



## **King Yuan Electronics Co., Ltd.**

### **2026 Annual General Meeting Minutes**

Convention Method: Physical Convention of Annual General Meeting

Time: Friday, May 29, 2026 9:00 a.m.

Location: 2F., No. 6, Yule St., Toufen City, Miaoli County (Conference Room 205, Grand Royal Hotel)

Attendants: Shareholdings of all shareholders and proxies are 1,050,323,143 in total which was 85.89% in 1,222,745,065 outstanding shares.

Chairperson: Director & Chairman Chin-Kung Lee

Present Directors: Chin-Kung Lee, Chi-Chun Hsieh, Gauss Chang, Kao-Yu Liu, Kuan-Hua Chen, Semi Wang (Convener of Audit Committee), Dar-Yeh Hwang and Shi-Jer Sheen, and eight directors attended the shareholders meeting, which more than half of the nine directors.

Others : Ms. Wan-Ju Chiu, CPA, EY

Mr. Fong-Fu Chen, T&T International Law Office

Minute Recorder: Neil Chung

I. Announcement of meeting (Chairman announced that meeting began, after the aggregate shareholdings of the shareholders present in person or by proxy had reached the legal standard.)

II. Chairperson Remarks (omitted)

III. Reporting Items

1. The Company's 2025 Business Overview.

Acknowledged

2. The Audit Committee's review of the Company's 2025 Financial Report.

Acknowledged

3. The Company's 2025 Distribution of Employee and Director Remuneration.

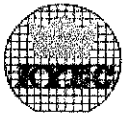
Acknowledged

IV. Ratification Items

1. The Company's 2025 Business Report and Financial Statement.

Description:

(1) The Company's 2025 Business Report and Financial Statement have been resolved on the 26th Meeting of the 15th Session of the Board and were



audited by the Audit Committee with an issued audit report.

(2) Please refer to Attachment 1 concerning the business report, Audit Committee's audit report, and financial statement in the foregoing paragraph.

Voting Result: 1,050,323,143 shares were represented at the time of voting  
(including 805,148,164 shares voted via electronic transmission)

Voting Results	% of the total representation at the time of voting
Votes in favor: 981,417,305 votes (including 736,354,203 shares voted via electronic transmission)	93.43%
Votes against: 34,990 votes (including 34,990 shares voted via electronic transmission)	0.00%
Votes invalid: 0 votes (including 0 share voted via electronic transmission)	0.00%
Votes abstained: 68,870,848 votes (including 68,758,971 shares voted via electronic transmission)	6.55%

This proposal was approved finally.

## 2. The Company's 2025 Earnings Distribution.

### Description:

- (1) The Company's 2025 distribution of earnings report has been resolved on the 26th Meeting of the 15th Session of the Board and was audited by the Audit Committee with an issued audit report.
- (2) For the distribution of earnings report that was prepared in accordance with the provisions of the Company Act and the Company's Articles of Incorporation, please refer to Attachment 2.
- (3) If the Company made substantial investment using the undistributed earnings after the distribution of the 2025 earnings, the Company shall apply for reduction of the amounts of undistributed earnings or refund of excess



payment under the preferential taxation provisions stipulated in Article 23-3 of the “Statute for Industrial Innovation.”

Voting Result: 1,050,323,143 shares were represented at the time of voting (including 805,148,164 shares voted via electronic transmission)

Voting Results	% of the total representation at the time of voting
Votes in favor: 957,397,874 votes (including 712,636,364 shares voted via electronic transmission)	91.15%
Votes against: 2,795,425 votes (including 2,795,425 shares voted via electronic transmission)	0.26%
Votes invalid: 0 votes (including 0 share voted via electronic transmission)	0.00%
Votes abstained: 90,129,844 votes (including 89,716,375 shares voted via electronic transmission)	8.58%

This proposal was approved finally.

#### V. Discussion Items

1. Request for review of the proposal to transfer surplus to capital and issue new shares.

##### Description:

(1) For the purpose of purchasing equipment, the Company intends to appropriate NT\$611,372,530 from the 2025 undistributed retained earnings and issue 61,137,253 new shares through recapitalization, with each new share having a par value of NT\$10. Such new shares shall be distributed proportionately and gratuitously to shareholders based on their shareholdings as recorded in the shareholders’ roster on the record date for the capital increase, at the rate of 50 shares per 1,000 shares held. In the event of



fractional entitlements, shareholders may, within five days from the commencement of the book closure period for the capital increase distribution, apply to combine their fractional shares to form one full share. Any fractional shares not combined within the timeframe, or those remaining fractional after combination, shall be settled in cash at par value pursuant to Article 240 of the Company Act, rounded down to the nearest NT\$1 (fractions of NT\$1 shall be rounded down). The Chairman is hereby authorized to sell such fractional shares to specific persons at par value. For shareholders participating in the book-entry distribution of shares, any cash in lieu of fractional shares representing less than one share shall be applied to offset the fees for book-entry transfer through the Taiwan Depository & Clearing Corporation.

- (2) The new shares to be issued through this capitalization of retained earnings shall be issued in scripless form. These new shares shall have the same rights and obligations as the Company's existing issued common stock. Upon approval of this proposal by the Annual General Meeting and subsequent approval by the competent authority, the Board of Directors is hereby authorized to set the baseline date for the capital increase distribution, the distribution date, and handle all other related matters.
- (3) Should the Company encounter a change of share capital that changes the number of outstanding shares on a later date, thereby causing variations in the percentage of cash dividends allocated to shareholders and stock distribution ratio that require adjustments, the Board of Directors shall be fully authorized to make the necessary adjustments.
- (4) If any provisions of this capital increase proposal require amendment due to actual circumstances or instructions from the competent authority, the Board of Directors is authorized to make the necessary adjustments.

