

股票代碼：5498

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

Meeting Handbook

2025 Annual Shareholders' Meeting

Date: June 19, 2025

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

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Key Ware Electronics Co., Ltd.

2025 Annual Shareholders' Meeting Procedure

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

Key Ware Electronics Co., Ltd.
2025 Annual Shareholders' Meeting Agenda

Convening Method: Physical Shareholders Meeting

Time: 9:00 a.m. on June 19, 2025 (Thursday)

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 2024.

Report No. 2: 2024 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 2024 of the company.

Report No. 4: Report on the handling of endorsements and guarantees for the year 2024 of the company.

Report No. 5: Report on the distribution of employee remuneration and director remuneration for the year 2024 of the company.

IV. Proposal

Proposal No. 1: Annual Business Report and Financial Statements (including Consolidated Financial Statements) for the year 2024 of the company.

Proposal No. 2: Profit Distribution Statement for the Year 2024 of the Company.

V. Discussions Matters

Discussion No. 1: Proposal for distribution of cash from capital surplus by the company.

Discussion No. 2: Proposal for partial amendments to the company's articles of incorporation.

VI. Extempore Motions

VII. Adjournment

Report Items

Report No. 1

Proposed by the Board

Subject: 2024 Operating Report of the Company.

Explanation:

- I. The company’s consolidated revenue for the year 2024 amounted to NT\$1,163,052 thousand, with a net profit after tax of NT\$1,051 thousand. The 2024 Business Report is attached as pp.6-8, Attachment I.
- II. The above is respectfully submitted for your review and approval.

Report No. 2

Proposed by the Board

Subject: 2024 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. 9, Attachment II and pp. 11-14 and 21-24, Attachment IV.
- II. The above is hereby reported for your consideration.

Report No. 3

Proposed by the Board

Subject: Report on 2024 Investment in Mainland China.

Explanation:

- I. In 2024, the Company indirectly invested in China through its subsidiary, Key Ware International Limited, which was approved by the Investment Committee of the Ministry of Economic Affairs.
- II. The summary table of investment in Mainland China for 2024 is attached as pp. 10, Attachment III.
- III. The above is hereby reported for your consideration.

Report No. 4

Proposed by the Board

Subject: Report on the Company's endorsement and guarantee in 2024.

Explanation:

- I. The following table presents the Company's endorsements and guarantees for the year ended December 31, 2024:

Unit: NT/USD/THB/CNY (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

The Company	Key Ware Thailand	THB 30,000 & USD 1,000	0	415,697	1,247,092	Holding company with 99.99% shareholding
The Company	Jia Chi Co., Ltd.	30,000	20,000	415,697	1,247,092	Holding company with 83.63% shareholding
The Company	Key De Precise Industries Co., Ltd.	200,000	20,000	415,697	1,247,092	Holding company with 51% shareholding
Key Ware Electronics Co., Ltd.	The Company	CNY 16,500	CNY 16,500	372,346	1,117,039	Parent Company
Key Ware Electronics Co., Ltd.	Kunshan Laserware Laser Technology Co., Ltd.	CNY 9,600	CNY 5,000	372,346	1,117,039	Holding company with 100% shareholding

Note: The above limits were calculated based on the net financial statements audited or reviewed by the auditors for 2024.

II. The above is hereby reported for your consideration.

Report No. 5

Proposed by the Board

Subject: Report on the Company's allocation of employee compensation and director remuneration for 2024.

Explanation:

- I. Pursuant to Article 31 of the company's Articles of Incorporation, if the company has earnings for the year, it shall allocate 1% to 10% for employee compensation and no more than 1% for directors' remuneration. However, if the company has accumulated losses, such losses must be offset first.
- II. As the company did not generate profit for 2024, and based on discussions and approval by the Compensation Committee, it is proposed in accordance with the Articles of Incorporation that no employee compensation or directors' remuneration be distributed.
- III. The above is hereby reported for your consideration.

Proposal

Proposal No. 1

Proposed by the Board

Subject: Submission for acknowledgement of the Company's 2024 business report and financial statements (Including consolidated financial statements) compilation.

Explanation:

- I. The Company's 2024 financial statements (including consolidated financial statements) have been prepared and are attached as pp. 11-31, Attachment IV.
- II. The 2024 Annual Report on Operations is attached as pp. 6-8, 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

Subject: Submission for acknowledgement of the Company's 2024 profit distribution plan.

Explanation:

- I. For year 2024, the company recorded a net loss after tax of NT\$1,477,480. After including the remeasurement of the defined benefit plan amounting to NT\$13,985,703, appropriating NT\$1,250,822 for the legal reserve as required by law, and reversing NT\$1,343,624 of previously appropriated special reserve, the distributable earnings for the year total NT\$12,601,025. It is proposed that the full amount be distributed as cash dividends. After distribution, the ending balance of undistributed earnings will be NT\$0.
- II. Cash dividends shall be calculated and distributed in whole New Taiwan Dollars (NT\$), with any fractional amounts less than NT\$1 being disregarded. The total amount of such disregarded fractions will be recorded as other income of the company.
- III. Upon approval by the shareholders' meeting, the chairman is authorized to determine the dividend record date and handle all related matters. If any changes in the company's outstanding shares affect the dividend per share, or if any factual circumstances, regulatory changes, or competent authority decisions necessitate adjustments, the chairman shall be fully authorized to handle such matters at his discretion.
- IV. Please refer to pp. 32 of this manual, Attachment V, for the profit distribution statement.

V. Please acknowledge the above.

Resolution:

Discussions

Discussion No. 1

Proposed by the Board

Subject: Proposal for distribution of cash from capital surplus – submitted for discussion.

Explanation:

- I. In accordance with Article 241 of the Company Act, the company proposes to distribute NT\$16,266,257 in cash from the capital surplus derived from the premium on ordinary shares issued through cash capital increase. The cash will be distributed to shareholders pro rata based on their shareholdings as recorded on the distribution record date. The amount per shareholder shall be rounded down to the nearest NT dollar (amounts less than NT\$1 will be disregarded), and the total of such disregarded fractional amounts will be recognized as other income by the company.
- II. Based on the total number of 192,448,545 shares entitled to participate in the distribution, the cash dividend per share is approximately NT\$0.08452263.
- III. Upon approval by the shareholders' meeting, the chairman is authorized to determine the record date and handle all matters related to the cash distribution. In the event of any changes to the number of outstanding shares that affect the distribution ratio per share, or if any adjustments become necessary due to changes in laws, actual circumstances, or regulatory requirements, the chairman shall be fully authorized to handle such matters at his discretion.
- IV. The above proposal is hereby submitted for discussion.

