

King Yuan Electronics Co., Ltd. Procedures for Handling Material Inside Information

Chapter I. General Rules

Article 1 (Purpose of these Procedures)

THIS OPERATING PROCEDURE IS SPECIALLY FORMULATED TO FACILITATE COMPLIANCE FOR THE PURPOSES OF ESTABLISHING GOOD INTERNAL PROCESSING AND DISCLOSURE MECHANISMS FOR MATERIAL INSIDE INFORMATION, AVOIDING IMPROPER DISCLOSURE OF INFORMATION, AND ENSURING THE CONSISTENCY AND ACCURACY OF THE INFORMATION PUBLISHED BY THE COMPANY TO THE OUTSIDE WORLD.

Article 2 (Principles for Handling Material Inside Information)

The Company shall handle material inside information in accordance with applicable laws, orders, Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, relevant FAQs, and these Procedures in order to ensure information timeliness, accuracy, and integrity.

Article 3 (Scope of Material Inside Information and Application)

The Material Inside Information referred to in this operating procedure refers to the material information referred to in the Securities and Exchange Act and related laws, orders, and relevant regulations of the TWSE.

This operating procedure is applicable to the directors, managers, and employees of the Company. For persons other than those listed above who have learned of the Company's Material Inside Information due to their status, occupation, or relationship of control, the Company shall urge them to comply with the relevant regulations of this operating procedure.

Article 4 (Procedures for Evaluation and Approval of Material Inside Information)

In the event of any major resolution adopted by the Company or occurrence of important event that meets the criteria under the Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, the unit in charge shall, on the day of occurrence, report the content in a format applicable for material information, and deliver the content of such report to the Finance Division for review and verification and then to the Company's spokesperson for review. The material information shall be released after it has been reviewed and approved by the Chairman of the Board prior to the deadline stipulated by law.

In the event of any major resolution adopted by the Company or occurrence of important event that meets the criteria under the Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, or that a decision or event is evaluated to be of materiality to the Company's finance, business, shareholders' equity, or price of securities, the material information shall be released as soon as possible in accordance with the preceding regulation prior to the deadline stipulated by law.

Article 5 (Responsible unit in charge of handling material inside information)

The units in charge of handling the Company's material inside information are the Finance Division, Human Resources Division, and Business Planning Division. The units shall have the following functions and authorities:

- I. Responsible for drafting and revising this operating procedure.
- II. Responsible for accepting relevant Material Inside Information processing operations and consulting, reviewing, and providing suggestions related to this operating procedure.
- III. Responsible for receiving reports on leaks of Material Inside Information, and formulating countermeasures.
- IV. Responsible for formulating the maintenance system of all documents, files, and electronic records related to this operating procedure.
- V. Other business related to this operating procedure.

The Shareholder Service Department under the Finance Division shall be responsible for the evaluation, review, verification, submission for approval, and release of material information.

Chapter II. Procedures for Confidentiality of Material Inside Information

Article 6 (Confidentiality firewall operation-personnel)

The Company's directors, managers, and employees shall exercise their duties as prudent managers, carry out their business practices in the utmost good faith, and sign confidentiality agreements.

Directors, managers and employees who are aware of the Material Inside Information of the Company shall not disclose the Material Inside Information they possess to others.

Directors, managers, and employees of the Company are not allowed to inquire or collect the Company's undisclosed Material Inside Information from those who possess such information, and Material Inside Information that is not gained in the process of performing their business must not be disclosed to others.

Article 7 (Confidentiality firewall operation-objects)

When the Company's Material Inside Information files are transmitted in writing, they should be properly protected. When sending by e-mail or other electronic means, it must be processed with appropriate encryption or electronic signatures and other security technologies.

The files and documents containing the Company's Material Inside Information should be backed up and kept in a safe place.

Article 8 (The operation of the confidentiality firewall)

The Company shall ensure the establishment of the firewall prescribed in the previous two clauses and take the following measures:

- I. Adopt appropriate firewall control measures and regularly test them.
- II. Strengthen the custody and confidentiality measures of the Company's undisclosed Material Inside Information files.