Voting Result: 1,050,323,143 shares were represented at the time of voting  
(including 805,148,164 shares voted via electronic transmission)



Voting Results	% of the total representation at the time of voting
Votes in favor: 980,623,592 votes (including 735,865,082 shares voted via electronic transmission)	93.36%
Votes against: 368,317 votes (including 368,317 shares voted via electronic transmission)	0.03%
Votes invalid: 0 votes (including 0 share voted via electronic transmission)	0.00%
Votes abstained: 69,331,234 votes (including 68,914,765 shares voted via electronic transmission)	6.60%

This proposal was approved finally.

#### VI. Election Items

Motion of Election of the 16th Board of Directors.

Description:

- (1) The Company's 15th-term Board of Directors was set to expire on May 29, 2026; however, given the date of the shareholders' meeting, the date of expiration will be brought forward to the day of election of the 16th term of Board of Directors.
- (2) In accordance with Article 13 of the Company's Articles of Incorporation, nine directors (including three independent directors) will be elected at the 2026 Shareholders' Meetings. The new board members will serve a term of three years, beginning on May 29, 2026 and ending on May 28, 2029.
- (3) The Company has adapted the candidate nomination system in terms of election of directors, that directors shall be selected from the candidate list by shareholders. For education, experience and other relevant information of the candidates are as follow:



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 機密/SECRET  
 密/CONFIDENTIAL  
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No.	Type of Candidate	Name of Candidate	Education	Experience	Current Position	Shares held (Share)
1	Director	Chin-Kung Lee	Graduated from Department of Shipping and Transportation Management, National Taiwan Ocean University	Director of King Long Technology (Suzhou) Ltd. and Suzhou Zhen Kun Technology Ltd. Independent Director of Quang Viet Enterprise Co., Ltd.	Chairman of KYEC Chairman of KYEC Investment International Co., Ltd.	34,100,941
2	Director	Chi-Chun Hsieh	Graduated From College of Medicine, Taipei Medical University	Supervisor of KYEC	Vice-Chairman and member of the Sustainable Development Committee of KYEC Physician	5,552,037
3	Director	Gauss Chang	Graduated from Department of Physics, NCKU Master of Business Administration from Saginaw Valley State University, USA	Chairman of King Long Technology (Suzhou) Ltd. and Suzhou Zhen Kun Technology Ltd. Executive Vice President of KYEC Senior Vice President of KYEC	President and Director of KYEC Chairman of KYEC USA Corp. Chairman of KYEC SINGAPORE PTE. LTD. Chairman of KYEC JAPAN K.K.	3,248,275
4	Director	Kao-Yu Liu	PhD in Architecture, Graduate School of Engineering, the University of Tokyo	Supervisor of KYEC	Director of KYEC Chairman of LC Architecture Realization Company, Inc. Chairman of Ji-Ze Construction Development Co., Ltd.	4,808,267
5	Director	Kuan-Hua Chen	Master's in Financial Engineering, Carnegie Mellon University	Supervisor of Weikeng Industrial Co., Ltd.	Director of KYEC Director of Weikeng Industrial Co., Ltd.	3,005,000
6	Director	Yann Yuan Investment Co., Ltd. Representative: Ping-Kun Hung	Not applicable.	Not applicable.	Not applicable.	52,600,000
			Graduated from Department of Public Finance, National Chengchi University	Director of Silicon Integrated Systems Corp.	Director of KYEC	0



7	Independent director	Semi Wang	Graduated from Department of Aeronautics and Astronautics, NCKU	Chairman of Mingxiang Culture Co., Ltd. Supervisor of Kuokuang Power Plant Co., Ltd.	Independent Director and member of Audit Committee, Remuneration Committee of KYEC Director of Mingxing Creative Management Consulting Co., Ltd. Director of FIT Holding Co., Ltd. Independent Director of Creative Sensor Inc. Member of Compensation Committee of LeadSun Greentech Corporation	10,000
8	Independent director	Shi-Jer Sheen	Graduated from Institute of Business Administration, Kyushu University, Japan	Responsible person of Private Short-Term Busiban	Independent Director and member of the Audit Committee, Remuneration Committee, and Sustainable Development Committee of KYEC	0
9	Independent director	Ya -Ching Li	Master of Accounting, University of Missouri	Senior Assistant to the General Manager and Acting Spokesperson of GCS Holdings, Inc.	Independent directors and members of the Audit Committee and Remuneration Committee of IC Plus Corp. Independent directors and members of the Audit Committee and Remuneration Committee of Silicon Integrated Systems Corp. Independent directors and members of the Audit Committee, Remuneration Committee, and Operating Sustainability and Nomination Committee of Unimicron Technology Co., Ltd.,	0



Election Result:

name	Number of votes	note
Chin-Kung Lee	901,422,436	
Chi-Chun Hsieh	854,891,181	
Gauss Chang	834,822,942	
Kao-Yu Liu	700,957,794	
Kuan-Hua Chen	700,673,196	
Yann Yuan Investment Co., Ltd Representative: Ping-Kun Hung	711,108,240	
Semi Wang	687,654,229	Independent Director
Shi-Jer Sheen	832,519,968	Independent Director
Ya-Ching Li	683,859,147	Independent Director

VII. Extraordinary Motions: None

Key points of shareholder questions and company responses:

Shareholder Cheng-Chih Yang (attendance number: 445499) spoke:

I. The entire electronics industry faces considerable opportunities and underlying concerns as AI rises. How would you handle the pressure on the depreciation of fixed assets and equipment if demand for AI declines over the next one to two years? Is there a flexible adjustment mechanism?

