

Stock symbol: 2449



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

2025 Annual Report

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

The Company's Annual Report is disclosed at the following website:

<https://www.kyec.com.tw/zh-tw/Ir/Meeting>

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One. Letter to Shareholders

Ladies and gentlemen:

The year 2025 was full of uncertainties. The external operating environment was marked by insufficient information and multiple sources of uncertainty, including the United States' implementation of reciprocal tariffs, exchange rate fluctuations driven by the sharp appreciation of the New Taiwan Dollar, rapidly increasing customer demand for the Company's testing facility space, debates over the surge in artificial intelligence (AI) demand, and bottlenecks in the AI supply chain. Despite these challenges, all employees worked together with determination to move forward. The Company ultimately achieved strong results and demonstrated its operational resilience and ability to respond swiftly to environmental changes.

Business Plan Implementation Results

The Company's consolidated operating revenue was NT\$34.933 billion in 2025, a 30% increase from NT\$26.856 billion in 2024. The gross profit margin was 35.85%, an improvement of 1.06 percentage points compared to 34.79% in 2024. Earnings per share reached NT\$9.01, up 41.67% from NT\$6.36 in 2024. These outstanding operating results represent new milestones in the Company's history.

Last year, the semiconductor industry exhibited divergent conditions across different subsectors. While some companies closely related to AI hardware continued to enjoy strong performance growth, most other companies were engaged in inventory destocking and maintained a cautious outlook toward future prospects. Leveraging the competitive advantages it has accumulated over many years, the Company benefited substantially from the marked increase in demand for AI and high-performance computing chips. This drove growth in both revenue and profit. In addition, the gain from the disposal of its Chinese subsidiary, King Long Technology (Suzhou) Ltd., further enhanced the Company's impressive financial results.

In the past year, the Company devoted significant efforts to numerous key initiatives. In response to the strong capacity expansion demand from AI chips and major customers, the Company leased the Toufen factory in Miaoli County and the Yangmei factory in Taoyuan City in the shortest possible time. These facilities are equipped with a combined cleanroom area of approximately 35,000 ping, increasing the available space for equipment capacity by 50%. To achieve strategic objectives in response to the rapid changes in the semiconductor industry, the Company carried out organizational and personnel adjustments. Resources were reallocated and repositioned to support future development, enabling the Company to move forward at full speed.

Additionally, the Company strengthened management across multiple aspects of its overall operational systems. This included business units focused on enhancing operational management capabilities related to customers, products, markets, upstream and downstream industries, and future revenue forecasting; the manufacturing units accelerated factory automation, enhanced understanding of equipment components, strengthened engineering analysis capabilities, and implemented scientific selection, systematic prevention, effective interception, and rapid response for engineering and process improvements; the quality management unit utilized AI tools, placing greater emphasis on leading indicators rather than lagging indicators; the R&D unit collaborated closely with production line personnel to better serve customers while strengthening control over materials, labor, methods, and cost-effectiveness, and accelerating the timeline for key technological innovations; the procurement management unit focused on controlling the cost of equipment components and strengthening supplier management; the cost management unit monitored the reasonable relationship between expenses and revenue profitability; the finance unit concentrated on capital efficiency metrics, including ROI, ROE, ROA, and cash flow management; the human resources unit supported refined management capabilities of supervisors and advanced education and training programs to cultivate a culture of cross-business unit collaboration; initiatives in green energy, power systems, energy conservation, energy storage, and environmental protection were implemented as planned to implement the ESG sustainability roadmap; in internal control and audit, the Company continued to optimize systems and conducted rigorous audits; in factory operations, models for factory design and construction were prepared to support rapid capacity expansion; and the Company established a dedicated risk management unit to focus on capital expenditure investment opportunities and risks, ensuring steady progress.

Financial income and profit analysis

With respect to financial and profit status in 2025, the Company's debt to total assets ratio was 50.15%, up slightly from the previous year. The long-term funds to fixed assets ratio was 133.29%, a decrease of 53.67% compared to the previous year, mainly attributable to the substantial increase in investments in factories and equipment. The current ratio and quick ratio were 181.66% and 164.43%, respectively, down 78.11% and 89.02% from the previous year, mainly due to the rise in payables for factories and equipment. Additionally, the return on assets was 11.94%, an increase of 1.3% from the prior year; return on equity (ROE) was 23.24%, an increase of 4.13% from the previous year; earnings per share after tax amounted to NT\$9.01, a 41.67% growth compared to the prior year. Overall, the Company's financial structure

remains within a sound range, with enhanced profitability. Our financial incomes and profits are on par with industry standards.

R&D status

The Company's R&D Center continuously adjusts the focus of its R&D resource investments in response to the evolving structure of the semiconductor industry ecosystem and the increasing complexity of technological products, in order to take advantage of future market opportunities.

First, regarding the test system: We independently developed a high-power pre-burn-in test oven and pre-burn-in board, incorporating a liquid-cooled heat dissipation design along with an automated loading and unloading test system. This meets the stringent requirements for the long-term reliability verification of AI chips, enhances test stability and production efficiency, and reduces risks associated with manual operations. We conducted in-depth research on temperature control design for automatic three-temperature testing of analog-to-digital conversion. We also developed power management optional component boards featuring high precision, ultra-high voltage, and high current technology for analog product testing equipment, while simultaneously improving system efficiency and reliability, and enabling their application on customized new function testing equipment.

Secondly, regarding the test machine interface and high-speed transmission: We independently developed image sensing capture modules with new communication protocol designs, covering upgrades for high-speed modules such as CPHY, MPHY, and APHY, and completed the development of a 128-channel LVDS system. This provides comprehensive support for the high-speed enhancement of wafer probing and final test machines, while optimizing both performance and cost.

Furthermore, in the areas of silicon photonics and visual inspection, we developed optoelectronic integration solutions, ranging from the mechanism for fiber array alignment to complete solutions for sorter final testing; we additionally created a 3D vision module for IC appearance inspection. Finally, regarding automation and logistics transportation, we developed stocker system modules for front opening unified pods (FOUP) used in wafer probing, as well as automated guided vehicles (AGV) for loading/unloading in final testing, and logistics-related equipment kits. The goal of the R&D Center is to strengthen the Company's core testing technology capabilities, enhance system efficiency, address customer and production line needs, and respond to the ongoing trend of technological products evolving toward high performance, high integration, high reliability, and zero defect tolerance.

Current business plan overview

In 2026, as AI/HPC chips officially enter a phase of high-speed growth with a substantial further surge in capacity demand, the Company's revenue is projected to achieve a significant leap, potentially marking the largest year-over-year growth amplitude in company history. In terms of operational plans, in addition to continuously educating and training supervisors at all levels in deep qualitative analysis capabilities, the quantitative indicators for this year's business plan are as follows: In terms of operational development, we will deepen customer management, drive sustained performance growth, get a good grasp of market trends, technologies, and customers' new products, enhance equipment investment efficiency, align with customers' capacity planning, and strategically layout the group's operational bases. In terms of customer service, we will improve risk defense mechanisms, ensure production stability, strictly control initial introductions, build customer satisfaction, manage process variations, guarantee product quality, introduce AI collaboration, enhance quality and efficiency, implement high-efficiency factory expansion management, and enhance customer trust. In terms of production and manufacturing, we will accelerate the development of automation and the integration of intelligent manufacturing to address manpower demands from factory expansions, establish an agile organization to support global capacity layouts, introduce data-driven continuous improvement and intelligent decision-making systems, cultivate cross-disciplinary digital intelligent engineering talents, strengthen AI applications, and enhance engineering analysis capabilities. In terms of cost control, we will shift to direct purchase transactions to reduce costs, strengthen cost analysis, obtain reasonable procurement costs, strictly control expenditures on materials and accessories, reinforce inventory management mechanisms, review safety stock settings, and intensify the adoption of VMI mode for high-usage part numbers. In terms of R&D innovation, we will refine the development of intelligent processes and technologies, strengthen precision and collaboration in production quality control, achieve autonomy in key components and core technologies, integrate testing environments and systems modularly, ensure the protection of high-value intellectual property rights, and sustain the output of innovative technology patents along with strategic deployments. In terms of human resources, we will enhance the retention of high-performing talent, focus on building employee recruitment capacity, nurture potential reserve staff, strengthen key skills, and cultivate strategies for the Company's future development.

Future development strategy

In view of the ongoing transformation in the global semiconductor industry ecosystem and the high interdependence of supply and demand in the supply chain, in our future development strategy we continue to prioritize customer service, understanding customers, and treating customers with utmost respect. By integrating customer products and market marketing information, the Company will unify its business, customers, R&D, and teams to achieve mutual prosperity and coexistence. In terms of the product portfolio for revenue and profit, the Company will obtain high-end product testing orders for advanced processes and advanced packaging products, which feature higher testing unit prices, longer testing times, and better equipment utilization rates. Additionally, for the R&D Center, which supports the Company's competitive advantages in testing services, greater resources will be invested to widen the gap with industry peers in core technological capabilities. In the face of the massive growth in demand for semiconductor AI chips, which requires rapid expansion of factory space and business growth, the Company will also maintain flexibility in organizational adjustments at various stages to respond to environmental changes and quickly adapt mission objectives as needed. Regarding geopolitical risks and customer demands, establishing production bases and plants in multiple overseas regions outside of Taiwan has become an urgent matter that cannot be delayed. With a mindset of vigilance in times of peace, the focus will be on how, during periods of prosperity, to diligently build comprehensive high barriers to entry in the semiconductor testing field for the Company, ensuring sustainable survival and development.

The effect of external competition, the legal environment, and the overall economic environment

According to Gartner, a research and consulting firm, global semiconductor revenue in 2025 reached US\$793 billion, a 21% year-over-year growth. It is estimated that revenue will grow by another 11-12% in 2026, driven by the continued expansion of AI infrastructure. In terms of global economic growth rates, according to the IMF, the global economic growth rate for 2025 was 3.3%, an increase of 0.1 percentage points year-over-year, with the projected growth rate for 2026 remaining the same. Overall, the rates have shown general stability over the past three years. Although the overall political and economic environment in 2026 still exhibits volatility, it is relatively clearer compared to 2025.

In terms of the external competitive environment, the semiconductor industry has, to date, only a handful of companies and brands that are involved in the entire value

chain, from IC design, wafer manufacturing, die packaging, IC testing, and terminal product assembly, to the market for terminal products and the market shares of various brands. The upstream and downstream semiconductor supply chain exhibits a highly concentrated oligopolistic industry structure, where the strong remain dominant. With the significant enhancement of terminal product functionality driven by advancements in technological capabilities and the increasing complexity of IC design, the process timeline for an IC (from design and manufacturing to assembly into the final terminal product) has extended. The market demand for terminal products is characterized by high volatility, thereby fostering tight cooperative relationships between upstream and downstream segments of the supply chain. However, wafer manufacturing has reached the limits of Moore's Law, and significant improvements in IC performance are now driven by rapid advancements in advanced packaging and testing, enabling new technological products to be launched on time. Nevertheless, with the enormous rise in IC manufacturing costs and the increased cost of failures, the value of the semiconductor IC testing services industry has, over time, been repositioned from a mere foundry manufacturing role. It has transformed from a passive support factory in the supply chain into a key partner actively participating in IC process integration and technological innovation, becoming an integral part of the overall process. Through engineering approaches, technical collaboration, and a mindset of mutual sustainable development, it has further strengthened the entire industry value chain in the mutual pursuit of technological progress.

In terms of the regulatory and overall macroeconomic environment, in recent years, U.S. laws restricting China's semiconductor sector have established a clear regional division in the global semiconductor landscape. China primarily focuses on mature process products and has formed its own self-contained supply chain. Taiwan's market is in advanced processes and advanced packaging and testing; it supplies global customers outside the China region. With U.S. global reciprocal tariffs and U.S.-Taiwan tariff negotiations nearing completion, overall economic growth is tending toward moderate levels. Although the regulatory and overall economic environment in 2026 still presents many challenges, it can be viewed with cautious optimism.

A summary view of the U.S. Consumer Electronics Show (CES) in January 2026 shows that AI technology is at a key turning point, from conceptual cloud-based to physical implementation. Physical AI and robots, as well as agentic AI, have recently seen growing applications in smart mobility, AI PCs, smart glasses, wearable devices, and digital health and medical care. Looking forward to the new year, with major North American cloud service providers (CSPs) continuing to increase capital expenditures, Taiwan’s upstream semiconductor wafer manufacturing plants’ advanced processes and advanced packaging capacities are still unable to expand appropriately, resulting in a demand that far exceeds supply. This will be beneficial for a strong increase in orders for the semiconductor back-end chip testing business. Although the semiconductor industry in the first half of the year is experiencing a seasonal cyclical warming trend, the second half will see a rapid ramp-up in AI chip capacity expansion and mass production, heralding the arrival of a “hot” summer. The Company will prioritize cash flow management, keep financial discipline, leverage methods, tools, and materials, enhance engineering technologies, professionally and diligently collect and organize environmental information, seize market opportunities, continuously plan, execute, and review actions, accumulate strengths for breakthroughs, and pursue sustained growth. It is expected that 2026 will be another banner year.

Chairman Chin-Kung Lee

President Gauss Chang

Accounting Supervisor Logan Chao

Two. Corporate Governance Report

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

(I) Director

1. Information on Directors

March 31, 2026

Title	Nationality or Place of Registration	Name	Gender /age (years of age)	Date elected/appointed (Date first elected)	Term	Shares held at election		Shares currently held		Shareholdings of spouse and underage children		Shareholdings under another		Education/work experience	Concurrent positions in the Company and in other companies	Spouse or relatives of the second degree or closer acting as directors or department heads			Remarks
						Shares (Shares)	Shareholding ratio (%) (Note 1)	Shares (Shares)	Shareholding ratio (%) (Note 1)	Shares (Shares)	Shareholding ratio (%) (Note 1)	Shares (Shares)	Shareholding ratio (%) (Note 1)			Title	Name	Relationship	
Chairman	R.O.C.	Chin-Kung Lee	Male 61-70	2023.05.30 (1996.09.25)	3 years	34,100,941	2.79	34,100,941	2.79	4,263,053	0.35	0	0	Bachelor President of KYEC Director of King Long Technology (Suzhou) Ltd. Director of Suzhou Zhen Kun Technology Ltd. Independent Director of Quang Viet Enterprise Co., Ltd.	Chairman of KYEC Investment International Co., Ltd.	None	None	None	None
Vice-Chairman	R.O.C.	Chi-Chun Hsieh	Male 61-70	2023.05.30 (1999.04.20)	3 years	5,552,037	0.45	5,552,037	0.45	567,120	0.05	0	0	Bachelor Supervisor of KYEC	Member of the Sustainable Development Committee, KYEC Physician	None	None	None	None
Director	R.O.C.	Gauss Chang	Male 61-70	2024.05.31 (2024.05.31)	2 years	3,051,294	0.25	3,248,275	0.27	0	0	0	0	Master Chairman of King Long Technology (Suzhou) Ltd. Chairman of Suzhou Zhen Kun Technology	President and Chief Sustainability Officer of KYEC Chairman of KYEC USA Corp. Chairman of KYEC SINGAPORE PTE. LTD. Chairman of KYEC Japan K.K.	None	None	None	None

2. Major shareholders of corporate shareholders

December 31, 2025

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

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

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

Name of Institution	Major shareholders of corporate shareholders (Shareholding ratio) (Note)
Siliconware Precision Industries Co., Ltd.	ASE Technology Holding Co., Ltd. (100%)
United Microelectronics Corporation	Capital TIP Customized Taiwan Select High Dividend ETF account (6.47%), Cathay Sustainability High Dividend ETF account under the custody of Taishin International Bank (5.34%), Hsun Chieh Investment Co., Ltd. (3.52%), UMC Overseas Depository Receipts Account under the custody of JPMorgan Chase (3.24%), Yuanta/P-shares Taiwan Dividend Plus ETF account (2.74%), Fuh Hwa Taiwan Technology Dividend Highlight ETF account under the custody of Taipei Fubon Commercial Bank Co., Ltd. (2.69%), Silicon Integrated Systems Corp. (2.12%); Taiwan Life Insurance Co., Ltd. (1.74%), Yann Yuan Investment Co., Ltd (1.54%), New Labor Pension Fund (1.48%).
King Yuan Electronics Co., Ltd.	New Labor Pension Fund (5.05%), Yuanta/P-shares Taiwan Dividend Plus ETF account (4.60%), Cathay Sustainability High Dividend ETF account under the custody of Taishin International Bank (4.36%), Yann Yuan Investment Co., Ltd. (4.30%), Chin-Kung Lee (2.79%), Fubon Life Insurance Co., Ltd. (2.38%), Chunghwa Post Co., Ltd. (1.74%), Yuanta Taiwan Top 50 ETF (1.70%), Labor Insurance Fund (1.59%), Citibank (Taiwan) Limited, acting as Custodian for Norges Bank – JPMorgan Asset Management (Europe) S.à r.l. Investment Account (1.38%)
Unimicron Technology Corp.	United Microelectronics Corporation (13.00%), Fubon Life Insurance Co., Ltd. (3.30%), Cathay Life Insurance Co., Ltd. (2.31%), Singapore Government investment account under the custody of CitiBank (1.99%), New Labor Pension Fund (1.69%), Chunghwa Post Co., Ltd. (1.58%), Yann Yuan Investment Co., Ltd (1.50%), Nan Shan Life Insurance Co., Ltd. (1.31%), Investment account of Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds under the custody of Standard Chartered (1.23%), Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Asset Management (Taiwan) (1.10%)
Sigurd Microelectronics Corporation	Investment account of Yuanta/P-shares Taiwan Dividend Plus ETF account under the custody of Hua Nan Commercial Bank Account (3.46%), Yann Yuan Investment Co., Ltd (3.01%), Zhongli Investment Co., Ltd. (2.09%), Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., whose Third-party

	SBL Trading Investment Account is under custody of HSBC (Taiwan) Commercial Bank (1.72%), Hsing-Yang Huang (1.55%), Investment account of Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds under custody of JP Morgan Chase Bank, N.A., Taipei Branch (1.25%), New Labor Pension Fund (1.22%), Ming-Chun Chiu (1.2%), Investment account of Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds, under custody of JPMorgan Chase Bank N.A., Taipei Baranch (1.18%), Norges Bank Investment Account under custody of Citibank Taiwan (1.02%).
Coretronic Corporation	Taiwei Advanced Co., Ltd. (10.38%), Yann Yuan Investment Co., Ltd (9.40%), Hsun Chieh Investment Co., Ltd. (3.96%), HannStar Display Corporation (2.70%), Chunghwa Post Co., Ltd. (2.51%), Wei-Yi Chang (2.39%), CTBC Bank Employee Stock Ownership Trust Account of Coretronic Corporation (2.02%), CTBC Bank Employee Stock Ownership Trust Account of Coretronic Corporation (1.95%), Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds under the custody of Standard Chartered International Commercial Bank (1.33%); and Tongcai Investment Co., Ltd. (1.29%).
Hsun Chieh Investment Co., Ltd.	Shieh Yong Investment Co., Ltd. (63.51%), United Microelectronics Corporation (36.49%)

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

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

December 31, 2025

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

Kuan-Hua Chen	Chen possesses knowledge of the industry, international market perspective, the ability to lead, and the abilities to perform accounting and financial analysis, make operational judgments, conduct management administration, and conduct crisis management. He holds a Master's in Financial Engineering, Carnegie Mellon University and currently serves as the Director of Weikeng Industrial Co., Ltd.	Not applicable	0
Ping-Kun Hung	Hung possesses knowledge of the industry, international market perspective, the ability to lead, and the abilities to perform accounting and financial analysis, make operational judgments, conduct management administration, and conduct crisis management. He was the Chairman of Hsun Chieh Investment Co., Ltd.	Not applicable	0
Semi Wang	Wang possesses knowledge of the industry, practical experiences, international market perspective, the ability to lead, and the abilities to make operational judgments, conduct marketing, conduct management administration, and conduct crisis management. He is concurrently serving as a director of Mingxing Creative Management Consultations Inc., and an independent director of Creative Sensor, Inc., director of FIT Holding Co., Ltd., member of the Compensation Committee of LeadSun Greentech Corporation, and convener of the Company's Audit Committee and Remuneration Committee.	He is an Independent Director who meets the requirements set forth in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act: 1. Directors or their spouse, or relatives within the second degree of kinship are employed as a director, supervisor, or employee of the Company or its affiliates: No 2. Number of shares and shareholding ratio held by directors, their spouse, or relatives within the second degree of kinship (or held under the name of a third person): Within the prescribed range, please refer to the Directors' Information (pages 8-10 of this Annual Report)	1
Dar-Yeh Hwang	Hwang possesses knowledge of the industry, international market perspective, the ability to lead, and the abilities to perform accounting and financial analysis, make operational judgments, conduct management administration, and conduct crisis management. He holds a Master's degree and a doctorate degree in finance from Rutgers, the State University of New Jersey. He was the chairman and director of the Department of Finance at National Taiwan University and has over 30 years of teaching experience. He is currently the chairman of McBorter AFMA and Dean of the Academy of Promoting Economic Legislation, and a member of the Company's Audit Committee and Remuneration Committee.	3. Currently holding a position as a director, supervisor, or employee of companies with specific relationships with the Company: No 4. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years: 0	0
Shi-Jer Sheen	Sheen possesses knowledge of the industry, international market perspective, the ability to lead, and the abilities to perform accounting and financial analysis, make operational judgments, conduct management administration, and conduct crisis management. He holds an MBA degree from Kyushu University, Japan. He is currently a member of the Company's Audit Committee, Remuneration Committee, and Sustainable Development Committee.	3. Currently holding a position as a director, supervisor, or employee of companies with specific relationships with the Company: No 4. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years: 0	0

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

5. Diversity and independence of the Board of Directors

(1) Diversity of the Board of Directors:

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

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

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows: 1. Ability to make operational judgments. 2. Ability to perform accounting and financial analysis. 3. Ability to conduct management administration. 4. Ability to conduct crisis management. 5. Knowledge of the industry. 6. International market perspective. 7. Ability to lead. 8. Ability to make policy decisions.

➤ Objectives and the status of implementation in relation to the Company's diversity policy regarding the current board members are as follows:

- ① To ensure diversity among Board members, the Company does not impose restrictions based on gender or age in the selection of directors, but instead focuses on the knowledge, skills, and qualities required to perform their duties. The Board of Directors collectively possesses expertise in accounting, law, leadership and decision-making, risk management, and technology management. Its members also demonstrate core competencies in operational judgment, financial accounting, business management, industry knowledge, and an international market perspective. All current directors and independent directors have served or are currently serving as senior executives or persons in charge within the industry, and possess extensive industry experience and professional backgrounds, thereby supporting the implementation of corporate governance and oversight functions.
- ② The Company's current Board of Directors consists of 9 directors, including 6 directors and 3 independent directors. One director is a concurrent employee of the Company (accounting for 11%). Two of the directors are aged 51–60 years (22%) and seven directors are aged 61–70 years (78%). All nine board

members of the Company are nationals of Taiwan.

③ None of the independent directors have served more than three consecutive terms.

④ The implementation of the Company's board diversity is as follows:

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

Note: ✓ denotes ability, ○ denotes some ability.

- ⑤ Diversified management objective: The Company’s current Board of Directors consists of nine directors, including three independent directors. All directors are distinguished professionals from industry and academia, and the Board is currently composed entirely of male members (100%). The Company places great importance on gender equality in Board composition and aims to increase the proportion of female directors to one-third (33%). The Company will continue its efforts to increase female representation on the Board to achieve this goal.
- ⑥ Reasons for not achieving at least one-third representation of either gender on the Company’s Board of Directors, and measures planned to enhance Board gender diversity: The Company’s current Board of Directors does not include any female directors, primarily because the technology industry has historically had a lower proportion of female participation, making it relatively difficult to identify qualified senior professionals. The composition of the Company’s Board of Directors emphasizes gender equality and aims to increase the proportion of female directors to at least one-third. Going forward, the Company plans to seek recommendations through various channels to identify qualified industry professionals and endeavor to increase female representation on the Board, in order to achieve its Board diversity objectives.

Management objective	Status of achievement of objective
1.At least one board member possess financial accounting background	Achieved
2.At least one board member possess professional knowledge and skills	Achieved
3.The number of directors concurrently serving as managerial officers did not exceed one-third of the total number of the board members	Achieved
4.The number of Independent Directors is not less than one-third of the total number of directors	Achieved
5.Directors of any gender accounting for one third of the Board	We expect to add one female director in the 2026 election of the 16th Board of Directors

(2) Independence of Board of Directors:

- ① The Company nominates and elects board members in accordance with the Articles of Incorporation by using the candidate nomination system. The Company also complies with the Corporate Governance Code of Conduct and Regulations Governing the Election of Directors, both stipulate that the election of directors for the Company shall take into account the overall composition of the Board of Directors. The Company has seven to eleven directors, and the Board of Directors is authorized to determine the number

of directors. Directors of the board shall serve a term of three years, and are elected from the list of candidates at the shareholders' meeting. The professional qualifications of independent director candidates, shareholdings, restrictions on concurrent positions held, and methods of nomination and election, shall conform to the Company Act and Securities and Exchange Act, among other applicable laws and regulations.

- ② Company directors shall exercise a high degree of self-discipline. If a director is an interested party with respect to any proposal discussed at the board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.
- ③ The Company's Board of Directors currently consists of nine directors, including three independent directors (representing 33% of the total Board) and one director who concurrently serves as a Company executive (representing 11% of the total Board). The positions of Chairman and President of the Company are held by different individuals, and there is no spousal or first-degree familial relationship between the Chairman and the President. Only two of the Company's directors are related within the second degree of kinship, and no other directors have spousal or second-degree familial relationships with one another. This complies with Article 26-3, Paragraph 3 of the Securities and Exchange Act, which stipulates that no more than half of the directors may be spouses or relatives within the second degree of kinship. All three independent directors of the Company meet the independence standards prescribed by the competent authority and have, at the time of their appointment, completed the eligibility review and issued written declarations. All independent directors of the Company fulfilled the regulations concerning independent directors stipulated by FSC. Their status of independence is as follows:

Name	Independence				The amount(s) of any pay received for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years	Conditions specified in any of the sub-paragraphs of Article 30 of the Company Act
	Including, but not limited to, whether the directors themselves, their spouses, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or any of its affiliates	Number of shares and shareholding ratio held by directors, their spouse, or relatives within the second degree of kinship (or held under the name of a third person)		Are they serving as directors, supervisors, or employees in companies that have certain relations with the Company?		
		Shares	Shareholding ratio			
Semi Wang	No	10,000 shares	0.00%	No	NT\$0	None
Dar-Yeh Hwang	No	0 shares	0%	No	NT\$0	None
Shi-Jer Sheen	No	0 shares	0%	No	NT\$0	None

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

March 31, 2026 ; Unit: shares, %

Title	Nationality	Name	Gender	Date elected/ appointed	Shareholding		Shareholdings of spouse and underage children		Shareholdings under another		Education/work experience	Concurrent positions at other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks
					Shares (Shares)	Shareholding ratio (%) (Note 1)	Shares (Shares)	Shareholding ratio (%) (Note 1)	Shares (Shares)	ratio (%)			Title	Name	Relationship	
President and Chief Sustainability Officer	R.O.C.	Gauss Chang	Male	2023.09.01	3,248,275	0.27	0	0	0	0	Master Chairman of King Long Technology (Suzhou) Ltd. Chairman of Suzhou Zhen Kun Technology Ltd. Executive Vice President of KYEC Senior Vice President of KYEC	Chairman of KYEC USA Corp. Chairman of KYEC SINGAPORE PTE. LTD. Chairman of KYEC Japan K.K.	None	None	None	None
Executive Vice President and Chief Information Officer	R.O.C.	Steven Chang	Male	2011.11.28	1,046,182	0.09	0	0	0	0	Master Senior Vice President of KYEC	Supervisor of Fixwell Technology Corp.	None	None	None	None
Senior Vice President	R.O.C.	Andy Liang	Male	2022.10.06	600,936	0.05	0	0	0	0	Master Vice President of KYEC	-	None	None	None	None
Vice President	R.O.C.	Hans Han	Male	2020.10.30	33,000	0.00	0	0	0	0	Master Assistant Vice President of KYEC	-	None	None	None	None
Vice President and CFO (Note 2)	R.O.C.	Winnie Chow	Female	2023.11.03	0	0	0	0	0	0	Master Assistant Vice President of KYEC	Director of KYEC SINGAPORE PTE. LTD. Independent Director of Faraday Technology Corporation	None	None	None	None
Vice President and Chief Accountant (Note 3)	R.O.C.	Logan Chao	Male	2016.03.02	139,740	0.01	72,214	0.01	0	0	Master Assistant Vice President of KYEC	Supervisor of KYEC Japan K.K. Director of Fixwell Technology Corp. Supervisor of Wei Jiu Industrial Co., Ltd.	None	None	None	None
Vice President (Note 4)	R.O.C.	Morris Chang	Male	2024.11.08	135	0.00	0	0	0	0	Master Assistant Vice President of KYEC	-	None	None	None	None

Title	Nationality	Name	Gender	Date elected/ appointed	Shareholding		Shareholdings of spouse and underage children		Shareholdings under another		Education/work experience	Concurrent positions at other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks
					Shares (Shares)	Shareholding ratio (%) (Note 1)	Shares (Shares)	Shareholding ratio (%) (Note 1)	Shares (Shares)	Shareholding ratio (%)			Title	Name	Relationship	
Assistant Vice President	R.O.C.	Wendy Chen	Female	2016.12.05	0	0	0	0	0	0	Master Senior Division Chief of KYEC	-	None	None	None	None
Assistant Vice President	R.O.C.	Chung-Jung Tsai	Male	2021.12.28	5,000	0.00	0	0	0	0	Bachelor Senior Division Chief of KYEC	-	None	None	None	None
Assistant Vice President	R.O.C.	TK Chen	Male	2022.10.06	0	0	0	0	0	0	Bachelor Senior Division Chief of KYEC	-	None	None	None	None
Assistant Vice President	R.O.C.	Ta-Kang Liu	Male	2022.10.06	60,844	0.00	20,000	0.00	0	0	PhD Senior Division Chief of KYEC	Director of Wei Jiu Industrial Co., Ltd.	None	None	None	None
Assistant Vice President	R.O.C.	Jerry Su	Male	2022.10.06	1,000	0.00	0	0	0	0	Master Senior Division Chief of KYEC	Director of KYEC Japan K.K.	None	None	None	None

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

Note 2: Promoted from Assistant Vice President to Vice President and Chief Financial Officer upon resolution of the Board of Directors on August 8, 2025.

Note 3: Position adjusted to Vice President and Chief Accountant upon resolution of the Board of Directors on August 8, 2025.

Note 4: Promoted from Assistant Vice President to Vice President upon resolution of the Board of Directors on November 7, 2025.

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

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

(1) Remuneration to Directors and Independent Directors in 2025

December 31, 2025, unit: NTD thousand

Title	Name	Remuneration to directors						Remuneration from concurrently servings as employees				Ratio of total compensation (A+B+C+D+E+F+G) and to net profit after tax		Remuneration from invested non-subsiary enterpris(es) on the parent company			
		Remuneration (A)		Pension upon retirement (B)		Remuneration to directors (C)		Service Expenses (D)		The sum of A, B, C and D to Earnings after Tax		Remuneration from concurrently servings as employees (Note 1)			The Company	Companies included into the financial statement	
		The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Cash	Stock	The Company				Companies included into the financial statement
Chairman	Chin-Kung Lee (Note 2)																
Vice-Chairman	Chi-Chun Hsieh (Note 3)																
Director	Gauss Chang																
Director	Kao-Yu Liu	12,565	12,565	0	0	79,976	600	600	93,141	0.85%	10,974	108	23,000	0	23,000	0	127,223
Director	Kuan-Hua Chen																
Director	Representative of Yam Yuan Investment Co., Ltd.																
Independent director	Ping-Kun Hung																
Independent director	Semi Wang	0	0	0	0	39,988	0	0	39,988	0.36%	0	0	0	0	0	0	39,988
Independent director	Dar-Yeh Hwang																
Independent director	Shi-Jer Sheen																
<p>1. Please describe the remuneration policy, system, standards, and structure for independent directors, and the linkage of factors such as duties, risks, and period of service to the amount of remuneration.</p> <p>(1) The remuneration paid to the Company's chairman and directors is determined in accordance with the Company's Articles of Incorporation.</p> <p>(2) The Articles of Incorporation stipulate that the Company shall allocate no more than 1% of the profit for the year as directors' remuneration.</p> <p>(3) The remuneration for the Company's independent directors is based on board performance evaluation results and also on the company's operational performance, future risks, development strategies, industry trends, and industry standards. In addition, in accordance with the Remuneration Committee Charter, the Remuneration Committee shall review each director's participation in and contribution to company operations, link the reasonableness and fairness of performance risks to their remuneration, and present it to the Board of Directors for resolution.</p>																	
<p>2. Other than the remuneration disclosed in said table, the remuneration received by any of the Company's directors for providing services to the parent company/any companies included in the financial statement/investment business, e.g. as an advisor other than employee in the most recent year: None.</p>																	

Note 1: Proposed allocated amount.

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

Note 3: Mr. Chi-Chun Hsieh, Vice-Chairman of the Company, was paid business expenses in 2025 for his medical care service in the factory.