Resolution:

Discussion No. 2

Proposed by the Board

Subject: Proposal for partial amendments to the Articles of Incorporation – submitted for discussion.

Explanation:

- I. Pursuant to Article 14, Paragraph 6 of the Securities and Exchange Act, companies listed on the Taipei Exchange are required to include provisions in their Articles of Incorporation regarding the allocation of a specified percentage of annual earnings for the adjustment of salaries or distribution of compensation to grassroots employees. Therefore, the company proposes to amend Article 31 of the Articles of Incorporation.
- II. For the comparison table of the proposed amendments, please refer to pp. 33–34 of this handbook, Attachment VI

- III. This proposal has been approved by the Audit Committee and subsequently resolved by the Board of Directors in accordance with applicable laws, and is hereby submitted for discussion at the shareholders' meeting.

Resolution:

Extempore Motions

Adjournment

Attachment I. 2024 Fiscal Year Business Report

Dear Shareholders,

We sincerely thank all shareholders for taking the time to attend the 2025 Annual General Meeting of our company. Looking back on the market conditions in 2024, the overall industry experienced a moderate recovery driven by rising demand for AI servers and AI-related products. According to data released by the Taiwan Printed Circuit Association (TPCA), the annual total output value of Taiwanese PCB manufacturers reached NT\$816.8 billion, representing a year-on-year increase of 6.1%. In terms of product breakdown, the composition was as follows: multilayer boards (30.5%), flexible boards (24.4%), HDI boards (20.1%), IC substrates (15.5%), and others (9.5%). As for end applications, the distribution was: telecommunications (34.2%), computers (22.5%), semiconductors (15.5%), automotive (12.9%), consumer electronics (9.9%), and others (5%). Notably, demand for AI servers and satellite communications rose significantly, fueling increased demand for high-end HDI boards.

Amid this market rebound, the company’s operations also showed marked improvement. For the full year of 2024, operating revenue totaled NT\$1,163,052 thousand, representing an 8.87% increase compared to 2023. Although there was still an operating loss of NT\$9,436 thousand, this reflected a significant improvement from the previous year. Due to the recognition of relocation gains related to the company’s factory in Kunshan, Mainland China, the company recorded a pre-tax net profit of NT\$654 thousand for the year. The following outlines the business results for 2024 and the operational plan for 2025.

I. 2024 Business Results

(I) Results of business plan implementation:

Unit: NT\$ thousand

Item/Year	2024	2023	Amount Change	Amount % Change
Operating Income	1,163,052	1,068,270	94,782	8.87
Gross Profit	107,095	(40,120)	147,215	366.94
Operating Profit	(9,436)	(184,043)	174,607	94.87
Pre-tax Net Profit	654	148,621	(147,967)	(99.56)
After-tax Net	1,051	4,939	(3,888)	(78.72)

(II) Budget Execution Status:

The company did not publicly disclose financial forecasts for 2024.

(III) Financial income and expenditure and profitability analysis:

1. Financial income and expenditure:

In 2024, the company recorded a net cash outflow of NT\$65,595 thousand from operating activities, a net cash inflow of NT\$50,195 thousand from investing activities, and a net cash inflow of NT\$104,427 thousand from financing activities. Including the NT\$574 thousand impact of exchange rate fluctuations on cash and cash equivalents, the net increase in cash for the period was NT\$89,601 thousand. The primary source of financing was the drawdown of credit lines from banks, which was used to support both operating and investment activities.

2. Profitability analysis:

Item		2024	2023
Profitability	Return on assets	0.69%	0.77%
	Return on equity	0.05%	0.24%
	Ratio of operating income to paid-in capital	(0.49)%	(9.57)%
	Ratio of income before tax to paid-in capital	0.03%	7.73%
	Net profit margin	0.09%	0.46%
	Earnings per share	(0.01)	0.06

(IV) Research and development:

1. In collaboration with customers, we continue to address various production technology and capacity bottlenecks. We will maintain close engagement with customers to explore future product development directions and identify optimal PCB drilling solutions.
2. In conjunction with advancements in materials and process technologies, we are continuously developing a range of products, including drill bits, milling cutters, and specialty tool coatings. Additionally, new products are being developed for applications such as ABF substrates, automotive electronics, low-Earth orbit satellites, and AI servers.

II. Overview of Business Plan for 2025

(I) Management principles and key policies:

1. Continue investing in the development of niche products and actively expand market share in the drill bit segment.
2. Exercise precise control over production costs to enhance cost competitiveness, while deepening strategic cooperation with key suppliers.

3. Flexibly allocate equipment and optimize production area configurations to improve localized service efficiency and fulfill customers' one-stop service needs.
4. Proactively implement ESG-related regulations to ensure compliance with legal requirements and fulfill corporate social responsibility.

(II) Projected Sales Quantity and Basis:

Looking ahead to 2025, global cloud service providers are expected to continue increasing capital expenditures, and many countries are actively building sovereign AI capabilities. Demand for AI servers and AI Edge applications is anticipated to grow steadily, driving demand for high-end HDI boards. The low-Earth orbit satellite market also holds strong prospects due to ongoing declines in launch costs. However, changes in U.S. policy remain a major source of uncertainty—adjustments in tariffs or electric vehicle policies could influence global inflation trends and overall market momentum.

The company forecasts a 20%–30% growth in drill bit and tool sales for 2025, and expects contract manufacturing services to grow by 30%–50% on top of a high base in 2024. Shipments of various board materials are projected to remain at a strong sales level.

(III) Key Production and Sales Policies:

Diversified operations with integrated upstream, midstream, and downstream raw materials, consumables, and contract manufacturing services:

1. Optimize production and sales scheduling to achieve full capacity and full sales; shorten production cycles to meet urgent customer demands.
2. Develop high-tech products to enhance product competitiveness.
3. Make proactive efforts to explore partnerships and create new opportunities.