The management team's response:

We continuously monitor risks and address such market fluctuations from two angles:

First, we evaluate the situation based on industry supply and demand. We encounter bottlenecks nearly every year as we build and scale AI infrastructure—including advanced manufacturing and packaging capacity, and the raw materials that support these processes. In essence, the market trend still shows that supply lags behind demand. We are, of course, proceeding cautiously and closely monitoring industry developments.

At the same time, we will ensure that our financial structure and cash reserves are in order. In short, as long as capacity constraints continue and demand stays unmet, we do not expect the supply-demand gap to be bridged over the next one to two years. Thus, while the supply-demand situation is not entirely free of risks, we are confident that we are well-positioned to adapt to changing market conditions with our current cash reserves and cash structure.

The capital markets, however, are a different matter. If you're concerned about the



industry's supply and demand dynamics, our outlook remains relatively positive. We have the appropriate financial structure in place to respond to market shifts. However, regarding stock price performance and capital market volatility, investors should be prepared for potential fluctuations. Our industry outlook is positive. However, we cannot make any promises regarding changes in the capital markets.

II. I assume King Yuan Electronics Corp. (KYEC) has conducted its own SWOT analysis. What are your plans for handling both potential and existing competitors?

The management team's response:

Looking at how our industry has evolved over time, we can perhaps divide the industry's development into two phases: the present and the past. In the past, the cost of a typical IC was often less than one U.S. dollar, and many ICs remain in that range today. At that time, our business was primarily viewed as part of the supply chain and a manufacturing service, and to some extent, defined as a manufacturing service business or service-oriented manufacturing. Today, the value of a single IC or product we handle is tens of thousands of U.S. dollars, reflecting an increase of tens of thousands of times. As a result, what we do in the testing industry is no longer merely part of the supply chain. It has become an integral and indispensable part of the manufacturing process.

Historically, once yields and quality become relatively stable, customers would focus heavily on reducing costs. That was the past. So, the testing industry used to focus on pursuing efficiency.

Now, in the AI era, improving yield, performance, and efficiency requires sophisticated testing capabilities. As a result, the objective is no longer solely about reducing costs.

This brings us to your question about differentiation. I prefer to think of competitors as our industry peers. How do we set ourselves apart? We focus on honing our engineering and technology expertise, gaining a thorough understanding of fundamental IC characteristics and physical properties. This understanding allows us to speak the same language as our customers, which helps build their confidence in us as we work together. So, I don't focus on defining competitors. We don't need to compete with ASE, as they are substantially larger and offer packaging capabilities that we do not. As for other testing peers, their products are not directly comparable to ours.



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I believe KYEC should build upon and leverage our unique strengths based on this understanding. As the market continues to evolve, the trust we have built with our customers will provide us with more opportunities. We will strive to deliver strong performance and provide better returns to our shareholders.

VIII. Meeting ends: Meeting ended at 9:42 a.m.

(Annex 1)

## **King Yuan Electronics Co., Ltd. Business Report**

In 2025, the operating environment was filled with numerous variables. Against the backdrop of the United States initiating reciprocal tariffs on a global scale, significant exchange rate fluctuations driven by the substantial appreciation of the New Taiwan Dollar, a rapid surge in customer demand for the Company's testing facility space, intense debates surrounding the explosive growth in artificial intelligence (AI) demand, and bottlenecks in the AI supply chain, all employees of the Company came together and forged ahead with determination and perseverance, ultimately achieving outstanding results and fully demonstrating the Company's robust operational resilience in rapidly adapting to changes in the external environment.

### **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 the previous year. 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.

**King Yuan Electronics Co., Ltd.**  
**Audit Report from the Audit Committee**

With regard to the Company's 2025 business report, consolidated financial statement (including financial statements of individual entities), and distribution of earnings resolutions prepared and submitted by the Board, the consolidated financial statement (including financial statements of individual entities) has already been audited by Ernst & Young, which has submitted an audit report. The foregoing business report, consolidated financial statement (including financial statements of individual entities), and distribution of earnings resolution has been reviewed by the Audit Committee, which found no discrepancies. The foregoing report has been made pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, please check.

King Yuan Electronics Co., Ltd.

Chairperson of the Audit Committee: Semi Wang

March 6, 2026

## **Independent Auditors' Report**

To King Yuan Electronics Co., Ltd.

### **Opinion**

We have audited the accompany parent company only balance sheets of King Yuan Electronics Co., Ltd. as of December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and notes to the parent company only financial statements, including the summary of material accounting policies (together “the financial statements”).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of King Yuan Electronics Co., Ltd. as of December 31, 2025 and 2024, and its financial performance and cash flows for the years ended December 31, 2025 and 2024, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2025 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue recognition

King Yuan Electronics Co., Ltd. recognized net sales of NT\$34,932,859 thousand for the year ended December 31, 2025. Its main activities are providing testing and assembly services and rental of testing machineries that represented 96%, or NT\$33,575,638 thousand in the amount, of the net operating revenue.

The primary activities of King Yuan Electronics Co., Ltd. are providing testing and assembly services, and the services comprise various wafers/integrated circuits testing and assembly processing and rental of machinery, due to the different customers' demand and nature of revenue that increase the complexity of the revenue recognition. Therefore, we determined the matter to be a key audit matter.

