees and up to 1% as remuneration to directors, which shall be distributed in shares or cash by resolution of the Board of Directors; the distribution of compensation to employees and remuneration to directors shall be reported to the shareholders meeting. However, when the Company still has accumulated losses, it shall reserve the amount of compensation in advance, and then allocate employee compensation and directors' remuneration in proportion to the preceding paragraph. The Company executes employee treasury stock, employee stock options, employee subscription of new stock, employee restricted new stock and employee compensation to employees who meet certain criteria for control or subordinate company employees.

Chapter 7. Miscellaneous

- Article 32. The Company shall have the right to make investments in other entities as necessary for its business, and shall be a limited shareholder of other companies by resolution of the Board of Directors, and the total amount of such investments shall not be limited by the provisions of Article 13 of the Company Act.
- Article 33. The Company shall provide guarantees to its peers in connection with the Company's business.
- Article 34. The Company's organizational charter and by-laws shall be separately enacted by the board of directors.
- Article 35. Any matters inadequately provided for herein shall be subject to provisions concerned set forth in the Company Act and relevant laws and regulations.
- Article 36. The Article of Incorporation was established on February 17, 1997.
The first amendment was made on August 7, 1997.
The second amendment is made on November 13, 1998.
The third amendment is made on January 12, 1999.
The fourth amendment is made on June 21, 1999.

The fifth amendment was made on March 30, 2000.
The sixth amendment is made on March 23, 2001.
The seventh amendment is made on May 31, 2002.
The eighth amendment is made on May 28, 2003.
The ninth amendment is made on May 28, 2003.
The tenth amendment is made on June 10, 2004.
The eleventh amendment is made on June 16, 2005.
The twelfth amendment is made on May 16, 2006.
The thirteenth amendment is made on May 15, 2007.
The fourteenth amendment is made on June 13, 2008.
The fifteenth amendment is made on May 21, 2009.
The sixteenth amendment is made on May 26, 2010.
The seventeenth amendment is made on May 24, 2011.
The eighteenth amendment is made on June 13, 2012.
The nineteenth amendment is made on June 18, 2013.
The twentieth amendment is made on June 27, 2014.
The twenty-first amendment is made on June 28, 2016.
The twenty-second amendment is made on June 15, 2017.
The twenty-third amendment is made on June 18, 2020.
The twenty-fourth amendment is made on June 22, 2022.

Appendix 2 Rules of Shareholders' Meeting

Rules of Shareholders' Meeting

- Article 1. In order to facilitate the smooth conduct of the company's shareholders' meeting, these rules of the shareholders' meeting are formulated in accordance with Article 5 of the Corporate Governance Best Practice Principles for Listed and Over-the-Counter Companies. The Company's shareholders' meetings shall be conducted in accordance with these rules unless otherwise provided by law.
- Article 2. In addition to any provisions stipulated by laws and regulations, the company's shareholders' meeting shall be conducted in accordance with these rules.
- Article 3. Operating procedures and matters to be noted.
- I. For the purpose of these Rules, a shareholder means a shareholder whose name appears on the register of members in person or by proxy.
 - II. Attendance and voting at shareholders' meetings shall be calculated based on numbers of shares.
 - III. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
 - IV. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. When the company convenes a video conference shareholder meeting, it is not bound by the limitation of the location specified in the preceding clause.
 - V. When the shareholders' meeting is convened by the board of directors, the chairman of the board shall act as the chairperson. In the event that the chairman of the board is absent for any reason, a director designated by the chairman of the board shall act as the proxy. If no designation is made, the directors shall collectively appoint one director as the chairperson. If the shareholders' meeting is convened by a person other than the board of directors, the chairperson shall be the convener. If there are two or more conveners, they shall collectively appoint one person as the chairperson.
 - VI. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
 - VII. The Company shall make an uninterrupted audio or video recording of the entire proceedings of the shareholders meeting, and the recorded materials shall be retained for at

least one year. For shareholder meetings conducted via video conference, the company shall record and preserve data related to shareholder registration, registration, check-in, questioning, voting, and the company's vote counting results. The entire video conference shall be continuously recorded without interruption, and the company shall properly preserve the recordings throughout their validity period. The recorded audio and video shall be provided to the designated party responsible for handling video conference affairs for safekeeping. For shareholder meetings conducted via video conference, the company should record the operations interface of the video conference platform.