III. Future company development strategy

In January 2025, the International Monetary Fund (IMF) released its World Economic Outlook, forecasting global economic growth rates of 3.3% for both 2025 and 2026, slightly below the historical average of 3.7%. The global inflation rate is expected to decline to 4.2% in 2025 and 3.5% in 2026, with developed economies returning to target levels more rapidly. The report also highlighted that uncertainties surrounding trade policies and geopolitical tensions remain key risks, and it recommends that countries strike a balance between curbing inflation and maintaining growth, while advancing structural reforms to enhance medium-term growth potential. Looking ahead to 2025, shipment volumes of

major end products may show slight growth; however, this is not indicative of a strong rebound in demand. Among the evolving product trends, advanced packaging and AI servers are expected to have a more pronounced impact on the global output value of printed circuit boards. In response, the company will focus on future product demands and continue to invest in R&D to strengthen product competitiveness.

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

The company will continue to solidify its operations in Taiwan, maintain prudent management in Mainland China, and actively expand its presence in Southeast Asia. Through lean cost management and strengthened R&D capabilities, we aim to sustain our competitive edge in products. At the same time, we remain committed to fulfilling our corporate social responsibility and actively promoting ESG initiatives to ensure regulatory compliance and progress toward sustainable development goals.

We sincerely thank our shareholders for their long-standing support and encouragement. The management team will continue to uphold steadfast convictions and take pragmatic action to deliver outstanding performance and generate steady, strong returns for all 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 2024 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 2025 Annual Shareholders' Meeting of the Company

Key Ware Electronics Co., Ltd.

Convener of the Audit Committee: Lin, Tsung-Tan

March 7, 2025

Attachment III. Summary of Investment in Mainland China in 2024

**Key Ware Electronics Co., Ltd.
Summary of Investment in Mainland China in 2024**

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	792,315	0	0	73,697	56,563
Kunshan Laserware Laser Technology Co., Ltd.	Drilling foundry	31,926	0	0	1,767	0
King Ware (Chongqing) Electronics Co., Ltd	Electronic Components Wholesale	4,561	0	0	660	0
Wuhan Laserware Laser Technology Co., Ltd.	Drilling foundry	177,872	0	0	9,556	0
Shenzhen Laserware Laser Technology Co., Ltd.	Drilling foundry	28,551	0	0	(72)	0
Hubei Laserware Laser Technology Co., Ltd.	Drilling foundry	61,571	0	0	3,056	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
\$726,417	\$794,282	\$1,258,480

Note: This is based on the financial reports audited by accountants for the 2024 fiscal year

Attachment IV. 2024 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 2024 and 2023 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 2024 and 2023 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 2024 and 2023 fiscal years, as well as the financial performance and cash flows for the periods from January 1 to December 31 of 2024 and 2023 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 2024 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 of 2024 are stated as follows:

Truthfulness of Sales Revenue

The primary source of operating revenue for Key Ware Electronics Group includes processing service income from its drilling subcontracting division. In 2024, the Group's processing revenue showed a significant increase compared to the previous year. The auditor believes that management may have faced pressure to meet projected operating targets. Accordingly, the authenticity of the aforementioned processing revenue was identified as a key audit matter for the 2024 fiscal year. For details on the revenue recognition accounting policy, 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 recipient.

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 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 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.

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, 2025

Key Ware Electronics Co., Ltd.
Parent Company Only Balance Sheets
As of December 31, 2024 and 2023

Unit: NT\$ thousand

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Current Assets					
1100	Cash and Cash Equivalents (Note 6)	\$ 62,944	2	\$ 51,648	2
1110	Financial Assets at Fair Value Through Profit or Loss - Current (Note 7)	97,814	3	43,071	1
1120	Financial Assets at Fair Value Through Other Comprehensive Income - Current (Notes 8 and 27)	256,449	8	282,220	9
1150	Notes Receivable (Note 9)	2,364	-	2,791	-
1170	Accounts Receivable (Note 9)	117,850	4	138,748	4
1180	Accounts Receivable - Related Parties (Note 26)	81,850	2	45,221	1
1200	Other Receivables (Note 9)	175	-	12,733	-
1210	Other Receivables - Related Parties (Note 26)	7,986	-	12,883	1
130X	Inventory (Note 10)	251,237	7	216,676	7
1460	Non-current Assets Held for Sale (Note 11)	-	-	33,975	1
1470	Other Current Assets	47,364	1	36,857	1
11XX	Total Current Assets	<u>926,033</u>	<u>27</u>	<u>876,823</u>	<u>27</u>
Non-current Assets					
1510	Financial Assets at Fair Value Through Other Comprehensive Income - Non-current (Note 8)	36,501	1	40,409	1
1550	Investments Accounted for Using Equity Method (Note 12)	1,907,842	55	1,748,865	53
1600	Property, Plant, and Equipment (Notes 13 and 27)	527,769	15	566,950	17
1755	Right-of-use Assets (Note 14)	6,625	-	13,112	1
1840	Deferred Tax Assets (Note 21)	43,396	1	41,955	1
1915	Non-current Prepayments (Note 13)	9,468	1	-	-
1920	Deposits for Non-current Assets	1,189	-	1,530	-
1990	Other Non-current Assets	609	-	1,493	-
15XX	Total Non-current Assets	<u>2,533,399</u>	<u>73</u>	<u>2,414,314</u>	<u>73</u>
1XXX	Total Assets	<u>\$ 3,459,432</u>	<u>100</u>	<u>\$ 3,291,137</u>	<u>100</u>
Liabilities and Equity					
Current Liabilities					
2100	Short-term Loans (Notes 15 and 27)	\$ 654,157	19	\$ 451,922	14
2110	Accounts Payable Due within One Year (Note 15)	-	-	24,979	1
2150	Notes Payable and Accounts Payable	50,256	1	53,265	2
2180	Accounts Payable - Related Parties (Note 26)	30,180	1	21,899	1
2219	Other Payables (Note 17)	28,207	1	40,210	1
2220	Other Payables - Related Parties (Note 26)	10,357	-	1,105	-
2230	Current Income Tax Payable	-	-	9,716	-
2280	Lease Liabilities - Current (Note 14)	5,836	-	6,591	-
2190	Current Portion of Bonds Payable within One Year (Note 16)	-	-	56,759	2
2320	Current Portion of Long-term Loans Due within One Year (Notes 15 and 27)	16,676	1	16,274	-
2399	Other Current Liabilities	7,124	-	6,700	-
21XX	Total Current Liabilities	<u>802,793</u>	<u>23</u>	<u>689,420</u>	<u>21</u>
Non-current Liabilities					
2530	Bonds Payable (Note 16)	-	-	-	-
2540	Long-term Loans (Notes 15 and 27)	462,121	13	463,787	14
2570	Deferred Tax Liabilities (Note 21)	21,838	1	3,791	-
2580	Lease Liabilities - Non-current (Note 14)	1,031	-	6,866	-
2630	Long-term Deferred Revenue (Note 13)	88,502	3	87,517	3
2670	Net Defined Benefit Liabilities (Note 18)	4,660	-	17,853	1
25XX	Total Non-current Liabilities	<u>578,152</u>	<u>17</u>	<u>579,814</u>	<u>18</u>
2XXX	Total Liabilities	<u>1,380,945</u>	<u>40</u>	<u>1,269,234</u>	<u>39</u>
Equity					
3100	Share Capital	1,924,485	56	1,923,135	58
3200	Capital Surplus	80,695	2	80,479	2
3300	Retained Earnings	197,763	6	185,255	6
3400	Other Equity	(124,456)	(4)	(166,966)	(5)
3XXX	Total Equity	<u>2,078,487</u>	<u>60</u>	<u>2,021,903</u>	<u>61</u>
Total Liabilities and Equity		<u>\$ 3,459,432</u>	<u>100</u>	<u>\$ 3,291,137</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, 2024 and 2023