Our audit procedures include (but are not limited to) assessing the appropriateness of the accounting policy for revenue recognition; evaluating and testing the effectiveness of internal control relating to the timing of revenue recognition, analyzing the reasonableness of gross profit margin by products, performing cutoff testing for a period before and after the balance sheet date on a sampling basis, performing test of details on selected samples, reviewing the significant terms of sales agreements and examining relevant delivery documents, and reviewing the selected samples of the quantity, specification, period and relevant documents of machinery services for the rental of testing machineries.

We also considered the appropriateness of the disclosures of operating revenue. Please refer to Note 4 and Note 6 in notes to the consolidated financial statements.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of King Yuan Electronics Co., Ltd.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of King Yuan Electronics Co., Ltd.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of King Yuan Electronics Co., Ltd. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause King Yuan Electronics Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the parent company only financial information of the entities or business activities within King Yuan Electronics Co., Ltd. to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2025 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chiu, Wan-Ju

Hsu, Hsin-Min

Ernst & Young, Taiwan  
March 6, 2026

Notice to Readers

- The accompanying parent company only financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.
- Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese

**KING YUAN ELECTRONICS CO., LTD.**  
**PARENT COMPANY ONLY BALANCE SHEETS**

As of December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

<b>ASSETS</b>		December 31, 2025	December 31, 2024	%	%
	Notes				
<b>Current assets</b>					
Cash and cash equivalents	4, 6(1)	\$10,292,154	\$10,200,733	10	13
Contract assets-current	4, 6(14), 6(15)	173,469	90,414	-	-
Notes receivable, net	6(3)	227	-	-	-
Accounts receivable, net	4, 6(4), 6(15)	4,665,465	4,050,713	5	5
Accounts receivable from related parties, net	4, 6(4), 6(15), 7	2,537,358	2,016,478	3	3
Other receivables	4, 6(15)	701,770	764,217	1	1
Other receivables from related parties	4, 7	54,737	613,539	-	1
Inventories, net	4, 6(5)	1,158,712	848,115	1	1
Prepayments	6(6)	1,583,988	216,484	2	-
Other current assets		23,044	228,526	-	-
Total current assets		<u>21,190,924</u>	<u>19,029,219</u>	<u>22</u>	<u>24</u>
<b>Non-current assets</b>					
Financial assets at fair value through other comprehensive income-non-current	4, 6(2)	8,281,525	6,369,337	8	8
Investments accounted for using the equity method	4, 6(7)	8,132,168	16,280,256	8	21
Property, plant and equipment	4, 6(8), 7, 8	59,947,221	34,932,185	60	45
Right-of-use asset	4, 6(16)	1,709,250	1,033,884	2	2
Intangible assets	4, 6(9)	9,180	7,503	-	-
Deferred tax assets	4, 6(19), 6(20)	139,897	164,988	-	-
Other financial assets-non-current	8	203,235	148,916	-	-
Other non-current assets		68,163	29,153	-	-
Total non-current assets		<u>78,490,639</u>	<u>58,966,222</u>	<u>78</u>	<u>76</u>
<b>Total assets</b>		<u>\$99,681,563</u>	<u>\$77,995,441</u>	<u>100</u>	<u>100</u>

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

(continued)

English Translation of Financial Statements Originally Issued in Chinese

KING YUAN ELECTRONICS CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY		Notes	December 31, 2025	%	December 31, 2024	%
<b>Current liabilities</b>						
Notes payable			\$6,357	-	88,115	-
Accounts payable			858,836	1	918,828	1
Accounts payable to related parties		7	43,896	-	15,446	-
Other payables			5,163,685	5	4,493,494	6
Other payables to related parties		7	118,135	-	127,150	-
Payables on equipment			3,053,315	3	1,749,768	2
Current tax liabilities		4, 6(20)	4,037,271	4	745,448	1
Lease liabilities-current		4, 6(16)	347,770	-	141,123	-
Other current liabilities		4, 6(10)	1,808,317	2	1,412,176	2
Total current liabilities			15,437,582	15	9,611,548	12
<b>Non-current liabilities</b>						
Long-term loans		4, 6(11), 8, 9	30,274,865	31	20,580,713	26
Deferred tax liabilities		4, 6(19), 6(20)	1,350,663	1	2,952,476	4
Lease liabilities-non-current		4, 6(16)	1,414,503	1	921,167	1
Net defined benefit liabilities		4, 6(12)	767,811	1	626,948	1
Guarantee deposits			6,819	-	6,316	-
Total non-current liabilities			33,814,661	34	25,087,620	32
Total liabilities			49,252,243	49	34,699,168	44
<b>Equity</b>						
Share capital		4, 6(13)				
Common stock			12,227,451	12	12,227,451	16
Capital surplus		4, 6(13)	5,080,949	5	5,077,764	7
Retained earnings		4, 6(2), 6(13)	5,543,345	6	4,763,685	6
Legal reserve			201,416	-	201,416	-
Special reserve			22,502,596	23	17,431,161	22
Undistributed earnings			28,247,357	29	22,396,262	28
Total retained earnings			4,873,563	5	3,594,796	5
Other equity		4, 6(2), 6(13)	50,429,320	51	43,296,273	56
Total equity			\$99,681,563	100	\$77,995,441	100
Total liabilities and equity						