VIII. If the meeting time has arrived, the chairman should promptly declare the meeting open. However, if a quorum of shareholders representing more than half of the total issued shares is not present, the chairman may announce a postponement of the meeting. The meeting may be postponed up to two times, with a total postponement period not exceeding one hour. If after two postponements a quorum representing more than one-third of the total issued shares is still not present, the chairman may proceed with a simulated resolution in accordance with Article 175, Paragraph 1 of the Company Act. If during the meeting the attendance of shareholders representing more than half of the total issued shares is achieved, the chairman may submit the simulated resolution to a vote in accordance with Article 174 of the Company Act, and notify the shareholders of the simulated resolution. A new shareholders' meeting shall be convened within one month. For shareholder meetings conducted via video conference (including video-assisted shareholder meetings), shareholders who wish to attend via video conference must register with the company in accordance with these rules.

IX. Any change in the method of convening shareholder meetings must be decided by the board of directors and implemented no later than before the issuance of the meeting notice to shareholders.

If the shareholder meeting is convened by the board of directors, the agenda shall be determined by the board of directors, and the meeting shall proceed according to the scheduled agenda, which shall not be changed without the resolution of the shareholder meeting. If the shareholder meeting is convened by a person other than the board of directors, the provisions of the preceding paragraph shall apply. The agenda scheduled in the preceding two paragraphs shall not be adjourned by the chairman without resolution before the conclusion of the proceedings (including ad hoc motions).

If the chairman violates the rules of procedure and adjourns the meeting, with the consent of the majority of the voting rights of the attending shareholders, they may elect a new chairman to continue the meeting.

Shareholder proposals that have been included in the agenda of a shareholder meeting pursuant to Article 172-1 of the Company Act, if they are of the same type as proposals made by the board of directors, may be handled together.

The discussion and voting order of each proposal raised in ad hoc motions by shareholders shall be determined by the chairman. After the adjournment of the meeting, shareholders may not elect a new chairman to continue the meeting at the original or another location.

When the company convenes a shareholder meeting via video conference (including video-assisted shareholder meetings), the matters to be addressed shall be stated in the notice of the shareholder meeting, and all relevant procedures shall be conducted in accordance with the regulations of the Guidelines for Handling Stock Affairs of Publicly Issued Companies.

- X. Before speaking at the shareholder meeting, attendees must fill out a speaking slip, which should include the subject of the speech, shareholder account number (or attendance certificate number), and the name of the shareholder. The chairman will determine the speaking order based on these slips. Shareholders who attend but do not speak after submitting a speaking slip will be considered as not having spoken. If the content of the speech differs from what is written on the slip, the content of the speech will prevail. During the speech of attending shareholders, other shareholders must not speak or disrupt without the consent of the chairman and the speaking shareholder. The chairman should intervene if there is any violation.
- XI. Each shareholder may speak on the same agenda item no more than twice without the chairman's permission, and each time should not exceed five minutes. The chairman may intervene if a shareholder's speech violates the aforementioned rules or exceeds the scope of the agenda.
- Shareholders participating via video conference may ask questions in writing on the shareholder meeting video conferencing platform from the announcement of the meeting to the announcement of its adjournment. The number of questions for each agenda item should not exceed two times, with a limit of two hundred words per question, and the aforementioned rules do not apply.
- XII. When a legal entity attends a shareholder meeting, it may only appoint one representative to attend. If a legal entity shareholder appoints more than one representative to attend the shareholder meeting, only one person may speak on the same agenda item.
- XIII. After a shareholder speaks, the chairman may personally respond or designate relevant personnel to respond.
- XIV. The chairman may announce the cessation of discussion and proceed to voting when he deems that the discussion has reached a votable stage.