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

Code		2024		2023	
		Amount	%	Amount	%
4000	Operating Revenue (Notes 4 and 26)	\$ 492,883	100	\$ 488,347	100
5000	Operating Costs (Notes 10, 18, 20, and 26)	<u>466,356</u>	<u>95</u>	<u>483,393</u>	<u>99</u>
5900	Gross Profit from Operations	26,527	5	4,954	1
5920	Realized (Unrealized) Gain on Sales	<u>238</u>	<u>-</u>	<u>3</u>	<u>-</u>
5950	Realized Gross Profit from Operations	<u>26,765</u>	<u>5</u>	<u>4,957</u>	<u>1</u>
6100	Selling and Marketing Expenses	13,800	3	28,358	6
6200	Administrative Expenses	27,631	5	35,032	7
6300	Research and Development Expenses	3,971	1	3,456	1
6450	Expected Credit Impairment Benefit	(<u>270</u>)	<u>-</u>	(<u>94</u>)	<u>-</u>
6000	Total Operating Expenses	<u>45,132</u>	<u>9</u>	<u>66,752</u>	<u>14</u>
6900	Operating Loss	(<u>18,367</u>)	(<u>4</u>)	(<u>61,795</u>)	(<u>13</u>)
	Non-operating Income and Expenses (Notes 12, 20, and 26)				
7100	Interest Income	627	-	761	-
7010	Other Income	1,869	1	7,252	2
7020	Other Gains and Losses	(45,121)	(9)	(94,339)	(19)
7050	Financial Costs	(26,341)	(5)	(27,494)	(6)
7070	Share of Profit or Loss of Subsidiaries and Associates Accounted for Using Equity Method	<u>80,587</u>	<u>16</u>	<u>194,990</u>	<u>40</u>
7000	Total Non-operating Income and Expenses	<u>11,621</u>	<u>3</u>	<u>81,170</u>	<u>17</u>

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Code		2024		2023	
		Amount	%	Amount	%
7900	Profit Before Tax	(\$ 6,746)	(1)	\$ 19,375	4
7950	Income Tax Expense (Benefit) (Notes 4 and 21)	(5,269)	(1)	7,523	2
8200	Net Profit for the Year	(1,477)	-	11,852	2
	Other Comprehensive Income				
8310	Items not Reallocated to Profit or Loss				
8311	Remeasurements of Defined Benefit Plans (Notes 4 and 18)	17,482	4	(3,160)	-
8316	Unrealized Gains and Losses on Equity Instruments at Fair Value Through Other Comprehensive Income (Notes 4 and 19)	(29,679)	(6)	(42,889)	(9)
8349	Related Income Tax for Items not Reallocated (Notes 4 and 21)	(3,497)	(1)	632	-
8360	Items that may be Reclassified subsequently to Profit or Loss				
8361	Translation Differences on Financial Statements of Foreign Operations (Notes 4 and 19)	90,236	18	(30,395)	(6)
8399	Related Income Tax for Items that may be Reclassified (Notes 4, 19, and 21)	(18,047)	(4)	6,079	1
8300	Other Comprehensive Income for the Year	56,495	11	(69,733)	(14)

8500	Total Comprehensive Income for the Year	<u>\$ 55,018</u>	<u>11</u>	<u>(\$ 57,881)</u>	<u>(12)</u>
	Earnings per Share (Note 22)				
9750	Basic	<u>(\$ 0.01)</u>		<u>\$ 0.06</u>	
9850	Diluted	<u>(\$ 0.01)</u>		<u>\$ 0.06</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, 2024 and 2023

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, 2023	\$ 1,899,283	\$ 80,139	\$ 24,373	\$ 192,785	\$ 7,449	(\$ 90,493)	(\$ 17,099)	\$ 2,096,437	
D1	Net income in 2023	-	-	-	-	11,852	-	-	11,852	
D3	Other comprehensive income after tax in 2023	-	-	-	-	(2,528)	(24,316)	(42,889)	(69,733)	
D5	Total comprehensive income in 2023	-	-	-	-	9,324	(24,316)	(42,889)	(57,881)	
	Appropriation and distribution of earnings for 2022									
B1	Appropriation to Legal Reserve	-	-	745	-	(745)	-	-	-	
B3	Appropriation to Special Reserve	-	-	-	(34,141)	34,141	-	-	-	
B5	Cash Dividends On Common Shares	-	-	-	-	(18,993)	-	-	(18,993)	
B9	Stock Dividends On Common Shares	21,852	-	-	-	(21,852)	-	-	-	
N1	Stock-based Compensation (Note 23)	2,000	340	-	-	-	-	-	2,340	
Q1	Disposal of Equity Instruments Measured at Fair Value Through Other Comprehensive Income	-	-	-	-	(7,831)	-	7,831	-	
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	
D1	Net Profit for the Year Ended 2024	-	-	-	-	(1,477)	-	-	(1,477)	
D3	Other Comprehensive Income after Tax for the Year Ended 2024	-	-	-	-	13,985	72,189	(29,679)	56,495	
D5	Total Comprehensive Income for the Year Ended 2024	-	-	-	-	12,508	72,189	(29,679)	55,018	
	Appropriation and Distribution of Profits for the Year Ended 2023									
B1	Appropriation to Legal Reserve	-	-	149	-	(149)	-	-	-	
B3	Reversal of Special Reserve	-	-	-	1,344	(1,344)	-	-	-	
N1	Stock-based Compensation - Employee Stock Option Exercise (Note 23)	1,350	216	-	-	-	-	-	1,566	