Remuneration scale

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

(II) Remuneration to President, and Vice Presidents

December 31, 2025, unit: NTD thousand

Title	Name	Salary (A)		Pension upon retirement (B)		Bonus and special allowance, etc. (C)		Amount of employee remuneration (D) (Note 1)				The sum of A, B, C and D to Earnings after Tax (%)	Remuneration from invested non-subsiary enterprise(s) or the parent company				
		The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	Cash	Stock	Cash	Stock						
President and Chief Sustainability Officer	Gauss Chang	24,688	24,688	756	756	15,591	15,591	71,655	0	71,655	0	112,690	1.02%	112,690	1.02%	None	
Executive Vice President and Chief Information Officer	Steven Chang																
Senior Vice President	Andy Liang																
Vice President	Hans Han																
Vice President and CFO (Note 2)	Winnie Chow																
Vice President and Chief Accountant (Note 3)	Logan Chao																
Vice President (Note 4)	Morris Chang																

Remuneration scale

Breakdown of remuneration to president and vice presidents	Name of President and vice presidents	
	The Company	Companies included into the financial statement
Below NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) –NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) –NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) –NT\$5,000,000 (exclusive)	-	-
NT\$5,000,000 (inclusive) –NT\$10,000,000 (exclusive)	Logan Chao, Winnie Chow	Logan Chao, Winnie Chow
NT\$10,000,000 (inclusive) –NT\$15,000,000 (exclusive)	Hans Han, Morris Chang	Hans Han, Morris Chang
NT\$15,000,000 (inclusive) –NT\$30,000,000 (exclusive)	Steven Chang, Andy Liang	Steven Chang, Andy Liang
NT\$30,000,000 (inclusive) –NT\$50,000,000 (exclusive)	Gauss Chang	Gauss Chang
NT\$50,000,000 (inclusive) –NT\$100,000,000 (exclusive)	-	-
Over NT\$100,000,000	-	-
Total	7 persons	7 persons

Note 1: Proposed allocated amount.

Note 2: Promoted from Assistant Vice President to Vice President and Chief Financial Officer upon resolution of the Board of Directors on August 8, 2025.

Note 3: Position adjusted to Vice President and Chief Accountant upon resolution of the Board of Directors on August 8, 2025.

Note 4: Promoted from Assistant Vice President to Vice President upon resolution of the Board of Directors on November 7, 2025.

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

December 31, 2025, unit: NTD thousand

	Title	Name	Stock	Cash (Note 1)	Total	Percentage of total bonuses to net profit after tax (%)
Managers	President and Chief Sustainability Officer	Gauss Chang				
	Executive Vice President and Chief Information Officer	Steven Chang				
	Senior Vice President	Andy Liang				
	Vice President	Hans Han				
	Vice President and CFO (Note 2)	Winnie Chow				
	Vice President and Chief Accountant (Note 3)	Logan Chao	0	98,645	98,645	0.8955
	Vice President (Note 4)	Morris Chang				
	Assistant Vice President	Wendy Chen				
	Assistant Vice President	Chung-Jung Tsai				
	Assistant Vice President	TK Chen				
	Assistant Vice President	Ta-Kang Liu				
	Assistant Vice President	Jerry Su				
	Corporate Governance Officer	Neil Chung				

Note 1: Proposed allocated amount.

Note 2: Promoted from Assistant Vice President to Vice President and Chief Financial Officer upon resolution of the Board of Directors on August 8, 2025.

Note 3: Position adjusted to Vice President and Chief Accountant upon resolution of the Board of Directors on August 8, 2025.

Note 4: Promoted from Assistant Vice President to Vice President upon resolution of the Board of Directors on November 7, 2025.

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

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

Units: NTD thousand

Year	2025				2024			
	Total remuneration		The sum as a percentage of earnings after tax (%)		Total remuneration		The sum as a percentage of earnings after tax (%)	
Title	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement	The Company	Companies included into the financial statement
Directors (including independent directors)	167,211	167,211	1.51%	1.51%	125,545	125,545	1.61%	1.61%
President and vice presidents	112,690	112,690	1.02%	1.02%	75,806	75,806	0.97%	0.97%

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

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

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

Company regularly evaluates directors' remuneration in accordance with the Board of Directors Performance Evaluation Guidelines. Relevant performance evaluation and reasonableness of remuneration are reviewed by the Remuneration Committee and the Board of Directors.

- The remuneration to the Company's managerial officers is subject to salary regulations, which describe the provision of work allowances and bonuses to compensate and reward employees for their diligence at work. Bonuses are provided with due consideration to the company's annual operating performance, financial status, operating status, individual work performance, sustainable development goals (Environmental, social and corporate governance aspects), future risks of the company, and industry standards. Where the Company generates a profit for the year, 8% to 10% of such profit shall be allocated as employee remuneration (out of which no less than 2% shall be allocated to entry-level employees) in accordance with Article 19 of the Company's Articles of Incorporation. However, if the Company has cumulative losses, an amount sufficient to make up losses shall be retained.
- The portfolios for the payment of remuneration include, in accordance with the Remuneration Committee Charter, cash compensations, warrants, dividends, share of ownership, retirement benefits, severance pay, allowances and any incentives of material value. This scope should be consistent with the scope of directors' and managers' remuneration stated in the Regulations Governing Information to be Published in Annual of Public Companies.

(2) Procedures for determining remuneration

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

on the achievement of short-term and long-term business goals and the financial position of the Company.

- Each year, the Remuneration Committee and Board of Directors regularly evaluate the performance of directors and managerial officers and review whether their remuneration is reasonable. Remuneration is based on individual performance, contribution to the company, the company's overall business performance, future risks of the industry, and development trends. It is also reviewed as needed according to the actual operating status of the company and applicable laws and regulations. A reasonable remuneration is allocated after a general consideration of the current corporate governance practices in order to maintain a balance between the company's sustainability management and risk management. The actual amount of remuneration for directors and managers in 2025 was reviewed by the Remuneration Committee and then presented to the Board of Directors for review and approval.

(3) Linkage to operating performance and future risk exposure

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

III. Status of Corporate Governance

(I) Operations of the Board of Directors

The board of directors met 7 times in 2025. The details of attendance are as follows:

Term	Title	Name	Actual attendance	Attendance by proxy	Actual attendance rate (%)	Remarks
15th-term	Chairman	Chin-Kung Lee	7	0	100%	
	Vice-Chairman	Chi-Chun Hsieh	7	0	100%	
	Director	Gauss Chang	7	0	100%	
	Director	Kao-Yu Liu	7	0	100%	
	Director	Kuan-Hua Chen	7	0	100%	
	Director	Representative of Yann Yuan Investment Co., Ltd.: Ping-Kun Hung	7	0	100%	
	Independent director	Semi Wang	7	0	100%	
	Independent director	Dar-Yeh Hwang	7	0	100%	
	Independent director	Shi-Jer Sheen	7	0	100%	

Note: General re-election was held during the shareholders' meeting on May 30, 2023, and the term of the 15th board of directors will run from May 30, 2023 to May 29, 2026.

Other items to be stated:

- I. For board of directors' meetings that meet any of the following descriptions, state the date, session, the discussed agenda, independent directors' opinions and how the Company has responded to such opinions:
 - (I) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee and is not subject to matters listed in Article 14-3 of the Securities and Exchange Act. For details, please refer to the Operating Status of the Audit Committee in this Annual Report. (Pages 35-38 of this Annual Report.)
 - (II) Any other resolution(s) passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None.
- II. In instances where a director recused himself/herself due to a conflict of interest, the minutes shall clearly state the director's name, contents of the proposal and resolution thereof, reason for not voting and actual voting counts: Refer to the Note 1 for details.
- III. Information on the frequency and period, scope, methods, and content of the Board of Directors' self- (or peer) evaluation, and the status of implementation of such evaluations by the board: Refer to the Note 2 for details.

Evaluation cycle	Evaluation duration	Evaluation Scope	Evaluation method	Evaluation content
Annually	January 1, 2025 to December 31, 2025	This includes performance evaluations of the Board of Directors, functional committees (including the Audit Committee,	Self-performance evaluation of the board of directors, board members and functional committees	1. Items measured in board performance evaluation (1) Participation in the operation of the Company (2) Improvement of the quality of the board of directors' decision making (3) Composition and structure of the board of directors (4) Election and continuing education

		Compensation Committee, and Sustainability Committee), and individual board members.		of the directors (5) Internal control 2. Items measured in the performance evaluation of individual board members (1) Alignment of the goals and missions of the company (2) Awareness of the duties of a director (3) Participation in the operation of the Company (4) Management of internal relationship and communication (5) Director's professionalism and continuing education (6) Internal control 3. Items measured in the performance evaluation of functional committees (including Audit Committee, Remuneration Committee, Sustainable Development Committee) (1) Participation in the operation of the Company (2) Awareness of the duties of the functional committees (3) Improving the decision quality of the functional committees (4) Composition and member election of the functional committees (5) Internal control
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IV. An evaluation of targets for strengthening the functions of the board during the current and immediately preceding fiscal years:

- (1)The Company has established an Audit Committee, a Remuneration Committee, and a Sustainable Development Committee. The respective responsibilities of these committees are to oversee the quality and integrity of the Company's accounting, auditing, financial reporting processes, and internal controls; to evaluate the remuneration policies for directors and managers; and to promote the Company's sustainability strategy. Each committee also makes recommendations to the Board of Directors for its reference in decision-making, in order to strengthen corporate governance.
- (2)The Company holds annual training programs for directors, covering topics such as industry trends, corporate governance, risk management, and sustainable development. In 2025, all directors completed at least six hours of training as required, with total training hours for all directors reaching 60 hours.
- (3)The results of the internal performance evaluation of the Board of Directors and functional committees (Audit, Remuneration, and Sustainability) for 2025 were reported to the Board of Directors on March 6, 2026. The results will be disclosed on the Market Observation Post System (MOPS) and in the Annual Report.

Note 1: Implementation Status of Directors' Recusal from Proposals Involving Conflicts of Interest:

Board of directors meeting date/session	Motion	Reasons for the required recusal, and participation in the voting process
2025/02/21 18th meeting of the 15th Board	Discussion of the adjustments made by the remuneration committee regarding managers' remuneration for year 2025.	Director Gauss Chang is a manager of the Company and is therefore recused from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection.
2025/08/08 21st meeting of the 15th Board	To discuss the adjustments recommended by the Remuneration Committee regarding the proposed distribution of cash remuneration to the Company's managers for 2024.	Director Gauss Chang is a manager of the Company and is therefore recused from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection.
2025/11/07 23rd meeting of the 15th Board	1.To discuss the motion regarding the business expenses in 2026 of Mr. Chi-Chun Hsieh, Vice-Chairman of the Company, as recommended by the Remuneration Committee.	1.Vice Chairman Chi-Chun Hsieh is a party of interest in this motion and therefore recused himself from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection.
	2.To discuss the motion on paying Chairman Chin-Kung Lee directors' remuneration in 2026 as recommended by the Remuneration Committee.	2.Chairman Chin-Kung Lee is a party of interest in this motion and therefore recused himself from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection.

Note 2: Evaluation of the Board of Directors and Functional Committees

- 2025 Performance Evaluation for the Board of Directors of King Yuan Electronics Co., Ltd.

To implement corporate governance and improve the function of the board of directors, the Company conducted the 2025 board performance evaluation in accordance with the Board of Directors Performance Evaluation Guidelines. The performance evaluation of the Company's board of directors includes the entire board, each member and the functional committees; the evaluation methods include self-evaluations by the board of directors and individual board members. After collecting relevant questionnaires such as the "Self-Evaluation Questionnaire for Performance of the Board of Directors," the "Self-Evaluation Questionnaire for Performance of Board Members," and the "Self-Evaluation Questionnaire for Performance of the Functional Committees," the execution unit records the evaluation results in a report based on the evaluation indexes in Article 8 of the "Performance Evaluation Rules for the Board of Directors".

Performance evaluation self-assessment questionnaire results for 2025 (evaluation period: January 1, 2025 to December 31, 2025) are as follows:

I. Performance evaluation personnel:

- (I) Person who completed the self-evaluation questionnaire for board performance as a whole:

Corporate Governance Officer.

(II) Members (of the 15th term of Board of Directors) who completed the self-evaluation questionnaire: Nine members in total, including Chairman Chin-Kung Lee, Vice Chairman Chi-Chun Hsieh, Director Gauss Chang, Director Kao-Yu Liu, Director Kuan-Hua Chen, Director Ping-Kun Hung, Independent Director Semi Wang, Independent Director Dar-Yeh Hwang, and Independent Director Shi-Jer Sheen.

(III) Person who completed the self-evaluation questionnaire for functional committee performance: Corporate Governance Officer.

II. Performance evaluation statistical results:

(I) Performance evaluation of the board of directors

Board performance evaluation covers five aspects. The average score is 4.66 out of a total score of 5.

Scope of Assessment	Number of Questions	Average score
A. Participation in the operation of the Company	12	4.42
B. Improvement of the quality of the board of directors' decision making	12	4.83
C. Composition and structure of the board of directors	7	4.71
D. Election and continuing education of the directors	6	4.33
E. Internal control	7	5.00
Total/Average score	44	4.66

(II) Performance evaluation of the board members

The performance evaluation of individual board members covers six aspects. The average score is 4.91 out of a total score of 5.

Scope of Assessment	Number of Questions	Average score
A. Alignment of the goals and missions of the company	3	4.96
B. Awareness of the duties of a director	3	5.00
C. Participation in the operation of the Company	8	4.88
D. Management of internal relationship and communication	3	4.93
E. Director's professionalism and continuing education	3	4.89
F. Internal control	3	4.89
Total/Average score	23	4.91

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

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

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

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

The performance evaluation of the functional committees covers five aspects. The average score is 4.70 out of a total score of 5.

Scope of Assessment	Number of Questions	Average score
A. Participation in the operation of the Company	4	5.00
B. Awareness of the duties of the functional committees	5	4.00
C. Improving the decision quality of the functional committees	7	5.00
D. Composition and member election of the functional committees	3	4.67
E. Internal control	1	5.00
Total/Average score	20	4.70

- (V) Performance evaluation of the functional committee - Sustainable Development Committee
The performance evaluation of the functional committees covers five aspects. The average score is 5.00 out of a total score of 5.

Scope of Assessment	Number of Questions	Average score
A. Participation in the operation of the Company	4	5.00
B. Awareness of the duties of the functional committees	3	5.00
C. Improving the decision quality of the functional committees	7	5.00
D. Composition and member election of the functional committees	3	5.00
E. Internal control	1	5.00
Total/Average score	18	5.00

III. Overall comment:

- (I) Performance evaluation of the board of directors

The Board of Directors operates smoothly overall, maintains effective communication with the Company's management, and each director diligently performs their duties and actively participates in operational decision-making. The Board effectively implements corporate governance and demonstrates strong operational efficiency, supporting the Company's long-term development.

- (II) Performance evaluation of the board members

Chairman Chin-Kung Lee	Strive to achieve the Company's operational and profitability targets
Independent Director Semi Wang	Getting Better

Other supplementary description

Independent Director Dar-Yeh Hwang: The ratio of independent directors on the Board can be increased.

- (III) The performance evaluation of functional committees (Audit Committee, Remuneration Committee, and Sustainable Development Committee)

The functional committees operate effectively overall, meeting the requirements of corporate governance and fully exercising their powers and functions.

In summary, the results of this performance evaluation indicate that the Board of Directors and all functional committees are operating effectively and have fully exercised their oversight functions. It is recommended that the Board continue to strengthen risk management to respond to changes in the external environment and ensure more robust operational decision-making.

(II) Operation of the Audit Committee

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

Key review focuses of the Audit Committee for the year:

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

The Audit Committee met 7 times in 2025. The attendance of the independent directors is as follows:

Title	Name	Actual attendance	Attendance by proxy	Attendance rate (%)	Remarks
Independent director	Semi Wang	7	0	100%	Convener and Chair
Independent director	Dar-Yeh Hwang	7	0	100%	
Independent director	Shi-Jer Sheen	7	0	100%	

Note: The term of the 4th Audit Committee is from May 30, 2023 to May 29, 2026.

Other items to be stated:

- I. For Audit Committee meetings that meet any of the following descriptions, state the date and session of the Audit Committee meeting held, the discussed topics, the content of the objections, reservations or material recommendations of independent directors, the Audit Committee's resolution, and how the company has responded to Audit Committee's opinions.

(I) Matters listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee Meeting date and session	Motion	Reservations or material recommendations of Independent directors	Resolutions of the audit and the Company's response to the audit committee's opinions
2025/02/21 12th meeting of the 4th Committee	1. 2024 Statement on Internal Control 2. Independence and suitability assessment for the CPAs 3. 2024 Individual and Consolidated Financial Statements 4. 2024 Business Report	None	Approved by all members of the audit committee and all board members present at the meeting without objections.

	5. Motion for the 2024 Earnings Distribution		
2025/05/09 13th meeting of the 4th Committee	1. Interim consolidated financial statements between January 1 and March 31, 2025 2. Proposal for the acquisition of real property right-of-use assets	None	Approved by all members of the audit committee and all board members present at the meeting without objections.
2025/06/20 14th meeting of the 4th Committee	Proposal to enter into a land lease and commissioned construction agreement with Wei-Shun Construction Co., Ltd.	None	Approved by all members of the audit committee and all board members present at the meeting without objections.
2025/08/08 15th meeting of the 4th-term	1. Interim consolidated financial statements between January 1 and June 30, 2025 2. Proposed amendments to the Company's "Internal Control System" and "Internal Audit Implementation Rules" 3. Proposed cash capital increase for subsidiary KYEC Singapore Pte Ltd. 4. Proposed cash capital increase through an issue of new shares in 2025 5. Proposal to discuss the Company's personnel planning	None	Approved by all members of the audit committee and all board members present at the meeting without objections.
2025/10/21 16th meeting of the 4th-term	1. Proposal for the acquisition of real property right-of-use assets 2. Proposal for the acquisition of real property right-of-use assets	None	Approved by all members of the audit committee and all board members present at the meeting without objections.
2025/11/07 17th meeting of the 4th-term	1. Interim consolidated financial statements between January 1 and September 30, 2025 2. 2026 Audit Plan 3. Review of the motion for the 2025 professional fees of CPAs	None	Approved by all members of the audit committee and all board members present at the meeting without objections.
2025/12/26 18th meeting of the 4th-term	1. Approval of the motion to have Ernst & Young and its affiliates provide non-assurance services to the Company and its subsidiaries as of January 1, 2026 through to December 31, 2026. 2. Amendments to the internal control system 3. Proposal to enter into a	None	Approved by all members of the audit committee and all board members present at the meeting without objections.

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

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

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

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

1. Before each month end, the Company's chief auditor delivers last month's audit report and follow-up report to each independent director for review, and provides a report of and communicates audit matters to the Audit Committee at least on a quarterly basis.
2. The internal audit officer reports auditing matters to the board of directors and the audit committee on a regular basis. A summary of the communication between the independent directors and internal audit officer is as follows:

Meetings attended, meeting date, and meeting session of the chief auditor	Communication Items	Communication Method	Communication Outcome
2025/02/21 Audit Committee (4-12)	Report on internal auditing operations for 2025Q1	Attendance report and discussions on relevant issues	Matter has been communicated; there were no other suggestions.
2025/05/09 Audit Committee (4-13)	Report on internal auditing operations for 2025Q2	Attendance report and discussions on relevant issues	Matter has been communicated; there were no other suggestions.
2025/08/08 Audit Committee (4-15)	1. Report on internal auditing operations for 2025Q3 2. Proposed amendments to the Company's "Internal Control System" and "Internal Audit Implementation Rules"	Attendance report and discussions on relevant issues	Matter has been communicated. Except for "Matters to be Communicated" in the left column, there were no other suggestions, and the matters were reported to the Board of Directors after consideration and approval by the Audit Committee.
2025/11/07 Audit Committee (4-17)	1. Report on internal auditing operations for 2025Q4 2. 2026 Audit Plan	Attendance report and discussions on relevant issues	Matter has been communicated. Except for "Matters to be Communicated" in the left column, there were no other suggestions, and the matters were reported to the Board of Directors after consideration and approval by the Audit Committee.
2025/12/26 Audit Committee (4-18)	Amendments to the internal control system	Attendance report and discussions on relevant issues	Except for "Matters to be Communicated" in the left column, there were no other suggestions, and the matters were reported to the Board of Directors after consideration and approval by the Audit Committee.

(2) Communication between independent directors and CPAs:

1. From time to time, the Company's CPAs will report to the Audit Committee the audit of the company's financial status and other matters, and will also promptly report any special circumstances to members of the Audit Committee.

The communication between the Company's audit committee and CPAs is fair.

2. Communication between independent directors and CPAs is as follows:

Meetings attended, meeting date, and meeting session of the CPAs	Communication Items	Communication Method	Communication Outcome
2025/02/21 Audit Committee (4-12)	2024 Individual and Consolidated Financial Statements	Attended the meeting and conducted consultation, discussion and advice on relevant issues.	Except for "Matters to be Communicated" in the left column, there were no other suggestions, and the matters were reported to the Board of Directors after consideration and approval by the Audit Committee.
2025/12/26 Audit Committee preparatory meeting (standalone meeting)	2025 Financial Statement Audit Plan	Attended the meeting and conducted consultation, discussion and advice on relevant issues.	Matter has been communicated; there were no other suggestions.

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

Scope of Assessment	Status			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
1 Has the Company established and disclosed its corporate governance principles based on Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	√		The Company has adopted its “Corporate Governance Best-Practice Principles” in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.” These Principles have been disclosed on the Company’s website under a dedicated “Corporate Governance” section, which provides information on the Company’s corporate governance practices. Relevant corporate governance policies and regulations are also available for download.	No significant differences
2 Equity structure and shareholders’ equity				
(1) Does the Company have the internal procedures regulated to handle shareholders’ proposals, doubts, disputes, and litigation matters, and have the procedures been implemented accordingly?	√		The Company has established the Rules of Procedure for Shareholders’ Meetings. To ensure the rights and interests of shareholders, we have set up a spokesperson system, provided contact information (invest@kyec.com.tw), and created a shareholders section on the Investor Relations section of our website through which we respond to shareholders’ feedback, handle shareholders’ proposals, doubts, and disputes, and report the collected information to the Board of Directors and Audit Committee as needed.	No significant differences
(2) Whether the Company controls the list of major shareholders and the controlling parties of such shareholders?	√		The Company reports changes in shareholdings of insiders in advance before the 10th of each month, and has designated dedicated personnel to handle share-related matters. The Company maintains close communication with its stock transfer agent to ensure the stability of corporate control.	No significant differences
(3) Whether the Company establishes or implements some risk control and firewall mechanisms between the Company and its affiliates?	√		The Company and its affiliates have established their internal control systems and have the parent company supervise the systems. Meanwhile, each affiliate has also set up its own firewall.	No significant differences
(4) Has the Company established internal policies that prevent insiders from trading securities against non-public information?	√		The Company has established Procedures for Handling Material Inside Information, Code of Ethics, and Ethical Corporate Management Operating Procedures and Code of Conduct, all of which are disclosed and made available to investors on the company website. Meanwhile, insiders such as directors or	No significant differences

Scope of Assessment	Status			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>employees are strictly forbidden to use, for personal gains, information that is not available in the market in order to safeguard the interests of investors and the company. The Company has amended Article 10 of its Corporate Governance Code of Conduct. The amendment was approved by the Board of Directors on December 28, 2021 and states that “directors and managers shall not trade their shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.”</p> <p>We organize insider trading prevention courses every year. In 2025, attendance by directors and employees in insider trading prevention courses was 8,699 for a total of 4,263 hours. The courses covered the following contents: Insider trading, persons subject to insider trading restrictions, the act of actually knowing, material information, trading targets, date and time of trading, date and time of disclosure of material information, penalties, short-term trading, subject/period/target of regulation, calculation of right of disgorgement, etc. At the end of each course, course materials (slides and audio/video files) are made available on the employee portal system. During the insider trading prevention courses, directors and managers are reminded not to trade the company’s stocks 30 days before the publication of annual financial reports, and 15 days before the publication of quarterly financial reports. In November 2025, the Company notified the directors and managers of the 2026 board meeting date and the closed period before the publication of quarterly financial reports to prevent the directors and managers from violating regulations.</p>	
3 The organization of the board of directors and its duties				
(1) Has the board formulated a diversity policy and specific management objectives, and have they been	√		The Company nominates and elects board members in accordance with the Articles of Incorporation by using the candidate	No significant differences

Scope of Assessment	Status			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
implemented?			<p>nomination system. The Company also complies with the Corporate Governance Code of Conduct and Regulations Governing the Election of Directors - both stipulate that the composition of the board of directors shall be determined by taking diversity into consideration and that an appropriate policy on diversity based on the company business operations, operating dynamics, and development needs be formulated. The policy includes, without being limited to, two general standards, namely gender, age, and nationality and the necessary knowledge, skill, and experience to perform their duties. To achieve the ideals of corporate governance, the board as a whole must possess the following abilities: 1. The ability to make judgments about operations; 2. accounting and financial analysis ability; 3. business management ability; 4. crisis management ability; 5. knowledge of the industry; 6. an international market perspective; 7. leadership ability; and 8. decision-making ability.</p> <p>(1) The 15th Board of Directors consisted of nine directors, of which three are independent directors (33%) and one is an employee of the Company (11%). Two directors are relatives within the second degree of kinship (22%).</p> <p>(2) Where the proportion of female directors is less than one-third, the reasons have been explained and measures to enhance Board gender diversity have been outlined. (Please refer to pages 15-19 of this Annual Report for details).</p> <p>(3) As of the end of 2025, two and seven directors were aged 51–60 and 61–70 years, respectively. One independent director has served a term of seven to nine years, the other has served four to six years, and the third one to three years. All independent directors did not serve more than three consecutive terms. Our independent directors are in compliance with the independent director regulations of the Securities and Futures Bureau of the FSC, and with the provisions of Article 26-3, paragraphs 3 and 4, of the</p>	

Scope of Assessment	Status			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>Securities and Exchange Act.</p> <p>(4) All nine directors of the Company have completed at least six hours of continuing education courses in 2025 in accordance with the applicable laws and regulations.</p> <p>(5) The succession plan and operation of the Board of Directors and key management. (Please refer to pages 49-51 of this Annual Report for details).</p> <p>(6) For more information on the education, gender, professional qualifications, work experience, and diversity of board members, please refer to the sections Information on Directors (please refer to pages 8-10 of the Annual Report) and Disclosure of the Professional Qualifications of Directors and Independence of Independent Directors (please refer to pages 13-19 of the Annual Report).</p>	
(2) Whether the company, in addition to establishing the remuneration committee and audit committee, pursuant to laws, is willing to establish any other functional committees voluntarily?	√		The Company has established a Remuneration Committee and an Audit Committee in accordance with the relevant laws. In addition, a Sustainable Development Committee has also been established on of November 8, 2024. In the future, depending on laws and regulations or practical needs, the Company may establish other functional committees.	No significant differences
(3) Does the company establish a standard to measure the performance of the board, implement it annually and submit the results to the board of directors as reference for the remuneration of individual directors and the nomination of candidates?	√		The Board of Directors Performance Evaluation Guidelines was approved by resolution at the board of directors' meeting on December 27, 2019, and was approved for amendments at the board meeting on December 25, 2020. The performance of the board as a whole and its functional committees (Remuneration Committee, Audit Committee and Sustainable Development Committee) is evaluated annually beginning as of 2020. The evaluation results are presented to the Board of Directors and disclosed on the company website. (Please refer to pages 32-34 of this Annual Report for details). Details of the performance evaluation have been presented at the Board of Directors on March 6, 2026. These details served as a reference for the remuneration of individual directors and the nomination of candidates.	No significant differences

Scope of Assessment	Status			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(4) Is CPAs' independence assessed on a regular basis?	√		The independence and competence of our CPAs are assessed annually by the Audit Committee and Board of Directors. Our CPAs are asked to provide a Statement of Independence and Audit Quality Indicators (AQIs); then, their independence is assessed by using the AQIs disclosure framework which is composed of 5 dimensions and 13 indicators. Based on our assessments, the CPAs have no other financial interests in or business relations with the company than the provision of compensated auditing and tax services, and their family members do not violate independence requirements. In addition, with reference to Audit Quality Indicators (AQIs), the signing CPA demonstrates audit experience and training hours for Engagement Quality Control Review (EQCR) that exceed industry averages. The Company has also continued in recent years to develop auditing technologies and invest in talent to enhance audit quality. The Company's assessment of CPA independence and competence has been approved at the meetings of Audit Committee and Board of Directors on March 06, 2026, and a Statement of Independence and Audit Quality Indicators (AQIs) have been obtained from the CPAs. For the procedure of the Company's CPA independence assessment, please refer to pages 52-54 of this Annual Report.	No significant differences
4 Does the TWSE/TPEX listed company have a dedicated unit/staff member in charge of the Company's corporate governance affairs (including but not limited to providing information required for director/supervisor's operations, convening board/shareholder meetings in compliance with the law, applying for/changing the company registry, and producing meeting minutes of board/shareholder meetings)?	√		On May 3, 2019, the Board of Directors resolved to appoint the Senior Manager of the Finance and Sustainable Development Management Center to concurrently serve as the Corporate Governance Officer, responsible for corporate governance matters. The main responsibilities are as follows: (1) Handle matters relating to board meetings and shareholders meetings according to the law. (2) Produce minutes of board meetings and shareholders meetings. (3) Assist in onboarding and continuous development of directors. (4) Furnish information required for business execution by directors.	No significant differences

Scope of Assessment	Status			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			(5) Assist directors with legal compliance. (6) Report to the board of directors the results of its review of whether the qualifications of independent directors at the time of nomination, election and during their term of office comply with relevant laws and regulations. (7) Handle matters related to director changes. (8) Other matters set out in the Articles or Corporation or contracts	
5 Does the company establish a communication channel and build a designated section on its website for stakeholders (including without limitation shareholders, employees, customers, suppliers, etc.), and properly respond to corporate social responsibility issues that stakeholders are concerned about?	√		The Company has set up a “Stakeholder” section on its website to establish a transparent, effective, and timely multi-way communication channel for our stakeholders. Such a channel helps to gain the trust and support of stakeholders and enables us to keep abreast of their expectations, suggestions, and needs, which can serve as a reference and basis for creating future business plans that will help the Company realize the value of corporate sustainability and exert a positive impact. The Company’s stakeholders include employees, shareholders and investors, customers, suppliers and contractors, and government agencies. For more information on stakeholder concerns, our communication channels, and how we respond to these concerns, please visit the company website at Http://www.kyec.com.tw/ , click the link to “Stakeholder area” under “ESG” or read the relevant contents in the “Sustainability Report” - Stakeholders and Concerned Issues - Identification and communication of stakeholders. (URL: https://www.kyec.com.tw)	No significant differences
6 Has the Company commissioned a professional stock service agent to handle shareholders’ affairs?	√		The Company has hired Horizon Securities to be our stock service agent to handle shareholders’ affairs.	No significant differences
7 Information disclosure				
(1) Has the company established a website that discloses financial, business, and corporate governance-related information?	√		The Company's website can be found at: https://www.kyec.com.tw , and an Investor Relations section has been established on the website to disclose material information such as the Company's financial and business operations and information related to corporate governance, as well as the	No significant differences

Scope of Assessment	Status			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			publication of Annual Reports. Other relevant information that should be announced and declared can also be found on the Market Observation Post System (MOPS).	
(2) Has the company adopted other means to disclose information (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the company website)?	√		The Company has set up a company website in the English language (URL: https://www.kyec.com.tw/en) to disclose company-related information, and the collection and disclosure of such information are handled by a dedicated department. To implement the spokesperson system, the Company's external statements are made through a spokesperson and deputy spokesperson. The Company is regularly invited to investor conferences. Any conference materials, including presentation slides and audio/video files, are made publicly available on the Investor Relations section of the company website and are also disclosed on the Market Observation Post System per regulations.	No significant differences
(3) Does the company announce and report the annual financial statement within two months after the end of the fiscal year, and announce and report the Q1, Q2 and Q3 financial statements and monthly operations reports within the prescribed period of time?	√		The Company publishes annual financial reports, Q1, Q2, and Q3 financial statements, and monthly business reports within the prescribed time limit. Details are available on the MOPS. (URL: https://mops.twse.com.tw)	No significant differences
8 Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to, employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors, implementation of risk management policies and risk measurements, implementation of customer policy, and maintenance of liability insurance for the Company's directors)?	√		Since the Company was incorporated, the Company has upheld the management philosophy dedicated to creating mutual benefits and pursuing maximum interest for its shareholders, employees and customers and more. (1)Employee rights, employee care: The Company is dedicated to building a healthy and safe working environment and an unhindered communication channel for its employees. The Company established the Employee Welfare Committee on September 2, 1993 to engage in planning various employees' welfare policies. Meanwhile, it also provides the pension reserves and concludes labor-management agreements in accordance with the Labor Standards Act. The Company treats its employees in good faith and with respect,	No significant differences

Scope of Assessment	Status			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>stabilizes the employees' lives and improves the continuing education and training channels by broadening its welfare system, and establishes the fair relationship of mutual trust and cooperation with employees. Every year, an employee family day is held to show our care for employees and their families. For further information on employee rights and employee care, please refer to "Employee Relations" on pages 155-159 of the Annual Report, or the "Human Resources" section on the Company website. (URL: https://www.kyec.com.tw)</p> <p>(2)Investor relations: The Company has designated a dedicated spokesperson and deputy spokesperson to handle shareholders' suggestions or disputes while regularly disclosing financial, operational and corporate governance information on the Company's website. (URL: https://www.kyec.com.tw)</p> <p>(3)Supplier relations, rights of stakeholders: The Company has prepared Sustainability Reports, and created sustainability-related sections on the Company's website, specifically - "Sustainable Value Chain" and "Stakeholder Area".</p> <p>(4)For continuing education of the directors, The Company provides directors with information on relevant laws and regulations and knowledge-intensive courses from time to time to improve their professional knowledge and ensure that the board operates effectively. Please refer to pages 115-116 of the Annual Report for details on the directors' continuing education.</p> <p>(5)Implementation: of the risk management policy and risk measurement standards: The Company has established management measures for important management indicators which are executed accordingly.</p> <p>(6)Implementation: of the customer policy: The Company adheres to the contracts signed with customers and their relevant regulations in a stringent manner to ensure the rights of customers.</p>	

Scope of Assessment	Status			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			(7)The Company takes out liability insurance for directors: The Company purchases liability insurance every year for its directors and managerial officers. Details of the insurance policy, such as insured amount, insurance period, coverage, and premium rate, were reported at the Board of Directors on August 8, 2025, and disclosed on the Market Observation Post System (MOPS).	
IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement items and measures for any issues that are yet to be improved.				
(1) The Company intends to increase the number of female directors by at least one upon the expiration of the current Board's term and the subsequent re-election, and to gradually achieve the goal of having no less than one-third representation of either gender, thereby strengthening the composition of the Board.				
(2) The Company will continue to enhance information transparency and corporate sustainability.				