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

English Translation of Financial Statements Originally Issued in Chinese  
**KING YUAN ELECTRONICS CO., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
For the years ended December 31, 2025 and 2024  
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Notes	2025	%	2024	%
Net sales	4, 6(14), 6(15), 7	\$34,932,859	100	\$26,895,990	100
Operating costs	4, 6(5), 6(9), 6(12), 6(16), 6(17), 7	(22,411,375)	(64)	(17,515,552)	(65)
Gross profit		12,521,484	36	9,380,438	35
Operating expenses	4, 6(9), 6(12), 6(16), 6(17), 7				
Selling expenses		(471,303)	(1)	(429,692)	(2)
Administrative expenses		(2,098,222)	(6)	(1,591,315)	(6)
Research and development expenses		(930,260)	(3)	(855,470)	(3)
Expected credit impairment gains		444	-	-	-
Total operating expenses		(3,499,341)	(10)	(2,876,477)	(11)
Operating income		9,022,143	26	6,503,961	24
Non-operating income and expenses	4, 6(2), 6(7), 6(8), 6(18), 7				
Interest income		58,432	-	80,440	-
Other income		445,435	1	238,850	1
Other gains and losses		889,567	3	(60,009)	-
Finance costs		(183,378)	(1)	(437,810)	(2)
Share of profit of associates accounted for using the equity method		3,502,729	10	3,398,900	13
Total non-operating income and expenses		4,712,785	13	3,220,371	12
Net income before income tax		13,734,928	39	9,724,332	36
Income tax expense	4, 6(20)	(2,719,333)	(8)	(1,944,904)	(7)
Net income		11,015,595	31	7,779,428	29
Other comprehensive income	4, 6(12), 6(19), 6(20)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of the defined benefit plan		(279,553)	(1)	17,172	-
Unrealized gains and losses from equity instrument investments measured at fair value through other comprehensive income		1,963,933	6	(172,344)	(1)
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(391,580)	(1)	34,470	-
Items that will be reclassified subsequently to profit or loss:					
Exchange differences resulting from translating the financial statements of foreign operations		(337,333)	(1)	656,425	2
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		71,889	-	(131,286)	-
Other comprehensive income, net of tax		1,027,356	3	404,437	1
Total comprehensive income		\$12,042,951	34	\$8,183,865	30
Earnings per share (NT\$)	4, 6(21)				
Basic Earnings Per Share		\$9.01		\$6.36	
Diluted Earnings Per Share		\$8.97		\$6.32	

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

English Translation of Financial Statements Originally Issued in Chinese

KING YUAN ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

Description	Common stock	Capital surplus	Retained earnings			Other equity		Total Equity
			Legal reserve	Special reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	
Balance as of January 1, 2024	\$12,227,451	\$4,955,581	\$4,177,574	\$201,416	\$14,133,456	\$(456,084)	\$3,663,615	\$38,903,009
Appropriation and distribution of 2023 earnings:								
Legal reserve	-	-	586,111	-	(586,111)	-	-	-
Cash dividends	-	-	-	-	(3,912,784)	-	-	(3,912,784)
Profit for the year ended December 31, 2024	-	-	-	-	7,779,428	-	-	7,779,428
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	17,172	525,139	(137,874)	404,437
Total comprehensive income	-	-	-	-	7,796,600	525,139	(137,874)	8,183,865
Changes in ownership interests in subsidiaries through other comprehensive income								
Disposal of equity instrument investments measured at fair value	-	122,183	-	-	-	-	-	122,183
Balance as of December 31, 2024	\$12,227,451	\$5,077,764	\$4,763,685	\$201,416	\$17,431,161	\$69,055	\$3,525,741	\$43,296,273
Balance as of January 1, 2025	\$12,227,451	\$5,077,764	\$4,763,685	\$201,416	\$17,431,161	\$69,055	\$3,525,741	\$43,296,273
Appropriation and distribution of 2024 earnings:								
Legal reserve	-	-	779,660	-	(779,660)	-	-	-
Cash dividends	-	-	-	-	(4,890,980)	-	-	(4,890,980)
Profit for the year ended December 31, 2025	-	-	-	-	11,015,595	-	-	11,015,595
Other comprehensive income for the year ended December 31, 2025	-	-	-	-	(279,553)	(265,444)	1,572,353	1,027,356
Total comprehensive income	-	-	-	-	10,736,042	(265,444)	1,572,353	12,042,951
Disposal of subsidiaries	-	-	-	-	-	(22,109)	-	(22,109)
Changes in ownership interests in subsidiaries through other comprehensive income	-	3,185	-	-	-	-	(6,033)	3,185
Balance as of December 31, 2025	\$12,227,451	\$5,080,949	\$5,543,345	\$201,416	\$22,502,596	\$(218,498)	\$5,092,061	\$50,429,320