Z1 Balance as of December 31, 2024 \$ 1,924,485 \$ 80,695 \$ 25,267 \$ 159,988 \$ 12,508 (\$ 42,620) (\$ 81,836) \$ 2,078,487

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

Code		2024	2023
	Cash flows from operating activities		
A10000	Net income before tax	(\$ 6,746)	\$ 19,375
A20010	Adjustments to reconcile income (loss):		
A20100	Depreciation expenses	42,414	56,535
A20200	Amortization expenses	305	1,750
A20300	Expected credit impairment loss (reversal gains)	(270)	(94)
A20400	Valuation loss (gain) on financial assets and liabilities measured at fair value through profit or loss	56,065	(5,145)
A20900	Finance costs	26,341	27,494
A21200	Dividend income	(627)	(761)
A21300	Interest income	(1,869)	(1,342)
A21900	Share-based compensation cost	-	896
A22300	Shares of profits or loss of subsidiaries and associates accounted for using equity method	(80,587)	(194,990)
A22500	Gain on Disposal of Property, Plant, and Equipment	(4,302)	(2,038)
A22900	Impairment Loss on Non-Current Assets Held for Disposal (Reversal Gain)	(11,589)	18,000
A23700	Impairment Loss on Property, Plant, and Equipment	-	77,009
A29900	Realized Gain on Sales	(238)	(3)
A23900	Inventory Valuation and Obsolescence Loss (Reversal Gain)	(1,001)	4,709
A24100	Unrealized Foreign Exchange Gain	(4,723)	(303)
A24200	Loss on Redemption of Convertible Bonds	-	431
A30000	Changes in operating assets and liabilities, net		
A31130	Notes receivable	427	833
A31150	Accounts receivable	25,480	83,351
A31160	Accounts receivable - related parties	(36,792)	14,276
A31180	Other receivables	12,558	(5,021)
A31190	Other receivables - related parties	4,902	(5,440)
A31200	Inventories	(33,560)	(11,368)
A31230	Prepayments	(11,187)	260
A31240	Other current assets	(8,884)	(2,891)
A32130	Notes and accounts payables	(3,011)	(13,027)
A32160	Accounts payable - related parties	7,051	(3,600)

A32190	Other payables - related parties	9,252	(12,144)
A32180	Other payables	(12,069)	5,847
A32230	Other Current Liabilities	424	(562)
A32240	Other Non-current Assets	<u>792</u>	<u>2,483</u>
A33000	Cash Generated from Operations	(31,444)	53,624

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Code		2024	2023
A33300	Interest paid	(\$ 25,734)	(\$ 24,897)
A33100	Interest received	627	761
A33200	Dividends received	1,869	1,342
A33500	Income tax paid	(5,888)	(54)
AAAA	Cash inflow (outflow) from operating activities	(60,570)	30,776
	Cash flow from investment activities		
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	-	41,293
B00100	Acquisition of financial assets at fair value through profit or loss	(425,662)	(167,583)
B00200	Disposal of financial assets at fair value through profit or loss	314,854	181,785
B01800	Net cash outflow from acquisition of associates	14,140	71,975
B02800	Proceeds from disposal of property, plant and equipment	24,938	128,195
B02600	Proceeds from disposal of non-current assets held for sale	41,203	-
B02200	Cash outflow for establishment of subsidiaries	(2,243)	-
B02400	Capital reduction refund from equity-method investee	187	18,480
B02700	Acquisition of property, plant, and equipment	(11,022)	(4,352)
B03800	Decrease in refundable deposits	341	9
BBBB	Net cash flows used in investing activities	(43,264)	269,802
	Cash flows from financing activities		
C00100	Increase in short-term loans	2,652,930	2,153,810
C00200	Decrease in short-term loans	(2,448,894)	(2,296,336)
C00500	Decrease in short-term notes and bills payable	(24,979)	(19,986)
C01300	Repayment of Corporate Bonds	(57,300)	(143,414)
C01600	Proceeds from long-term loans	20,000	-
C01700	Repayments of long-term loans	(21,264)	(43,368)
C04020	Repayment of the lease principal	(6,929)	(6,871)
C04500	Cash dividends paid	-	(18,993)
C04800	Employees stock option exercised	1,566	2,340
CCCC	Net cash outflow used in financing activities	115,130	(372,818)
EEEE	(Decrease) increase in cash and bank deposits for the year	11,296	(72,240)
E00100	Cash and bank deposits at the beginning of the year	51,648	123,888

E00200 Cash and bank deposits at the end of the year \$ 62,944 \$ 51,648

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, 2024, and 2023, 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, 2024, and 2023.

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 2024 and 2023 fiscal years, as well as the financial performance and cash flows for the periods from January 1 to December 31 of the 2024 and 2023 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 2024 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, 2024 are stated as follows:

Authenticity of Processing Revenue

The primary source of operating revenue for Key Ware Electronics Group includes processing income from its drilling subcontracting division. In 2024, the Group's processing income showed a significant increase compared to the previous year. The auditor believes that management may have been under pressure to achieve projected operating targets. Therefore, the authenticity of

the aforementioned processing income was identified as a key audit matter for the 2024 fiscal year. For details on the revenue recognition accounting policy, please refer to Note 4 of the consolidated financial statements.

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

1. Gained an understanding of the design of internal controls related to processing revenue recognition and tested their operating effectiveness.
2. Obtained detailed breakdowns of processing income, examined supporting documentation for related transactions and payment collections, and verified consistency between the service recipients and payment parties.