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

Our intellectual property management plan and its implementation status were reported to the Board of Directors on November 7, 2025 and disclosed on the company website.

Intellectual property management plan

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

I. Patent management

(I) Patent review committee: In order to strengthen our abilities to develop packaging and testing technologies, to build up the company’s intellectual properties, and to cement our competitive advantages, the Company has established a Patent Review Committee, with members comprising the President and department heads in R&D, manufacturing, and sales. Patent review meetings are held to review the company’s patent applications, improve the quality of patent applications, and formulate patent application incentives, such as monetary rewards according to patent category to encourage in-house innovation.

(II) IP-related education and training: The Company has established an “Education and Training System Management Procedure” and, based on employees’ job functions, conducts annual intellectual property-related training to enhance employees’ awareness of and respect for intellectual property protection. In addition to general intellectual property protection concepts, the courses also cover protection measures for intellectual property rights such as patents and trade secrets, thereby enhancing employees’ compliance awareness in research

and development, technology application, and document management, and ensuring the integrity and security of the Company's intellectual property.

(III) Learning about intellectual property rights: The Company issues in-house bimonthly e-newsletters to impart knowledge about IP practices at home and abroad. Contents include the latest IP news, recent patents, real-life trade secret cases, and any other relevant legal information such as new IP law amendments, peer patents or trade secrets. The objective of these newsletters is to instill in our employees the idea that intellectual property is an integral part of corporate operations and to foster the ability to create IP strategies necessary for building competitive strength in the industry.

(IV) Electronic intellectual property management system: The Company has an electronic intellectual property management system in place. The system features a "Patent Application System" function which manages all of our patent applications, and also an electronic "Patent Proposal System" that exports management reports for trends analysis and patent classification, the results of which provide a reference for research proposals. Our "Patent Management System" and "Trademark Management System" are used to comprehensively manage patent and trademark maintenance works, among other matters. These systems enable us to manage our patents and trademarks more efficiently.

II. Trade secret protection

(I) Confidential information management procedure: In response to the increasing complexity of international business activities and the development of economic globalization, which have led to frequent cross-border flows of production information such as technology and talent, the Company invests significant resources and places great importance on the protection of trade secrets in the face of intense competition, in order to prevent the misappropriation of important technologies belonging to the Company or its customers and to safeguard its trade secrets. To safeguard operational interests and information security, and to avoid infringing on the trade secrets of others, the Company has established a "Confidential Information Management Procedure," which defines the confidentiality levels and access permissions for documents across its business units. Access to important electronic files, including download or copying functions, shall not be granted without authorization from a supervisor at a specified level or above, and access shall be restricted to designated employees to reduce the risk of confidential information leakage. Confidential hard-copy documents shall be stored in designated safes or specific storage areas to prevent misplacement, omission, or loss.

(II) Non-disclosure agreement: All employees of the Company are required to sign an Employment Contract and a Non-Compete and Non-Disclosure Agreement. Both agreements contain confidentiality clauses that prohibit employees from unauthorized use, transfer, disclosure or possession of the company's or clients' confidential information and obligate them to keep such information safe.

(III) Education and training: "Trade Secret Protection Operating Procedure" courses are arranged annually to strengthen employees' awareness of confidential data protection. Through these courses, active employees are reminded of their obligation to protect confidential information and tested on their understanding of trade secret policies and regulations.

Implementation

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

- The Company offers a training course on "Introduction to Patents and Patent Search" to enhance participants' understanding of fundamental patent knowledge and to familiarize

them with the importance and techniques of patent searching and patent analysis.

- The Company organized a “TRIZ Innovative Thinking Practice (Advanced)” course. Through TRIZ-based innovation methods, the course inspires creativity and imagination, addresses the limitations of traditional engineering development, enhances the efficiency of innovative design, and fosters a culture of innovation.
- In September 2025, the Company completed the development of a proprietary patent search system, which not only effectively reduces long-term procurement costs but also significantly improves the quality of patent searches and operational efficiency.
- In 2025, a total of 14 patent applications were filed domestically and internationally for technologies such as silicon photonics (SiPh) testing and burn-in testing.
- The online course, “Concepts of Corporate Intellectual Property Rights and IP Protection Awareness,” aims to establish employees’ basic understanding of intellectual property protection, including patents, trade secrets, and copyrights, and to promote awareness of protecting the Company’s intellectual property in the course of their work.
- To mitigate operational risks, the Company revised its “Intellectual Property Affairs Procedures” to include procedures for handling intellectual property disputes involving patents and trade secrets, and to establish necessary response measures.
- Our achievements in terms of intellectual property are as follows:

As of December 31, 2025, the Company has obtained 293 valid patents and submitted 75 patents applications at home and abroad. We have 16 registered trademarks and filed applications for 5 additional ones.

Intellectual property	Patents	Application pending	75
		Valid patents	293
	Trademarks	Application pending	5
		Registered trademarks	16

Continuous improvement mechanism

As the Company continues to grow and drive technological innovation, it faces the increasing risk of intellectual property theft. To ensure that R&D results and core technologies are protected from external infringement, the Company will comprehensively strengthen its intellectual property management system, establish robust monitoring and protection mechanisms, and formulate specific and feasible contingency plans for potential intellectual property infringement incidents, so as to enable the timely adoption of legal and technical measures to safeguard the Company’s patent rights and related interests.

Meanwhile, to meet customers’ needs in the semiconductor testing field and to respond to global industry trends, the Company will continue to invest in the R&D of testing technologies and file patent applications for innovative testing technologies to ensure that its R&D results are protected under appropriate legal frameworks. By applying for patents and building a patent portfolio, we are able to strengthen our intellectual property protection network and prevent the misuse or infringement of our technologies. These actions will not only enhance the Company's competitiveness in the international market, but also safeguard the long-term value of our innovative achievements and reinforce our leading position in the semiconductor testing industry.

In the future, the Company will continue to review and optimize management measures over intellectual property rights to ensure that our innovative achievements can enjoy the most comprehensive protection, and will be used as a key cornerstone for securing the Company's sustainable development and market leadership.

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

succession, and the state of functioning of such plans

I. Succession Plan for Board Members

1. The Company's Articles of Association prescribe that the election of Directors shall be based on a candidate nomination system, with 7 to 11 Directors, among whom there shall be no less than three Independent Directors that occupy no less than one-third of the Board seats. The Corporate Governance Best Practice Principles emphasize that the composition of the Board of Directors shall be diversified. No more than one-third of the Directors shall serve as the Company's managers concurrently. Diversification policies shall be formulated based on the Company's operations, business and development needs, covering basic criteria (gender, age, nationality) and professional skills (operating judgment, financial analysis, business management, crisis management, industry knowledge, international perspective, leadership decision-making) to achieve ideal corporate governance.
2. The Company regularly evaluates the composition of the Board of Directors, and devises director training based on its size, business nature and future development to ensure that Directors have the necessary knowledge, skills and qualities. A Remuneration Committee is established to formulate and review director performance evaluation and remuneration policies. Evaluations are carried out every year in accordance with the Performance Evaluation Rules for the Board of Directors, covering aspects such as participation in company operations, decision-making quality, Board structure, Director selection and further training, internal control, etc. The results are used as a reference for Director appointment and salary adjustment.
3. In order to improve the business decision-making ability of Board members, a total of six hours of education and training on issues of concern were held in 2025. The courses included "AI Development and Cybersecurity Risks" (3 hours) hosted by the Securities & Futures Institute on August 8, and "Corporate Risk Management and Crisis Management - From Directors' Perspective" (3 hours) hosted by the Securities & Futures Institute on November 7.
4. Through routine operations and strategic planning, the Board of Directors' succession mechanism will be gradually established. Based on the principle of diversity, appropriate candidates in terms of gender, age, professional knowledge, skills and industry experience will be identified. Meanwhile, the number of female Directors in the next term is set to be increased. The independence of the Board will be emphasized and an Independent Director may not serve more than three consecutive terms. An Audit Committee composed of only Independent Directors is established to strengthen corporate governance.

II. Succession Plan for Key Management

1. The Company is committed to talent cultivation and sustainable management, and has formulated a succession plan for key management. We focus on selecting talents with professional capabilities and strategic thinking, who are in line with the Company's core values. The Company's key management mainly include the President, Senior Vice Presidents, and Vice Presidents and Assistant Vice Presidents of various functions. They are appointed based on annual performance and potential evaluations. We implement a diversified training strategy, including job experience and rotation, participation in major business management meetings, senior executive training courses, and key projects and assignments.
2. The Remuneration Committee regularly reviews the performance evaluation and remuneration system of the management. It sets KPIs for managers at different levels based on company goals. The evaluation results are used for salary adjustments and successor selection.
3. In the implementation process, we encourage successor candidates to participate in external

professional courses and seminars. We also regularly evaluate their achievement of performance goals, consistently improve the successor evaluation mechanism, and strengthen cooperation with international management colleges to provide opportunities of diversified training.

4. Promotion and training of successor supervisors at all levels
 - (1) Promotion of successor supervisors at all levels: In response to the rapid growth and development of the Company, it is necessary to plan for the required training programs for management associates, take stock of the vacancies for successor management at all levels, review the capability shortfall of management associates and include them as training targets, and select and cultivate those with potential for succession upon evaluation at the qualification review meeting.
 - (2) Convene a qualification review meeting for management associates: The President of the Company, supervisors at business divisions and divisions will participate in the discussion of successor candidates.
 - (3) Hold successor training sessions: The talent cultivation program lasts for 1.5 years. During the training period, employees are required to take physical and digital courses, take on leadership roles of projects and receive mentor guidance. They will also receive appraisal at regular evaluation meetings.
5. In respect of management associate training, the management system courses are designed to cater to high-, mid-, and low-level supervisors according to the conduct and management capabilities required by each management level. The dual-tutor system is also implemented to strengthen supervisor guidance and develop the abilities and responsibilities of subordinates. Senior supervisors will also attend evaluation meetings every six months to review the training results of management associates. The Company holds training courses for senior management (a total of 47 hours over the years) and cooperates with external institutes to do so (reaching a total of 108 hours over the years).

Note 3: CPA independence evaluation

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

Company Name:	King Yuan Electronics Co., Ltd.
Accounting period:	January 1 to December 31, 2025

Description

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

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

Direct financial interest:

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

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

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

Immediate family: Lineal, immediate affinity and sibling.

Procedures of the accountant's independence evaluation	Compliance	
	Yes	No
1. Financial interest		
(i) Whether or not the members of the audit team and their family members have any direct financial interest or material indirect financial interest in the Company?	Yes	
(ii) Whether or not the other accountants in the accounting firm and their family members have any direct financial interest or material indirect financial interest in the Company?	Yes	
(iii) Whether or not the accounting firm and their affiliated companies have any direct financial interest or material indirect financial interest in the Company?	Yes	
Summary of Conclusion: None of the above		
2. Financing and guarantees (applied to non-financial industries)		
Is there mutual financing or providing of guarantees between the accounting firm, its affiliated companies and audit service team members?	Yes	
Summary of Conclusion:		

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

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

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

follows:

Stakeholder	Communication issues	Communication channels	Frequency
Investor	<ul style="list-style-type: none"> • Operations strategy • Corporate governance • Financial Performance • Dividend policy 	Disclosed on MOPS	From time to time
		Domestic and international investment forum	From time to time
		Annual shareholders meetings	Each year
Customers	<ul style="list-style-type: none"> • Corporate social responsibility • Customer commitments and services • Fire equipment installation and management • Disaster prevention and emergency response • Greenhouse gas emissions and management • Environmental and safety and health laws and regulations • Environmental protection • Customer privacy • Customer relationship management 	Customer satisfaction survey	Each year
		Customer questionnaire	From time to time
		Email	From time to time
		Customer document release	From time to time
		Customer audit	From time to time
	Company website	From time to time	
Employees	<ul style="list-style-type: none"> • Recruitment • Leave system • Salary and bonus • Career development • Employee wellness 	Labor and management meeting	Quarterly
		Staff meeting	Quarterly
		New staff meeting	Quarterly

	<ul style="list-style-type: none"> • Communication between labor and management • Employee engagement • Employee benefits • Welfare Committee activities • Club activities • Accident and public injury management • Workplace safety 	Foreign staff meeting	6 months
		Departmental meeting	Weekly/Monthly
		Improvement system by proposals	From time to time
		Grievance Handling Committee	As needed
		Personnel Review Committee	As needed
		Employee message board	Permanent
		Employee survey form	Every two years
		Year-end banquet	Each year
		Welfare Committee meeting	Quarterly
		Labor union meeting	Permanent
		Trade union committee	As needed
		Occupational Safety and Health Committee	Quarterly
		Supplier	<ul style="list-style-type: none"> • Quality performance evaluation • Hazardous material management • Procurement policy • Supplier Responsibility Business Alliance Code of Conduct • Management of conflict minerals
Supplier assessment	Monthly/quarterly		
Email	Immediately		
Contractors	<ul style="list-style-type: none"> • In-plant safety and health operations 	Contractor meetings	Monthly
		Email	From time to time
Communities	<ul style="list-style-type: none"> • Industry-academia cooperation • Community activities 	Company managers teach classes in partnering schools	From time to time
		Partnering schools visit in-plant facilities	From time to time
		Community cleanups	Monthly
Government institution	<ul style="list-style-type: none"> • Overall training/education quality • Corporate governance • Regulatory compliance • Financial information transparency • Contract and change management • Wastewater discharge and management • Waste management • Water resource management • Disaster prevention and emergency response • Hazardous substances/dangerous goods management • Machinery and equipment safety management • GHG management • Green energy subscription and energy management 	TTQS assessment	From time to time
		Correspondence and Emails	From time to time
		Awareness seminars/compliance conferences	From time to time
		Letter order release	From time to time
		External correspondence	From time to time
		On-site inspection	From time to time
		Public hearing on laws and regulations	From time to time

Stakeholder contact:

Share Registration Agent

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

Institutional investor relations

Name	Division Director Aaron Chang
Telephone	886-3-5751888 ext.128200
Email	AaronChang@kyec.com.tw

(IV) Composition, duties, and operation of the Remuneration Committee

1. Information about remuneration committee members

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

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

2. Operation of the Remuneration Committee

(1) The Company approved the establishment of a Remuneration Committee on August 16, 2011. The mission of the Remuneration Committee is to assist the Board of Directors in the execution and assessment of the Company's overall compensation and welfare policies as well as the remuneration for directors and managers. Members of the remuneration committee are appointed under the resolution of the board of directors. The committee comprises four people, one of whom is appointed as the convener.

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

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

(2) The current Remuneration Committee has 4 members.

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

The Remuneration Committee has met 4 times in 2025. The attendance of the members is as follows:

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

Other items to be stated:

- I. If the board of directors declines to adopt or modify a recommendation of the compensation committee, the date, session, topic discussed and the resolution of the board meeting and handling of the resolution of the compensation committee shall be specified (if the compensation package approved by the Board is better than the recommendation made by the committee, please specify the discrepancy and its reason): None.
- II. For resolution(s) made by the remuneration committee with the committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and the company's handling of the said opinions: None.
- III. Discussions and resolutions by the Company's 2025 Remuneration Committee meeting and the Company's response to opinions of its members:

Remuneration Committee Date/Session	Motion	Resolutions adopted by the Remuneration Committee	The Company's response to remuneration committee's opinions
2025/02/21 9th meeting of the 5th term	1. Review of the Company's 2024 directors' remuneration 2. Adjustment of the 2025 remuneration for the Company's managerial officers	Approved by all members of the remuneration committee present at the meeting without objections	1. Approved by all board members present at the meeting without objections. 2. Director Gauss Chang is a manager of the Company and is therefore recused from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no

			objection.
2025/05/09 10th meeting of the 5th term	The motion for allocation of directors' remuneration in 2024 as recommended by the Remuneration Committee	Approved by all members of the remuneration committee present at the meeting without objections	Approved by all board members present at the meeting without objections.
2025/08/08 11th meeting of the 5th term	<ol style="list-style-type: none"> The review of the 2024 proposed employee's cash remuneration to the Company's managerial officers. Propose to determine the remuneration to the Company's new Vice President Winnie Chow 	Approved by all members of the remuneration committee present at the meeting without objections	<ol style="list-style-type: none"> Director Gauss Chang is a manager of the Company and is therefore recused from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection. Approved by all board members present at the meeting without objections.
2025/11/07 12th meeting of the 5th term	<ol style="list-style-type: none"> Review of the motion on paying Chairman Chin-Kung Lee directors' remuneration in 2026 Review of the business expenses in 2026 of Mr. Chi-Chun Hsieh, Vice-Chairman of the Company Approval of the remuneration to Morris Chang, the Company's new Vice President 	Approved by all members of the remuneration committee present at the meeting without objections	<ol style="list-style-type: none"> Chairman Chin-Kung Lee is a party of interest in this motion and therefore recused himself from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection. Vice Chairman Chi-Chun Hsieh is a party of interest in this motion and therefore recused himself from the discussion and voting on the motion. The motion was passed by all directors present at the meeting who participated in the discussion and voting with no objection. Approved by all board members present at the meeting without objections.

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

1. Upon resolution of the Company's Board of Directors on November 8, 2024, a Sustainable Development Committee was established. The Committee aims to assist the Board of Directors in implementing and evaluating the Company's sustainability strategy, overseeing the execution of sustainability-related initiatives, and managing performance related to sustainability matters.

Committee members are appointed by a resolution of the Board of Directors. The committee shall comprise no less than three members. Each member must possess expertise and capability in the area of corporate sustainability, and at least one director must be involved in supervising committee operations. All members shall nominate one person to serve as the convener and chair of committee meetings. The Committee shall convene a meeting at least once a year.

In accordance with the Company's Charter for the Sustainable Development Committee, the Committee shall exercise the due care of a prudent administrator to faithfully perform the following duties as set forth therein, and shall submit its implementation results to the Board of Directors for discussion:

- (1) Formulate, promote and strengthen the Company's sustainable development policies, annual plans and strategies, etc.
 - (2) Review, follow up and revise the implementation of sustainable development and the effectiveness thereof.
 - (3) Supervise sustainability information disclosure and review the Sustainability Report
 - (4) Supervise the implementation of the Company's sustainable development regulations or other sustainable development-related affairs approved by the Board of Directors.
2. Professional qualifications, experience, and operations of the Sustainable Development Committee members
 - (1) The Company's Sustainable Development Committee consists of three directors, one of whom is an independent director. The Vice Chairman serves as the Convener and Chairman of the Sustainable Development Committee, while the Company's Director and President concurrently serves as the Chief Sustainability Officer.
 - (2) Duration of service: November 08, 2024 to May 29, 2026.

In 2025 the Sustainable Development Committee convened four meetings. The qualifications, experiences, and attendance of the members are as follows:

Title	Name	Professional qualifications and experience	Actual attendance	Attendance by proxy	Attendance rate (%)	Remarks
Convener and Chair (Vice Chairman)	Chi-Chun Hsieh	Please refer to pages 13-19 of the Annual Report for information on disclosure of the professional qualifications of directors and independence of independent directors.	4	0	100%	
Member (Director and President)	Gauss Chang		4	0	100%	
Member (Independent Director)	Shi-Jer Sheen		4	0	100%	

Other items to be stated:

- I. If the Board of Directors does not accept or revises the Sustainable Development Committee's recommendation, specify the date of the Board meeting, session, contents of the agenda item, resolution of the Board of Directors, and the Company's response to the Sustainable Development Committee's opinions: None.
- II. Resolutions of the Sustainable Development Committee concerning corporate governance about which a member expresses an objection or reservation that has been included in records or stated in writing: None.
- III. Discussions and resolutions during a meeting of the Company's Sustainable Development Committee in 2025 and the Company's response to opinions of its members:

Sustainable Development Committee meeting Date/Session	Motion	Resolution	Company's response to the opinions of the Sustainable Development Committee
2025/02/21 2nd meeting of the 1st term	<u>Reporting matters</u> The implementation status of the Company's plan to adopt the IFRS sustainable disclosure standard.	All members in attendance acknowledged the matter with no further suggestions.	Matter has been communicated; there were no other suggestions.
2025/05/09 3rd meeting of the 1st term	<u>Reporting matters</u> The implementation status of the Company's plan to adopt the IFRS sustainable disclosure standard.	All members in attendance acknowledged the matter with no further suggestions.	Matter has been communicated; there were no other suggestions.
2025/08/08 4th meeting of the 1st term	<u>Reporting matters</u> 1. The implementation status of the Company's plan to adopt the IFRS sustainable disclosure standard.	All members in attendance acknowledged the matter with no further suggestions.	Matter has been communicated; there were no other suggestions.
	<u>Discussions</u> 1. The Company's 2024 Sustainability Report. 2. Proposed amendments to the Company's "Internal Control System" and "Internal Audit Implementation Rules".	Approved by all committee members in attendance without objections, and submitted to the Board for discussion.	Approved by all board members present at the meeting without objections.
2025/11/07 5th meeting of the 1st term	<u>Reporting matters</u> 1. The implementation status of the Company's plan to adopt the IFRS sustainable disclosure standard.	All members in attendance acknowledged the matter with no further suggestions.	Matter has been communicated; there were no other suggestions.
	<u>Discussions</u> 1. Proposal to amend Article 6 of the "Charter for the Sustainable Development Committee".	Approved by all committee members in attendance without objections, and submitted to the Board for discussion.	Approved by all board members present at the meeting without objections.

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

Promotion	Implementation		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
1. Has the company constructed a governance structure to promote sustainable development and established a dedicated (part-time) unit for the promotion of sustainable development, which is managed by senior management by authorization of the board of directors and is supervised by the board of directors?	V		<p><u>Governance structure for promoting sustainable development</u></p> <p>The Board of Directors of King Yuan Electronics is the Company's highest governance body, responsible for overall business decisions. Under the Board, functional committees have been established, including the Remuneration Committee, Audit Committee, and Sustainable Development Committee, which oversee director remuneration, financial statements, and ESG key performance targets, respectively. In addition, the Audit Office oversees the effectiveness of the Company's internal control system. All committees are required to regularly report their implementation results and resolutions to the Board of Directors to safeguard the interests of the Company and its stakeholders.</p> <p>To implement sustainable development, strengthen corporate governance, and enhance the Board of Directors' oversight of environmental protection, social responsibility, and corporate governance, and to establish sound functional committee governance, KYEC has established a Sustainable Development Committee under the Board of Directors, comprising five working groups: Corporate Governance, Sustainable Environment, Human Rights and Social Welfare, Sustainability Information Disclosure, and Sustainable Value Chain. These groups are responsible for assisting the Board of Directors in formulating sustainable development policies, systems, and management guidelines, and for planning sustainability matters to align with international standards and comply with applicable laws and regulations. The Chief Sustainability Officer, or a designee thereof, reports to the Board of Directors at least once a year on ESG-related strategies and implementation results.</p> <p>Corporate sustainability section on the Company's website: (URL: https://www.kyec.com.tw/zh-tw/Csr/Overview)</p>

Promotion	Implementation		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
			<p><u>Dedicated (or part-time) unit for promoting sustainable development</u></p> <p>The Company has established a Sustainability Division, led by the Chief Sustainability Officer, who is responsible for directing the formulation, implementation, and evaluation of the Company's sustainability initiatives, and for reporting regularly to the Sustainable Development Committee on the progress and results of sustainability efforts. A convenor and executive secretary have been appointed to oversee project execution, information disclosure, and coordination and communication between internal departments and external stakeholders.</p> <p>All agenda items submitted by the Sustainable Development Committee are put to the chair for consultation with all attending members and, where no objection is raised, are approved as presented and submitted to the Board of Directors for reporting or deliberation. The Sustainable Development Committee reports regularly to the Board of Directors on implementation results and future work plans. The Sustainable Development Committee held 4 meetings in 2025. (Page 61 of this Annual Report.) Based on management team reports, the Board of Directors reviews the viability of sustainability strategies, monitors the progress of sustainability strategies and actions, and provides guidance on the direction of sustainable development. The Sustainable Development Committee and its working groups continuously adjust and advance implementation in response to Board guidance.</p>
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with	V		<p>We have built rigorous and stringent risk management for material risks. The board of directors is responsible for overseeing the risk management mechanism and control and reviewing related regulations and important reports. For information on risk-related matters (including ESG issues), please visit the Company's website under Corporate Sustainability ESG, click on Sustainability Report, and refer to the sections Analysis and Identification of Material Issues — Material Issue Management Strategies and Material Issue Management</p>

Promotion	Implementation		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof						
	Yes	No							
the materiality principle, and set up relevant risk management policies or strategies?			<p>Approaches for each material issue. (URL: https://www.kyec.com.tw)</p> <p>We have formulated the following management policies or strategies based on the risks after assessment:</p> <table border="1"> <thead> <tr> <th>Material issues</th> <th>Risk assessment</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Environmental impact and management</td> <td> <ol style="list-style-type: none"> By providing process safety management and systematic management cycle, KYEC Group is able to effectively reduce the emissions of pollution and their impact on the environment. We have attained environmental and energy management certifications including ISO 14001 in 2002, ISO 50001 in 2016 and ISO46001 in 2023, and have been regularly certified since. KYEC plants in Taiwan passed the UL2799 Zero Waste to Landfill Validation in 2024, verifying that our plant waste is recycled and reused, rather than disposed of in landfills, for a waste conversion rate of 100%. The Company regularly conducts greenhouse gas inventories to review the operational impacts it faces. We continuously adopt carbon reduction measures according to our carbon inventory results to effectively reduce Scope 1 emissions and Scope 2 emissions which are indirect GHG emissions from electricity use. An annual internal </td> </tr> </tbody> </table>	Material issues	Risk assessment	Description	Environment	Environmental impact and management	<ol style="list-style-type: none"> By providing process safety management and systematic management cycle, KYEC Group is able to effectively reduce the emissions of pollution and their impact on the environment. We have attained environmental and energy management certifications including ISO 14001 in 2002, ISO 50001 in 2016 and ISO46001 in 2023, and have been regularly certified since. KYEC plants in Taiwan passed the UL2799 Zero Waste to Landfill Validation in 2024, verifying that our plant waste is recycled and reused, rather than disposed of in landfills, for a waste conversion rate of 100%. The Company regularly conducts greenhouse gas inventories to review the operational impacts it faces. We continuously adopt carbon reduction measures according to our carbon inventory results to effectively reduce Scope 1 emissions and Scope 2 emissions which are indirect GHG emissions from electricity use. An annual internal
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Promotion	Implementation			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof	
	Yes	No	Summary		
				audit plan is formulated targeting the compliance of KYEC Group with environmental regulations, while ensuring that all operation processes are on par with regulations.	
			Society	Occupational safety	<ol style="list-style-type: none"> 1. In 2025, KYEC Group completed the “ISO 45001 occupational health and safety management system” certification. 2. We conduct periodic fire drills and industrial safety education and training each year to improve the ability to respond in the event of an emergency.
			Corporate governance	Compliance, strengthen the functionality of directors	<ol style="list-style-type: none"> 1. We ensure that all employees and operations are in compliance with the applicable laws and regulations by establishing a governance organization and implementing an internal control mechanism. 2. Provide directors with training and regulatory information as needed. 3. We take out insurance policies for our directors and managers to protect them against lawsuits or claims.

Promotion	Implementation		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
3. Environmental issues			
(1) Whether the Company establishes environmental policies suitable for the Company's industrial characteristics?	V	<p>KYEC Group has established an environmental management system in accordance with ISO 14001 and continued to obtain third-party verification (valid until December 30, 2026). Greenhouse gas inventories are conducted annually in accordance with the GHG Protocol standard to monitor the effectiveness of emission reductions. The results are disclosed in sustainability reports and on the Company's website. In 2023, the Company's Taiwan plants adopted and implemented the ISO 46001 Water Efficiency Management Systems (valid until August 20, 2026), the ISO 14046 water footprint assessment, and UL 2799 Zero Waste to Landfill Validation, completing verification in 2024. In 2025, the Taiwan plants (Chun-Nan and Tongluo) obtained the UL 2799 highest-level Platinum designation.</p> <p>(http://www.kyec.com.tw/csr/csrreport.aspx) Pursuant to Environmental Safety Planning Management Procedures and Environmental Safety Management Handbook, the Company has established an Occupational Safety and Health and Environmental Management Committee to serve as the highest guiding body for environmental management. The committee is responsible for formulating the company's environmental safety and health policies, and reviewing, coordinating and providing suggestions for reports related to environmental management. Its task is to facilitate environmental protection works. The committee convenes quarterly meetings, with the President presiding over the meeting as management representative. The committee systematically establishes and plans various operational control measures by using the PDCA management model.</p> <p>In 2003, the Company obtained ISO14001:2015 environmental management systems certification from SGS Taiwan.</p> <p>For details on the operating status and results of the environmental management systems, please refer to chapter 4. Environmental Friendliness in the</p>	No significant differences

Promotion	Implementation		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
			Company's Sustainability Report or the Company's website.
(2) Is the company committed to enhancing the utilization efficiency of energy and use renewable materials that are with low impact on the environmental?	V		<p>Every year, KYEC Group adopts the ISO 50001 management system (valid until 2028/11/29) standards to identify significant energy use and equipment with improved energy performance. We also adopt energy-saving solutions, such as replacing in-plant equipment that uses a significant amount of energy. In addition to improving existing facilities, we opted to purchase energy-efficient products, such as high-efficiency or thermal recycling machines, high-efficiency rotational motors, and energy-saving products.</p> <p><u>Improving energy use efficiency</u></p> <p>In 2025, the total electricity consumption of KYEC Group was 860,886 MWh, up 197,024 MWh from 663,862 MWh in 2024, representing an increase of 29%. Such increase in power consumption was due to plant expansion. With the goal of achieving corporate growth and sustainable development, KYEC Group continues to adopt power/energy-saving solutions across our plants to increase energy efficiency. Due to an increase in business revenue in 2025, our electricity consumption intensity dropped 3% compared with that in 2024.</p> <p><u>Renewable energy</u></p> <p>The Tongluo Plant completed the installation of rooftop solar power generation facilities in early 2024, generating 2,558,262 kWh of electricity in 2025 (with an environmental carbon reduction benefit of approximately 1,213 tCO₂e). In addition to its own solar power generation equipment, the Company has also signed long-term renewable energy PPA agreements with green energy suppliers, using a total of 92,947 MWh of green electricity in 2025, equivalent to a carbon reduction of 44,057 tCO₂e; accounting for 10.94% of KYEC Group's total electricity consumption, thereby mitigating the environmental impact of electricity use. The Company also plans to install rooftop solar power facilities at the Zhonghua Plant to further its use of clean energy. As for green manufacturing, we reduce unnecessary resource waste and seek technology development on</p>