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

English Translation of Financial Statements Originally Issued in Chinese

KING YUAN ELECTRONICS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

Description	2025	2024	Description	2025	2024
<b>Cash flows from operating activities :</b>			<b>Cash flows from investing activities :</b>		
Profit before tax from continuing operations	\$13,734,928	\$9,724,332	Proceeds from disposal of financial assets at fair value through other comprehensive income	\$51,745	\$-
Adjustments for:			Acquisition of investments accounted for using the equity method	(2,366,016)	-
The profit or loss items which did not affect cash flows:			Proceeds from disposal of investments accounted for using the equity method	244,673	-
Depreciation	7,482,897	6,407,841	Acquisition of property, plant and equipment	(31,417,076)	(10,416,178)
Amortization	5,450	10,561	Proceeds from disposal of property, plant and equipment	470,199	357,822
Expected credit impairment gains	(444)	-	Increase in refundable deposits	(39,010)	(23,853)
Interest expenses	183,378	437,810	Acquisition of intangible assets	(7,127)	(4,340)
Interest income	(58,432)	(80,440)	Increase in other financial assets	(54,319)	(1,583)
Dividend income	(109,303)	(98,364)	Dividend received	13,706,169	112,064
Investment gain accounted for using the equity method	(3,502,729)	(3,398,900)	Net cash used in investing activities	(19,410,762)	(9,976,268)
Gain on disposal of property, plant and equipment	(476,613)	(184,077)			
Impairment of non-financial assets	34,712	123,029	<b>Cash flows from financing activities :</b>		
Gain on disposal of investments	(25,895)	-	Borrowing in long-term loans	55,386,267	32,072,621
Unrealized foreign exchange (gains) losses	(218,561)	217,923	Repayments of long-term loans	(45,468,381)	(29,423,575)
Changes in operating assets and liabilities :			Increase in deposits received	503	-
Contract assets	(83,055)	324,432	Decrease in deposits received	-	(27,736)
Notes receivable	(227)	-	Cash payments for the principal portion of the lease liabilities	(219,658)	(22,450)
Accounts receivable	(614,752)	(738,531)	Cash dividends	(4,890,980)	(3,912,784)
Accounts receivable from related parties	(520,880)	(126,060)	Interest paid	(179,686)	(427,316)
Other receivables	59,107	(624,958)	Net cash used in financing activities	4,627,865	(1,741,240)
Other receivables from related parties	538,802	(375,966)			
Inventories	(310,597)	45,278	Net increase (decrease) in cash and cash equivalents	91,421	1,318,708
Prepayments	(1,087,948)	(103,812)	Cash and cash equivalents at the beginning of the year	10,200,733	8,882,025
Other current assets	205,482	(165,958)	Cash and cash equivalents at the end of the year	\$10,292,154	\$10,200,733
Notes payable	(1,758)	7,257			
Accounts payable	(59,992)	426,810			
Accounts payable to related parties	28,450	8,259			
Other payables	661,525	1,514,423			
Other payables to related parties	(8,461)	35,947			
Other current liabilities	396,141	315,953			
Accrued pension liabilities	(138,690)	(956)			
Cash generated from operating activities	16,132,535	13,701,833			
Interest received	65,706	74,446			
Income tax paid	(1,323,923)	(740,063)			
Net cash provided by operating activities	14,874,318	13,036,216			

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

## **Independent Auditors' Report**

To King Yuan Electronics Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated balance sheets of King Yuan Electronics Co., Ltd. and its subsidiaries as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and notes to the consolidated financial statements, including the summary of material accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of King Yuan Electronics Co., Ltd. and its subsidiaries as of December 31, 2025 and 2024, and their consolidated financial performance and cash flows for the years ended December 31, 2025 and 2024, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effectively by Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Revenue recognition

King Yuan Electronics Co., Ltd. and its subsidiaries recognized net sales of NT\$34,933,546 thousand for the year ended December 31, 2025. Its main activities are providing testing and assembly services and rental of testing machineries that represented 96%, or NT\$33,575,639 thousand in the amount, of the net operating revenue.

The primary activities of King Yuan Electronics Co., Ltd. and its subsidiaries are providing testing and assembly services, and the services comprise various wafers/integrated circuits testing and assembly processing and rental of machinery, due to the different customers' demand and nature of revenue that increase the complexity of the revenue recognition. Therefore, we determined the matter to be a key audit matter.

Our audit procedures include (but are not limited to) assessing the appropriateness of the accounting policy for revenue recognition; evaluating and testing the effectiveness of internal control relating to the timing of revenue recognition, analyzing the reasonableness of gross profit margin by products, performing cutoff testing for a period before and after the balance sheet date on a sampling basis, performing test of details on selected samples, reviewing the significant terms of sales agreements and examining relevant delivery documents, and reviewing the selected samples of the quantity, specification, period and relevant documents of machinery services for the rental of testing machineries.

We also considered the appropriateness of the disclosures of operating revenue. Please refer to Note 4 and Note 6 in notes to the consolidated financial statements.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of King Yuan Electronics Co., Ltd. and its subsidiaries.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of King Yuan Electronics Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of King Yuan Electronics Co., Ltd. and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause King Yuan Electronics Co., Ltd. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within King Yuan Electronics Co., Ltd. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2025 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Others**

We have audited and expressed an unqualified opinion on the parent company only financial statements of King Yuan Electronics Co., Ltd. as of and for the years ended December 31, 2025 and 2024.

Chiu, Wan-Ju

Hsu, Hsin-Min

Ernst & Young, Taiwan  
March 6, 2026

### Notice to Readers

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

English Translation of Financial Statements Originally Issued in Chinese

**KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

As of December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2025		December 31, 2024	
			%		%
<b>Current assets</b>					
Cash and cash equivalents	4, 6(1)	\$17,963,504	18	\$10,329,331	12
Contract assets-current	4, 6(16), 6(17)	173,469	-	90,414	-
Notes receivable, net	6(3), 6(17)	227	-	-	-
Accounts receivable, net	4, 6(4), 6(17)	4,665,541	5	4,050,713	5
Accounts receivable from related parties, net	4, 6(4), 6(17), 7	2,537,358	3	1,980,803	3
Other receivables		756,949	-	764,228	1
Other receivables from related parties	4, 7	54,737	-	17,915	-
Inventories, net	4, 6(5)	1,158,712	1	848,115	1
Prepayments	6(6)	1,585,431	2	219,398	-
Disposal group held for sale	4, 6(7)	-	-	25,387,003	29
Other current assets		23,363	-	230,068	-
Total current assets		28,919,291	29	43,917,988	51
<b>Non-current assets</b>					
Financial assets at fair value through other comprehensive income-non-current	4, 6(2)	8,281,525	8	6,369,337	8
Investments accounted for using the equity method	4, 6(8)	134,932	-	99,727	-
Property, plant and equipment	4, 6(9), 7, 8	60,553,632	60	34,923,771	40
Right-of-use asset	4, 6(18)	2,799,153	3	1,045,372	1
Intangible assets	4, 6(10)	9,432	-	7,503	-
Deferred tax assets	4, 6(21), 6(22)	141,886	-	167,443	-
Other financial assets-non-current	8	203,235	-	148,916	-
Other non-current assets		134,865	-	30,729	-
Total non-current assets		72,258,660	71	42,792,798	49
<b>Total assets</b>		<b>\$101,177,951</b>	<b>100</b>	<b>\$86,710,786</b>	<b>100</b>