Other Matters

Key Ware Electronics Co., Ltd. has prepared individual financial statements for the 2024 and 2023 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, 2025

Key Ware Electronics Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2024 and 2023

Unit: NT\$ thousand

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Current Assets					
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 227,514	6	\$ 137,913	4
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	119,843	3	110,266	3
1120	Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 29)	256,449	7	282,220	8
1150	Notes receivable (Notes 4 and 9)	48,820	1	61,616	2
1170	Accounts receivable (Notes 4 and 9)	547,572	15	496,455	14
1180	Accounts receivable - related parties (Notes 4 and 28)	71	-	72	-
1200	Other receivables (Notes 4, 9 and 14)	142,689	4	188,387	5
130X	Inventories (Notes 4 and 10)	509,237	14	435,316	12
1421	Prepayments for goods	16,885	-	13,731	-
1460	Non-current Assets Held for Sale (Notes 4 and 11)	-	-	49,227	1
1470	Other current assets	<u>83,544</u>	<u>2</u>	<u>56,537</u>	<u>1</u>
11XX	Total current assets	<u>1,952,624</u>	<u>52</u>	<u>1,831,740</u>	<u>50</u>
Non-current assets					
1517	Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	36,501	1	40,409	1
1550	Investments accounted for using the equity method (Notes 4 and 8)	-	-	13,138	1
1600	Property, plant, and equipment (Notes 4, 14 and 29)	1,427,381	38	1,326,642	36
1755	Right-of-use assets (Notes 4, 15 and 28)	78,143	2	81,176	2
1805	Goodwill	7,527	-	7,155	-
1821	Other intangible assets (Notes 16)	14,849	-	18,211	1
1840	Deferred tax assets (Notes 4 and 23)	78,447	2	82,093	2
1920	Refundable deposits	4,665	-	3,355	-
1915	Prepayment - non-current (Note 14)	23,124	1	10,679	-
1930	Other Receivables - Non-current (Note 9 and 14)	135,620	4	242,746	7
1990	Other non-current assets	<u>3,380</u>	<u>-</u>	<u>3,740</u>	<u>-</u>
15XX	Total non-current assets	<u>1,809,637</u>	<u>48</u>	<u>1,829,344</u>	<u>50</u>

1XXX	Total assets	<u>\$ 3,762,261</u>	<u>100</u>	<u>\$ 3,661,084</u>	<u>100</u>
Code	<u>Liabilities and Equity</u>				
	<u>Current Liabilities</u>				
2100	Short-term loans (Note 17 and 29)	\$ 762,569	20	\$ 552,950	15
2110	Accounts Payable - Short-term Notes (Note 17)	-	-	24,979	1
2150	Notes Payable and Accounts Payable	120,145	3	116,242	3
2180	Accounts Payable - Related Parties (Note 28)	29,997	1	22,721	1
2219	Other Payables (Note 19)	66,099	2	103,598	3
2220	Other Payables - Related Parties (Note 28)	79	-	165	-
2230	Current Income Tax Liabilities (Note 4)	61,024	2	68,421	2
2280	Lease Liabilities - Current (Notes 4, 15, and 28)	20,961	1	18,292	-
2190	Current Portion of Long-term Corporate Bonds (Notes 4 and 18)	-	-	56,759	2
2320	Short-term Borrowings Due within One Year (Notes 17 and 29)	16,676	-	16,274	-
2399	Other current liabilities	<u>7,368</u>	<u>-</u>	<u>7,795</u>	<u>-</u>
21XX	Total current liabilities	<u>1,084,918</u>	<u>29</u>	<u>988,196</u>	<u>27</u>
	<u>Non-current liabilities</u>				
2540	Long-term Loans (Notes 17 and 29)	462,121	12	463,787	13
2570	Deferred Income Tax Liabilities (Notes 4 and 23)	90,157	2	121,656	3
2580	Lease Liabilities - Non-current (Notes 4, 15, and 28)	22,939	1	30,061	1
2670	Other Non-current Liabilities (Notes 4 and 20)	<u>4,660</u>	<u>-</u>	<u>17,853</u>	<u>-</u>
25XX	Total non-current liabilities	<u>579,877</u>	<u>15</u>	<u>633,357</u>	<u>17</u>
2XXX	Total liabilities	<u>1,664,795</u>	<u>44</u>	<u>1,621,553</u>	<u>44</u>
	<u>Equity attributable to owners of the parent</u>				
3100	Share capital	1,924,485	51	1,923,135	53
3200	Capital surplus	80,695	2	80,479	2
3300	Retained earnings	197,763	5	185,255	5
3400	Other equity	<u>(124,456)</u>	<u>(3)</u>	<u>(166,966)</u>	<u>(5)</u>
31XX	Total equity attributable to owners of the Company	<u>2,078,487</u>	<u>55</u>	<u>2,021,903</u>	<u>55</u>
36XX	Non-controlling Interests	<u>18,979</u>	<u>1</u>	<u>17,628</u>	<u>1</u>
3XXX	Total equity	<u>2,097,466</u>	<u>56</u>	<u>2,039,531</u>	<u>56</u>
	Total liabilities and equity	<u>\$ 3,762,261</u>	<u>100</u>	<u>\$ 3,661,084</u>	<u>100</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 Comprehensive Income
From January 1 to December 31, 2024 and 2023

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

Code		2024		2023	
		Amount	%	Amount	%
4000	Operating Revenue (Notes 4 and 28)	\$ 1,163,052	100	\$ 1,068,270	100
5000	Operating Costs (Notes 4, 10, 20, 22 and 28)	<u>1,055,957</u>	<u>91</u>	<u>1,108,390</u>	<u>104</u>
5900	Gross Profit (Loss) from Operations	<u>107,095</u>	<u>9</u>	(<u>40,120</u>)	(<u>4</u>)
	Operating Expenses (Notes 4, 9, 20 and 22)				
6100	Selling and Marketing Expenses	55,218	5	67,219	6
6200	Administrative Expenses	62,601	5	67,270	6
6300	Research Expenses	3,972	-	3,456	-
6450	Expected credit impairment loss (reversal gain)	(<u>5,260</u>)	<u>-</u>	<u>5,978</u>	<u>1</u>
6000	Total Operating Expenses	<u>116,531</u>	<u>10</u>	<u>143,923</u>	<u>13</u>
6900	Operating Loss	(<u>9,436</u>)	(<u>1</u>)	(<u>184,043</u>)	(<u>17</u>)
	Non-operating Income and Expenses (Notes 4, 13, 14, 22, and 28)				
7100	Interest Income	32,625	3	21,535	2
7010	Other Income	2,310	-	1,766	-
7020	Other Gains and Losses	(42,094)	(3)	383,385	36
7050	Financial Costs	(30,810)	(3)	(31,296)	(3)
7040	Expected credit reversal gain (impairment loss)	48,066	4	(65,879)	(6)
7060	Share of Profit or Loss of Associates Accounted for Using Equity Method	(<u>7</u>)	<u>-</u>	<u>23,153</u>	<u>2</u>
7000	Total Non-operating Income and Expenses	<u>10,090</u>	<u>1</u>	<u>332,664</u>	<u>31</u>
7900	Profit Before Tax	654	-	148,621	14