Promotion	Implementation		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																	
	Yes	No		Summary																
			waste reduction and reuse. We will work together with our upstream and downstream partners of the value chain to recycle and reuse packaging materials, maximizing the benefits of a circular economy. We strive for creating circular value through recycling of process materials and waste reduction.																	
(3) Has the company assessed the potential risks and opportunities for business operations now and in the future regarding climate change and will the company adopt response measures?	V		<p>Global warming has been extreme weather in Taiwan, such as typhoons, floods, rainstorm, and droughts, which are becoming more and more noticeable. In response to increasingly variable natural disasters, our factories in Taiwan have been operating under the ISO 22301 business continuity management system model since 2018. In doing so, we reduce significant property losses and irreversible operational impacts caused by natural or human-instigated disasters or other incidents, and also ensure that the organization is able to maintain minimum level of operation in any given circumstances. In November 2020, we passed the ISO22301: 2019 certification (valid until November 11, 2026). In 2024, we completed the flood potential analysis of key suppliers and devised countermeasures for high-risk suppliers to reduce the risk of supply chain disruption. Details of the analysis of the Company's climate change risks and opportunities are disclosed in the Company's sustainability reports. (http://www.kyec.com.tw/csr/csrreport.aspx)</p>																	
(4) Has the company inspected greenhouse gas emissions, water consumption, and total waste in the past two years, and formulated policies for greenhouse gas emissions, and water	V		<p>In 2025, KYEC Group completed GHG Protocol, ISO 50001, ISO 46001, and UL 2799 verifications, all of which passed third-party verification. KYEC Group's GHG emissions in the past 2 years: (Units: tCO₂e)</p> <table border="1"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="2">Year</th> </tr> <tr> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>8,637.7363</td> <td>10,517.7406</td> </tr> <tr> <td>Scope 2</td> <td>455,016.7844</td> <td>364,003.1249</td> </tr> <tr> <td>Scope 3</td> <td>503,695.2364</td> <td>1,137,764.6512</td> </tr> <tr> <td>Total</td> <td>957,349.757</td> <td>1,512,285.517</td> </tr> </tbody> </table> <p>Total emissions in 2025 were 1,512,285.517 tCO₂e, of which Scope 1 accounted for approximately 0.70%, Scope 2 approximately 24.07%, and Scope 3 approximately 75.23%. In terms of proportion, the</p>	Item	Year		2024	2025	Scope 1	8,637.7363	10,517.7406	Scope 2	455,016.7844	364,003.1249	Scope 3	503,695.2364	1,137,764.6512	Total	957,349.757	1,512,285.517
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Promotion	Implementation		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof									
	Yes	No										
consumption, or other waste management policies?			<p>primary sources of greenhouse gas emissions for KYEC Group are purchased electricity and upstream purchased capital goods.</p> <p>In addition to taking an inventory of and reducing Scopes 1 and 2 GHGs within the boundaries of the organization every year, KYEC Group also began incorporating inventory data for Scope 3 as of 2022, which have been verified by a third party. Our factories in Taiwan completed a total inventory of Scope 3 emissions by adopting the GHG Protocol in 2024 and passed the verification.</p> <p>It is our longstanding effort to focus on water-saving issues. In terms of water-saving plans, the design of water-saving process was set as the standard and the use of every drop of water is optimized through wastewater recovery and reuse. By doing this, we are able to reduce tap water consumption. Additionally, each department has also established a water-saving promotion team responsible for formulating an annual plan and reviewing the use of change in water consumption. We ensure the performance of the facilities in our plants on a regular basis and replace water-consuming facilities to avoid waste.</p> <p>Water consumption in the past 2 years: (all plants and subsidiaries) (Units: million liters)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Total water consumption</td> <td>3,235.436</td> <td>1,680.401</td> </tr> <tr> <td>Water consumption</td> <td>1,730.962</td> <td>1,054.564</td> </tr> </tbody> </table> <p>In 2025, the total water consumption of KYEC Group was 1,680.401 million liters. Approximately 1,475.062 million liters of water used were sourced from raw water supply, accounting for 87.78% of the total water consumption. The amount of water recycled from process wastewater or water treatment system was 205.339 million liters, accounting for 12.22% of the total water consumption. We will continue to implement recycling and reuse projects including the recycling or recovery of UF and RO concentrated water and rainwater/condensate, to</p>	Year	2024	2025	Total water consumption	3,235.436	1,680.401	Water consumption	1,730.962	1,054.564
Year	2024	2025										
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Promotion	Implementation		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
		<p>recycle water for reuse.</p> <p>As we continue to carry out recycling and reuse of process and water systems, through promoting a variety of water-saving projects, our Chu-Nan Plant and subsidiary saved a total of 174.311 million liters of water and reduced carbon emissions by 27.19 tons in 2025. In 2026, the Company will continue to plan and implement water conservation projects. Water consumption reduction targets have been set for the major high-volume plants at Zhunan/Tongluo and subsidiaries. Improvements to purified water instrument water recovery already in operation are expected to save an average of 0.4 million liters per year.</p> <p>With our dedication to environmental protection, we have established waste reduction plans. Each quarter, we carry out a performance review and internal and external audits. In 2025, we passed the ISO 14001 environmental management system certification. The Company is mainly engaged in semiconductor testing and dicing/grinding processes. All client products (wafer/IC) are returned to the client upon completion; the Company does not manufacture its own products. Waste generated consists primarily of discarded packaging materials. The Company's manufacturing processes do not use toxic chemicals and generate no air pollution emissions. Waste generated is treated by outsourced qualified vendors; no waste is being transported outside of Taiwan. In fulfillment of its corporate social and environmental responsibilities, the Company has formulated an environmental policy and established waste reduction, energy conservation, and water conservation targets. It conducts periodic inspections and reviews of in-plant waste reduction and energy conservation activities, and has established an auditing system for waste hauling and treatment contractors, conducting regular unannounced on-site audits to ensure the legality of outsourced waste hauling and treatment operations.</p> <p>Waste generation intensity for the past 2 years: 2024 waste data: all plants and subsidiaries 2025 waste data: Taiwan plants (including overseas</p>	

Promotion	Implementation			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																		
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			<table border="1"> <thead> <tr> <th colspan="2">Year</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td rowspan="2">General businesses</td> <td>Weight (ton)</td> <td>2,959.763</td> <td>2,775.134</td> </tr> <tr> <td>Generation intensity (tons/million NTD)</td> <td>7.999</td> <td>7.944</td> </tr> <tr> <td rowspan="2">Harmful businesses</td> <td>Weight (ton)</td> <td>269.793</td> <td>33.742</td> </tr> <tr> <td>Generation intensity (tons/million NTD)</td> <td>0.792</td> <td>0.097</td> </tr> </tbody> </table> <p>subsidaries, excluding mainland China subsidiaries)</p> <p>In 2024, the Taiwan plants passed UL 2799 Zero Waste to Landfill Validation. In 2025, both the Zhonghua Plant and the Tongluo Plant achieved the highest-level Platinum certification, realizing a 100% waste diversion rate. Through source reduction, the Company ensures that waste undergoes proper recycling, reuse, and conversion processes rather than landfill disposal. The Company identifies reusable packaging materials on-site, minimizes waste generation, and maximizes resource recovery to implement a circular economy.</p>	Year		2024	2025	General businesses	Weight (ton)	2,959.763	2,775.134	Generation intensity (tons/million NTD)	7.999	7.944	Harmful businesses	Weight (ton)	269.793	33.742	Generation intensity (tons/million NTD)	0.792	0.097	
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4. Social issues																						
(1) Whether the Company has established the related management policies and procedures in accordance with the relevant laws and international human rights conventions?	V		<p>The Company recognizes and voluntarily follows internationally recognized human rights standards, including the UN Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, 10 principles of the UN Global Compact, UN Guiding Principles on Business and Human Rights, and International Bill of Human Rights. The Company has enforced the KYEC Human Rights Management Policy and published it on the company website to show our respect for international human rights conventions.</p> <p>Our Human Resources Division is responsible for maintaining employee relations, which involves such tasks as employee identification, assessments, and discussions. Subsequently units in charge review laws and internal policies to identify human rights-related</p>	No significant differences																		

Promotion	Implementation		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof						
	Yes	No							
			<p>risks and assess the impact of these risks. Risk-related issues are then managed by following our “Labor Rights and Corporate Social Responsibility Best Practice Principles.” Training courses (covering the Sexual Harassment Prevention Act, Act of Gender Equality in Employment, Code of Ethical Conduct, and Responsible Business Alliance Code of Conduct) related to the identified issues are provided. Training completion rate was 100%, which demonstrates our commitment to human rights protection. We also provide employees with a variety of communication channels, including employee suggestion box, labor-management meetings, whistleblowing hotline/mailbox, and quarterly meetings with the OSH Committee. Various issues are identified every year according to laws and company policies to ensure human rights protection. In 2025, we provided human rights protection training for employees, which saw 8,699 participants. In the future, the Company will continue to pay attention to human rights protection issues and promote related education and training, further raising the awareness of human rights protection.</p> <p>The Company’s human rights management policy and specific plans are summarized as follows:</p> <table border="1"> <thead> <tr> <th>Human rights management policy</th> <th>Specific plans</th> </tr> </thead> <tbody> <tr> <td>Abide by regulatory requirements</td> <td>Employees are provided with a safety and healthy working environment as required by the regulations set forth in the Labor Standards Act and Gender Equality in Employment Act.</td> </tr> <tr> <td>Establish an interactive labor-management relationship</td> <td>Forced or compulsory employment and unlawful discrimination are prohibited. Equal employment opportunities and equal pay for equal</td> </tr> </tbody> </table>	Human rights management policy	Specific plans	Abide by regulatory requirements	Employees are provided with a safety and healthy working environment as required by the regulations set forth in the Labor Standards Act and Gender Equality in Employment Act.	Establish an interactive labor-management relationship	Forced or compulsory employment and unlawful discrimination are prohibited. Equal employment opportunities and equal pay for equal
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Promote family life and work balance	Set up health management and promotion plans to emphasize the health of employees.											
(2) Has the company established and implemented reasonable measures for employee benefits (including remuneration, holidays and other benefits), and appropriately reflected the business performance or achievements in the employee remuneration?	V		<p><u>Employee remuneration</u> Salaries of KYEC Group employees are determined by their education level, professional skills, and experiences, and not by their gender, race, religion, political affiliation, marital status, trade union associations, etc. Our standard starting salary is higher than the minimum requirement stipulated by local laws and regulations. Overall employee remuneration includes basic salary, allowances, bonuses and dividends. Salary increase and bonus/dividend are differentiated across the company based on the operating status of the company, individual performance, and work contributions. This is to reward employees for their exertions and motivate their continuous growth. The Company upholds the principle of profit-sharing with employees. If the Company is profitable during the year, 8%–10% of profits are allocated as employee remuneration (including not less than 2% for frontline employees), and annual salary increases of 3%–5% are maintained to recognize employees' contributions. In 2025, female employees accounted for 37.33% and female supervisors accounted for 26%. We support the employment of people with disabilities, hiring more</p>	No significant differences								

Promotion	Implementation		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
			<p>than 100% of people with disabilities in 2025, which is higher than the legally required ratio. We identify job posts suitable for people with disabilities and provide them job opportunities accordingly. In addition, we hire health professionals regularly to set up stations in the plant to provide health care, and take an active part in the Ministry of Labor's job redesign program by installing accessible ramps and toilet handrails and providing assistive devices to build a friendly workplace environment.</p> <p><u>Employee benefits</u> The Company places great importance on the physical and mental wellbeing of its employees. In the workplace, the Company provides a range of welfare benefits, including statutory insurance benefits and pension contributions in accordance with local laws, as well as group insurance exceeding statutory requirements, with premiums for employees' spouses and dependents fully covered by the Company.</p>
(3) Whether the Company provides the existence of a safe and healthy work environment, and regular safety and health training to employees?	V		<p><u>Analysis of employee health check results and health promotion activities</u> KYEC Group organizes the employees' health checkup and various health promotion activities each year, and also provides the employees whose health condition is found to be abnormal with care and health education information case by case. To strengthen the prevention and management of chronic conditions such as hypertension, hyperglycemia, and hyperlipidemia among employees, the Company organized the following health promotion activities in 2025: 1. Organized 14 themed health promotion sessions on the following topics: (1) cardiovascular disease, (2) blood glucose disorders, (3) cholesterol disorders, (4) kidney disease, (5) common cancers, (6) tobacco hazard prevention, (7) metabolic syndrome, (8) ergonomic injury prevention, (9) ergonomic rehabilitation exercises, (10) balanced nutrition, (11) women's health, (12) blood pressure awareness, (13) vision care, and (14) gastrointestinal health, with a cumulative attendance of 513 participants. 2. Launched a Self-Monitoring of Blood Pressure program, inviting employees with hypertension or</p>

Promotion	Implementation		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
		<p>pre-hypertension to practice the 722 measurement principle over a 1.5-month period, with 100 employees participating. 3. Planned to organize cancer screening activities for the four major cancers in 2025 to continually enhance employee health awareness and disease prevention capabilities.</p> <p><u>Specific measures for preventing obesity and the three highs (hypertension, hyperglycemia, hyperlipidemia) among employees</u></p> <p>In 2025, the Company conducted 6 awareness campaigns on the prevention of obesity and chronic conditions including the three highs. The Company also held annual employee health check-ups in August, with 2,712 employees participating. Of these, 439 employees, approximately 16% of the total, were found to meet the criteria for metabolic syndrome. For employees with metabolic syndrome, the Company arranged individual physician consultations and health education in accordance with a tiered health management approach, enabling employees to understand their health status. Those with mild conditions were advised to manage their diet and exercise regularly, while those with more serious conditions were referred for regular medical care and medication. A total of 439 employees received follow-up consultations, achieving a consultation completion rate of 100%.</p> <p><u>Occupational Safety and Health Policy</u></p> <p>KYEC Group abides by the Occupational Safety and Health Act and policies formulated by customers and related organizations. We also respect our stakeholders' policies and their OSH requirements to build a healthy happy workplace.</p> <p>KYEC Group has developed a comprehensive occupational safety and health policy. The policy has been announced by the President of the Company and implemented by all employees and managers. The policy specifies the Company's principles with respect to the implementation of occupational and health improvement actions, overall safety and health objectives, and commitment to improving safety and health performance.</p>	

Promotion	Implementation		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
		<p>Summary</p> <p>Based on the ISO 45001 occupational safety and health management system and the spirit of PDCA for continuous improvement and autonomous management, we formulate various safety and health management processes and work rules as the basis of our operating activities. In doing so, we can not only reduce the incidence of occupational hazards, but also minimize any damages to and impact on our property, personnel, and environment.</p> <p>In 2025, KYEC Group recorded 37 occupational injury-related incidents. Occupational injury-related mortality rate was 0. Severe occupational injury rate was 0. Recordable rate of occupational injury, a frequency-severity indicator (FSI), was 0.15. Occupational injury-related deaths and rate were 0. Recordable cases of occupational disease were 0. We continue to conduct risk assessments each year and implement improvement measures for major risks and hazards, effectively reducing the incidence of occupational disasters.</p> <p>There were no fire incidents in 2025. Our workplace safety unit regularly holds fire and earthquake disaster prevention drills to ensure that every employee is properly trained and to reduce accident-related injuries.</p> <p><u>Monitoring the workplace</u></p> <p>To ensure that workers are protected from hazards of harmful substances in the workplace and provide them with a healthy and comfortable workplace, we conduct workplace monitoring twice a year. In doing this, we are able to better understand the actual state of exposure of workers to hazards.</p> <p><u>Intelligent Safety Management</u></p> <p>In response to the technological advancements, our factories in Taiwan have improved their operations by introducing an AI identification system to reduce occupational safety hazards and risks. For example, as part of the control measure, the AI system reminds machine operators, such as grab dredger operators, chemical tanker filling operators, and workers in noisy areas, to follow factory rules, wear protective gears, and ensure operational safety, thereby ensuring a safe</p>	

Promotion	Implementation		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																				
	Yes	No																					
		<p>work environment.</p> <p><u>Work safety inspection</u> KYEC Group perform a work safety inspection on a monthly basis and unscheduled inspections on vendors. We issue monthly NCR improvement according to suggestions made from the inspections conducted, and review deficiencies on the monthly meeting with vendors.</p> <p><u>Machinery and equipment safety management</u> The safety of KYEC Group’s machinery and equipment is managed at the source. Any machines, before use, are subjected to hazard identification and risk assessment. We also implement change request management and personnel education and training, to further reduce the incidence of disasters and accidents. To ensure the safety of operators, a Release system is implemented after a machinery has been installed. This way, we ensure that the safety devices function properly and other safety facilities or labeling are completed. Normal production and operation can only be carried out, provided the safety requirements are met. The safety devices and hazard warning labeling of machinery and equipment are included in the procurement and acceptance criteria. Safety operation standards for equipment removal, installation, operation, maintenance and repairs are established. Safety protection functions at routine maintenance or repair of equipment are included in the inspection items.</p> <p>Education and training on workplace safety and emergency drills provided by KYEC over the past 3 years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Education and training (persons)</td> <td>62,268</td> <td>99,192</td> <td>100,646</td> </tr> </tbody> </table> <p>Emergency response drill:</p> <table border="1"> <thead> <tr> <th>Type</th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Fire rescue/Earthquake disaster</td> <td>35</td> <td>34</td> <td>42</td> </tr> <tr> <td>Chemical leakage</td> <td>4</td> <td>8</td> <td>8</td> </tr> </tbody> </table>	Year	2023	2024	2025	Education and training (persons)	62,268	99,192	100,646	Type	2023	2024	2025	Fire rescue/Earthquake disaster	35	34	42	Chemical leakage	4	8	8	
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			<table border="1"> <tr> <td>Plant-wide evacuation</td> <td>5</td> <td>4</td> <td>5</td> </tr> <tr> <td>Transportation bus drill</td> <td>51</td> <td>41</td> <td>68</td> </tr> <tr> <td>Total</td> <td>95</td> <td>87</td> <td>123</td> </tr> </table> <p><u>Company Verification</u> KYEC Group has obtained international certifications, including ISO45001 Occupational Safety and Health Management Systems (valid until 2026/11/25) and CNS 45001 Taiwan Occupational Safety and Health Management Systems (valid until 2026/11/24). Information on these certifications are disclosed on our website and in our sustainability report.</p>	Plant-wide evacuation	5	4	5	Transportation bus drill	51	41	68	Total	95	87	123	
Plant-wide evacuation	5	4	5													
Transportation bus drill	51	41	68													
Total	95	87	123													
(4) Whether the Company has established some effective career development training plans for employees?	V		The Company has established the regulations governing educational training systems applicable to the various levels. The Company will also fulfill and organize annual training plans each year.	No significant differences												
(5) Has the company complied with laws and international standards with respect to issues such as customers' health, safety and privacy, marketing and labeling of all products and services offered, and implemented consumer or customers protection policies and	V		In accordance with the Company's Ethical Corporate Management Best-Practice Principles, the Company has established relevant management policies for its research and development, procurement, production, operations, and service processes. The Company has established a comprehensive whistleblowing and complaint procedure, which is disclosed on the Company's website, providing open complaint channels and contact points for customers to ensure the rights and interests of internal and external stakeholders.	No significant differences												

Promotion	Implementation		Summary	Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof						
	Yes	No								
complaint procedures?										
(6) Has the company established supplier management policies demanding compliance with relevant regulations and their execution status regarding issues such as environmental, occupational safety, and health or labor rights?	V		<p>The Company has formulated a “Supplier Code of Conduct” and management concepts for suppliers to follow. We work side by side with suppliers to make an effort to promote CSR commitments to the respective group of our suppliers. Meanwhile, we also concentrate on social, economic, and environmental sustainability risk management.</p> <p>For supplier-related issues, please visit the Company’s website at https://www.kyec.com.tw/, go to “ESG” > “Sustainability Report” > see “Sustainable Value Chain” section.</p> <p>Examples of relevant requirements and implementations are as follows:</p> <table border="1"> <tr> <td>Supplier management</td> <td>All suppliers must comply with the product quality management system, environmental safety and health management system, and supplier chain safety management system assessment. They are also required to sign the “Statement of Commitment to Responsible Business Alliance (RBA) Code of Conduct” for CSR management, and ban the use of conflicting minerals.</td> </tr> <tr> <td>Supplier selection</td> <td>All suppliers are required to complete and submit a Supplier Evaluation Questionnaire, pass the ESG Management Survey and Raw Material (Accessory) Supplier Evaluation, and sign a Statement of Commitment to RBA Code of Conduct, Letter of Guarantee to Not Use Banned Substances, and KYEC Supplier Integrity Rules, all of which serve as the basis for evaluation and review.</td> </tr> <tr> <td>Supplier audit</td> <td>The scope of audit on supplier sustainability encompasses economic, environmental, and social factors as</td> </tr> </table>	Supplier management	All suppliers must comply with the product quality management system, environmental safety and health management system, and supplier chain safety management system assessment. They are also required to sign the “Statement of Commitment to Responsible Business Alliance (RBA) Code of Conduct” for CSR management, and ban the use of conflicting minerals.	Supplier selection	All suppliers are required to complete and submit a Supplier Evaluation Questionnaire, pass the ESG Management Survey and Raw Material (Accessory) Supplier Evaluation, and sign a Statement of Commitment to RBA Code of Conduct, Letter of Guarantee to Not Use Banned Substances, and KYEC Supplier Integrity Rules, all of which serve as the basis for evaluation and review.	Supplier audit	The scope of audit on supplier sustainability encompasses economic, environmental, and social factors as	No significant differences
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Promotion	Implementation			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
			<p>well as five RBA dimensions: labor, health and safety, environment, business ethics, and management systems.</p> <p>In 2025, the risks of 66 key suppliers were identified, 16 key and high-risk suppliers were subject to onsite (paper-based) inspection. All suppliers have improved deficiencies within the prescribed time.</p>	
5. Has the company taken reference from the internationally accepted reporting standards or guidance when compiling sustainability reports to disclose non-financial information? Have the aforementioned disclosures been assured, verified or certified by a third party?	V		<p>The Company adheres to the GRI Standards (2021 version) in preparing the 2024 KYEC Sustainability Report, which has passed the AA1000 Type 1 Moderate Assurance level by third-party certification entity SGS. Information regarding the GRI standards and assurance is provided on the company website at http://www.kyec.com.tw/, go to “ESG” > “Sustainability Report” > “About the Report” > “Reporting Standards” and “External Assurance”. The 2025 Sustainability Report is expected to be disclosed on the Market Observation Post System and the Company’s official website by the end of August 2026.</p>	No significant differences
<p>6. Has the Company established its own Sustainability Development Best-Practice Principles based on “Sustainability Development Best-Practice Principles for TWSE/TPEX Listed Companies”? If any, please describe any discrepancy between the principles and their implementation:</p> <p>The Company’s Board of Directors approved the formulation of the “Corporate Social Responsibility Best-Practice Principles” in April 2015 and amendments to the Principles were approved by the Board of Directors in March 2017 to strengthen the implementation of our corporate social responsibility.</p> <p>The Company implements sustainable development in accordance with the Principles, promoting a balance among economic, social, and environmental goals. There are no material differences between actual operations and the requirements of the Principles.</p>				

7. Other important information that helps understand the implementation of sustainable development:
- (1) The Company's website has an ESG section that provides investors and stakeholders with access to information on the company's sustainability practices.
 - (2) Investment in green energy industry: In 2025, KYEC's Taiwan plants supplied 92.95 million kWh of renewable energy, generating 92,947 renewable energy certificates and reducing CO₂e emissions by 44,057 tons.
 - (3) In fulfillment of its social responsibility and contribution to carbon reduction, the Company's Taiwan plants participate each year in the Environmental Protection Bureau of Miaoli County Government's promotion of liquid straw-decomposing bacteria and on-site windbreak shredding activities, demonstrating active contributions to green agricultural transition. In 2025, the program was expanded to 465 hectares, reducing CO₂ emissions from rice straw burning by 4,185 metric tons. Through these efforts, the Company aims to reduce open-air burning of rice straw by farmers, thereby lowering the harmful effects of air pollutants on human health and contributing to improved air quality. From September 2024, KYEC has leased part of the area outside the Zhonghua Plant to Miaoli County Government for the installation of YouBike stations. In 2025, this initiative is expected to reduce carbon emissions equivalent to substituting private vehicles by approximately 3,216 metric tons CO₂.
 - (4) In 2015, our factories in Taiwan began adopting a green procurement policy, which gives priority to purchasing materials that cause minimal adverse environmental impacts. Our green purchases have exceeded standards since 2021 and for this achievement, we have received multiple awards and recognition from the environmental protection agency. In 2024, the Company's green procurement reached NT\$304 million. In 2025, the Company received the Special Merit Award for 2024 Green Procurement by Private Companies and Groups from the Environmental Protection Bureau of Miaoli County Government, and the Outstanding Enterprise for 2024 Green Procurement award from the Ministry of Environment, Executive Yuan. KYEC Group has invested considerable effort in waste recycling and reuse. KYEC has cooperated with numerous recycling companies, creating mutually beneficial outcomes. For example: We recycle aluminum foil bags, which are process packaging materials, and reprocess them into high-quality aluminum ingots, which are then used to produce aluminum foil packaging materials that are commonly sold on the market. KYEC is willing to spend higher cost to turn process wastes into useful materials. We also use recycled wastes to make usable items, such as traffic cones, connecting rods, and writing pens, and then put them into good use in factory activities. These actions demonstrate KYEC's determination to reuse waste. The Company's Taiwanese factories have set up a resource recycling bulletin board to raise employees' awareness of the circular economy so that they can better understand how important it is to recycle and reuse waste and make it their mission to do so.
 - (5) KYEC Group is engaged in the technical service industry for the IC industry and, therefore, there is no such problem about discharge of pollutants in the process of production. Meanwhile, the management values the various pollution prevention works very much. The various inspections all comply with the governmental laws and regulations. The Company has obtained the following certifications: ISO14001:2015 environmental management system, ISO45001:2018 occupational health and safety management systems, ISO14064 international GHG system (changed to ISO 14064-1:2018 in 2021) the scope of which encompasses the group's entire operations. In 2024, factories in Taiwan adopted a new standard, the GHG Protocol, and passed this inventory verification. The Chu-Nan Factory passed ISO50001 energy management system certification in 2016, and Tongluo Factory was included into the scope of certification in 2017. It was converted into ISO 50001:2018, and the packaging factory and Hsinchu factory were included into the scope of certification in 2019. Passed ISO22301:2019 business continuity management system in 2020. Factories in Taiwan passed ISO 46001 Water Efficiency Management Systems and ISO 14046 Water Footprint verification in 2023, and also the UL2799 Zero Waste to Landfill Validation in 2024.
 - (6) The Company responds to the multiple employment plans prepared by the government. It received the "Employment Creation Contribution Award" for the agricultural and industrial group awarded by the Ministry of Economic Affairs and Council of Labor Affairs, Executive Yuan on November 30, 2010.

Meanwhile, the Company establishes the Employees' Welfare Committee, implements the pension system, organizes various employee training programs and group insurance, arranges periodic health checkups and values the harmonious labor-management relationship. The Company also actively works with local schools. For the time being, it is working with the schools including National Kaohsiung University of Science and Technology, National Yunlin University of Science and Technology, National Changhua University of Education, National United University, National Quemoy University, Chaoyang University of Technology, National Formosa University and Yu Da University of Science and Technology, etc. The Company not only fulfills its social responsibility but also trains professional human resources. The Company has engaged in industry-academia cooperation for 19 years, working with a total of 3,132 people.

- (7) For social involvement, the Company established the KYEC Care Association. The Company takes care of disadvantaged groups, cares for the independent-living elderly, participates in community activities and actively sponsors various activities organized by city/county governments as its mission and philosophy. The Company actively sponsors various county and city government activities and spares no effort in supporting fundraising activities organized by public welfare groups, while endeavoring to fulfill its corporate social responsibilities.
- (8) The Company's 2024 Sustainability Report discloses ESG-related information in accordance with the GRI standards issued by the Global Sustainability Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) standards, and the framework of the Task Force on Climate-related Financial Disclosures (TCFD). This report is disclosed on the company website and the Market Observation Post System. To access the report, visit the Company's website at <https://www.kyec.com.tw/>, go to "ESG" > "Sustainability Report".

8. Climate-related information of TWSE/TPEX listed companies

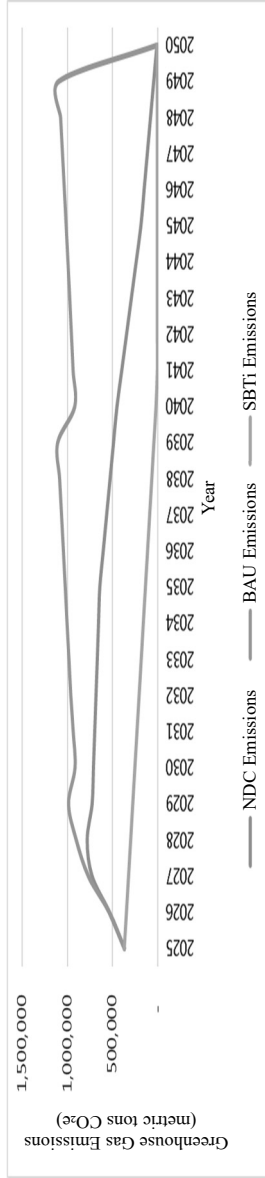
1. Implementation Status of Disclosure of Climate-Related Information

Item	Implementation									
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>The Company operates through the governance mechanism of the Sustainable Development Committee under the Board of Directors, combined with the existing internal control mechanism of the Audit Office, and reports regularly to the Board of Directors on TCFD risk assessment results and the progress and outcomes of climate strategy projects, thereby strengthening the Board's oversight of climate change issues.</p>									
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p>	<p>In response to the risks and opportunities presented by climate change, the Company follows the Task Force on Climate-related Financial Disclosures (TCFD) and IFRS S2 frameworks to systematically disclose: (1) the process for identifying and assessing climate-related risks; (2) short-, medium-, and long-term climate-related risks and opportunities; (3) the potential impact of climate-related risks and opportunities on the Company's business operations, strategic planning, and financial performance; and (4) strategic resilience analysis under different climate scenarios.</p> <p>Through annual identification and assessment of key climate risks and opportunities, the Company formulates corresponding management and response measures to ensure that action plans are effectively implemented in addressing the challenges posed by climate change. The Company adopts a comprehensive and balanced approach to risk and opportunity management, integrating risk management principles into business decisions and day-to-day operations. The Board of Directors is responsible for overall climate governance and, through the oversight mechanisms of the relevant committees, ensures the effective execution of procedures for identifying, assessing, responding to, monitoring, and periodically reviewing risks. By continually strengthening cross-departmental collaboration, the Company enhances its overall risk management effectiveness.</p>									
<p>Impact timeframe</p> <p>Link to strategic decisions</p>	<table border="1"> <thead> <tr> <th data-bbox="903 1568 951 1767">Short-term</th> <th data-bbox="903 824 951 1568">Medium-term</th> <th data-bbox="903 353 951 824">Long-term</th> </tr> </thead> <tbody> <tr> <td data-bbox="951 1568 1015 1767">1-3 years (inclusive)</td> <td data-bbox="951 824 1015 1568">More than 4 years up to 5 years (inclusive)</td> <td data-bbox="951 353 1015 824">More than 6 years up to 10 years</td> </tr> <tr> <td data-bbox="1015 1568 1137 1767">Strategic planning cycle for material issues is approximately 3 years</td> <td data-bbox="1015 824 1137 1568">Committed to achieving organizational operational carbon reduction by 2030, with corresponding strategies set to meet this target.</td> <td data-bbox="1015 353 1137 824">Committed to achieving net zero by 2050, with corresponding strategies set to meet this target.</td> </tr> </tbody> </table>	Short-term	Medium-term	Long-term	1-3 years (inclusive)	More than 4 years up to 5 years (inclusive)	More than 6 years up to 10 years	Strategic planning cycle for material issues is approximately 3 years	Committed to achieving organizational operational carbon reduction by 2030, with corresponding strategies set to meet this target.	Committed to achieving net zero by 2050, with corresponding strategies set to meet this target.
Short-term	Medium-term	Long-term								
1-3 years (inclusive)	More than 4 years up to 5 years (inclusive)	More than 6 years up to 10 years								
Strategic planning cycle for material issues is approximately 3 years	Committed to achieving organizational operational carbon reduction by 2030, with corresponding strategies set to meet this target.	Committed to achieving net zero by 2050, with corresponding strategies set to meet this target.								

impacts incorporated into financial planning. Quantitative assessment results are used as a reference for subsequent operational strategy. When conducting financial impact analysis, KYEC takes into account the Company's plant expansion (the Yangmei Plant, Toufen Plant No. 1, and Tongluo Plant No. 5 commencing electricity-based production from 2026), business growth, and electricity consumption growth ratios, which are incorporated as parameters to estimate the annual increase in greenhouse gas emissions for analysis. Transition risk scenario assumptions:

Scenario selection	Taiwan Nationally Determined Contribution (NDC) scenario	IEA Net Zero Emissions (NZE) scenario	BAU (Business as Usual) — maintaining current operating model and established management practices
Scenario description	Taiwan has enacted the Greenhouse Gas Reduction and Management Act, establishing a pathway consistent with the Paris Agreement's 2°C target. To strengthen ambition and update targets, Taiwan initiated an amendment to this Act in 2021, renaming it the Climate Change Response Act, which was enacted by the legislature in January 2023. The Act sets a long-term reduction target of net zero emissions by 2050 (1.5°C), with 2005 as the base year, and establishes national greenhouse gas net emission levels.	To limit the rise in global average temperature by the end of the century to within 1.5°C above pre-industrial levels, the global energy sector must achieve net zero greenhouse gas emissions by 2050. Countries will work to improve technological feasibility, cost-effectiveness, and social acceptance of net zero targets, reducing reliance on negative emissions technologies while ensuring economic growth and energy supply stability.	This scenario assumes that existing operating models and management practices are maintained, with no additional policies imposing greenhouse gas reduction requirements.
Projected temperature increase	1.5~2°C		

Projected greenhouse gas emissions under three scenarios



Transition risk: Impact analysis of aggregate GHG emissions / carbon tax / carbon fee regulation
 KYEC assesses the degree of impact of different carbon prices on the Company based on current or planned carbon pricing mechanisms at its operating locations. The Company analyzes the potential financial impact of carbon prices under the NDC, NZE, and BAU climate scenarios, using three emission reduction pathways: the Company's own voluntary emission reduction plan, an ambitious decarbonization commitment under SBTi to achieve net zero emissions by 2050, and maintaining the status quo without implementing further emission reduction management measures.

(1) Relevant impact parameters:

Parameter name	Impact description
Annual revenue growth rate	1. Electricity consumption at the Zhonghua, Tongluo, and Toufen Plant No. 1 is based on operating growth rate and electricity demand growth rate.
	2. Electricity consumption at the Yangmei Plant, Toufen Plant No. 1, and Tongluo Plant No. 5, which commence electricity-based production in 2026, is estimated by reference to the electricity consumption growth rate of the Toufen Plant.
Carbon fee	1. Based on data from the Ministry of Environment's 6th carbon fee rate review meeting in 2024,
	2. the carbon fee rate is to be increased in phases on a two-year cycle; Before 2030, the carbon fee rate references the indicative price from the Ministry of Environment's review meetings; after 2030, it is estimated to grow at a proportional rate, with a general rate cap of NT\$3,000 per tonne.

		Financial impact analysis results:					
		2025		2030		2035	
Scenario assumptions	Description	Carbon fee charged	Approximate proportion of revenue impact	Carbon fee charged	Approximate proportion of revenue impact	Carbon fee charged	Approximate proportion of revenue impact
NDCs	1. Under this scenario, the Ministry of Environment's voluntary emission reduction program applies, with a 6% reduction in carbon emissions from the base year from 2025 to 2030; a further 10% reduction from 2030 levels by 2035, a 30% reduction from 2035 levels by 2040, and a 60% reduction from 2040 levels by 2045.	\$68,035,380	0.20%	\$280,360,329	0.52%	\$539,731,239	0.91%
	2. New plants apply the Ministry of Environment's general rate (NT\$300/tonne) in their first year; From the second year onward, the Ministry of Environment's preferential rate B (NT\$100/tonne) applies.						
NZE	1. This scenario follows the SBTi pathway, with 2025 as the base year; 2035 is the target year; from 2026 onward, absolute emissions are reduced by 6.3% per year	\$68,035,380	0.20%	\$91,657,046	0.17%	\$84,012,391	0.14%

According to “Renewables 2021” report issued by the International Renewable Energy Agency (IREA), the renewable share of total generation capacity has been growing rapidly at a rate of 10%, reaching 36.6% in 2020, with major industries around the world also actively responding to the growing trend. In the midst of changes in renewable energy policies and client requirements, KYEC may have to increase its use of renewable energy

(I) Relevant impact parameters:

Parameter name	Impact description
Annual revenue growth rate	Operating growth rate and electricity demand growth rate
Electricity tariff	Due to the impact of the national energy transition and financial pressure on Taipower, the baseline scenario assumes that Taipower's electricity tariff will increase by 5% per year over the next 10 years; green electricity tariffs are fixed at the average contracted transfer price of NT\$6 per kWh across green energy suppliers over the next 10 years.