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

(continued)

English Translation of Financial Statements Originally Issued in Chinese

**KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

As of December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

	Notes	December 31, 2025	%	December 31, 2024	%
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Notes payable		\$6,357	-	8,115	-
Accounts payable		858,836	1	918,828	1
Accounts payable to related parties	7	43,896	-	15,446	-
Other payables		5,566,977	6	4,543,127	5
Other payables to related parties	7	101,538	-	110,592	-
Payables on equipment		3,053,315	3	1,749,768	2
Current tax liabilities		4,037,342	4	746,284	1
Liabilities directly associated with disposal group held for sale	4, 6(22)	-	-	7,253,301	8
Lease liabilities-current	6(7)	442,206	-	148,609	-
Other current liabilities	6(18)	1,808,671	2	1,412,558	2
Total current liabilities	6(11)	15,919,138	16	16,906,628	19
<b>Non-current liabilities</b>					
Long-term loans	6(12), 8, 9	30,274,865	30	20,580,713	24
Deferred tax liabilities	4, 6(21), 6(22)	1,350,663	1	2,952,476	3
Lease liabilities-non-current	6(18)	2,420,906	2	926,222	1
Net defined benefit liabilities	4	767,811	1	626,948	1
Guarantee deposits		6,819	-	6,316	-
Total non-current liabilities		34,821,064	34	25,092,675	29
Total liabilities		50,740,202	50	41,999,303	48
<b>Equity attributable to owners of the parent company</b>					
Share capital	6(14)	12,227,451	12	12,227,451	14
Common stock		5,080,949	5	5,077,764	6
Capital surplus	6(14), 6(15), 6(24)				
Retained earnings	6(2), 6(14)	5,543,345	6	4,763,685	6
Legal reserve		201,416	-	201,416	-
Special reserve		22,502,596	22	17,431,161	20
Undistributed earnings		28,247,357	28	22,396,262	26
Total retained earnings	6(2)	4,873,563	5	3,594,796	4
Other equity		50,429,320	50	43,296,273	50
Equity attributable to owners of the parent company		8,429	-	1,415,210	2
<b>Non-controlling interests</b>	6(14), 6(24)	50,437,749	50	44,711,483	52
Total equity		\$101,177,951	100	\$86,710,786	100
<b>Total liabilities and equity</b>					

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

English Translation of Financial Statements Originally Issued in Chinese  
**KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the years ended December 31, 2025 and 2024**

(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Notes	2025	%	2024	%
<b>Net sales</b>	4, 6(16), 6(18), 7	\$34,933,546	100	\$26,856,031	100
<b>Operating costs</b>	4, 6(5), 6(10), 6(13), 6(18), 6(19), 7	(22,411,375)	(64)	(17,512,212)	(65)
<b>Gross profit</b>		12,522,171	36	9,343,819	35
<b>Operating expenses</b>	4, 6(10), 6(13), 6(17), 6(18), 6(19), 7				
Selling expenses		(463,529)	(1)	(399,149)	(2)
Administrative expenses		(2,126,316)	(6)	(1,916,934)	(7)
Research and development expenses		(930,260)	(3)	(855,470)	(3)
Expected credit impairment gains	6(17)	444	-	-	-
Total operating expenses		(3,519,661)	(10)	(3,171,553)	(12)
<b>Operating income</b>		9,002,510	26	6,172,266	23
<b>Non-operating income and expenses</b>	4, 6(2), 6(8), 6(20)				
Interest income		373,445	1	75,629	-
Other income		445,698	1	238,903	1
Other gains and losses		950,048	3	(96,729)	-
Finance costs		(185,590)	(1)	(437,967)	(2)
Share of profit of associates accounted for using the equity method		42,645	-	19,445	-
Total non-operating income and expenses		1,626,246	4	(200,719)	(1)
<b>Net income before income tax</b>		10,628,756	30	5,971,547	22
<b>Income tax expense</b>	4, 6(22)	(2,624,046)	(8)	(1,210,746)	(4)
<b>Net income from continuing operation</b>		8,004,710	22	4,760,801	18
<b>Total profit from discontinued operations</b>	6(7)	3,053,084	9	3,334,485	12
<b>Net income</b>		11,057,794	31	8,095,286	30
<b>Other comprehensive income</b>	4, 6(21), 6(22)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of the defined benefit plan		(279,553)	(1)	17,172	-
Unrealized gains and losses from equity instrument investments measured at fair value through other comprehensive income		1,963,933	6	(172,344)	(1)
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(391,580)	(1)	34,470	-
Items that will be reclassified subsequently to profit or loss:					
Exchange differences resulting from translating the financial statements of foreign operations		(388,869)	(1)	977,406	4
Equity directly associated with disposal group held for sale		50,887	-	(262,947)	(1)
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		71,889	-	(131,286)	-
<b>Other comprehensive income, net of tax</b>		1,026,707	3	462,471	2
<b>Total comprehensive income</b>		\$12,084,501	34	\$8,557,757	32
<b>Net income attributable to :</b>					
Owners of the parent company		\$11,015,595	32	\$7,779,428	29
Non-controlling interests		42,199	-	315,858	1
		\$11,057,794	32	\$8,095,286	30
<b>Total comprehensive income attributable to :</b>					
Owners of the parent company		\$12,042,951	34	\$8,183,865	31
Non-controlling interests		41,550	-	373,892	1
		\$12,084,501	34	\$8,557,757	32
<b>Earnings per share (NT\$)</b>					
From continuing and discontinued operations					
Basic Earnings Per Share	4, 6(23)	\$9.01		\$6.36	
Diluted Earnings Per Share		\$8.97		\$6.32	
From continuing operations					
Basic Earnings Per Share		\$6.55		\$3.95	
Diluted Earnings Per Share		\$6.51		\$3.93	