Each shareholder is entitled to one vote per share; however, those restricted or listed under Article 179, paragraph 2 of the Company Act as having no voting rights are excluded from this limit.

A shareholder may appoint only one proxy per share, and such appointment should be submitted to the company at least five days before the meeting. In case of duplicate proxies,

the one received first shall prevail. However, those who have declared the revocation of a prior proxy are exempt from this limitation.

After submitting the proxy to the company, if a shareholder wishes to attend the meeting in person or exercise voting rights in writing or electronically, they must notify the company in writing of the revocation of the proxy at least two days before the meeting. Failure to revoke by the deadline will result in the proxy holder exercising the voting rights.

After submitting the proxy to the company, if a shareholder wishes to attend the meeting via video conference, they must notify the company in writing of the revocation of the proxy at least two days before the meeting. Failure to revoke by the deadline will result in the proxy holder exercising the voting rights.

XV. The chairman shall appoint the scrutineers and vote counters, but scrutineers must be shareholders. The results of the vote shall be reported on the spot and recorded.

XVI. During the meeting, the chairman may announce a break at his discretion.

When the company convenes a shareholder meeting, it may adopt written or electronic means to exercise voting rights. The method of exercising voting rights should be stated in the shareholder meeting notice. Shareholders who exercise their voting rights in writing or electronically are deemed to be present at the shareholder meeting. However, with regard to ad hoc motions and amendments to original proposals at the meeting, these are considered as abstentions, so the company should avoid proposing ad hoc motions and amendments to original proposals.

For those who exercise their voting rights in writing or electronically, their expressions of intention should be delivered to the company at least two days before the shareholder meeting. In case of duplicate expressions, the one received first shall prevail. However, declarations to revoke previous expressions are not subject to this limit.

If shareholders who have exercised their voting rights in writing or electronically wish to attend the shareholder meeting in person or via video conference, they should revoke their previous expressions of intention in the same manner as exercising their voting rights at least two days before the meeting. Failure to revoke in time shall mean that the voting rights exercised in writing or electronically will prevail. If a shareholder exercises their voting rights in writing or electronically and appoints a proxy to attend the shareholder meeting, the voting rights exercised by the proxy shall prevail.

Unless otherwise provided by the Company Law and the company's articles of association, resolutions shall be passed with the consent of more than half of the voting rights represented at the shareholder meeting.

XVII. When there are amendments or alternative proposals for the same agenda item, the chairman shall determine the voting order together with the original proposal. If one of the proposals has already been passed, the other proposals shall be deemed rejected, and there is no need for further voting.

XVIII. The chairman may direct inspectors (or security personnel) to assist in maintaining order at the venue. Inspectors (or security personnel) assisting in maintaining order should wear armbands with the word "Inspector" displayed on them.

Article 4. This rule is passed by the board of directors and implemented after being reported to and approved by the shareholders' meeting, and the same applies to amendments.

Article 5. The Rules and Procedure for Shareholders' Meetings was established on June 21, 1999.

The first amendment is made on May 28, 2003.

The second amendment is made on May 15, 2007.

The third amendment is made on June 13, 2018.

The fourth amendment is made on June 16, 2023

Appendix 3 Director Election Procedure

Director Election Procedure

Article 1: In order to ensure fair, just, and transparent selection of directors, this procedure is established in accordance with the "Corporate Governance Best Practice Principles for Listed and OTC Companies".

Article 2: The appointment of directors in this company shall be conducted in accordance with this procedure, except where otherwise stipulated by laws or the articles of association.

Article 3: The election of directors in this company shall adopt a cumulative voting system.

Article 4: In the election of directors in this company, each share shall have voting rights equal to the number of directors to be elected. Shareholders may either vote for a single candidate or distribute their votes among multiple candidates. The votes for independent directors and non-independent directors shall be counted separately.