(II) Financial impact analysis results

Scenario assumptions	Description	2025		2030		2035	
		Renewable energy purchase amount	Approximate proportion of revenue impact	Renewable energy purchase amount	Approximate proportion of revenue impact	Renewable energy purchase amount	Approximate proportion of revenue impact
NDCs	Purchases of green electricity in line with the voluntary emission reduction plan: 10% of total electricity consumption purchased as green electricity in 2025–2026; each plant progressively reduces absolute emissions by 2–3% per year relative to the base year from 2027 to 2030, achieving a 6% reduction below the base year by 2030, with green electricity	\$147,113,998	0.43%	\$1,244,290,370	2.33%	\$1,184,986,829	2.01%

Temperature scenario	Carbon price assumption (USD/tCO ₂)	Scenario scope description	
NZE	1. Carbon fee analysis by country based on Downscaling [GCAM 6.0 NGFS] Net Zero 2050 scenario	Full coverage: Carbon pricing applied across the entire supply chain, with high cost pass-through pressure All raw material suppliers required to pay carbon taxes; Carbon border adjustment mechanisms (CBAM) simultaneously implemented across countries; carbon fees indirectly reflected in procurement and transportation prices	
	2. Assumed carbon price increase to USD 120–260/tCO ₂ by approximately 2035		
BAU	1. Carbon fee analysis by country based on Downscaling [GCAM 6.0 NGFS] Below 2°C scenario		1. Partial coverage: High-emission industries
	2. Assumed carbon price increase to USD 80–180/tCO ₂ by approximately 2035		2. Only high-emission industries and the energy sector subject to taxation; 3. Electronics and packaging/testing supply chains largely exempt or in a phased-in stage; 4. Lower cost pass-through ratio
(I) Relevant impact parameters:			
Parameter		Default value	Range of variation
Carbon price (USD/tCO ₂)		80–260	Varies by scenario and country
Annual revenue growth rate (%)		1.27~3.01%	Based on Company's projected revenue growth
Exchange rate (NTD/USD)		33 (based on 2010 exchange rate)	30 – 35
Supplier cost pass-through ratio		50%	± 20%
(II) Financial impact analysis results			
Analysis of the raw material supply chain under the NZE and BAU scenarios at different carbon prices across different regions shows that the impact on revenue is below 0.1% across the short, medium, and long term, indicating a relatively limited financial impact.			

<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>Drawing on climate-related scientific information, TCFD recommendations, and research reports and guidelines published by relevant domestic and international bodies, and taking into account the Company's operational characteristics as a semiconductor testing services provider, the Company has identified and compiled the climate risk factors that may affect its operations, establishing a climate-related risk register. For each climate risk in the register, the Company conducts a comprehensive assessment based on the degree of financial impact, degree of operational impact, and likelihood of occurrence, and applies a quantitative scoring methodology to categorize climate risks, thereby identifying material climate change risks in the short, medium, and long term. The relevant assessment results will be presented through quantitative analysis or qualitative explanations, submitted by the Sustainable Development Committee for Board approval, and serve as an important reference for subsequent risk response strategies, operational planning, and capital allocation decisions, continuously strengthening the Company's capacity to manage climate change risks and opportunities.</p>										
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p>	<p>1. Assessment of transition risks</p> <p>Carbon fee and revenue growth related parameters:</p> <table border="1" data-bbox="547 427 874 1756"> <thead> <tr> <th data-bbox="547 1518 579 1756">Parameter name</th> <th data-bbox="547 427 579 1518">Impact description</th> </tr> </thead> <tbody> <tr> <td data-bbox="579 1518 743 1756">Annual revenue growth rate</td> <td data-bbox="579 427 743 1518"> <p>1. Electricity consumption at the Zhonghua, Tongluo, and Toufen Plant No. 1 is based on operating growth rate and electricity demand growth rate.</p> <p>2. Electricity consumption at the Yangmei Plant, Toufen Plant No. 1, and Tongluo Plant No. 5, which commence electricity-based production in 2026, is estimated by reference to the electricity consumption growth rate of the Toufen Plant.</p> </td> </tr> <tr> <td data-bbox="743 1518 874 1756">Carbon fee</td> <td data-bbox="743 427 874 1518">Based on data from the Ministry of Environment's 6th carbon fee rate review meeting in 2024, the carbon fee rate is to be increased in phases on a two-year cycle; Before 2030, the carbon fee rate references the indicative price from the Ministry of Environment's review meetings; after 2030, it is estimated to grow at a proportional rate, with a general rate cap of NT\$3,000 per tonne.</td> </tr> </tbody> </table> <p>Electricity tariff and revenue growth related parameters:</p> <table border="1" data-bbox="1099 427 1128 1756"> <thead> <tr> <th data-bbox="1099 1518 1128 1756">Parameter name</th> <th data-bbox="1099 427 1128 1518">Impact description</th> </tr> </thead> <tbody> <tr> <td data-bbox="1099 1518 1128 1756"></td> <td data-bbox="1099 427 1128 1518"></td> </tr> </tbody> </table>	Parameter name	Impact description	Annual revenue growth rate	<p>1. Electricity consumption at the Zhonghua, Tongluo, and Toufen Plant No. 1 is based on operating growth rate and electricity demand growth rate.</p> <p>2. Electricity consumption at the Yangmei Plant, Toufen Plant No. 1, and Tongluo Plant No. 5, which commence electricity-based production in 2026, is estimated by reference to the electricity consumption growth rate of the Toufen Plant.</p>	Carbon fee	Based on data from the Ministry of Environment's 6th carbon fee rate review meeting in 2024, the carbon fee rate is to be increased in phases on a two-year cycle; Before 2030, the carbon fee rate references the indicative price from the Ministry of Environment's review meetings; after 2030, it is estimated to grow at a proportional rate, with a general rate cap of NT\$3,000 per tonne.	Parameter name	Impact description		
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Annual revenue growth rate	Operating growth rate and electricity demand growth rate		
Electricity tariff	Due to the impact of the national energy transition and financial pressure on Taipower, the baseline scenario assumes that Taipower's electricity tariff will increase by 5% per year over the next 10 years; green electricity tariffs are fixed at the average contracted transfer price of NT\$6 per kWh across green energy suppliers over the next 10 years.		
Supply chain cost increase related parameters:			
Parameter	Default value	Range of variation	
Carbon price (USD/tCO ₂)	80~260	Varies by scenario and country	
Annual revenue growth rate (%)	1.27~3.01%	Based on Company's projected revenue growth	
Exchange rate (NTD/USD)	33 (based on 2010 exchange rate)	30 – 35	
Supplier cost pass-through ratio	50%	± 20%	
2. Assessment of transition risks			
Physical risk scenario assumptions:			
Under the influence of climate change, rainfall patterns in Taiwan are showing increasingly uneven seasonal distribution and a trend toward extremes, with higher frequency and intensity of drought events, potentially increasing pressure on industrial water supply management. Taking into account the water resource conditions in the regions of the Company's operating locations and the government's water supply management mechanisms, the Company's scenario analysis references the IPCC AR6 SSP scenarios, selecting both the low-emissions scenario (SSP1-2.6) and the very high emissions scenario (SSP5-8.5) to assess the frequency and magnitude of drought events and high temperatures under two different warming pathways. Physical risk scenario analysis is conducted accordingly.			

<p>6.If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>Climate mitigation strategies KYEC adopts “improving energy efficiency,” “use of renewable energy,” “supply chain decarbonization,” and “resource circularity and waste reduction” as its strategies for addressing transition risks, and has put forward corresponding management and oversight mechanisms to progressively advance toward net zero.</p> <p>(1) Improving energy efficiency and continuing to implement energy-saving measures The Company began implementing the ISO 50001 energy management system standard in 2019 and conducts energy and resource inventories in accordance with the ISO 14064-1:2018 and GHG Protocol greenhouse gas inventory standards. Monitoring is carried out through on-site meters; direct measurement is used for individual energy uses; and intermittent transient analog measurement methods are applied to estimate in-plant energy consumption. This enables identification of major energy types at each site, and the formulation of energy-saving improvement plans and short-, medium-, and long-term targets, together with the establishment of energy baselines and KPI monitoring. Through the PDCA cycle, energy-saving objectives are implemented across facility systems and production equipment.</p> <ol style="list-style-type: none"> 1. Cleanroom HVAC Fan filter units (FFUs) have been upgraded from older AC power supply to high-efficiency DC power supply. Permanent magnet motors have been replaced in make-up air units (MAUs) and dry coil pumps (DCPs), further improving the baseline efficiency of the air circulation system. In 2025, 8 initiatives saved 16,067,636 kWh of electricity. 2. Chilled water system optimization Replacement of aging chillers and improvements to the performance of cooling tower heat dissipation fins and secondary chilled water pumps. These initiatives not only save electricity but also improve the overall distribution of air conditioning loads, providing a stable cooling environment for manufacturing processes. In 2025, 10 initiatives saved 7,430,710 kWh of electricity. 3. Testing equipment energy savings Software and operational logic optimization for semiconductor testing equipment. By configuring machines to automatically enter a low-power mode when idle, the Company achieves stable electricity savings without affecting production utilization rates. In 2025, 4 initiatives saved 1,252,328 kWh of electricity. 4. Power and infrastructure The focus is on replacing UPS (uninterruptible power supply) units, improving the power factor from 0.8 to 1.0, which significantly reduces reactive power losses. In parallel, conventional lighting throughout the plants has been replaced with LED lighting, implementing energy-saving improvements to facility infrastructure. In 2025, 5 initiatives saved 692,542 kWh of electricity.
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	<p>5. Power systems: Air compression and vacuum (air & vacuum)</p> <p>High-efficiency units have replaced older air compressors, and fixed-frequency-to-variable-frequency control has been implemented for PV (process vacuum) systems, automatically adjusting output power according to actual production load to avoid energy waste. In 2025, 5 initiatives saved 655,462 kWh of electricity.</p> <p>(II) Procurement and deployment of renewable energy</p> <p>In response to its net zero carbon pathway, KYEC is actively evaluating and adopting renewable energy. Through market-based mechanisms, the Company procures renewable electricity and plans to install rooftop solar power generation systems at existing and new factory buildings, progressively increasing its renewable energy usage ratio (RE%) year on year as the primary means of reducing Scope 2 emissions and responding to the energy mix transition. Targets are set at 10% of total electricity consumption by 2025, 38% by 2030, 50% by 2040, and 100% by 2050.</p> <ul style="list-style-type: none"> ■ The primary procurement methods are renewable energy power purchase agreements and renewable energy certificates. ■ The pace of green electricity adoption will be flexibly adjusted in response to electricity market supply conditions, pricing, and operational needs. ■ The premise is to ensure operational stability and cost controllability, avoiding excessive concentration of financial risk. <p>(III) Supplier inventory and decarbonization promotion</p> <p>KYEC incorporates corporate social responsibility into supplier contracts and requires suppliers to fulfill ESG clauses, with 100% supplier compliance with ESG clauses as a long-term goal.</p> <ul style="list-style-type: none"> ■ Jointly developing environmentally friendly materials with suppliers, and driving process improvements and equipment upgrades to achieve energy saving and carbon reduction. ■ Establishing a supply chain carbon inventory mechanism, with priority given in future procurement to equipment bearing environmental labels or with high energy efficiency ratings. ■ Evaluating the use of low-carbon packaging materials and providing guidance to suppliers on conducting carbon footprint inventories. <p>(IV) Waste circularity and reduction</p> <p>The Company has obtained UL 2799 Zero Waste to Landfill Platinum certification. Transportation scheduling optimization is also ongoing, and through cooperation with waste disposal contractors, waste volume reduction by compaction reduces the number of collection vehicle trips, lowering carbon emissions.</p>
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7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	K YEC Group will introduce an internal carbon pricing mechanism in 2026 as a tool for subsequent decarbonization investment.																		

<p>8.If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p>	<p>Management of climate-related goals and performance</p> <table border="1"> <thead> <tr> <th data-bbox="188 1330 245 1615">Management of climate-related goals</th> <th data-bbox="188 983 245 1330">2025 Goals</th> <th data-bbox="188 624 245 983">Goal Achievement in 2025</th> <th data-bbox="188 282 245 624">Corresponding Strategy</th> </tr> </thead> <tbody> <tr> <td data-bbox="245 1330 381 1615">Use of renewable energy (Factories in Taiwan)</td> <td data-bbox="245 983 381 1330">Renewable energy usage as a percentage of total electricity consumption: 10%</td> <td data-bbox="245 624 381 983">Renewable energy usage as a percentage of total electricity consumption: 10.94%</td> <td data-bbox="245 282 381 624">Continue to work with renewable energy companies to monitor the amount of electricity transferred/supplied.</td> </tr> <tr> <td data-bbox="381 1330 676 1615">GHG reduction targets (Group-wide)</td> <td data-bbox="381 983 676 1330">Reduce GHG intensity (Scope 1 + Scope 2) by 2% compared with the previous year</td> <td data-bbox="381 624 676 983">Scope 1 and Scope 2 GHG emissions in 2025 totaled 374,520.8655 tCO₂e, with an intensity of 10.721 tCO₂e/million NTD. Scope 1 and Scope 2 GHG emissions in 2024 totaled 315,103.6207 tCO₂e, with an intensity of 11.716 tCO₂e/million NTD. Emission intensity decreased by approximately 8.49%.</td> <td data-bbox="381 282 676 624">Gradually increase the use of renewable energy in Taiwan factories to effectively mitigate GHG emissions.</td> </tr> <tr> <td data-bbox="676 1330 788 1615">Water conservation goals (Group-wide)</td> <td data-bbox="676 983 788 1330">Reduce water intensity in 2025 by 5% compared with that in 2020</td> <td data-bbox="676 624 788 983">Water intensity decreased by 34% compared with that in 2020</td> <td data-bbox="676 282 788 624">Continue to draw up water conservation plans by using the water resources management system.</td> </tr> </tbody> </table>			Management of climate-related goals	2025 Goals	Goal Achievement in 2025	Corresponding Strategy	Use of renewable energy (Factories in Taiwan)	Renewable energy usage as a percentage of total electricity consumption: 10%	Renewable energy usage as a percentage of total electricity consumption: 10.94%	Continue to work with renewable energy companies to monitor the amount of electricity transferred/supplied.	GHG reduction targets (Group-wide)	Reduce GHG intensity (Scope 1 + Scope 2) by 2% compared with the previous year	Scope 1 and Scope 2 GHG emissions in 2025 totaled 374,520.8655 tCO ₂ e, with an intensity of 10.721 tCO ₂ e/million NTD. Scope 1 and Scope 2 GHG emissions in 2024 totaled 315,103.6207 tCO ₂ e, with an intensity of 11.716 tCO ₂ e/million NTD. Emission intensity decreased by approximately 8.49%.	Gradually increase the use of renewable energy in Taiwan factories to effectively mitigate GHG emissions.	Water conservation goals (Group-wide)	Reduce water intensity in 2025 by 5% compared with that in 2020	Water intensity decreased by 34% compared with that in 2020	Continue to draw up water conservation plans by using the water resources management system.
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<p>9.Greenhouse gas inventory and assurance status, and reduction targets, strategies, and specific action plans (filled out separately below in 1-1 and 1-2).</p>	<p>See explanations in 1-1 and 1-2 below.</p>																		

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

1-1-1 Greenhouse gas inventory information

Description of greenhouse gas emission volume (tons CO₂e), intensity (tons CO₂e/million NTD), and scope of data coverage for the past two years.

- | |
|--|
| <ol style="list-style-type: none">1. The scope of GHG inventory in 2022 encompassed the parent company and all subsidiaries in the consolidated financial statements of KYEC. Information on GHG inventory is disclosed as scheduled in accordance Article 10, Paragraph 2, of the Regulations.2. Scope 1 and Scope 2 GHG emissions in 2024 totaled 453,654,5207 tCO₂e, with an emissions intensity of 12.331 tCO₂e/million NTD. Scope 1 and Scope 2 GHG emissions in 2025 totaled 374,520,8655 tCO₂e, with an emissions intensity of 10.721 tCO₂e/million NTD.3. In 2024, factories in Taiwan began adopting the GHG Protocol, a new inventory standard, to complete our scope 3 inventories. |
|--|

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

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10,

Paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

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

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

Note 5: Mainland China subsidiary data have been excluded from the 2025 figures.

1-1-2 Greenhouse gas assurance information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

Total GHG emissions disclosed by KYEC:

[2024]

Scope of assurance: Taiwan plants (including overseas subsidiaries) and mainland China subsidiaries

[2025]

Scope of assurance: Taiwan plants (including overseas subsidiaries (verification in progress)); mainland China subsidiary data excluded

Scope of assurance conducted

	2024 total emissions (metric tons CO2e)	2025 total emissions (metric tons CO2e)
Total Scope 1 emissions	7,894.6663	10,517.7406
Total Scope 2 emissions	307,208.9544	364,003.1249
Total Scope 3 emissions	478,412.2164	1,137,758.1764
Emissions from purchased goods or services	80,099.1530	120,900.4206
Emissions from upstream purchased capital goods	310,895.4018	914,224.3825
Emissions from fuel- and energy-related activities	63,349.1302	85,987.8094
Emissions from upstream transportation and distribution	12,349.5223	7,216.9309
Emissions from disposal and treatment of waste generated in operations	334.5265	360.2738
Emissions from business travel	291.3481	227.9722
Emissions from employee commuting	4,167.0408	4,679.6843
Emissions from upstream leased assets	0.0000	203.6956
Emissions from downstream transportation and distribution	4,475.6295	3,911.8211
Emissions from investments	2,450.4642	51.6608
Total emissions	793,515.837	1,512,285.517
Assurance Institution	SGS Taiwan	SGS Taiwan

Subsidiaries in Mainland China	Scope 1	743.07	1,512,285.517
	Scope 2	137,807.83	
	Scope 3	25,283.02	
	Total	163,833.92	
	Assurance Institution	WIT	
Total GHG emissions of KYEC Group		957,349.757	

1. From 2024 to 2025, the assurance institution commissioned by KYEC Group conducted assurance using the ISO 14064-3 standard. Scopes 1 and 2 are subject to reasonable assurance, and Scope 3 is subject to limited assurance.
2. In 2024, factories in Taiwan (including overseas subsidiaries) began adopting the GHG Protocol, a new inventory standard, to complete our scope 3 inventories. Similarly, the level of assurance for their Scopes 1 and 2 is that of reasonable assurance and for Scope 3 is that of limited assurance. The assurance scope covers the Taiwan plants and overseas subsidiaries included in the consolidated financial statements. The 2025 data are currently under verification; complete assurance information will be disclosed in the Sustainability Report.
3. Mainland China subsidiary inventory data have been excluded from the 2025 figures.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that "Complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it shall note that "Complete assurance information will be disclosed on the Market Observation Post System (MOPS)," and shall disclose the complete assurance information in the annual report of the following fiscal year.

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

1-2 GHG reduction targets, strategies and concrete action plans:

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

1. In 2022, the Company began completing greenhouse gas inventory and assurance disclosures in its consolidated financial reports in compliance with Article 4-1 of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. Therefore, the base year is 2022.

2022 as the base year:

- Total carbon emissions: 498,772 (tCO₂)
- Scope 1 — Direct emissions: 6,522.8346 (tCO₂)
- Scope 2 — Indirect emissions from purchased energy: 412,521.9046 (tCO₂)
- Scope 3 — Indirect emissions from transportation: 14,885.3206 (tCO₂)
- Indirect emissions from organizational use of products: 64,842.8983 (tCO₂)

2. Reduction target:

Annual reduction target	2025	2030	2040	2050
KYEC Group Reduce emission intensity (Scope 1 + 2) by 2% compared with the previous year	KYEC Group Reduce greenhouse gas emissions (Scope 1 + 2) by 10% compared with 2022	KYEC Group Reduce greenhouse gas emissions (Scope 1 + 2) by 15% compared with 2022	KYEC Group Reduce greenhouse gas emissions (Scope 1 + 2) by 30% compared with 2022	KYEC Group Reduce 100% compared with 2022

3. Reduction strategies and concrete action plans:

Our main strategy to reduce carbon emissions is purchasing renewable energy in conjunction with various in-factory energy-saving projects and assessing the need for coolant replacement to reduce Scopes 1 and 2 emissions. Reducing Scope 3 emissions is imperative for achieving net zero emissions. Currently, plans are being made to purchase carbon rights, use low-carbon materials, and strengthen green supply chains to continuously reduce indirect emissions outside the organization, thereby achieving net zero emissions by 2050.

4. Achievement of reduction target:

In 2025, in response to a significant increase in orders, the Company continued to expand its new Toufen plant and production capacity at existing plants, resulting in higher electricity consumption compared with 2024. Due to growth in revenue in 2025, the intensity of Scope 1 + 2 GHG emissions decreased by 8.5% compared with 2024.

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

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

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

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

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			the Board of Directors. In addition we require directors or the juristic person that the director represents to recuse themselves from discussion or voting on an item in which they are an interested party and when such relationship is likely to prejudice the interest of the company.	
(2) Does the company establish appropriate precautions against high potential unethical conducts, with analysis and assessments on business activities of high potential unethical conducts, and formulate a prevention plan stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?	V		In our Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct, we have specific preventive measures against offering and acceptance of bribes; illegal political donations, improper charitable donations or sponsorship; offering or acceptance of unreasonable presents or hospitality, or other improper benefits; misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights; engaging in unfair competitive practices; damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services. These measures are regularly examined to determine their adequacy and effectiveness. The Company conducts risk assessment on corruption-related matters in the operating activities held in all of its business locations. The business management units conduct self-assessments and compliance self-assessments in order to ensure effective management. The audit unit performs independent audits to ensure	No significant differences

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			uninterrupted operation of the organization as a whole. Training and awareness campaigns are organized for all members of the Company to achieve a concerted effort in managing and preventing unethical behaviors.	
(3) Has the company specified operational procedures, behavioral guidelines, disciplines of violations, as well as an appeal system in the program against unethical behavior, and implemented such programs, and reviewed and revised the previous program on a regular basis?	V		<p>The Company has Procedures for Ethical Management and Guidelines for Conduct in place to regulate the conduct of business and performance of duties. Specifically the Procedures state that the Company shall take into consideration the legitimacy of its agents, suppliers, customers or other business trading counterparts and whether they are involved in any unethical activities before engaging in transactions, in order to avoid engaging in transactions with unethical ones; shall make a clear statement about the Company's ethical management policy and related rules and clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefits in whatever form or name.</p> <p>We also have other measures in place for reporting unethical behaviors, including Rules for Reporting Unethical Behaviors and a whistleblowing system composed of channels, hotline, and email for reporting unethical conduct. As regards whistleblowers' identity and content of their report, it is kept confidential or protected by appropriate means in accordance with law. Upon receiving reports of unethical conduct and verifying that there is indeed a violation of applicable laws and regulations or the Company's ethical corporate management</p>	No significant differences

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>policies and rules, the Company will take immediate actions, requesting the violator to cease such conduct and imposing punishment accordingly. In the case of serious violations, the violator will be terminated or dismissed in accordance with relevant laws or company management regulations. Where necessary, the Company shall file for damage claims through legal proceedings to protect its reputation and interests. To ensure that everyone in the company abides by the code of ethics, the Company regularly organizes training and awareness campaigns to inform employees of the company's determination, policies, and prevention plans in relation to ethical management, as well as the consequences of unethical behaviors. Rewards and punishments are handled in accordance with company regulations.</p>	
2. Implementation of ethical management				
(1) Whether the Company assesses a trading counterpart's ethical management record, and expressly states the ethical management clause in the contract to be signed with the trading counterpart?	V		<p>Before developing a commercial relationship with another party, the Company evaluates the legality and ethical management policy of agents, suppliers, customers, or other business counterparts and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the counterparty in commercial interactions conducts business in a fair and transparent manner and will not request, offer, or take bribes. For suppliers, we expressly state the ethical management clause and other relevant requirements in the Statement of Commitment to KYEC Supplier Integrity Rules, to be signed with suppliers.</p>	No significant differences

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			When a counterparty or partner in cooperation is found to have engaged in unethical conduct, immediate actions are taken to cease dealing with the counterparty and blacklist them for any further business interaction in order to effectively implement the Company's ethical management policy.	
(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the board to be in charge of corporate integrity? Does the Company report policies to the board on a regular basis (once a year) to prevent conflicts of interest and provide proper statement channels?	V		<p>The Company has appointed the President's Office as the dedicated unit subordinated to the board of directors responsible for establishing and supervising the execution of ethical corporate management policies and preventive measures, taking charge of various matters and reporting to the board of directors periodically.</p> <p>The Company's implementation of ethical management policies in 2025 is as follows:</p> <ol style="list-style-type: none"> In 2025, the Company organized general RBA and human rights training courses for all employees. The courses cover human rights issues (including forced labor, child labor, discrimination, harassment, freedom of association, privacy, standard on working hours, and suitable salaries and benefits), labor workers, health and safety, wrongful harm in the workplace and sexual harassment prevention, environmental protection, code of ethics (including ethical management and anti-corruption), and management systems. Training completion rate was 100%. As regards whistleblowing system and whistleblower protection, our Corporate 	No significant differences

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>Governance Best-Practice Principles and Ethical Corporate Management Best-Practice Principles describe specific whistleblowing management systems to actively prevent unethical behaviors and encourage reporting, by both insiders and outsiders, of unethical or improper behaviors. In addition, the Stakeholder area section on the company website provides channels of communication and means of whistleblowing for employees, shareholders, stakeholders, and outsiders. The number of complaints filed externally in 2025 was zero.</p>	
<p>(3) Whether the Company defines any policy against conflict of interest, provides adequate channels thereof, and fulfills the same precisely?</p>	V		<p>The Company has defined a policy against conflict of interest in its Procedures for Ethical Management and Guidelines for Conduct. Specifically the policy states that the Company's directors, managers, and other interested parties attending or present at the Board of Directors meetings who have a conflict of interest regarding a board meeting agenda item, whether concerning themselves or the juristic person they represent, shall disclose the material aspects of their conflict of interest during that board meeting. If the matter may be detrimental to the Company's interests, they shall not participate in the discussion or voting on the issue. Furthermore, they must recuse themselves from both discussion and voting and may not act as a proxy to exercise voting rights on behalf of other directors. The directors shall exercise self-discipline and may not support</p>	No significant differences

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			one another in improper dealings. If, in the course of conducting company business, any company personnel discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both their immediate supervisor and the Responsible Unit of the Company, and the immediate supervisor shall provide the personnel with proper instructions. No company personnel may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by their involvement in the commercial activities other than those of the Company.	
(4) Has the company established an effective accounting system and internal control system in order to implement ethical management, propose relevant audit plans according to the assessment results of the risks of unethical behaviors, and review the compliance status of the prevention of unethical behaviors, or entrusted an accountant to carry out the review?	V		In order to implement ethical corporate management, the Company has set up an effective accounting system and internal control system to ensure that ethical corporate management has been enforced. The audit division reviews the compliance of the said systems according to the annual auditing plans. The Company also complies with applicable regulations of the "Company Act" and the "Securities and Exchange Act," and the Company's accountants are responsible for the auditing of accounting books.	No significant differences
(5) Whether the Company organizes internal/external education training	V		The Company has made available the rules and	No significant differences

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
programs for ethical management periodically?			<p>regulations concerning ethical management on its website for directors, managers, and employees of the Company. Clauses requiring compliance with ethical management policy are stipulated in the standard contracts signed between the Company and its business trading counterparts. Our Board of Directors and executive management have signed a written statement committing themselves to our ethical management policy.</p> <p>The Company organizes education training programs for ethical management annually. Issues relating to ethical management are also promoted in our orientation training and internal training programs.</p> <p>Issues relating to ethical management are also promoted in our orientation training and internal training programs.</p> <p>Implementation:</p> <ol style="list-style-type: none"> 1. In 2025, 8,699 people participated in the Company's internal education and training on ethical management, code of conduct, prevention of insider trading and other related topics, for a total of 4,263 hours. 2. Our current directors of the board and managers are furnished with educational materials, such as the Handbook of FAQs on Insider Trading of Listed Companies, to keep insiders informed of applicable regulations for effective compliance. The Company provided education training programs for current 	

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>directors on December 26, 2025.</p> <p>3. The Company notified all directors and insiders by email on April 22, 2025, July 22, 2025, October 21, 2025 and January 29, 2026 of the closed period before the publication of quarterly financial reports, reminding them not to engage in trading before the release of financial report to avoid violations.</p>	
3. Status of the Company's complaint system				
(1) Whether the Company has defined a specific complaints and rewards system, and established some convenient complaint channel, and assigned competent dedicated personnel to deal with the situation?	V		Internal grievance channels: The Company has set up the employees' message board, opinion mailbox and hotline dedicated to accepting the complaints from employees.	No significant differences
(2) Has the company implemented any standard procedures, subsequent measures or confidentiality measures for handling reported misconducts?	V		Investigations are conducted by the Company's Human Resources Department and are conducted confidentially.	No significant differences
(3) Whether the Company has adopted any measures to prevent the complainants from being abused after filing complaints?	V		According to Article 22 of the Company's "Ethical Corporate Management Best-Practice Principles" and Article 21 of the "Procedures for Ethical Management and Guidelines for Conduct," the Company protects the identify and content of the whistleblower so that he/she is not improperly treated due to whistleblowing. The Company's grievance channel for external parties is established on its official website at "Business Conduct and Ethics Grievance System".	No significant differences
4. Information disclosure improvement				
(1) Has the company disclosed the contents or its ethical corporate management principles as well as relevant implementation results on its website and on the Market Observation Post System?	V		The Company has disclosed "Ethical Corporate Management Best-Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", and "Codes of Ethical Conduct" on its website to disclose the implementation results of its ethical	No significant differences

Scope of Assessment	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>management.</p> <p>The implementation results for 2025 are as follows:</p> <p>Our ethical management practices in our business activities included prohibition of unethical behaviors and of infringement of stakeholders' rights, and exercising of the duty of confidentiality to the company's intellectual property rights.</p> <p>The content of our Ethical Corporate Management Best-Practice Principles and procedures for handling material inside information are compiled and disclosed during labor-management meetings, orientation training, on-the-job training, and on internal websites to inform employees of matters to watch out for when performing their duties.</p> <p>The Company has incorporated business integrity as part of employees' performance evaluation and its human resource policy, establishing clear and effective punishment systems. The Company did not receive any reports of unethical behavior in 2025.</p>	
<p>5. Has the Company established its own ethical business best-practice principles based on "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies"? If any, please describe any discrepancy between the principles and their implementation: The Company has established its own "Ethical Corporate Management Best-Practice Principles" to establish and develop a corporate culture of ethical corporate management. The actual operation does not differ from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies".</p>				

6、Other important information to help the better understanding of the Company's ethical corporate management

Promotion and training for insider trading prevention

I. The Company's implementation of ethical corporate management policies in 2025 is as follows:

1. Following the amendment to the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies in 2019, the Board of Directors approved amendments to the Company's Ethical Corporate Management Best-Practice Principles on December 27, 2019, and further approved amendments to the Procedures for Ethical Management and Guidelines for Conduct on May 5, 2023, to give concrete effect to the principles of ethical corporate management.
2. In addition to developing human rights policies for employees, suppliers, and community residents, the Company also arranges face-to-face or online training programs every year for new hires and existing employees. Training programs cover topics on business conduct (e.g., safeguarding human rights, ethical management), ethics, workers' rights, human rights policies, the Responsible Business Alliance (RBA) Code of Conduct, and Employee Code of Conduct. Through training, employees are made aware of how much the Company values and respects employees. Course training totaled 48,408 hours and completed by 8,699 people for a training completion rate of 100%.
3. The Company regularly informs new employees of the Company's organization, culture, and key workplace ethics and values, emphasizing the importance of personal and professional integrity. In 2025, education and training was arranged for new employees from their first day, with a total of 1,571 new hires participating in training activities.

II. To facilitate employee compliance for the purposes of establishing good internal processing and disclosure mechanisms for material inside information, avoiding improper disclosure of information, and ensuring consistency and accuracy of information published, the Company established and promulgated the Procedures for Handling Material Inside Information at the major internal regulation section. Furthermore, the Company conducts education and communication of the procedures and related laws and regulations for Directors, managers, and employees at least once a year to prevent insider trading violation or occurrence.

1. In 2025, 8,699 people participated in the Company's internal education and training on ethical management, code of conduct, prevention of insider trading and other related topics, for a total of 48,408 hours. For Board participation in prevention of insider trading, nine members participated with a total of 3 training hours.

2. Directors and managers are not allowed to trade the Company's stocks 30 days before the publication of the annual financial report, and 15 days for the quarterly financial report. The status of execution is as follows:

- (1) The Company established the Code of Ethical Conduct, the Procedures for Ethical Management and Guidelines for Conduct, and the Procedures for Handling Material Inside Information. Insiders are not allowed to use undisclosed information they gain knowledge of to engage in insider trading, nor are they allowed to leak the information to others.

For internal regulations prohibiting insider trading, please visit the Corporate Governance section of the Company's website.