7950	Income Tax (Benefit) Expenses (Notes 4 and 23)	(<u>397</u>)	<u>-</u>	<u>143,682</u>	<u>14</u>
8200	Net Profit for the Year	<u>1,051</u>	<u>-</u>	<u>4,939</u>	<u>-</u>

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Code		2024		2023	
		amount	%	amount	%
	Other Comprehensive Income				
8310	Items not to be reclassified to profit or loss				
8311	Remeasurement of Defined Benefit Plans (Notes 4 and 20)	\$ 17,482	2	(\$ 3,160)	-
8316	Unrealized Gains and Losses on Equity Instruments Measured at Fair Value through Other Comprehensive Income (Notes 4 and 21)	(29,679)	(3)	(42,889)	(4)
8349	Income Tax related to items not to be reclassified (Notes 4 and 23)	(3,497)	-	632	-
8360	Items that may be subsequently reclassified to profit or loss				
8361	Exchange Differences on Translation of Financial Statements of Foreign Operations (Notes 4 and 21)	90,236	8	(30,395)	(3)
8399	Income Tax related to items that may be subsequently reclassified (Notes 4, 21 and 23)	(18,047)	(2)	6,079	1
8300	Other Comprehensive Income for the Year	<u>56,495</u>	<u>5</u>	<u>(69,733)</u>	<u>(6)</u>
8500	Total Comprehensive Income for the Year	<u>\$ 57,546</u>	<u>5</u>	<u>(\$ 64,794)</u>	<u>(6)</u>
	Net Profit Attributable to:				
8610	Equity Owners of the Company	(\$ 1,477)	-	\$ 11,852	1
8620	Non-controlling Interests	<u>2,528</u>	<u>-</u>	<u>(6,913)</u>	<u>(1)</u>
8600		<u>\$ 1,051</u>	<u>-</u>	<u>\$ 4,939</u>	<u>-</u>
	Total Comprehensive Income Attributable to:				
8710	Equity Owners of the Company	\$ 55,018	5	(\$ 57,881)	(5)
8720	Non-controlling Interests	<u>2,528</u>	<u>-</u>	<u>(6,913)</u>	<u>(1)</u>

8700		<u>\$ 57,546</u>	<u>5</u>	<u>(\$ 64,794)</u>	<u>(6)</u>
	(Loss) Earnings per Share (Note 24)				
9750	Basic	<u>(\$ 0.01)</u>		<u>\$ 0.06</u>	
9850	Diluted	<u>(\$ 0.01)</u>		<u>\$ 0.06</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, 2024 and 2023

Unit: NTS thousand

		Equity attributable to owners of the parent (Note IV, VIII and XIX)									
		Capital stock		Retained earnings			Other equity				
Code		Common shares	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	Total	Non-controlling Interests	Total Equity
A1	Balance as of January 1, 2023	\$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 Income in 2023	-	-	-	-	11,852	-	-	11,852	(6,913)	4,939
D3	Other Comprehensive Income After Tax in 2023	-	-	-	-	(2,528)	(24,316)	(42,889)	(69,733)	-	(69,733)
D5	Total Comprehensive Income in 2023	-	-	-	-	9,324	(24,316)	(42,889)	(57,881)	(6,913)	(64,794)
Appropriation and Distribution of Profits for the Year 2022											
B1	Appropriation to Legal Reserve	-	-	745	-	(745)	-	-	-	-	-
B3	Reversal of Special Reserve	-	-	-	(34,141)	34,141	-	-	-	-	-
B5	Cash Dividends on Common Shares	-	-	-	-	(18,993)	-	-	(18,993)	-	(18,993)
B9	Stock Dividends on Common Shares	21,852	-	-	-	(21,852)	-	-	-	-	-
N1	Share-based Payments (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
D1	Net Profit (Loss) for the Year 2024	-	-	-	-	(1,477)	-	-	(1,477)	2,528	1,051
D3	Other Comprehensive Income After Tax for the Year 2024	-	-	-	-	13,985	72,189	(29,679)	56,495	-	56,495
D5	Total Comprehensive Income for the Year 2024	-	-	-	-	12,508	72,189	(29,679)	55,018	2,528	57,546
Appropriation and Distribution of Profits for the Year 2023											
B1	Transfer to Legal Reserve	-	-	149	-	(149)	-	-	-	-	-
B3	Reverse of Special Reserve	-	-	-	1,344	(1,344)	-	-	-	-	-
N1	Share-based Payments (Note XXV)	1,350	216	-	-	-	-	-	1,566	-	1,566
O1	Cash Dividends to Shareholders of Subsidiaries	-	-	-	-	-	-	-	-	(1,177)	(1,177)
Z1	Balance as of December 31, 2024	<u>\$1,924,485</u>	<u>\$ 80,695</u>	<u>\$ 25,267</u>	<u>\$ 159,988</u>	<u>\$ 12,508</u>	<u>(\$ 42,620)</u>	<u>(\$ 81,836)</u>	<u>\$2,078,487</u>	<u>\$ 18,979</u>	<u>\$2,097,466</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 Cash Flows

From January 1 to December 31, 2024 and 2023

		Unit: NT\$ thousand	
Code		2024	2023
	Cash flows from operating activities		
A10000	Net income before tax	\$ 654	\$ 148,621
A20010	Income and expense items:		
A20100	Depreciation expenses	124,064	147,643
A20200	Amortization expenses	8,109	6,858
A20300	Expected credit losses (reversal gain)	(53,326)	71,857
A20400	Valuation loss (gain) on financial assets and liabilities measured at fair value through profit or loss	55,654	(5,904)
A20900	Finance costs	30,810	31,296
A21200	Interest income	(32,625)	(21,535)
A21300	Dividend income	(1,869)	(1,342)
A22500	Losses on property, plant, and equipment	2,287	12,960
A22600	Property, plant and equipment impairment loss (reversal gain)	(25,009)	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	7	(23,153)
A23700	Inventory write-down and obsolescence loss	1,653	39,218
A24100	Unrealized foreign exchange (gain) loss	(6,110)	2,134
A24200	Loss on redemption of convertible bonds	-	431
A30000	Net change in operating assets and liabilities		
A31130	Notes receivable	16,380	96,268
A31150	Accounts receivable	(27,534)	157,399
A31160	Accounts receivable - related parties	1	(7)
A31180	Other receivables	42,314	2,569
A31200	Inventory	(42,322)	(363)
A31230	Prepayments for goods	(3,338)	1,794
A31240	Other current assets	(38,240)	(22,267)
A32130	Notes payable and accounts payable	(9,321)	(16,971)
A32160	Accounts payable - related parties	6,405	(5,786)
A32180	Other payables	(26,497)	17,229
A32190	Other payables - related parties	(86)	(6)
A32230	Other current liabilities	(428)	(514)
A32240	Other non-current liabilities	792	2,483
A33000	Cash generated from operations	22,425	257,483