Article 5: The number of directors in this company shall be determined according to the provisions of the company's articles of association. Based on the results of the election votes, the candidates with the highest number of votes shall be elected successively as independent directors and non-independent directors. In case of a tie with two or more candidates having equal voting rights and exceeding the prescribed number of positions, the selection shall be determined by drawing lots. If the candidate is absent, the chairperson shall draw lots on their behalf.

Article 6: (Deleted)

Article 7: (Deleted)

Article 8: When preparing the ballot papers, the board of directors shall number them and indicate the number of voting rights.

Article 9: At the beginning of the election, the chairperson shall designate scrutineers and vote counters to handle the supervision and counting of votes.

Article 10: The ballot box shall be prepared by the board of directors and shall be publicly inspected by the scrutineers before the voting.

Article 11: Voters shall write the name of the candidate in the designated space on the ballot paper and then place it into the ballot box. However, in the case where a corporate shareholder is the candidate, the name of the corporation or its representative may be listed in the candidate's space on the ballot paper.

Article 12: A ballot shall be considered invalid under the following circumstances:

- (1) If it does not comply with the provisions of this procedure.
- (2) If a blank ballot is placed into the ballot box.
- (3) If the handwriting is unclear and cannot be identified.
- (4) If the name of the candidate, shareholder account number, or ID number does not match the information in the shareholder register; if the candidate is not a shareholder, if the name or ID number of the candidate does not match the candidate's information.
- (5) If there are additional graphics or text besides the candidate's name, shareholder account

number, or ID number, and the allocated voting rights.

(6) If the name of the candidate is the same as that of another shareholder and there is no shareholder account number for identification.

(7) If the voting rights indicated on the ballot have been altered.

Article 13: The vote counting shall be supervised by the scrutineers, and the results shall be announced by the chairperson on the spot.

Article 14: This procedure shall come into effect upon resolution by the shareholders' meeting and shall be amended accordingly.

Article 15: This procedure was formulated on March 30, 2000, first revised on May 28, 2003, second revised on February 27, 2007. The title and full text of the third revision were made on June 13, 2018 (formerly titled: Election Procedure for Directors and Supervisors of Key Ware Electronics Co., Ltd.).

Appendix 4 Director Shareholding Situation

Director Shareholding Situation

- I. As of the date of book closure for the Annual Shareholders' Meeting (April 23, 2024), the shareholding of the directors in the shareholder register is as follows:

Title	Name	Current Shareholding	
		Number of Shares	Shareholding (%)
Chairman	Jia Ju Investment Co., Ltd. Representative: Chow, Pong-Chi	11,169,353	5.81%
Director	Jia Ju Investment Co., Ltd. Representative: Chow, Chia-Chu	11,169,353	5.81%
Director	Concord Venture Capital Group Representative: Chao, Yuan-Chi	6,347,063	3.30%
Director	Concord Venture Capital Group Representative: Li, Hsiang-Yun	6,347,063	3.30%
Director	Concord Financial Management Consultant Ltd. Representative: Cheng, Chung	7,734,118	4.02%
Director	Concord Financial Management Consultant Ltd. Representative: Vacant	7,734,118	4.02%
Independent Director	Lin, Tsung-Tan	0	0%
Independent Director	Hsieh, Han-Ping	0	0%
Independent Director	Cheng, Wen-Chung	0	0%

- II. As of the record date of the shareholders' meeting on April 23, 2024, the types and total number of issued shares are as follows: Common shares: 192,353,545 shares.
- III. Based on Article 26 of the Securities and Exchange Act and the Regulations Governing the Shareholding Percentage of Directors of Publicly Issued Companies and the Implementation of Audit: According to the statutory minimum shareholding requirement for directors, each director should hold at least 11,541,212 shares.
- IV. As of the record date for the shareholders' meeting (April 23, 2024), all directors collectively held 25,250,534 shares.

Appendix 5 Impact of this free stock distribution on the company's business performance, earnings per share, and shareholder return on investment:

Since the company does not propose a free stock distribution at the upcoming shareholders' meeting, this does not apply.