(<https://www.kyec.com.tw/zh-tw/Ir/Company>)

- (2) The Company prohibits insider trading using undisclosed information. On December 28, 2021, pursuant to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies promulgated by the Taiwan Stock Exchange Corporation on December 8 2021, the Company's Board of Directors approved amendments to Article 10 of the Corporate Governance Best-Practice Principles (a TWSE/TPEX listed company shall place high importance on the shareholder right to know, and rules prohibiting insider trading). Before a financial report is approved at a quarterly board meeting, the following written notice (email) is issued: "Stock trading control measures from the date insiders of the company become aware of the contents of the company's financial reports or relevant results, include (but not limited to) those prohibiting a director and insider from trading its shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports."

- (3) During the above closed periods (April 22, 2025, July 22, 2025, October 21, 2025, and January 29, 2026), the Company notified all directors and insiders by email of the 2025 board meeting dates and financial report publication dates. All directors and insiders were reminded not to engage in trading before the information was made public, or during the 30-day closed period before publication of the annual financial report or the 15-day closed period before publication of quarterly financial reports, in order to ensure compliance.

(VIII) Other important information useful for understanding corporate governance activities

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

2. Directors' continuing education in 2025 is as follows:

Position/name	Date	Organizer	Course Name	Number of hours
Director Chin-Kung Lee	2025/08/08	Securities & Futures Institute	AI development and cybersecurity risks	3 hours
	2025/11/07	Securities & Futures Institute	Corporate Risk Management and Crisis Management - From Directors' and Supervisors' Perspective	3 hours
Director Chi-Chun Hsieh	2025/06/10	Business Council for Sustainable Development of Taiwan	CDP Taiwan launch — strengthening climate information disclosure to enhance corporate climate resilience	3 hours
	2025/08/08	Securities & Futures Institute	AI development and cybersecurity risks	3 hours
	2025/11/07	Securities & Futures Institute	Corporate Risk Management and Crisis Management - From Directors' and Supervisors' Perspective	3 hours
Director Gauss Chang	2025/08/08	Securities & Futures Institute	AI development and cybersecurity risks	3 hours
	2025/11/07	Securities & Futures Institute	Corporate Risk Management and Crisis Management - From Directors' and Supervisors' Perspective	3 hours
Director Kao-Yu Liu	2025/05/16	Securities & Futures Institute	2025 Annual Conference on Prevention of Insider Trading	3 hours
	2025/08/08	Securities & Futures Institute	AI development and cybersecurity risks	3 hours
Director Kuan-Hua Chen	2025/05/16	Securities & Futures Institute	2025 Annual Conference on Prevention of Insider Trading	3 hours
	2025/05/22	Securities & Futures Institute	Director and Supervisor and Corporate Governance Officer Series — Dual-Axis Transformation For Strengthening Organizational Resilience: AI Governance and	3 hours

			Sustainability Governance	
	2025/06/10	Business Council for Sustainable Development of Taiwan	CDP Taiwan launch — strengthening climate information disclosure to enhance corporate climate resilience	3 hours
Director's Corporate Representative: Ping-Kun Hung	2025/08/08	Securities & Futures Institute	AI development and cybersecurity risks	3 hours
	2025/11/07	Securities & Futures Institute	Corporate Risk Management and Crisis Management - From Directors' and Supervisors' Perspective	3 hours
Independent director Semi Wang	2025/08/08	Securities & Futures Institute	AI development and cybersecurity risks	3 hours
	2025/11/07	Securities & Futures Institute	Corporate Risk Management and Crisis Management - From Directors' and Supervisors' Perspective	3 hours
Independent director Dar-Yeh Hwang	2025/08/08	Securities & Futures Institute	AI development and cybersecurity risks	3 hours
	2025/11/07	Securities & Futures Institute	Corporate Risk Management and Crisis Management - From Directors' and Supervisors' Perspective	3 hours
Independent director Shi-Jer Sheen	2025/08/08	Securities & Futures Institute	AI development and cybersecurity risks	3 hours
	2025/11/07	Securities & Futures Institute	Corporate Risk Management and Crisis Management - From Directors' and Supervisors' Perspective	3 hours

3. Continuing education for Corporate Governance Officer in 2025:

Date	Organizer	Course Name	Number of hours
2025/05/02	Securities & Futures Institute	2025 Annual Conference on Prevention of Insider Trading	3 hours
2025/07/25	Securities & Futures Institute	2025 Seminar on Legal Compliance for Equity Trading by Insiders	3 hours
2025/08/08	Securities & Futures Institute	AI development and cybersecurity risks	3 hours
2025/11/07	Securities & Futures Institute	Corporate Risk Management and Crisis Management - From Directors' and Supervisors' Perspective	3 hours

(IX) Implementation of the internal control system

1. Statement on internal control: Please refer to the Market Observation Post System (MOPS). The query path and URL are as follows:
Path: Market Observation Post System > Single Entity > Corporate Governance > Company Regulations/Internal Control > Statement on Internal Control
Website: <https://mops.twse.com.tw/mops/#/web/t06sg20>
2. The internal control audit report issued by the CPA commissioned to conduct an internal control audit, if any: None.

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

1. Resolutions of the 2025 shareholders' meeting

Date	Resolution by shareholders' meetings	Implementation
2025/05/27	(1) The motion for business report and financial statements 2024 was ratified.	Announced and filed as stipulated.
	(2) The motion for allocation of earnings 2024 was ratified.	The resolution has been carried out in full. July 16, 2025 was set as the dividend baseline date, and cash dividends were distributed on August 8, 2025. (cash dividend of NT\$4.0 per share)
	(3) Approved the amendment to the Company's Articles of Incorporation.	Registration change was approved by the Ministry of Economic Affairs on June 16, 2025, and announced on the company website.

2. Summary of the Company's important resolutions made by the board of directors' meeting for 2025 and up to the date of printing of the annual report:

Meeting Date	Important board resolutions
2025/02/21	<ul style="list-style-type: none"> •Approved the motion to apply for medium and long-term loans from a financial institution. •Approved the 2024 Statement on Internal Control. •Approved the motion for the Company's 2025 budget. •Approved the motion for assessment on independence and competency of CPAs. •Approved the amendment to the Company's Articles of Incorporation. •Approved the discussion of the motion for allocation of remuneration to employees in 2024 and the motion proposed by the remuneration committee for the remuneration to directors in 2024. •Approved the 2024 separate financial statement and consolidated financial statements. •Approved the 2024 business report. •Approved the motion for the 2024 earnings distribution. •Approved the motion for organization of the Company's 2025 general shareholders' meeting at 2F., No. 6, Yule St., Toufen City, Miaoli County, Taiwan (Grand Royal Hotel Conference Room 205) on May 27, 2025 (Tuesday) at 9 a.m. •Approved the adjustments made by the Remuneration Committee to the remuneration recommended for the Company's managers for 2025.
2025/05/09	<ul style="list-style-type: none"> •Approved the motion to apply for short-term and medium- to long-term financing facilities from financial institutions. •Approved the acquisition of real property right-of-use assets. •Approved the increase in capital expenditure for 2025. •Approved the interim consolidated financial statements for the period January 1 to March 31, 2025.

Meeting Date	Important board resolutions
	<ul style="list-style-type: none"> • Approved the discussion of the motion for allocation of directors' remuneration in 2024 recommended by the Remuneration Committee.
2025/06/20	<ul style="list-style-type: none"> • Approved the motion to apply for medium and long-term loans from a financial institution. • Approved the date of dividend distribution. • Approved the motion to enter into a land lease and commissioned construction agreement with Wei-Shun Construction Co., Ltd.
2025/08/08	<ul style="list-style-type: none"> • Approved the 2024 Sustainability Report. • Approved the interim consolidated financial statements for the period January 1 to June 30, 2025. • Approved amendments to the Internal Control System and Internal Audit Implementation Rules. • Approved the cash capital increase for subsidiary KYEC Singapore Pte Ltd. • Approved the increase in capital expenditure for 2025. • Approved the motion to proceed with a cash capital increase through issuance of new shares in 2025. • Approved the motion on personnel promotions. • Approved the motion on organizational restructuring and personnel deployment. • Approved the discussion of the adjustments made by the Remuneration Committee regarding the proposed distribution of cash remuneration to the Company's employees for 2024.
2025/10/21	<ul style="list-style-type: none"> • Approved the acquisition of real property right-of-use assets. • Approved the acquisition of real property right-of-use assets.
2025/11/07	<ul style="list-style-type: none"> • Approved the motion to apply for medium and long-term loans from a financial institution. • Approved the interim consolidated financial statements for the period January 1 September 30, 2025. • Approved the motion for the 2025 professional fees of CPAs. • Approved the motion of the 2026 audit plan. • Approved the amendment to Article 6 of the Charter for the Sustainable Development Committee. • Approved the motion on personnel promotions. • Approved the motion regarding the 2026 business expense allowance for Vice Chairman Chi-Chun Hsieh, as recommended by the Remuneration Committee. • Approved the motion on paying Chairman Chin-Kung Lee directors' remuneration for 2026, as recommended by the Remuneration Committee.
2025/12/26	<ul style="list-style-type: none"> • Approved the motion to apply for medium and long-term loans from a financial institution. • Approved the motion to apply for a syndicated credit facility of NT\$35 billion with a syndicate including Mega International Commercial Bank. • Approved the capital expenditure budget for 2026. • Approved amendments to the internal control system. • Approved the motion to have Ernst & Young and its affiliates provide non-assurance services to the Company and its subsidiaries for the period January

Meeting Date	Important board resolutions
	1 to December 31, 2026. •Approved the motion to enter into a subsidy agreement for factory relocation.
2026/01/28	•Approved the motion to proceed with capitalized lease assets for the acquisition of machinery and equipment.
2026/03/06	<ul style="list-style-type: none"> •Approved the acquisition of real property right-of-use assets. •Approved the acquisition of real property right-of-use assets. •Approved the acquisition of real property right-of-use assets. •Approved the proposal to acquire real estate. •Approved the motion to apply for short-term and medium- to long-term financing facilities from financial institutions. •Approved the 2025 Statement on Internal Control. •Approved the motion for assessment on independence and competency of CPAs. •Approved the motion for the Company’s 2026 budget. •Approved the discussion of the motion for allocation of remuneration to employees in 2025 and the motion proposed by the remuneration committee for the remuneration to directors in 2025. •Approved the 2025 separate financial statement and consolidated financial statements. •Approved the 2025 business report. •Approved the motion for the 2025 earnings distribution. •Approved the motion to proceed with surplus capitalization and issuance of new shares. •Approved the motion on personnel appointments. •Approved the motion for the re-election of the Company’s directors. •Approved the director candidates for the Company’s 16th-term Board of Directors. •Approved the motion for organization of the Company’s 2026 general shareholders’ meeting at 2F., No. 6, Yule St., Toufen City, Miaoli County, Taiwan (Grand Royal Hotel Conference Room 205) on May 29, 2026 (Friday) at 9 a.m. •Approved the adjustments made by the Remuneration Committee to the remuneration recommended for the Company’s managers for 2026.

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

IV. Information on the Professional Fees of the Attesting CPAs

Amount unit: NTD thousand

CPA Name of CPA firm	CPA Name	CPA Audit period	Audit Fee	Non-Audit Fees	Total	Remarks
Ernst & Young Accounting firm	Wan-Ju Chiu	2025	6,640	360	7,000	The non-audit fees include: Tax compliance checks of NT\$300 and tax inventory of NT\$60.
	Hsin-Min Hsu					

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

V. Information on change of CPAs: None.

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

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

- (I) Changes in equity of directors, managerial officers and major shareholders:
Please refer to the Market Observation Post System (MOPS). The index path and URL are as follows:
- (1) Share transfer: Market Observation Post System > Individual Company > Share Transfer/Securities Issuance > Equity Transfer Data Inquiry > Post-Event Declaration of Changes in Insider Shareholding
(URL: https://mops.twse.com.tw/mops/#/web/query6_1)
 - (2) Share pledge changes: Market Observation Post System > Individual Company > Share Transfer/Securities Issuance > Insider Pledge and Release > Announcement of Insider Pledge and Release
(URL: https://mopsov.twse.com.tw/mops/web/STAMAK03_1)
- (II) Share transfers to related parties: None.
- (III) Shares pledged to related parties: None.

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

March 31, 2026, unit: Share

Name	Shareholdings by oneself		Shareholdings of spouse and underage children		Shareholding using another's name		Names and relationships of the top 10 shareholders who are related parties, spouses, or within second-degree of kinship to each other		Remarks
	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Title (or Name)	Relationship	
New Labor Pension Fund	61,687,645	5.05	0	0	0	0	None	None	
Yuanta/P-shares Taiwan Dividend Plus ETF account	56,230,042	4.60	0	0	0	0	None	None	
Cathay Sustainability High Dividend ETF account under the custody of Taishin International Bank	53,281,000	4.36	0	0	0	0	None	None	
Yann Yuan Investment Co., Ltd. Representative: Chun Kuan	52,600,000 -	4.30 -	0 -	0 -	0 -	0 -	None -	None -	
Chin-Kung Lee	34,100,941	2.79	4,263,053	0.35	0	0	None	None	
Fubon Life Insurance Co., Ltd. Representative: Howard Lin	29,159,000 -	2.38 -	0 -	0 -	0 -	0 -	None -	None -	
Chunghwa Post Co., Ltd. Representative: Kuo-Chai Wang	21,303,000 -	1.74 -	0 -	0 -	0 -	0 -	None -	None -	
Yuanta Taiwan Top 50 ETF	20,785,294	1.70	0	0	0	0	None	None	
Labor Insurance Fund	19,499,500	1.59	0	0	0	0	None	None	
Citibank (Taiwan) Limited, acting as Custodian for Norges Bank – JPMorgan Asset Management (Europe) S.à r.l. Investment Account	16,925,038	1.38	0	0	0	0	None	None	

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

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

December 31, 2025, unit: Share, %

Invested enterprise	Investment made by the company		Investment by directors and managers or by directly or indirectly controlled enterprises		Total investment	
	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)
KYEC USA Corp. (Note 1)	160,000	100	0	0	160,000	100
KYEC SINGAPORE PTE. LTD. (Note 2)	100,078,000	100	0	0	100,078,000	100
KYEC JAPAN K.K. (Note 3)	1,899	89.83	0	0	1,899	89.83
KYEC Investment International Co., Ltd. (Notes 4, 5, 6)	164,923,636	100	0	0	164,923,636	100
Fixwell Technology Corp. (Note 7)	2,800,000	23.33	1,045,000	8.71	3,845,000	32.04
Wei Jiu Industrial Co., Ltd. (Note 8)	1,020,000	34.00	0	0	1,020,000	34.00

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

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

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

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

Note 4: General investment.

Note 5: (1) Since 2002, the Company has been indirectly investing in King Long Technology (Suzhou) Ltd. in mainland China through KYEC Investment International Co., Ltd. (BVI) and KYEC Microelectronics Co., Ltd. (CAYMAN). As of December 31, 2025, the Company's cumulative investment totals USD 116,155 thousand.

(2) On February 18, 2025, the Board of Directors resolved to end the operations of subsidiary KYEC Microelectronics Co., Ltd. (CAYMAN). The relevant deregistration procedures were approved and became effective on December 31,

2025.

Note 6: (1) The Company has successively invested in Suzhou Zhen Kun Technology Ltd. in mainland China, indirectly, via KYEC Investment International Co., Ltd. (BVI) and Sino-Tech Investment Co., Ltd.(SAMOA) since September 2009. On March 6, 2019, Sino-Tech Investment Co., Ltd. transferred RMB 53,226 thousand in ownership of Suzhou Zhen Kun Technology Ltd. to King Long Technology (Suzhou) Ltd., and remitted an equivalent amount of investment capital in December 2019. Sino-Tech Investment Co., Ltd. has completed the liquidation and cancellation processes in 2020Q1. As of December 31, 2025, the Company has accumulated an outward remittance of investment capital totaling USD32,431 thousand.

(2) The Company has successively invested in Suzhou Zhen Kun Technology Ltd. in Mainland China, indirectly, via KYEC Investment International Co., Ltd. (BVI) and Strong Outlook Investments Limited (BVI) since September 2010. On March 6, 2019, Strong Outlook Investments Ltd. transferred RMB 32,789 thousand worth of ownership of Suzhou Zhen Kun Technology Ltd. to King Long Technology (Suzhou) Ltd., and remitted an equivalent amount of investment capital in December 2019. Strong Outlook Investments Ltd. has completed the liquidation and cancellation processes in 2020Q1. As of December 31, 2025, the Company has accumulated an outward remittance of investment capital totaling USD16,337 thousand.

(3) Based on considerations of future business development and growth strategy and the more effective long-term utilization of financial resources, on April 26, 2024, the Board of Directors resolved to sell the entire 92.16% equity interest in King Long Technology (Suzhou) Ltd. held by subsidiary KYEC Microelectronics Co., Ltd., and to reclassify the related assets and liabilities of King Long Technology (Suzhou) Ltd. as a disposal group held for sale, with the related profit or loss presented as profit or loss from discontinued operations. As the conditions for completion of the transfer had been met, the Group set February 13, 2025 as the settlement date and completed the sale of its entire shareholding in King Long Technology (Suzhou) Ltd.

Note 7: Manufacturing of electronic parts, wholesale and retail of electronic materials, and repairing of electric appliances and electronic products.

Note 8: CNC & milling machine processing design and manufacturing of various precision mechanical parts.

Three. Financing Status

I. Capital and Shares

(I) Capital sources

Units: Share; NT\$

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

Year/Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Capital sources	Investment by properties other than cash	Others
1998.12	30	80,000,000	800,000,000	70,000,000	700,000,000	Capital increase in cash by NT\$50,000 thousand	None	None
1999.07	30	150,000,000	1,500,000,000	99,375,000	993,750,000	Capital increase by NT\$100,000 thousand in cash; Recapitalized by NT\$123,750 thousand from earnings; Recapitalized by NT\$70,000 thousand from capital surplus	None	None
1999.12	46	150,000,000	1,500,000,000	124,375,000	1,243,750,000	Capital increase in cash by NT\$250,000 thousand	None	None
2000.07	70	560,000,000	5,600,000,000	263,225,446	2,632,254,460	Capital increase by NT\$700,000 thousand in cash; Recapitalized by NT\$439,754 thousand from earnings; Recapitalized by NT\$248,750 thousand from capital surplus	None	None
2001.07	10	700,000,000	7,000,000,000	436,672,214	4,366,722,140	Recapitalized by NT\$1,023,759 thousand from earnings; Recapitalized by NT\$710,708 thousand from capital surplus	None	None
2002.05	10	870,000,000	8,700,000,000	436,672,214	4,366,722,140	Change of authorized capital stock	None	None
2002.07	10	870,000,000	8,700,000,000	447,879,749	4,478,797,490	Overseas convertible bond: NT\$112,075 thousand	None	None
2002.10	10	870,000,000	8,700,000,000	452,591,205	4,525,912,050	Overseas convertible	None	None

Year/Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Capital sources	Investment by properties other than cash	Others
						bond: NT\$47,115 thousand		
2003.01	10	870,000,000	8,700,000,000	452,876,747	4,528,767,470	Overseas convertible bond: NT\$2,855 thousand	None	None
2003.04	14	870,000,000	8,700,000,000	556,871,604	5,568,716,040	NT\$1,039,949 thousand for private placement	None	None
2003.11	10	870,000,000	8,700,000,000	579,303,374	5,793,033,740	Overseas convertible bond: NT\$224,318 thousand	None	None
2004.01	10	870,000,000	8,700,000,000	687,905,995	6,879,059,950	Overseas convertible bond: NT\$1,086,026 thousand	None	None
2004.04	10	870,000,000	8,700,000,000	699,942,564	6,999,425,640	Overseas convertible bond: NT\$120,366 thousand	None	None
2004.08	10	1,090,000,000	10,900,000,000	754,955,164	7,549,551,640	Change of authorized capital stock; Recapitalized by NT\$550,126 thousand from earnings	None	None
2004.10	10	1,090,000,000	10,900,000,000	767,839,164	7,678,391,640	Exercise of employee stock option in exchange of new shares: NT\$128,840 thousand	None	None
2005.01	10	1,090,000,000	10,900,000,000	768,405,664	7,684,056,640	Exercise of employee stock option in exchange of new shares: NT\$5,665 thousand	None	None
2005.04	10	1,090,000,000	10,900,000,000	769,176,664	7,691,766,640	Exercise of employee stock	None	None

Year/Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Capital sources	Investment by properties other than cash	Others
						option in exchange of new shares: NT\$7,710 thousand		
2005.07	10	1,090,000,000	10,900,000,000	781,266,164	7,812,661,640	Exercise of employee stock option in exchange of new shares: NT\$120,895 thousand	None	None
2005.08	10	1,090,000,000	10,900,000,000	907,897,897	9,078,978,970	Recapitalized by NT\$1,266,317 thousand from earnings	None	None
2005.10	10	1,090,000,000	10,900,000,000	912,958,739	9,129,587,390	Exercise of employee stock option in exchange of new shares: NT\$48,195 thousand Overseas convertible bond: NT\$2,413 thousand	None	None
2006.01	10	1,090,000,000	10,900,000,000	915,401,740	9,154,017,400	Exercise of employee stock option in exchange of new shares: NT\$14,535 thousand Overseas convertible bond: NT\$9,895 thousand	None	None
2006.04	10	1,090,000,000	10,900,000,000	955,024,900	9,550,249,000	Exercise of employee stock option in exchange of new shares: NT\$10,205 thousand Overseas convertible bond: NT\$386,027	None	None

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

Year/Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Capital sources	Investment by properties other than cash	Others
						option in exchange of new shares: NT\$5,355 thousand		
2007.07	10	1,300,000,000	13,000,000,000	1,091,594,467	10,915,944,670	Exercise of employee stock option in exchange of new shares: NT\$5,155 thousand	None	None
2007.08	10	1,500,000,000	15,000,000,000	1,214,696,675	12,146,966,750	Change of authorized capital stock; Recapitalized by NT\$1,231,022 thousand from earnings	None	None
2008.01	10	1,500,000,000	15,000,000,000	1,214,706,675	12,147,066,750	Exercise of employee stock option in exchange of new shares: NT\$100 thousand	None	None
2008.04	10	1,500,000,000	15,000,000,000	1,215,037,175	12,150,371,750	Exercise of employee stock option in exchange of new shares: NT\$3,305 thousand	None	None
2008.07	10	1,500,000,000	15,000,000,000	1,215,154,175	12,151,541,750	Exercise of employee stock option in exchange of new shares: NT\$1,170 thousand	None	None
2008.08	10	1,500,000,000	15,000,000,000	1,280,854,009	12,808,540,090	Recapitalized by NT\$656,998 thousand from earnings	None	None
2009.03	10	1,500,000,000	15,000,000,000	1,256,675,009	12,566,750,090	Capital decrease by NT\$241,790 thousand upon cancellation of treasury stock	None	None

Year/Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Capital sources	Investment by properties other than cash	Others
2009.08	10	1,500,000,000	15,000,000,000	1,259,735,576	12,597,355,760	Recapitalized by NT\$30,606 thousand from earnings	None	None
2009.12	10	1,500,000,000	15,000,000,000	1,247,287,576	12,472,875,760	Capital decrease by NT\$124,480 thousand upon cancellation of treasury stock	None	None
2010.05	10	1,500,000,000	15,000,000,000	1,237,287,576	12,372,875,760	Capital decrease by NT\$100,000 thousand upon cancellation of treasury stock	None	None
2010.12	10	1,500,000,000	15,000,000,000	1,224,410,576	12,244,105,760	Capital decrease by NT\$128,770 thousand upon cancellation of treasury stock	None	None
2011.01	10	1,500,000,000	15,000,000,000	1,245,037,914	12,450,379,140	Capital decrease by NT\$100,000 thousand upon cancellation of treasury stock; Overseas convertible bond: NT\$306,273 thousand	None	None
2011.04	10	1,500,000,000	15,000,000,000	1,272,549,545	12,725,495,450	Capital decrease by NT\$100,000 thousand upon cancellation of treasury stock; Overseas convertible bond: NT\$375,116 thousand	None	None
2011.07	10	1,500,000,000	15,000,000,000	1,274,814,783	12,748,147,830	Overseas convertible bond: NT\$22,652 thousand	None	None
2011.12	10	1,500,000,000	15,000,000,000	1,224,888,354	12,248,883,540	Capital decrease by NT\$500,000 thousand upon cancellation of treasury stock;	None	None

Year/Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Capital sources	Investment by properties other than cash	Others
						Overseas convertible bond NT 736 thousand		
2012.04	10	1,500,000,000	15,000,000,000	1,197,544,282	11,975,442,820	Capital decrease by NT\$300,000 thousand upon cancellation of treasury stock; Overseas convertible bond: NT\$26,559 thousand	None	None
2012.07	10	1,500,000,000	15,000,000,000	1,170,241,900	11,702,419,000	Capital decrease by NT\$300,000 thousand upon cancellation of treasury stock; Overseas convertible bond: NT\$26,976 thousand	None	None
2012.10	10	1,500,000,000	15,000,000,000	1,186,889,400	11,868,894,000	New restricted employee shares: NT\$30,000 thousand; Overseas convertible bond: NT\$136,475 thousand	None	None
2013.01	10	1,500,000,000	15,000,000,000	1,190,751,900	11,907,519,000	Overseas convertible bond: NT\$38,625 thousand	None	None
2013.04	10	1,500,000,000	15,000,000,000	1,190,671,900	11,906,719,000	Cancellation of new restricted employee shares: NT\$800 thousand	None	None
2013.05	10	1,500,000,000	15,000,000,000	1,192,671,900	11,926,719,000	New restricted employee shares: NT\$20,000 thousand	None	None

Year/Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Capital sources	Investment by properties other than cash	Others
2013.05	10	1,500,000,000	15,000,000,000	1,192,631,900	11,926,319,000	Cancellation of new restricted employee shares: NT\$400 thousand	None	None
2013.08	10	1,500,000,000	15,000,000,000	1,192,536,900	11,925,369,000	Cancellation of new restricted employee shares: NT\$950 thousand	None	None
2014.03	10	1,500,000,000	15,000,000,000	1,192,442,400	11,924,424,000	Cancellation of new restricted employee shares: NT\$945 thousand	None	None
2014.07	10	1,500,000,000	15,000,000,000	1,192,318,400	11,923,184,000	Cancellation of new restricted employee shares: NT\$1,240 thousand	None	None
2015.03	10	1,500,000,000	15,000,000,000	1,192,303,400	11,923,034,000	Cancellation of new restricted employee shares: NT\$150 thousand	None	None
2015.05	10	1,500,000,000	15,000,000,000	1,192,294,400	11,922,944,000	Cancellation of new restricted employee shares: NT\$90 thousand	None	None
2015.11	10	1,500,000,000	15,000,000,000	1,162,294,400	11,622,944,000	Capital decrease by NT\$300,000 thousand upon cancellation of treasury stock	None	None
2016.10	10	1,500,000,000	15,000,000,000	1,167,483,269	11,674,832,690	Overseas convertible bond: NT\$51,889 thousand	None	None
2017.03	10	1,500,000,000	15,000,000,000	1,171,173,138	11,711,731,380	Overseas convertible bond: NT\$36,899 thousand	None	None
2017.07	10	1,500,000,000	15,000,000,000	1,173,709,921	11,737,099,210	Overseas convertible bond:	None	None

Year/Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Capital sources	Investment by properties other than cash	Others
						NT\$25,368 thousand		
2017.10	10	1,500,000,000	15,000,000,000	1,206,542,676	12,065,426,760	Overseas convertible bond: NT\$328,328 thousand	None	None
2018.01	10	1,500,000,000	15,000,000,000	1,220,238,284	12,202,382,840	Overseas convertible bond: NT\$136,956 thousand	None	None
2018.04	10	1,500,000,000	15,000,000,000	1,221,277,681	12,212,776,810	Overseas convertible bond: NT\$10,394 thousand	None	None
2018.05	10	1,500,000,000	15,000,000,000	1,222,745,065	12,227,450,650	Overseas convertible bond: NT\$14,674 thousand	None	None
2026.03	10	1,800,000,000	18,000,000,000	1,222,745,065	12,227,450,650	Note 74	None	None

1. Registration of incorporation: The capital was NT\$7 million at the time of incorporation.
2. Capital increase in cash: Authorized capital stock NT\$9.5 million and paid-in capital NT\$9.5 million.
3. Capital increase in cash: (83) Jian-San-Bing-Zi No. 340845, authorized capital stock NT\$20.5 million and paid-in capital NT\$20.5 million.
4. Capital increase in cash: (84) Jian-San-Ren-Zi No. 487475, authorized capital stock NT\$30 million and paid-in capital NT\$30 million.
5. Capital increase in cash: (85) Jian-San-Jia-Zi No. 226939, authorized capital stock NT\$50 million and paid-in capital NT\$50 million.
6. Capital increase in cash: (86) Jian-San-Ding-Zi No. 162044, authorized capital stock NT\$90 million and paid-in capital NT\$90 million.
7. Capital increase in cash: Jing (86)-Shang-Zi No. 120076, authorized capital stock NT\$350 million and paid-in capital NT\$170 million.
8. Capital increase in cash: Jing (87)-Shang-Zi No. 130077, authorized capital stock NT\$350 million and paid-in capital NT\$350 million.
9. Capital increase in cash and recapitalization from earnings: Jing-Shou-Shang-Zi No. 087123302, authorized capital stock NT\$800 million and paid-in capital NT\$549.75 million.
10. Recapitalization from capital surplus: Jing-Shou-Shang-Zi No. 087128734, authorized capital stock NT\$800 million and paid-in capital NT\$650 million.
11. Capital increase in cash: Jing-Shou-Shang-Zi No. 087142402, authorized capital stock NT\$800 million and paid-in capital NT\$700 million.
12. Capital increase in cash and recapitalization from earnings and capital surplus: Jing-Shou-Shang-Zi No. 088127133, authorized capital stock NT\$1.5 billion and paid-in capital NT\$993.75 million.
13. Capital increase in cash: Jing-Shou-Shang-Zi No. 088143309, authorized capital stock NT\$1.5 billion and paid-in capital NT\$1243.75 million.
14. Capital increase in cash and recapitalization from earnings and capital surplus: Jing-Shou-Shang-Zi No. 089122231, authorized capital stock NT\$5.6 billion and paid-in capital NT\$2632.254460 million.