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Code		2024	2023
A33300	Interest paid	(\$ 31,670)	(\$ 31,447)
A33100	Interest received	1,843	2,460
A33200	Dividends received	1,869	1,342
A33500	Income tax paid	(60,062)	(68,793)
AAAA	Net cash inflow (outflow) from operating activities	(65,595)	161,045
	Cash flow from investing activities		
B00020	Disposal of financial assets measured at fair value through other comprehensive income	-	41,293
B00100	Acquisition of financial assets measured at fair value through profit or loss	(831,076)	(317,665)
B00200	Disposal of financial assets measured at fair value through profit or loss	768,911	286,277
B01800	Dividends received from associates	10,178	12,193
B02000	Increase in prepayments	(18,950)	(6,234)
B02400	Return of capital from invested companies using equity method	187	18,480
B02700	Purchase of property, plant, and equipment	(85,834)	(13,949)
B02800	Proceeds from disposal of property, plant, and equipment	-	4,193
B05350	Decrease in receivable compensation	212,460	206,410
B03700	Increase in deposits paid	(1,294)	(2)
B03800	Decrease in deposits paid	-	19
B06700	Increase in other non-current assets	(4,387)	(824)
BBBB	Net cash inflow from investing activities	50,195	230,191
	Cash flow from financing activities		
C00100	Short-term borrowings increase	2,726,930	1,972,346
C00200	Short-term borrowings decrease	(2,518,894)	(2,138,358)
C00500	Notes payable decrease	(24,979)	(19,986)
C01300	Redemption of convertible bonds	(57,300)	(143,414)
C01600	Long-term borrowings obtained	20,000	-
C01700	Repayment of long-term borrowings	(21,264)	(74,079)
C04020	Principal repayments on leases	(20,455)	(23,687)
C04500	Payment of cash dividends	-	(18,993)
C04800	Exercise of employee stock options	1,566	2,340
C05800	Payment of cash dividends to non-controlling interests	(1,177)	(4,000)
CCCC	Net cash flow from financing activities (outflow) inflow	104,427	(447,831)
DDDD	Effect of exchange rate changes on cash and cash equivalents	574	(4,237)

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<u>Code</u>		<u>2024</u>	<u>2023</u>
E000	Decrease in cash and cash equivalents for the year	\$ 89,601	(\$ 60,832)
E00100	Cash and bank balances at the beginning of the year	<u>137,913</u>	<u>198,745</u>
E00200	Cash and bank balances at the end of the year	<u>\$ 227,514</u>	<u>\$ 137,913</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. 2024 Earnings Distribution Table

2024 Earnings Distribution Table

Unit: NT\$

Item	Amount
Beginning balance of retained earnings	\$0
Add: Net income after tax for the period	(1,477,480)
Re-measurement of defined benefit plans recognized in retained earnings	<u>13,985,703</u>
Amount included in current year's undistributed earnings, comprising net income after tax and other items beyond current period profit	12,508,223
Appropriation to statutory surplus reserve (10%)	(1,250,822)
Transfer to Special Surplus Reserve	<u>1,343,624</u>
Distributable earnings for the year	<u>\$ 12,601,025</u>
Distribution item:	
Cash dividend to shareholders – NT\$0.06547737 per share (Note)	<u>12,601,025</u>
Undistributed retained earnings for the year	<u>\$ 0</u>

Note: Based on 192,448,545 shares outstanding

Chairman:
Chow, Pong-ChiPresident:
Chu, Tsung-WeiAccounting Manager:
Lee, Yun-Ting

Attachment VI. Comparison Table of Amendments to the Articles of Incorporation

Comparison Table of Amendments to the Articles of Incorporation

Original Article	Amended Article	Reason for Amendment
<p>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 ten percent of the total dividends distributed.</p> <p>If the Company makes a profit in a year, the Company shall contribute one percent to ten percent as compensation to employees and up to one percent 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.</p> <p>The Company executes employee treasury stock, employee stock options, employee subscription of new stock, employee restricted new stock and employee compensation to</p>	<p>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 ten percent of the total dividends distributed.</p> <p>If the Company makes a profit in a year, the Company shall contribute one percent to ten percent as compensation to employees and up to one percent as remuneration to directors, which shall be distributed in shares or cash by resolution of the Board of Directors; <u>no more than one percent shall be allocated as directors' remuneration. The proposals for the distribution of employee and director remuneration shall be reported to the shareholders' meeting. However, if the company still has accumulated losses, the amount necessary to offset the losses shall be retained in advance. Of the total amount of employee remuneration in the preceding paragraph, not less than ten percent shall be allocated to frontline employees.</u></p> <p>The Company executes employee treasury stock, employee stock</p>	<p>According to Article 14, Paragraph 6 of the Securities and Exchange Act, the company shall specify in its Articles of Incorporation a certain percentage of its annual earnings to be allocated for adjusting the salaries or distributing compensation to basic-level employees.</p>

<p>employees who meet certain criteria for control or subordinate company employees.</p>	<p>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.</p>	
<p>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</p>	<p>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</p>	<p>Addition of amendment number and date</p>

<p>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.</p>	<p>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. <u>The twenty-fifth amendment is made on June 19, 2025.</u></p>	
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Appendix 1 Articles of Incorporation (Before Amendment)

Articles of Incorporation (Before Amendment)

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 Shareholding Situation

Director Shareholding Situation

- I. As of the date of book closure for the Annual Shareholders' Meeting (April 21, 2025), 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	5.80%
Director	Jia Ju Investment Co., Ltd. Representative: Chow, Chia-Chu	11,169,353	5.80%
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: Chu, Tsung-Wei	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 21, 2025, the types and total number of issued shares are as follows: Common shares: 192,448,545 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 11,546,912 shares.
- IV. As of the record date for the shareholders' meeting (April 21, 2025), all directors collectively held 25,250,534 shares.

Appendix 4 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.