Article 9 (Confidential work by external agencies or personnel)

Organizations or personnel outside the Company that participate in the Company's mergers and acquisitions, important memorandums, strategic alliances, other business cooperation plans, or the signing of important contracts shall sign confidentiality agreements and may not disclose the Company's Material Inside Information to others.

Chapter III. Procedures for Handling Disclosure of Material Inside Information

Article 10 (Principles of Disclosure of Material Inside Information)

The Company shall adhere to the following principles when disclosing Material Inside Information to the outside world:

- I. Information disclosure should be correct, complete, and up-to-date.
- II. The disclosure of information should have a basis.
- III. Information shall be disclosed fairly.

Article 11 (Implementation of the spokesperson system)

Any disclosure of the Company's material inside information, except as otherwise provided by law or regulation, shall be made by the Company's spokesperson, or by a deputy spokesperson acting in such capacity in a confirmed sequential order. When necessary, the disclosure may be made directly by a responsible person of the Company.

The Company's spokesperson or deputy spokesperson shall communicate to outside parties only information within the scope authorized by the Company, and no personnel of the Company other than those serving as the Company's responsible person, spokesperson, or

deputy spokesperson may disclose any material inside information to outside parties without authorization.

Article 12 (Preservation of Record of Disclosure of Material Inside Information)

Disclosure of material inside information and material information released shall be recorded in writing and submitted to the Chairman for resolution. If evaluation or submission for approval is done in electronic form, it shall be documented in writing and filed. The evaluation record, approval document, and relevant information in the preceding paragraph shall be well preserved for at least five years.

The Company shall retain the following records with respect to the release of material information:

- I. Evaluation content.
- II. Signature or seal of person responsible for evaluation, review, and approval as well as date and time of evaluation, review, and approval.
- III. The content of the material information released and the applicable laws and regulations adopted as the basis.
- IV. The content of the written information delivered
- V. Other relevant information.

Article 13 (Response to false reports by the media)

If the content reported by the media is inconsistent with the content disclosed by the Company, the Company should immediately clarify on MOPS and request correction from the media.

Chapter IV. Handling of abnormal situation

Article 14 (Report of abnormal situation)

If the directors, managers, and employees of the Company become aware of the leaks of Material Inside Information, they should report such leaks to the responsible unit and the Internal Audit Department as soon as possible.

Upon receipt of a report made pursuant to the preceding paragraph, the responsible units shall formulate handling measures. When necessary, it may invite members from the internal audit and other departments to meet for discussion of the measures, and shall keep a record of the results of the measures for future reference. The internal auditors shall also perform such audits as their duties may require.

Article 15 (Disciplinary Action)

The Company shall take measures to discover those responsible and take appropriate legal action against any personnel under either of the following circumstances:

- I. Personnel of the Company who disclose Material Internal Information or violate this operating procedure or other laws and regulations without authorization.
- II. The content of the Company's spokesperson or acting spokesperson's external statements exceeds the scope of the Company's authorization or violates this operating procedure or other laws and regulations.

If any person outside the Company divulges any material inside information of the Company or violates these Procedures, thereby causing damage to any property or interest of the Company, the Company shall pursue appropriate measures to hold the person divulging the information legally liable.

Chapter V. Internal Controls and In-House Awareness Campaigns

Article 16 (Internal control mechanisms)

These Procedures shall be incorporated into the Company's internal control system. The internal auditors shall keep themselves regularly informed of the status of compliance with these Procedures and shall prepare related audit reports, so as to ensure full implementation of the procedures for handling material inside information.

Article 17 (Regular education and communication)

The Company conducts education and communication of this operating procedure and related laws and regulations for directors, managers, and employees at least once a year. New directors, managers, and employees should be provided with education and communication in a timely manner.

Chapter VI. Supplemental Provisions

Article 18

These Principles shall take effect after the approval of the Board of Directors. The same applies to all subsequent amendments.