15. Recapitalization from earnings and capital surplus: Jing-Shou-Shang-Zi No. 09001276850, authorized capital stock NT\$7 billion and paid-in capital NT\$4366.72214 million.
16. Upgraded the authorized capital stock to NT\$8.7 billion.
17. Jing-Shou-Shang-Zi No. 09101278670, authorized capital stock NT\$8.7 billion and paid-in capital NT\$4478.79749 million.
18. Jing-Shou-Shang-Zi No. 09101442750, authorized capital stock NT\$8.7 billion and paid-in capital NT\$4525.91205 million.
19. Jing-Shou-Shang-Zi No. 09201018710, authorized capital stock NT\$8.7 billion and paid-in capital NT\$4528.76747 million.
20. Private placement securities: Jing-Shou-Shang-Zi No. 09201121500, authorized capital stock NT\$8.7 billion and paid-in capital NT\$5568.71604 million.
21. Jing-Shou-Shang-Zi No. 09201322980, authorized capital stock NT\$8.7 billion and paid-in capital NT\$5793.03374 million.
22. Jing-Shou-Shang-Zi No. 09301007670, authorized capital stock NT\$8.7 billion and paid-in capital NT\$6879.05995 million.
23. Jing-Shou-Shang-Zi No. 09301060440, authorized capital stock NT\$8.7 billion and paid-in capital NT\$6999.42564 million.
24. Jing-Shou-Shang-Zi No. 09301156810, authorized capital stock NT\$10.9 billion and paid-in capital NT\$7549.55164 million.
25. Jing-Shou-Shang-Zi No. 09301201590, authorized capital stock NT\$10.9 billion and paid-in capital NT\$7678.39164 million.
26. Jing-Shou-Shang-Zi No. 09401003210, authorized capital stock NT\$10.9 billion and paid-in capital NT\$7684.05664 million.
27. Jing-Shou-Shang-Zi No. 09401060170, authorized capital stock NT\$10.9 billion and paid-in capital NT\$7691.76664 million.
28. Jing-Shou-Shang-Zi No. 09401136480, authorized capital stock NT\$10.9 billion and paid-in capital NT\$7812.66164 million.
29. Jing-Shou-Shang-Zi No. 09401161000, authorized capital stock NT\$10.9 billion and paid-in capital NT\$9078.97897 million.
30. Jing-Shou-Shang-Zi No. 09401204350, authorized capital stock NT\$10.9 billion and paid-in capital NT\$9129.58739 million.
31. Jing-Shou-Shang-Zi No. 09501007380, authorized capital stock NT\$10.9 billion and paid-in capital NT\$9154.0174 million.
32. Jing-Shou-Shang-Zi No. 09501077070, authorized capital stock NT\$10.9 billion and paid-in capital NT\$9550.249 million.
33. Jing-Shou-Shang-Zi No. 09501160380, authorized capital stock NT\$13 billion and paid-in capital NT\$9867.9376 million.
34. Jing-Shou-Shang-Zi No. 09501163350, authorized capital stock NT\$13 billion and paid-in capital NT\$10100.99813 million.
35. Jing-Shou-Shang-Zi No. 09501191840, authorized capital stock NT\$13 billion and paid-in capital NT\$10896.70967 million.
36. Jing-Shou-Shang-Zi No. 09501232620, authorized capital stock NT\$13 billion and paid-in capital NT\$10900.79967 million.
37. Jing-Shou-Shang-Zi No. 09601019120, authorized capital stock NT\$13 billion and paid-in capital NT\$10905.43467 million.
38. Jing-Shou-Shang-Zi No. 09601078430, authorized capital stock NT\$13 billion and paid-in capital NT\$10910.78967 million.
39. Jing-Shou-Shang-Zi No. 09601177990, authorized capital stock NT\$13 billion and paid-in capital NT\$10915.94467 million.
40. Jing-Shou-Shang-Zi No. 09601199070, authorized capital stock NT\$15 billion and paid-in capital NT\$12146.96675 million.
41. Jing-Shou-Shang-Zi No. 09701009440, authorized capital stock NT\$15 billion and paid-in capital NT\$12147.06675 million.
42. Jing-Shou-Shang-Zi No. 09701089030, authorized capital stock NT\$15 billion and paid-in capital NT\$12150.37175 million.
43. Jing-Shou-Shang-Zi No. 09701175060, authorized capital stock NT\$15 billion and paid-in capital

- NT\$12151.54175 million.
44. Jing-Shou-Shang-Zi No. 09701200320, authorized capital stock NT\$15 billion and paid-in capital NT\$12808.549 million.
 45. Jing-Shou-Shang-Zi No. 09801061510, authorized capital stock NT\$15 billion and paid-in capital NT\$12566.759 million.
 46. Jing-Shou-Shang-Zi No. 09801180250, authorized capital stock NT\$15 billion and paid-in capital NT\$12597.35576 million.
 47. Jing-Shou-Shang-Zi No. 09801280260, authorized capital stock NT\$15 billion and paid-in capital NT\$12472.87576 million.
 48. Jing-Shou-Shang-Zi No. 09901106450, authorized capital stock NT\$15 billion and paid-in capital NT\$12372.87576 million.
 49. Jing-Shou-Shang-Zi No. 09901275210, authorized capital stock NT\$15 billion and paid-in capital NT\$12244.10576 million.
 50. Jing-Shou-Shang-Zi No. 10001010550, authorized capital stock NT\$15 billion and paid-in capital NT\$12450.37914 million.
 51. Jing-Shou-Shang-Zi No. 10001070130, authorized capital stock NT\$15 billion and paid-in capital NT\$12725.49545 million.
 52. Jing-Shou-Shang-Zi No. 10001157030, authorized capital stock NT\$15 billion and paid-in capital NT\$12748.14783 million.
 53. Jing-Shou-Shang-Zi No. 10001286450, authorized capital stock NT\$15 billion and paid-in capital NT\$12248.88354 million.
 54. Jing-Shou-Shang-Zi No. 10101055590, authorized capital stock NT\$15 billion and paid-in capital NT\$11975.44282 million.
 55. Jing-Shou-Shang-Zi No. 10101144030, authorized capital stock NT\$15 billion and paid-in capital NT\$11702.419 million.
 56. Jing-Shou-Shang-Zi No. 10101203850, authorized capital stock NT\$15 billion and paid-in capital NT\$11868.894 million.
 57. Jing-Shou-Shang-Zi No. 10201002850, authorized capital stock NT\$15 billion and paid-in capital NT\$11907.519 million.
 58. Jing-Shou-Shang-Zi No. 10201055970, authorized capital stock NT\$15 billion and paid-in capital NT\$11906.719 million.
 59. Jing-Shou-Shang-Zi No. 10201077850, authorized capital stock NT\$15 billion and paid-in capital NT\$11926.719 million.
 60. Jing-Shou-Shang-Zi No. 10201089780, authorized capital stock NT\$15 billion and paid-in capital NT\$11926.319 million.
 61. Jing-Shou-Shang-Zi No. 10201167530, authorized capital stock NT\$15 billion and paid-in capital NT\$11925.369 million.
 62. Jing-Shou-Shang-Zi No. 10301074130, authorized capital stock NT\$15 billion and paid-in capital NT\$11924.424 million.
 63. Jing-Shou-Shang-Zi No. 10301139200, authorized capital stock NT\$15 billion and paid-in capital NT\$11923.184 million.
 64. Jing-Shou-Shang-Zi No. 10401047430, authorized capital stock NT\$15 billion and paid-in capital NT\$11923.034 million.
 65. Jing-Shou-Shang-Zi No. 10401086750, authorized capital stock NT\$15 billion and paid-in capital NT\$11922.944 million.
 66. Jing-Shou-Shang-Zi No. 10401239940, authorized capital stock NT\$15 billion and paid-in capital NT\$11622.944 million.
 67. Jing-Shou-Shang-Zi No. 10501243690, authorized capital stock NT\$15 billion and paid-in capital NT\$11674.83269 million.
 68. Jing-Shou-Shang-Zi No. 10601033520, authorized capital stock NT\$15 billion and paid-in capital NT\$11711.73138 million.
 69. Jing-Shou-Shang-Zi No. 10601091290, authorized capital stock NT\$15 billion and paid-in capital NT\$11737.09921 million.
 70. Jing-Shou-Shang-Zi No. 10601144700, authorized capital stock NT\$15 billion and paid-in capital NT\$12065.42676 million.
 71. Jing-Shou-Shang-Zi No. 10701004040, authorized capital stock NT\$15 billion and paid-in capital

- NT\$12202.38284 million.
72. Jing-Shou-Shang-Zi No. 10701034600, authorized capital stock NT\$15 billion and paid-in capital NT\$12212.77681 million.
73. Jing-Shou-Shang-Zi No. 10701053680, authorized capital stock NT\$15 billion and paid-in capital NT\$12227.4565 million.
74. Jing-Shou-Shang-Zi No. 11530016700, the registration of Article 5 of the Company's Articles of Association, concerning the total capital, has been approved. After registration, the approved total capital is NT\$18,000,000,000 (total number of shares: 1,800,000,000).

Tuesday, March 31, 2026, unit: Share

Types of shares	Authorized capital stock			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common stock	1,222,745,065	577,254,935	1,800,000,000	Including 30 million shares available for employee stock option certificates

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

Information relevant to the aggregate reporting policy: Not applicable.

(II) Major Shareholders

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

Baseline date: March 31, 2026

Major Shareholders	Shares	Shares held	Shareholding ratio (%)
New Labor Pension Fund		61,687,645	5.05
Yuanta/P-shares Taiwan Dividend Plus ETF account		56,230,042	4.60
Cathay Sustainability High Dividend ETF account under the custody of Taishin International Bank		53,281,000	4.36
Yann Yuan Investment Co., Ltd.		52,600,000	4.30
Chin-Kung Lee		34,100,941	2.79
Fubon Life Insurance Co., Ltd.		29,159,000	2.38
Chunghwa Post Co., Ltd.		21,303,000	1.74
Yuanta Taiwan Top 50 ETF		20,785,294	1.70
Labor Insurance Fund		19,499,500	1.59
Citibank (Taiwan) Limited, acting as Custodian for Norges Bank – JPMorgan Asset Management (Europe) S.à r.l. Investment Account		16,925,038	1.38
Total		365,571,460	29.90

Note 1: Top ten shareholders.

Note 2: The baseline date for the data in this table is the most recent closing date, March 31, 2026.

(III) Dividend policy and implementation

1. Dividend policy set forth in the Articles of Incorporation

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

The aforementioned amount of employee compensation includes an appropriation of no less than 2 percent for the compensation of low-level employees. Employees' remuneration is distributed in the form of shares or in cash; those receiving such remuneration must include employees of subordinate companies meeting certain criteria. The Board of Directors is authorized to determine the conditions and distribution methods.

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

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

If the Company's final statement for the year shows earnings, funds shall first be set aside for tax payments and to make up past losses, and another 10 percent shall be then be set aside as statutory reserve; Furthermore, depending on the Company's operating needs and the requirements of laws and regulations, the Company may set aside or reverse a special reserve; if there are still earnings and undistributed earnings at the beginning of the period, the board may draft a proposed earnings distribution plan, which shall be presented to the shareholders meeting for resolution.

The Company's dividend policy shall be determined by the investment environment, capital needs, domestic and international competition, and capital budgeting of the Company at the present moment and in the future. Shareholders' interest, balance of dividend payment and long-term financial planning of the Company shall also be taken into consideration by the Board of Directors when the board proposes the motion for allocation of stock dividends annually as required

by law and presents the same before the general meeting of shareholders for ratification. The Company is currently in the growth stage of its life cycle and is still in need of capital for expansion and investment in the future. The cash dividend allocated to shareholders in the current year shall be no less than 20% of the total dividends to the shareholders for the year.

2. Distribution of dividend proposed in the current general shareholders' meeting

The Company's 2025 profit distribution plan was approved by the Board of Directors on March 6, 2026, and will be submitted to the 2026 Annual General Meeting of Shareholders for discussion. It is proposed to allocate NT\$611,372,530 (50 shares for every 1,000 shares) from the undistributed profits of 2025, and issue 61,137,253 new shares with a par value of NT\$10 per share, and a cash dividend of NT\$1,222,745,065 (NT\$1 cash per share).

3. Description of expected change in dividend policy: None.

(IV) Impacts of proposed stock dividends on the Company's business

performance and earnings per share: In accordance with the Regulations Governing the Publication of Financial Forecasts of Public Companies and the Taiwan Stock Exchange Corporation Standards for Determining Whether a TWSE Listed Company Shall Publish Complete Financial Forecasts, as the Company did not publish complete financial forecasts for 2026, disclosure of the impact of prospective financial information is not applicable.

(V) Employee and directors' remuneration

1. The percentage or range of remuneration to employees and directors specified in the Company's Charter:

According to the Company's Articles of Incorporation, the Company shall allocate 8–10 percent of profit for the year as employee remuneration, and no more than 1 percent thereof as directors' remuneration. However, if the Company has cumulative losses, an amount sufficient to make up losses shall be retained. The aforementioned amount of employee compensation includes an appropriation of no less than 2 percent for the compensation of low-level employees. Employees' remuneration is distributed in the form of shares or in cash; those receiving such remuneration must include employees of subordinate companies meeting certain criteria. The Board of Directors is authorized to determine the conditions and distribution methods.

2. The basis for estimating the amount of employee and director remuneration shall

take into account the number of shares to be distributed as stock bonuses, and the accounting treatment of any discrepancy between the actual distributed amount and the estimated figure for the current period:

- (1)The basis for estimating employee and directors' remuneration takes into account the Company's Articles of Incorporation (pending amendments by the Board of Directors), laws and regulations, and industry standards.
- (2)The basis for calculating the number of shares to be distributed to employees as stock bonuses: Not applicable.
- (3)Accounting treatment of the discrepancy between the actual distributed amount and the estimated amount: Discrepancy, if any, between the actual distributed amount and the estimated amount is treated as changes in accounting estimates.

3. Board of directors passed remuneration distribution:

- (1)Remuneration to employees/directors in cash or shares. Any discrepancy between the annual recognized distributed amount and figure, the difference, reason and response should be disclosed: NT\$1,199,642,545 to be distributed as employee remuneration and NT\$119,964,254 as directors' remuneration have been approved by the Board of Directors on March 6, 2026. There is no discrepancy.
- (2)Proposed distribution of remuneration to employees in the form of stock bonus as a percentage to net profit after tax plus remuneration to employees in the entity or individual financial statement for the current period: For the current period, there is no plan to distribute remuneration to employees in the form of stock bonus.

4. The actual distribution of remuneration to employees and directors for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the estimated remuneration to employees and directors, additionally the discrepancy, cause, and how it is treated: In 2024, remuneration to employees and directors was NT\$850,211,408 and NT\$85,021,141, respectively. There was no discrepancy between the actual distribution and the estimated remuneration.

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

II. Instance of corporate bonds: None.

- III. Instance of preference shares:** None.
- IV. Issuance of Overseas Depository Receipts:** None.
- V. Exercise of employee stock option certificates:** None.
- VI. Issuance of new restricted employee shares:** None.
- VII. Status of New Shares Issuance in Connection with Mergers and Acquisitions:** None.
- VIII. Matters to be Documented Regarding the Implementation of Capital Utilization Plan**

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

Four. Overview of Operations

一、Business Contents

(I) Scope of business

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

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

Year	Domestic sales (%)	Export sales (%)
2021	40.63%	59.37%
2022	33.99%	66.01%
2023	32.06%	67.94%
2024	31.66%	68.34%
2025	29.43%	70.57%

Primary products/services and proportion of business in 2025

Units: NTD thousand

Product line	Operating revenue	Proportion of business (%)
Wafer test service	10,677,061	30.56%
Integrated circuits test service	23,206,180	66.43%
Others	1,050,305	3.01%
Total	34,933,546	100.00%

3. The Company's current primary products (services)
Wafer grinding and dicing, test and package services (Logic, Memory,

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

4. New products (services) under development

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

(II) Industry Overview

1. Industry status and development

According to the questionnaire results of TSIA, ITRI IEK statistics show that the total output value of Taiwan's IC industry (including IC design, IC manufacturing, IC packaging, and IC testing) in Q4 2025 (25Q4) reached NT\$17,646 billion (USD 56.6B), up 5.7% from the previous quarter (25Q3) and up 18.1% from the same period in 2024 (24Q4). The output value of the IC design industry reached NT\$354 billion (USD 11.3B), up 1.4% from the previous quarter (25Q3) and up 6.1% from the same period in 2024 (24Q4); the output value of the IC manufacturing industry reached NT\$12,128 billion (USD 38.9B), up 6.6% from the previous quarter (25Q3) and up 21.7% from the same period in 2024 (24Q4), of which foundry output reached NT\$11,407 billion (USD 36.6B), up 5.6% from the previous quarter (25Q3) and up 19.1% from the same period in 2024 (24Q4); memory and other manufacturing reached NT\$721 billion (USD 2.3B), up 27.4% from the previous quarter (25Q3) and up 84.9% from the same period in 2024 (24Q4); the output value of the IC packaging industry reached NT\$1,349 billion (USD 4.3B), up 7.7% from the previous quarter (25Q3) and up 21.5% from the same period in 2024 (24Q4); the output value of the IC testing industry reached NT\$629 billion (USD 2.0B), up 7.9% from the previous quarter (25Q3) and up 19.1% from the same period in 2024 (24Q4). The NTD/USD exchange rate used is 31.2. The test industry is identified as a capital-intensive advanced high-tech industry with considerable barriers to entry. Recently, the constant evolution of IC process and increasingly complicated functions have made the IC test become more and more important. Notwithstanding, due to the increasing capital expenditure, more and more leading IDMs and foundries have given up expansion of the back-end production capacity and contracted the IC test services to others. As a result, the professional test industry was booming.

Looking ahead to 2026 for the IC design industry as a whole, the sector is expected to continue benefiting from the expansion of demand for AI smartphones and other edge computing chips. In addition, ASIC collaborations with cloud service providers are expected to gradually transition into volume production and begin contributing to revenue, while the automotive and industrial control chips that have been steadily cultivated are also expected to yield significant returns. The output value of Taiwan's IC design industry in 2026 is projected to reach approximately NT\$1.5214 trillion, an increase of 6.8% from 2025.

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

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

3. Development trends and degree of competition for our products

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

According to an MIC report, the top ten global suppliers in the packaging and testing industry by revenue in 2025 were, in order: ASE, Amkor, JCET (Changjiang Electronics Technology), Tongfu Microelectronics, Huatian Technology, Powertech Technology Inc. (PTI), King Yuan Electronics Co., Ltd. (KYEC), Hana Micron, ChipMOS Technologies, and Chipbond Technology Corporation.

The Company owns complete testing machines, which afford to provide such comprehensive IC test services as logic IC, mixed signal

IC, memory IC, wireless network, driver IC and integrated IC, and IC burn-in test. Meanwhile, the Company also provides the integrated services including wafer grinding and dicing and reeling & packaging to meet the customers' need for one-stop purchase and to win the competitive niche for the Company's customers.

(III) Technology and R&D overview

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

Units: NTD thousand

Item/Year	2026 up to March 31	2025
R&D expenditure	307,316	930,260
Net operating revenue	10,191,943	34,933,546
To operating revenue (%)	3.02%	2.66%

Note: The information is a self-closing figure of the consolidated information as of March 31, 2026.

2. Successfully developed technology or product during the most recent year and up to the date of publication of this annual report
 1. Tray Box Stocker module.
 2. Tray Stocker module.
 3. AMR Automatic Battery Exchange.
 4. KYEC Intelligent Testing Solutions—Auto Burn In.
 5. KITS test system — liquid cooling application.
 6. Develop E-serial option board for analog production.
 7. Develop I-serial capture module for new protocol design.
 8. Develop High Power Burn in Oven.
 9. Develop High Power Burn in Tools.
 10. Develop Low Cost Burn in Solution.
 11. Develop Silicon Photonic Test Solution.
 12. Develop VCPC for CRES Analysis Technology.
 13. Develop RF and advance package for <60GHz RF Signal & High Speed interface PCB.
 14. Develop socket diagnosis analyzer solution.
 15. Develop cold plate and thermal simulation and design technical.
 16. Develop TIM material analysis and simulation technical.

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

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

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

II. An Overview of Market and Sales

(I) Market analysis

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

Units: NTD thousand

Year	2025		2024	
Area	Domestic sales	Export sales	Domestic sales	Export sales
Sales value of primary products	Value	Value	Value	Value
Wafer test	3,679,965	6,997,096	2,987,251	6,511,213
Integrated circuits test	6,042,362	17,163,818	4,694,647	11,186,373
Others	558,016	492,289	821,332	655,215
Total	10,280,343	24,653,203	8,503,230	18,352,801

2. Market share

The Company's consolidated operating revenue in 2025 was NT\$34.934 billion, a year-on-year increase of 30.08% from 2024. Due to continued expansion of AI testing capacity, capital expenditure for the year was revised upward multiple times, reaching NT\$37 billion for the full year. The turnover of annual package and test services generated by it in 2024 ranked 7th place in the same trade in the world, securing the stable market share.

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

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

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

4. Competitive niche and positive factors for future development

(1) Capital and technique intensive

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

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

Under the development trend for professional division of labor in the semiconductor industry, IDMs have gradually increased the proportion of production commissioned to professional OEMs in consideration of the

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

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

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

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

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

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

Corresponding Strategy:

- A. Provide integrated services which enable customers to receive the complete service for test, Burn-in and product package by placing one order, thereby cutting the entire production period.
- B. Establish long-term cooperative relationship with customers: The

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

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

(2) Strong capital demand:

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

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

(3) More capital investment, more business risk

The annual capital expenditure of the package and test industry frequently ranges between NT\$1 billion and NT\$10 billion. The annual depreciation expenses are tremendous in this industry. Given the fluctuation of the economy in the semiconductor industry, how to keep the Company seeking profit and avoiding loss is a critical business challenge.

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

(II) Main product applications and production processes

1. Important purpose of main products

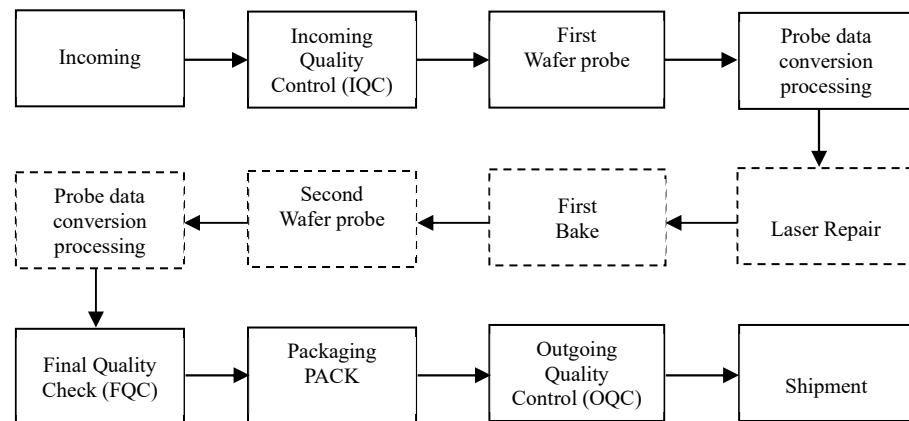
Main products	Important purpose
Wafer probe	Primarily intended to check and test the defects in the wafer of the wafer before wafer grinding/dicing and wafer packing.
Wafer grinding/wafer dicing/wafer packing	After the wafer is ground and diced, the wafer is packed in the package process.
IC Final test	Primarily intended to verify whether such attributes of the IC products as function, speed, tolerance, electronic consumption, electronic emission and heat diffusion satisfy the relevant standards.
Burn-in	The selection in infant mortality period to promptly remove infant mortality products with manufacturing

	defects and ensure product quality.
Lead Scan & Reform/Backend Services	Help the lead scan & reform of tested IC products and pack the same into the tap-on-reel trays designated by customers for convenient shipping and processing, and also provide the Dropship service.

2. Production process of main products

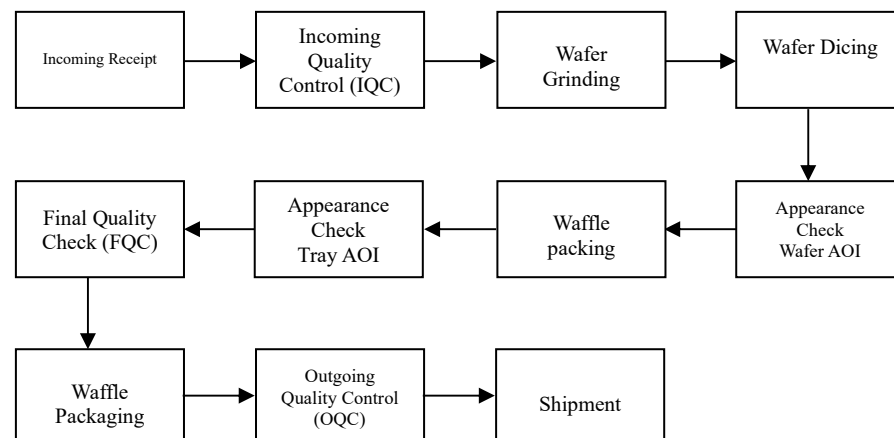
A. Wafer probing

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



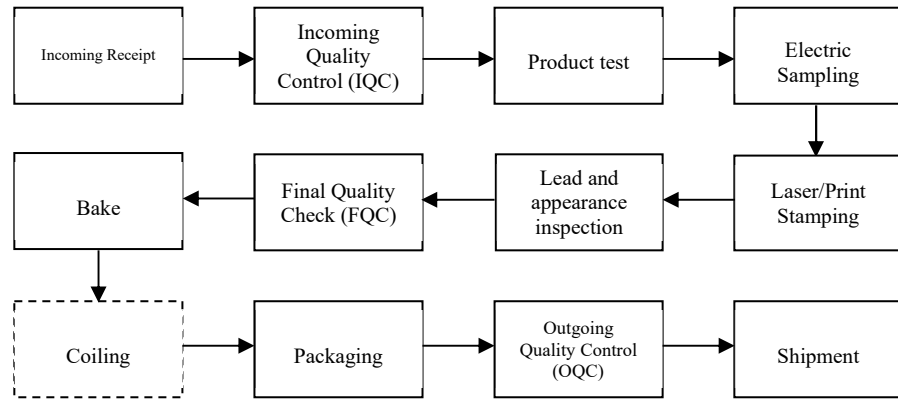
B. Wafer grinding/wafer dicing/waffle packing

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



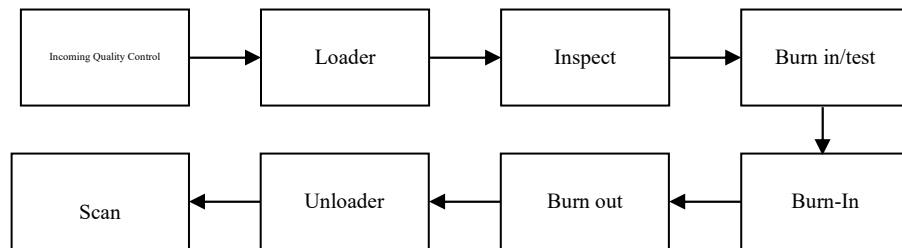
C. IC product testing procedures

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



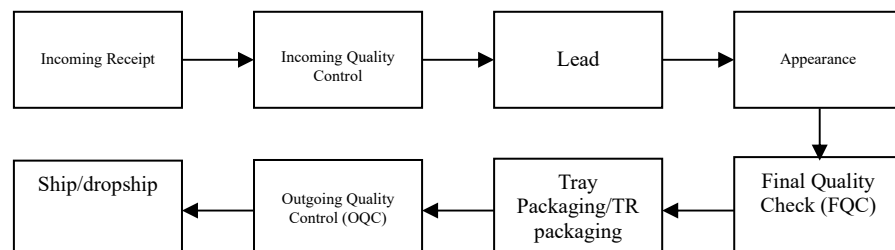
D. Burn-in

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



E. Lead/dropship

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



(III) Supply of main raw materials

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

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

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

Units: NTD thousand

Item	2025				2024			
	Title	Amount	To the annual net procurement amount (%)	Relationship with the issuer	Title	Amount	To the annual net procurement amount (%)	Relationship with the issuer
1	Customer A	643,175	19	-	Customer A	309,121	13	-
	Net purchases	3,340,268	100	-	Net purchases	2,321,846	100	-

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

Units: NTD thousand

Item	2025				2024			
	Title	Amount	Percentage of net sales %	Relationship with the issuer	Title	Amount	Percentage of net sales %	Relationship with the issuer
1	Customer A	12,649,625	36	-	Customer A	4,722,236	18	-
2	Customer B	5,078,871	15	Note 1	Customer B	3,462,686	13	Note 1
	Net sales	34,933,546	100	-	Net sales	26,856,031	100	-

Note 1: The Company's Chairman is a relative within 2nd degree of kinship with that company's chairman.

Explanation of the reason for increase or decrease: Most of the Company's main customers remained stable from 2024 to 2025. Generally, there was no significant difference arising. Most of the Company's main customers were renowned semiconductor design companies and semiconductor manufacturers. The Company also maintained the long-term stable relationship with the customers.

III. Information on Employees

Employee information during the last two years and up to the date of annual report publication

Year		2024	2025	2026 up to March 31
Number of employees	Administrative Staff	523	360	355
	R&D Engineers	4,369	3,482	3,639
	Operators	6,019	4,857	4,995
	Total	10,911	8,699	8,989
Average age		33.5	35.6	35.4
Average years of service		6.5	7.7	7.6
Education background	Ph. D.	0.03%	0.03%	0.02%
	Master's degree	7.33%	10.12%	9.97%
	University/college	73.36%	76.30%	75.74%
	Senior high school	12.42%	12.97%	13.71%
	Less than senior high school	6.86%	0.59%	0.57%

Note 1: Consolidated number of employees at the Company and its subsidiaries King Long Technology (Suzhou) Ltd. and Suzhou Zhen Kun Technology Ltd. in 2024.

Note 2: The 2025 employee headcount covers the Company only.

Note 3: Administrative staff figures from 2025 through March 31, 2026 include dispatched workers.

IV. Information on Environmental Protection Expenses

(I) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: No sanctions have been imposed by environmental regulators to date in 2025.

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

KYEC Group continued to implement a variety of energy-saving projects in 2025, with actual expenditure of approximately NT\$481,594 thousand.

1	KYEC Group has established the ISO 50001 energy management system and conducts greenhouse gas inventories in accordance with the GHG Protocol.
2	In 2025, KYEC Group recycled approximately 286.612 million liters of water.
3	KYEC Group implemented energy-saving projects in 2025, conserving a total of 29.864 million kWh of electricity and generating benefits of approximately NT\$94.4832 million.
4	KYEC Group continued to implement energy-saving projects in 2026, which are estimated to save approximately 20 million kWh of electricity.
5	KYEC Group passed the ISO 14001 for environmental management, followed the local competent authorities' policies, and sought recycling methods to mitigate the burden imposed by the waste on the environment.
6	(1) In 2025, KYEC's Taiwan plants supplied 92.95 million kWh of renewable energy, generating 92,947 renewable energy certificates; reducing CO ₂ e emissions by 44,087 tons. (2) In 2026, KYEC's Taiwan plants plan to supply 124.53 million kWh of renewable energy, generating 124,532 renewable energy certificates; reducing emission of 59,028 tons of CO ₂ e.

V. Employer and employee relationships

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

1. Employee benefits, continuing education, training:

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

The Committee provides the following subsidies:

- a. Childbirth
- b. Gift certificates for three major festivals (Lunar Chinese New Year, Dragon Boat Festival and Moon Festival)
- c. Gift certificate for birthday
- d. Merchants
- e. Marriage
- f. Funeral
- g. Injury and sickness
- h. Budget of social activities
- i. Periodic organization of various activities and competitions
- j. Departmental activity expenses

B. Other benefits (the Company reserves the right to increase, reduce, adjust, or suspend individual benefit items based on operational conditions or other legitimate reasons.)

a. Employee Remuneration

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

b. Free periodic health checkup

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

c. Provide diversified activities

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

d. Medical room and free medical consultation with specialists

- e. Provide colleagues who are away from home with the employee dormitory (equipped with bed, chair and desk, closet, air conditioner and Wi-Fi)
 - f. Staff restaurant and meal allowance
 - g. Parking lots for cars and motorcycles
 - h. Incentives for senior employees (seniority of 5/10/25 years)
 - i. Selection of model employees and reward to the model employees
 - j. Field service of coffee bar
 - k. Field service of convenient chain store and preferential treatment for shopping
- C. Continuing education/training

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

For new employees, the Company establishes the tutorship system to train and certify their work skills to ensure the quality of the test operations. For the staff engaged in production and operation technicians, the skill test should be conducted each year to ensure improving and correcting work skills. The high-rank management should tutor and promote the management talents in person to upgrade the effectiveness of both theoretical and practical management. Meanwhile, the Company works hard to promote its core value, build common values and philosophy, and enhance its performance and foundation of competitiveness.

The training is intended to upgrade the inspiration to the colleagues in knowledge and technology, and also to shape the Company's corporate culture, core values and organizational

common view. In the future, when facing the changeable environment, the Company will continue to uphold its lifelong-learning philosophy to fulfill the purpose for holistic education.

2. Retirement system and the status of its implementation:

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

The Company adopts two pension systems:

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

- I. Where the worker attains the age of 55 and has worked for 15 years or more.
- II. Where the worker has worked for more than 25 years.
- III. Where the worker attains the age of 60 and has worked for 10 years or more.
- IV. Where the sum of a worker's age and years of service reaches 60, and the worker has been employed by the Company for 10 or more years. (This retirement plan is exclusive for employees of KYEC)

The second system is the new pension system (contributions to individual pension account) in which employers contribute pension no less than 6% of the monthly salary and employees contribute 0–6%.

The new system allows workers to claim the accumulated principle and profits in the individual account after meeting the retirement element stipulated in the Labor Pension Act.

As of the end of 2025, the balance in the retirement reserve account under the old pension system was approximately NT\$540 million. Total pension expenses and employee contributions under both the new and old pension systems recorded in the 2025 accounting books amounted to approximately NT\$254 million, and the weighted average duration of the pension plan was 18 years. The Company offers both pension options to secure employees' retirement life, promote

positive labor-management relations, and safeguard employees' right to retirement.

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

3. Labor-management agreement

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

The Company respects freedom of association. Two labor unions were independently established by KYEC employees; however, both were notified between 2022 and 2023 that their operations had been suspended. Neither union has submitted a request to the Company to negotiate a collective agreement, and no collective agreement has been concluded to date. The Company holds labor-management meetings regularly in accordance with the Regulations for Implementing Labor-Management Meetings and has established diverse communication channels to foster a harmonious labor-management working environment.

4. Measures for preserving employees' interests and rights

The Company treats its employees in good faith and with respect, stabilizes the employees' lives and improves the continuing education and training channels by broadening its welfare system, and establishes the fair relationship of mutual trust and cooperation with employees.

By aligning with the Company's policies, the employees can fully exert the spirit and effectiveness of teamwork, so that the relationship between the labor force and management is full of harmony.

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

VI. Cyber Security Management

(I) Cybersecurity risk management framework, cybersecurity policies, concrete management programs, and resources invested in cybersecurity management

1. Cyber security risk management framework:

In 2022, the Company established an Information Security Committee responsible for coordinating the information security management strategy and building and maintaining an Information Security Management System (ISMS). Its responsibilities cover the formulation and promotion of information security policies, risk management, and compliance review.

The committee is chaired by Executive Vice President Chang of the R&D Center, who serves as Chief Information Security Officer (CISO), with Director Ko of the Information Technology Division serving as general convenor; members include representatives designated by each business division. The committee convenes at least once a year to review information security policies and material issues, and is committed to ensuring the confidentiality, integrity, and availability of cybersecurity management. In addition, the committee reports its implementation results to the Board of Directors on a regular annual basis; the CISO delivered the cybersecurity implementation report for 2025 to the Board of Directors on November 7 of that year.

2. Information security policy:

Information security governance and compliance commitment:

The Company has established information security policies and objectives to comprehensively protect client privacy and confidential data, strictly fulfills contractual obligations, and ensures the confidentiality, integrity, and availability of core corporate assets in compliance with international standards and regulatory requirements. In addition to maintaining ISO 27001:2013 certification, the Company completed the transition to ISO 27001:2022 certification in 2025, continuing to follow the Information Security Management System to strengthen information security governance and ensure the long-term soundness and continuous improvement of its information security management mechanisms.

Risk control and management:

The Information Security Committee convenes regularly to oversee the execution of information security strategies and ensure the security of the Company's core assets. Vulnerability scanning, penetration testing, and social engineering drills are conducted regularly to proactively identify information

security weaknesses in the Company's systems and personnel, strengthen defenses, and prevent hackers from exploiting these vulnerabilities to cause data leakage, service disruption, or other losses, thereby ensuring regulatory compliance and safeguarding operational security.

Defense and monitoring:

Advanced cybersecurity technologies and collaborative defense mechanisms are employed to ensure network environment security, with incident notification and response procedures implemented.

3. Information security risk management and protection mechanisms:

The Company's information security governance system has obtained ISO 27001 Information Security Management System certification (certificate valid from October 31, 2025 to October 31, 2028), using this international standard as the core framework and performance benchmark for risk management. Through the standardized PDCA cycle, the Company continuously optimizes its protection system and strengthens digital trust.

3.1 Plan — aligning with international standards and building resilience

- Risk governance framework: A third-party risk assessment system has been introduced in accordance with international standard frameworks, and a comprehensive monitoring mechanism has been established to ensure that cybersecurity threats are made visible.
- Policy and standardization: Standardized Cybersecurity Incident Notification and Response Procedures have been formulated, and information security policies and objectives are reviewed regularly to ensure the effectiveness and suitability of the management system.

3.2 Do — implementing defense-in-depth and broadening protection coverage

Strengthening data lifecycle protection:

- Encryption: High-strength encryption is applied to critical data for both storage and transmission, ensuring strict protection of information whether at rest or in transit.
- Classification-based governance: A data classification system has been established to apply tiered management based on sensitivity and compliance requirements, improving data governance efficiency.

- Digital trust: Electronic signature technology is used to verify data integrity and user identity, ensuring the trustworthiness of transactions and documents.

Multi-layer technical protection:

- Next-generation firewalls, Intrusion Prevention Systems (IPS), and Web Application Firewalls (WAF) are deployed to block malicious traffic in real time.
- Multi-factor authentication (MFA) is implemented; privileged accounts (PAM) are subject to tiered access controls; and USB access is strictly restricted to prevent data leakage.

Embedding a cybersecurity culture:

- Cybersecurity awareness training is provided to all new and existing employees, with an annual training completion rate of 100%, continuously deepening the organization-wide cybersecurity defense mindset.

3.3 Check — implementing security testing and compliance verification

- Security testing mechanism: Static Application Security Testing (SAST) source code analysis is performed to detect potential vulnerabilities at an early stage of development, ensuring application security.
- Audit and drills: Social engineering drills and supplier audits are conducted regularly, with effectiveness verification carried out in accordance with ISO standards.

3.4 Act — continuous optimization and improvement

- Systematic remediation: Vulnerabilities identified through risk assessments and security testing are immediately remediated and reinforced to eliminate potential risks.
- Management review: A management review meeting is held annually for senior management to assess overall performance.
- Dynamic adjustment: Based on review outcomes and drill experience, information security strategies are dynamically adjusted to ensure continued compliance with ISO certification standards and alignment with business development needs.

4. Investment of resources in information security management:

The Company regards information security as the cornerstone of its operations and is committed to building a secure and trusted information environment.

Through organizational governance, management systems, technical

protection, and continuous drills, the Company ensures the confidentiality, integrity, and availability of its information assets. Specific management programs and resource investment are as follows:

Management dimension	Key initiatives and specific programs
<p>1. Organizational structure and dedicated personnel</p>	<p>Establishing a sound information security governance system: An information security organization has been established, staffed with a CISO, information security managers, dedicated personnel, and a technical support team. Coordination and responsibilities: This unit is exclusively responsible for coordinating the Company-wide information security strategy planning, implementation of protective technologies, system architecture, and related audit matters, to maintain and continuously strengthen information security protection capabilities and ensure the effective operation of the management system.</p>
<p>2. Management systems and certification audits</p>	<p>Alignment with international standards: The Company continues to maintain the validity of its ISO 27001 Information Security Management System certification and has planned to complete the transition to the latest version of the standard in 2025, ensuring that the management system remains synchronized with the latest international requirements. Internal and external audit mechanisms: Internal audits are conducted and third-party certification body audits are received annually on a regular basis. To date, no material deficiencies have been identified in any audit, validating the effectiveness of the Company's internal control measures.</p>
<p>3. Education and training and cybersecurity awareness enhancement</p>	<p>Internal employees</p> <ul style="list-style-type: none"> · New employees: New employees are required to complete cybersecurity education and training and sign a Cybersecurity Confidentiality Agreement upon joining, establishing their confidentiality obligations. · On-the-job training: All employees are required to complete at least one online cybersecurity education and training course and assessment per year to ensure that their awareness remains up to date.

Management dimension	Key initiatives and specific programs
	<ul style="list-style-type: none"> · Social engineering drills: Two phishing email social engineering tests are conducted annually to enhance employees' alertness and ability to identify malicious emails. · Awareness mechanisms: Cybersecurity notices are issued from time to promptly communicate the latest threat information and key protection requirements. <p>Supply chain information security management</p> <ul style="list-style-type: none"> · Contractor management: Both existing and new contractors are required to complete the prescribed plant-entry cybersecurity education and training, and must also attend a periodic refresher training course once a year. · Confidentiality obligations: All outsourced vendors are required to sign a non-disclosure agreement clearly stipulating their responsibilities and obligations to protect information assets.
<p>4. Technical protection and equipment maintenance</p>	<p>Endpoint protection: Enterprise-grade antivirus software with automatic virus definition updates is deployed on all personal computers; the use of unauthorized software is strictly prohibited to reduce endpoint risk.</p> <p>Network perimeter controls: Internet usage control policies and perimeter defenses are continuously strengthened to proactively eliminate suspicious connections and potential intrusion vectors.</p>
<p>5. Backup, incident response, and business continuity management (BCM)</p>	<p>Resilience architecture: Off-site backup, redundancy mechanisms, and disaster recovery plans have been established for critical systems, and their integrity is reviewed on a regular basis.</p> <p>Incident response: Standardized Cybersecurity Incident Response and Notification Procedures have been established to ensure that, in the event of a cybersecurity incident, the scope of damage is immediately contained.</p> <p>Business continuity drills: In conjunction with the Company's business continuity management (BCM) mechanism, disaster recovery drills for critical application systems are conducted regularly to verify the achievement of recovery objectives (RTO/RPO) and maintain system fitness and resilience.</p>

Management dimension	Key initiatives and specific programs
6. Implementation results and indicators	<p>Zero major incidents: No material information security incidents occurred during the year, and no complaints were received regarding the loss or leakage of client data.</p> <p>Compliance and effectiveness: Through periodic drills, audits, and reviews, all information security systems and controls are ensured to remain continuously effective, protecting the interests of the Company and its clients.</p>

(II) In the most recent fiscal year and up to the annual report publication date, losses, possible impacts and countermeasures as a result of major cyber security incidents in the last year up to the publication date of this annual report, state the reasons if losses cannot be reasonably estimated: No material cybersecurity incidents occurred in the most recent fiscal year and up to the annual report publication date.

VII. Important Contracts

(I) Supply and distribution contracts

Contract nature	Duration	Main contents	Restrictive terms
Processing contract	2025/01~	Integrated circuit testing service contracts, etc.	Confidentiality of a third party's business

(II) Technologies cooperation contracts

Contract nature	Duration	Main contents	Restrictive terms
Cooperation agreement	2025/10/31~	Equipment co-development contract	Confidentiality of a third party's business
Cooperation agreement	2024/12/12~2027/12/11	Joint equipment development agreement	Confidentiality of a third party's business

(III) Engineering contracts (NT\$10 million or above)

Contract nature	Counterparty	Duration	Main contents
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2024/11/11~2025/01/31	CH5 1F PCW system expansion project
Construction contract	Xuan Tong System Integration Co. Ltd.	2024/12/04~2025/05/31	TL3 3F phase-2 clean room expansion project
Construction contract	Xuan Tong System Integration Co. Ltd.	2024/12/04~2025/06/30	TL3 2F incoming goods area clean room expansion
Construction contract	Xuan Tong System Integration Co. Ltd.	2024/12/08~2025/07/31	TL1 3F & TL2 2F clean room expansion project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2024/12/10~2025/06/30	CH5 1F HP93K-EXA (×28 machines) hook-up project
Construction contract	JQT Company Limited	2024/12/17~2025/03/31	TL1 3F & TL2 2F (MEP & CR) monitoring system
Construction contract	Jia Xing Technology Engineering	2024/12/17~2025/06/01	CH1 2F MAU replacement

n contract	Co., Ltd.		works
Construction contract	Xuan Tong System Integration Co. Ltd.	2024/12/26~2025/02/28	Toufen Plant clean room (Building A) epoxy self-leveling project
Construction contract	Weishun Construction Co., Ltd.	2025/01/01~2025/12/31	Zhonghua Plant CH6/7 expansion — public utilities project
Construction contract	Chu Yang Technology Engineering Co., Ltd.	2025/01/01~2025/05/31	TL1 3F & TL2 2F clean room MEP project
Construction contract	Third Enterprise Co., Ltd.	2025/01/03~2025/03/31	CH3 3F & 4F HP93K-EXA (×116 machines) busway, distribution panel, PIU, and NFB expansion project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/01/09~2025/03/31	TL3 3F high-bay zone expansion hook-up project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/01/13~2025/06/30	CH2 4F capacity expansion — main power and hook-up (×44 machines) project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/01/23~2025/06/30	CH1 1F ULTRA FLEX (×16 machines) hook-up — utilities (electrical, plumbing, gas) expansion project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/01/23~2025/05/31	CH1 PCW system equipment expansion and optimization project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/01/23~2025/06/30	CH5 1F HP93K-EXA (×27 machines) hook-up
Construction contract	Weishun Construction Co., Ltd.	2025/02/10~2025/03/31	Toufen Plant Building B rooftop cooling tower zone structural reinforcement project
Construction contract	Xuan Tong System Integration Co. Ltd.	2025/02/10~2025/06/30	Toufen Plant clean room project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/02/11~2025/05/31	CH4 3F Chroma 3200 machine expansion hook-up project
Construction contract	Cheng-Deh Fire Protection Industrial Co., Ltd.	2025/02/12~2025/03/31	Toufen Plant Phase 1 fire protection equipment project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/02/14~2025/04/30	TL1 3F & TL2 2F hook-up project
Construction contract	Cheng-Deh Fire Protection Industrial Co., Ltd.	2025/02/24~2025/06/30	Toufen Plant whole-plant fire protection system equipment project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/02/26~2025/08/31	CH1 4F HP93K-EXA (×40 machines) hook-up — utilities (electrical, plumbing) expansion project
Construction contract	Chu Yang Technology Engineering Co., Ltd.	2025/03/05~2025/08/31	Toufen Plant MEP installation project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/03/12~2025/07/31	CH2 4F capacity expansion — main power and hook-up (×70 machines) project (phase 2)
Construction contract	Weishun Construction Co., Ltd.	2025/03/21~2025/05/02	Toufen Plant Building A front lobby finish works
Construction contract	Huang Pei-Jui Architects	2025/04/01~	Toufen Plant Buildings A & B

n contract			renovation — architectural and structural works
Construction contract	Xuan Tong System Integration Co. Ltd.	2025/04/01~2025/06/30	TL1 3F clean room supplementary works
Construction contract	JQT Company Limited	2025/04/03~2025/05/31	Toufen Plant facility systems and clean room monitoring project
Construction contract	Weishun Construction Co., Ltd.	2025/04/21~2025/05/30	Toufen Plant Buildings A & B exterior cladding, fire doors, louvers, and rolling shutter addition project
Construction contract	Chu Yang Technology Engineering Co., Ltd.	2025/05/01~2025/07/31	Toufen Plant Building A 2F & 3F MEP project
Construction contract	Huang Pei-Jui Architects	2025/05/01~	Toufen Plant Building D renovation - architectural and structural consultancy services - architectural works
Construction contract	Xuan Tong System Integration Co. Ltd.	2025/05/02~2025/09/30	Toufen Plant No. 1 Building D 1F clean room project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/05/14~2025/11/30	CH1 CDA MXP system (including ancillary piping works) replacement project
Construction contract	Huan-Mei International Co., Ltd.	2025/05/22~2025/08/31	Toufen Plant Building A 1F–3F and Building B 1F general renovation; Building A terrace waterproofing project
Construction contract	Jheng-Ding Technology Engineering Co., Ltd.	2025/05/29~2025/08/29	Toufen Plant Building A 1F machine secondary wiring project
Construction contract	Chang Hua Water Refiner Technology Co., Ltd.	2025/05/30~2025/07/07	Toufen Plant RO system equipment project
Construction contract	Universal Energy Co., Ltd.	2025/06/01~2026/06/30	CH1 cooling tower #6 replacement project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/06/09~2025/09/30	CH1 4F BU1 HP93K-EXA (×10 machines) hook-up project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/06/09~2025/08/31	CH4 2F Phase 1 HP93K-EXA (×16 machines) hook-up addition project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/06/16~2025/12/31	CH1 3F MAU replacement works
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/06/19~2025/11/30	CH1 PCW pump sets ×4 (including ancillary piping works) replacement project
Construction contract	Chu Yang Technology Engineering Co., Ltd.	2025/06/27~2025/12/31	Toufen Plant No. 1 Building D 1F MEP installation project
Construction contract	Universal Energy Co., Ltd.	2025/07/01~2026/06/30	CH5 — cross-flow cooling tower and fully automated recirculating filtration system addition project (cross-flow type)
Construction contract	Weishun Construction Co., Ltd.	2025/07/02~2025/09/30	Toufen Plant Buildings A & B seismic reinforcement project
Construction contract	Weishun Construction Co., Ltd.	2025/07/11~2027/10/31	Tongluo Phase 4 new plant civil construction project

Construction contract	JQT Company Limited	2025/07/15~2025/12/31	Toufen Plant Building D FMCS monitoring system project
Construction contract	Weishun Construction Co., Ltd.	2025/08/05~2025/08/29	Toufen Plant Building D 1F general renovation project
Construction contract	Weishun Construction Co., Ltd.	2025/08/15~2025/12/31	Toufen Plant Building A — new Ziqiang Road entrance gate, perimeter fencing, guardhouse, and landscaping project
Construction contract	Weishun Construction Co., Ltd.	2025/08/20~2025/08/29	Toufen Plant No. 1 Building D 1F exterior facade renovation and fire door addition project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/09/11~2025/12/31	TL3 3F, 4F, and 5F process distribution and machine hook-up project
Construction contract	Cheng-Deh Fire Protection Industrial Co., Ltd.	2025/09/15~2026/01/31	CH2 + CH4 power room fire detection and CO2 control panel replacement project
Construction contract	JQT Company Limited	2025/09/29~2025/12/31	TL1 & TL2 1F clean room expansion — monitoring system addition project
Construction contract	Cheng-Kuan Engineering Consultants Co., Ltd.	2025/09/30~	Toufen Plant Building A MEP systems design, clean room planning and design, and construction supervision
Construction contract	San Kuen Co., Ltd.	2025/10/01~2026/10/30	CH206, CH208 & CH402 cargo elevator replacement project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/10/09~2025/11/30	TL2 1F 93K-EXA (×50 machines) hook-up project
Construction contract	Cheng-Kuan Engineering Consultants Co., Ltd.	2025/10/27~	Toufen Plant Building D MEP systems design services
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/10/28~2026/01/31	CH4 1F MWP PCW (liquid cooling) system project
Construction contract	Jia Xing Technology Engineering Co., Ltd.	2025/10/31~2026/02/26	CH4 2F CR expansion project

(IV) Long-term loan contracts

Units: Expressed in thousands of New Taiwan Dollars

Contract nature	Counterparty	Duration	Interest rate (%)	Amount
Loan	HSBC Bank (Taiwan)	2025/10/27~2028/09/30	1.85%	NTD1,500,000
Loan	HSBC Bank (Taiwan)	2025/10/27~2028/09/30	4.46%	USD16,000
Loan	Cathay United Bank	2025/11/11~2028/09/24	1.88%	NTD1,300,000
Loan	Cathay United Bank	2025/11/11~2028/09/24	4.41%	USD31,000
Loan	Bank of China Limited	2025/10/08~2027/10/07	1.89%	NTD1,000,000
Loan	Bank of Communications	2025/05/14~2028/05/14	1.83%	NTD300,000
Loan	Land Bank of Taiwan	2025/03/04~2027/03/04	1.85%	NTD900,000
Loan	DBS Bank (Taiwan) Ltd.	2025/06/02~2027/06/02	1.88%	NTD600,000
Loan	First Commercial Bank	2024/08/23~2029/08/23	1.94%	NTD2,000,000
Loan	Shanghai Commercial and Savings Bank	2024/03/10~2027/03/10	4.24%	USD15,000
Loan	Shanghai Commercial and	2025/12/03~2028/12/03	4.34%	USD24,007

	Savings Bank			
Loan	Mega Bank	2025/12/29~2027/12/28	3.96%	USD4,000
Loan	Mega Bank	2022/03/15~2028/03/15	1.99%	NTD1,500,000
Loan	Mega Bank	2025/11/07~2031/11/07	4.34%	USD30,262
Loan	Yuanta Commercial Bank	2024/08/21~2027/08/20	1.85%	NTD1,000,000
Loan	Yuanta Commercial Bank	2025/03/03~2028/03/02	1.85%	NTD1,400,000
Loan	Yuanta Commercial Bank	2023/10/11~2027/10/11	4.42%	USD29,909
Loan	Yuanta Commercial Bank	2024/08/30~2028/08/30	4.35%	USD24,619
Loan	Yuanta Commercial Bank	2025/03/28~2029/03/28	4.17%	USD8,500
Loan	Taipei Fubon Bank	2024/11/01~2029/10/31	1.50%	NTD400,000
Mortgage loan	14 banks including the Bank of Taiwan	2024/05/06~2029/05/06	2.25%	NTD2,400,000
Commercial papers	14 banks including the Bank of Taiwan	2024/05/06~2029/05/06	2.21%	NTD9,600,000
Mortgage loan	15 banks including First Commercial Bank	2025/07/09~2030/07/09	2.24%	NTD50,000
Commercial papers	15 banks including First Commercial Bank	2025/07/09~2030/07/09	2.14%	NTD600,000

(V) Other contracts that would affect shareholders' equity

Contract nature	Counterparty	Duration	Main contents
Lease agreement	LIE ZHE Corporation	2025/01/01~2029/12/31	Toufen plant lease agreement
Lease agreement	LIE ZHE Corporation	2025/06/01~2030/05/31	Toufen plant lease agreement
Lease agreement	Ji-Xin Asset Management and Development Co., Ltd.	2025/07/15~2028/07/14	Toufen plant lease agreement
Purchase and sale agreement	AMS-OSRAM ASIA PACIFIC PTE. LTD.	2025/08/20~	Singapore Plant clean room equipment purchase and sale agreement
Lease agreement	7000 AMK LLP	2025/12/16~2035/12/15	Singapore plant lease agreement
Lease agreement	Jung-Lian Co., Ltd.	2025/11/01~2035/12/31	Yangmei plant lease agreement
Lease agreement	Jung-Lian Co., Ltd.	2025/11/01~2035/12/31	Yangmei plant lease agreement

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

I. Financial Status

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

Analysis of financial position

Units: NTD thousand

Item \ Year	2025.12.31	2024.12.31	Difference	
			Increase (decrease) amount	Variation (%)
Current assets	28,919,291	43,917,988	(14,998,697)	(34.15)
Non-current financial assets at fair value through other comprehensive income	8,281,525	6,369,337	1,912,188	30.02
Investment under equity method	134,932	99,727	35,205	35.30
Property, plant and equipment	60,553,632	34,923,771	25,629,861	73.39
Other non-current assets	3,288,571	1,399,963	1,888,608	134.90
Total assets	101,177,951	86,710,786	14,467,165	16.68
Current liabilities	15,919,138	16,906,628	(987,490)	(5.84)
Non-current liabilities	34,821,064	25,092,675	9,728,389	38.77
Total liabilities	50,740,202	41,999,303	8,740,899	20.81
Capital stock	12,227,451	12,227,451	-	-
Additional paid-in capital	5,080,949	5,077,764	3,185	0.06
Retained earnings	28,247,357	22,396,262	5,851,095	26.13
Total shareholders' equity	50,437,749	44,711,483	5,726,266	12.81

Main reasons for change by more than 20% between previous and current periods and change in amount by more than NT\$10 million, and the effect thereof are analyzed and stated as follows:

Decrease in current assets: Mainly due to the completion of the disposal of King Long Technology (Suzhou) Ltd., resulting in a decrease in the related assets.

Increase in non-current financial assets at fair value through other comprehensive income: Mainly due to increase in the fair value of Yann Yuan Investment Co., Ltd. and Shieh Yong Investment Co., Ltd.

Increase in investments accounted for using the equity method: Mainly due to an increase in investment income from Fixwell Technology Corp.

Increase in property, plant, and equipment: Mainly due to an increase in machine procurement and plant facility engineering required to support operational needs.

Increase of other non-current assets: Mainly due to the new lease of a factory in Toufen, which increased right-of-use assets by NT\$905,753 thousand.

Increase in non-current liabilities and total liabilities: Mainly due to an increase in borrowings required for operational capacity expansion.

Increase in retained earnings: Mainly due to the substantial increase in demand for AI high-performance computing (HPC) chips, which contributed to the growth of our revenues and profits.

II. Financial Performance

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

Comparison and analysis of operating results

Units: NTD thousand

Item \ Year	2025	2024	Difference	
			Increase (decrease) amount	Variation (%)
Operating revenue	34,933,546	26,856,031	8,077,515	30.08
Operating cost	(22,411,375)	(17,512,212)	4,899,163	27.98
Gross profit	12,522,171	9,343,819	3,178,352	34.02
Operating expense	(3,519,661)	(3,171,553)	348,108	10.98
Net operating profit	9,002,510	6,172,266	2,830,244	45.85
Non-operating revenue and expense	1,626,246	(200,719)	1,826,965	910.21
Net profit before tax	10,628,756	5,971,547	4,657,209	77.99
Income tax expense	(2,624,046)	(1,210,746)	1,413,300	116.73
Continuing departments net income - current period	8,004,710	4,760,801	3,243,909	68.14
Profit or loss from discontinued units	3,053,084	3,334,485	(281,401)	(8.44)
Net profit - current period	11,057,794	8,095,286	2,962,508	36.60
Other comprehensive income (loss) - current period	1,026,707	462,471	564,236	122.00
Total comprehensive income - current period	12,084,501	8,557,757	3,526,744	41.21

Main reasons for change by more than 20% between previous and current periods and change in amount by more than NT\$10 million, and the effect thereof are analyzed and stated as follows:

Increase in operating revenue, gross profit, net operating profit, pre-tax net profit, income tax expense, net profit, and total comprehensive income for the period: Mainly due to the substantial increase in demand for AI high-performance computing (HPC) chips, which contributed to the growth of our revenues and profits.

Increase in operating costs: Mainly due to the strong demand for high-performance computing (HPC) chips driven by artificial intelligence (AI), which led to significant growth in high-end testing orders. The associated variable costs, including direct materials, labor, and utilities, as well as fixed costs related to capacity expansion, also increased accordingly.

Increase in non-operating income and expenditure: Mainly due to increases in gains on disposal of fixed assets and foreign exchange gains.

Increase in other comprehensive income for the period: Mainly due to profit from changes in the fair value of Yann Yuan Investment Co., Ltd. and Shieh Yong Investment Co., Ltd.

III. Cash flow

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

Item \ Year	2025	2024	Increase (decrease) (%)
Cash flow ratio	82.62%	109.28%	(24.40)
Cash flow adequacy ratio	79.32%	104.20%	(23.88)
Cash flow reinvestment ratio	5.01%	9.59%	(47.76)

Analysis of variations: Mainly due to the completion of the disposal of King Long Technology (Suzhou) Ltd., resulting in a decrease in the related assets and liabilities.

(II) Improvement plans for insufficient liquidity: None.

(III) Analysis of liquidity in the coming year:

Units: NTD thousand

Initial cash balance ①	Projected net cash flow from operating activities for the year ②	Projected cash outflow of the year ③	Expected cash surplus (deficit) ①+②-③	Remedial measures against insufficient projected cash flow	
				Investment plans	Financing plans
10,292,154	17,917,651	94,994,477	(66,784,672)	5,337,867	71,459,395

1. Analysis of change in cash flow for the year:
 (1) Operating activities: Net cash inflow from operating activities is projected to be NT\$17,917,651 thousand.
 (2) Investing activities: Capital expenditure is projected to be NT\$49,747,956 thousand.
 (3) Financing activities: Projected repayment of medium- to long-term loans of NT\$27,628,776 thousand, and distribution of cash dividends and employee and director remuneration of NT\$2,540,745 thousand.
 2. Remedial measures for expected cash deficit and liquidity analysis: Not applicable.

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

(I) Major capital expenditure and source of capital

Units: NTD thousand

Projects	Actual or expected source of fund	Actual or expected date of completion	Total fund to be required	Actual or expected fund utilization		
				2024	2025	2026
Investment in construction of factories and machine & equipment	Self-owned funds and bank loans	2024.12	11,440,086	9,688,552	1,751,534	-
Investment in construction of factories and machine & equipment	Self-owned funds and bank loans	2025.12	32,720,069	-	29,665,542	3,054,527
Investment in construction of factories and machine & equipment	Self-owned funds and bank loans	2026.12	39,371,628	-	-	39,371,628

(II) Projected benefits

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

Units: NTD thousand

Year	Item	Output volume	Sale volume	Sale value	Gross profit
2026	Integrated circuits processing and test	Note	Note	3,284,011	1,182,244
2027	Integrated circuits processing and test	Note	Note	4,691,444	1,688,920
2028	Integrated circuits processing and test	Note	Note	4,691,444	1,688,920

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

2. Other benefits

- A. Strengthen the industry characteristics and production structure of vertical division of labor in the semiconductor industry.
- B. In response to the rapid capacity growth of wafer fabs, combined with investment in back-end testing capacity to meet customer requirements and enhance the return on core business investment.
- C. Provide high-efficiency, low-cost professional testing services to enhance the overall competitiveness of the industry.
- D. Providing comprehensive support and services for wafer testing capacity requirements of IC design companies.

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

- (I) The Company's investment strategy is primarily intended to align with the Company's enhanced development of the core business, so as to strengthen the relationship with major customers and extend the sensitivity of related industries.
- (II) The Company recognized investment gains of NT\$42,645 thousand under the equity method in 2025, primarily from the operations of its investees Fixwell Technology Corp. and Wei Jiu Industrial Co., Ltd.
- (III) Investment plan for the coming one fiscal year: The investment plan will be submitted to the Board of Directors for approval after careful evaluation based on the overall industry situation and the company's business development needs.

VI. Analysis and assessment of risk factors

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

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

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

Units: NTD thousand

Item	2025	2024
Exchange gains (losses) (A)	421,771	141,058
Interest income (expense) (B)	(124,946)	(357,370)
Operating revenue (C)	34,932,859	26,895,990
Net profit before tax (D)	13,734,928	9,724,332
A/C (%)	1.20	0.52
A/D (%)	3.07	1.45
B/C (%)	-	-
B/D (%)	-	-

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

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

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

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

A. The capital expenditure is intended for the import of equipment. In order to mitigate the impact rendered by the fluctuation in foreign exchange rate on profit, the Company reached an agreement with major customers to collect accounts receivable in USD, in part, to make some payments.

B. Establish Article 12 of the Operating Procedures for Acquisition or Disposition of Assets, "Operating Procedure for Acquisition or Disposition of Derivatives" as the basis for operation of the foreign currency exchange rate hedging tools to mitigate the impact rendered by the fluctuation in foreign exchange rate on profit.

C. Collect the information about fluctuation in foreign exchange rate and interest rate on a daily basis to help take responsive measures in a timely manner.

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

1. High risk, high leverage investments

The Company and its subsidiaries did not engage in any high-risk, high-leverage investments in 2025.

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

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

- (1) Lending to others: As of the date of publication of the annual report, the Company only extended loans to its subsidiaries.
- (2) Endorsements/guarantees: As of the date of publication of the annual report, the Company and its subsidiaries provided no endorsement or guarantee in 2025.
- (3) Derivatives transactions: As of the date of publication of the annual report, the Company and its subsidiaries did not engage in any derivative transactions in 2025.

(III) Future research and development plans and projected expenses

Item No.	Future R&D plans	Projected duration	Projected expenses (NT\$)
1	Tray to Tray Vision Handler	2026/Q4	10,000,000
2	FT handler development	2026/Q4	6,000,000
3	Wafer probe mark depth automated measurement equipment	2026/Q4	15,000,000
4	Silicon photonics CPO test machine development	2026/Q4	10,000,000
5	Liquid cooling — immersion cooling thermal control system	2026/Q4	3,000,000
6	Humanoid robot — hardware structural collaborative serial drive	2026/Q4	5,000,000
7	Develop High Power Burn in Oven 1. Burn in system with new fuction design. (HP600/HP320) 2. Burn in system with high power design. (HP320-HV) 3. Luqid cooling control module design for thermal issue. (module board\moudle extion board)	2026/Q4	18,000,000
8	Develop High Power Burn in Tools. 1. KMCS (for KITS HP320_Q/ HP600_Q) 2. Kiwi anlaysis system for burn in raw data 3. Socket pogo pin resistence measure system.	2026/Q4	17,000,000
9	Develop Low Cost Burn in Solution. 1. Cost efficiency PE (XD) improvement. (HP300) 2. Cost efficiency new structure. (HP384) ✓ PG module. ✓ DC module. ✓ New BIB structure.	2026/Q4	25,000,000
10	Develop Silicon Photonic Test Solution. 1. FT Test Solution (with home made handler). 2. Burn in Solution (with KITS)	2026/Q4	10,000,000

11	Develop CRES Analysis Technology. 1. Develop PCB diagnosis analyzer. 2. Increase TDR option. 3. Pogo pin pick and place equipment	2026/Q4	4,000,000
12	Develop RF and advance package for <60GHz RF Signal & High Speed test interface PCB.	2026/Q4	1,500,000
13	Develop cold plate and thermal simulation and design technical and analysis capability 1.Establish cold plate certification environment 2.Establish cold plate design and simulation capabilities	2026/Q4	3,500,000

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

The Company conducts businesses in accordance with the laws and regulations of the competent authority. In the most recent year and as of the publication date of the Annual Report, the Company’s finances and businesses have not been affected by major changes in domestic or foreign policies and laws.

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

The Company adheres to the principle of prudent management and has established a sound governance framework to address the above risks. Specific measures are as follows:

Building an international-grade cybersecurity defense system (addressing cybersecurity risks): To reduce the financial and operational impact of cybersecurity incidents, the Company has obtained ISO 27001 certification and has implemented the following protection mechanisms:

1. Strengthening access and development security: Strict controls are applied to the use of privileged accounts to prevent privilege abuse; source code scanning has been introduced at the system development stage to reduce security vulnerabilities at the source. In addition, electronic signatures and multi-factor authentication (MFA) have been implemented to prevent unauthorized access and data tampering.
2. Data resilience and compliance: High-strength encryption and tiered classification management are applied to critical data, and regular data backups are performed to ensure data availability.
3. Continuous drills and optimization: Social engineering drills and disaster recovery plan (DRP) drills are conducted annually.

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

Ethics is the first priority which the corporate identity should focus on. The Company has specified such important principle in its corporate culture and articles of incorporation. Therefore, ethics has become an essence upheld by the Company in its corporate governance. In the most recent fiscal year and up to the annual report publication date, the Company has not experienced any crisis arising from changes to its corporate image.

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

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

In response to future operational development needs, the Board of Directors approved the following plant expansion proposals during fiscal year 2025:

1. On May 9, 2025, the Board of Directors resolved to lease part of the factory premises located at No. 215, Section 2, Ziqiang Road, Toufen City, Miaoli County from LIE ZHE Corporation. for the purpose of production capacity expansion.
 2. On June 20, 2025, the Board of Directors resolved to commission Weishun Construction Co., Ltd. to construct the Tongluo Phase 4 plant under a land lease and commissioned construction arrangement, for use in production and operations.
 3. On October 21, 2025, the Board of Directors resolved to lease part of the factory premises located at No. 215, Section 2, Ziqiang Road, Toufen City, Miaoli County from Fang-An Co., Ltd. for the purpose of production capacity expansion.
 4. On October 21, 2025, the Board of Directors resolved to lease factory premises located at No. 80 and No. 120, Xingshan Road, Yangmei District, Taoyuan City from Jung-Lian Co., Ltd. for the purpose of production capacity expansion.
 5. On October 29, 2025, KYEC Singapore Pte Ltd., a subsidiary of the Company, resolved to lease factory premises and office space located at 7000 Ang Mo Kio Avenue 5, #03-00, Singapore 569877 from 7000 AMK LLP for the purpose of production capacity expansion and office use.
- ① Expected benefits: Through plant expansion and the introduction of advanced equipment, the Company improves production efficiency and product yield to meet customer order requirements.
- ② Possible risks: Excessively large investment amounts affecting the deployment of funds; market demand fluctuations causing utilization rates to

fall below expectations.

③ Response measures: Capital budgets are assessed prudently; equipment introduction follows a phased expansion approach to reduce investment risk; and strategic partnerships are developed with clients to mitigate the impact of market fluctuations.

(IX) Risks associated with over-concentration in purchases or sales, and response measures: None.

(X) The effects and risks of large-scale share transfers or conversions by directors or major shareholders holding more than 10% of the Company's shares, and response measures: None.

(XI) Impacts, risks and responsive measures associated with a change of management: None.

(XII) Major litigations and non-contentious cases: Describe the major litigations, non-contentious cases or administrative litigations involving the Company or any director, president, person-in-charge or major shareholder with more than 10% ownership interest, whether concluded or pending judgment, that are likely to pose a significant impact to shareholder equity or security prices of the Company, and disclose the nature of dispute, the amount involved, the date the litigation first started, the key parties involved, and progress as of the publication date of this annual report: None.

(XIII) Other significant risks and response measures: None.

VII. Other Significant Events: None.

Six. Special Items

I. Information on Affiliates

We hereby declare that companies to be included in the consolidated financial statements in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as companies that are to be included in the consolidated financial statements of the parent company in accordance with IFRS10 in 2025 (From January 1, 2025 to December 31, 2025). All information on affiliated enterprises that must be disclosed in the consolidated financial statements has been disclosed in the abovementioned consolidated financial statements. Hence, we did not separately prepare consolidated financial statements of affiliated enterprises.

The Company discloses affiliated enterprise information on the Market Observation Post System (MOPS) in accordance with applicable laws and regulations.

Index path: Market Observation Post System > Single Entity > Download e- Documents > Affiliate Documents

Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

II. Any private placement of securities in the recent years up to the publication of this annual report: None.

III. Other important supplementary information: None.

IV. Corporate events with material impact on shareholders' equity or stock prices set forth in Article 36, Paragraph 3, Subparagraph 2 of Securities and Exchange Act in the most recent year and up to the publication date of this Annual Report should be listed individually: None.

King Yuan Electronics Co., Ltd.

Chairman: Chin-Kung Lee



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

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