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

English Translation of Financial Statements Originally Issued in Chinese  
**KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
For the years ended December 31, 2025 and 2024  
(Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent company										Total Equity	
	Common stock	Capital surplus	Retained earnings			Exchange differences resulting from translating the financial statements of foreign operations	Other equity			Equity attributable to owners of the parent company		Non-controlling interests
			Legal reserve	Special reserve	Undistributed earnings		Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	Equity directly associated with disposal of group held for sale				
Balance as of January 1, 2024	\$12,227,451	\$4,955,581	\$4,177,374	\$201,416	\$14,133,456	\$(456,084)	\$3,663,615	\$-	\$38,903,009	\$1,123,541	\$40,026,550	
Appropriation and distribution of 2023 earnings:												
Legal reserve	-	-	586,111	-	(586,111)	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(3,912,784)	-	-	-	(3,912,784)	-	(3,912,784)	
Profit for the year ended December 31, 2024	-	-	-	-	7,779,438	-	-	-	7,779,438	315,858	8,095,286	
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	17,172	921,977	(137,874)	-	404,437	58,034	462,471	
Total comprehensive income	-	-	-	-	7,796,610	921,977	(137,874)	-	8,183,862	373,892	8,557,757	
Changes in ownership interests in subsidiaries	-	122,183	-	-	-	-	-	-	122,183	(82,223)	39,960	
Balance as of December 31, 2024	\$12,227,451	\$5,077,764	\$4,763,655	\$201,416	\$17,431,161	\$(463,893)	\$3,525,741	\$(396,838)	\$42,296,273	\$1,415,210	\$44,711,483	
Balance as of January 1, 2025	\$12,227,451	\$5,077,764	\$4,763,685	\$201,416	\$17,431,161	\$(463,893)	\$3,525,741	\$(396,838)	\$43,296,273	\$1,415,210	\$44,711,483	
Appropriation and distribution of 2024 earnings:												
Legal reserve	-	-	779,660	-	(779,660)	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(4,890,980)	-	-	-	(4,890,980)	-	(4,890,980)	
Profit for the year ended December 31, 2025	-	-	-	-	11,015,595	-	-	-	11,015,595	42,199	11,057,794	
Other comprehensive income for the year ended December 31, 2025	-	-	-	-	(279,553)	(314,780)	1,572,555	49,336	1,027,566	(649)	1,026,707	
Total comprehensive income	-	-	-	-	10,736,042	(314,780)	1,572,555	49,336	12,042,951	41,550	12,084,501	
Disposal of subsidiaries	-	-	-	-	-	(369,611)	-	347,502	(22,109)	(1,448,602)	(1,470,711)	
Changes in ownership interests in subsidiaries	-	3,185	-	-	-	-	-	-	3,185	271	3,456	
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	6,033	-	(6,033)	-	-	-	-	
Balance as of December 31, 2025	\$12,227,451	\$5,080,949	\$5,543,345	\$201,416	\$27,502,596	\$(218,498)	\$5,092,061	\$-	\$50,429,320	\$8,429	\$50,437,749	

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

English Translation of Financial Statements Originally Issued in Chinese  
**KING YUAN ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the years ended December 31, 2025 and 2024  
(Amounts in thousands of New Taiwan Dollars)

Description	2025	2024	Description	2025	2024
<b>Cash flows from operating activities :</b>			<b>Cash flows from investing activities :</b>		
Profit before tax from continuing operations	\$10,628,756	\$5,971,547	Proceeds from disposal of financial assets at fair value through other comprehensive income	\$51,745	\$-
Profit before tax from discontinued operations	4,988,623	4,373,140	Disposal of subsidiaries	18,651,949	-
Adjustments for :	15,617,379	\$10,344,687	Acquisition of property, plant and equipment	(32,355,417)	(14,856,945)
The profit or loss items which did not affect cash flows:			Increase in refundable deposits	623,323	420,431
Depreciation	7,307,564	7,312,965	Increase in intangible assets	(104,631)	(24,682)
Amortization	5,522	10,859	Acquisition of other financial assets	(7,450)	(4,540)
Expected credit impairment (gains) losses	(444)	173	Dividend received	(54,319)	(1,583)
Interest expenses	193,619	561,054	Net cash used in investing activities	116,743	112,064
Interest income	(373,870)	(142,542)		(13,078,057)	(14,355,255)
Dividend income	(109,303)	(98,364)	<b>Cash flows from financing activities :</b>		
Share-based payment expenses	3,456	60,450	Decrease in short-term loans	-	(231,577)
Investment gain accounted for using the equity method	(42,645)	(19,445)	Borrowing in long-term loans	55,386,267	32,340,303
Gain on disposal of property, plant and equipment	(487,265)	(156,697)	Repayments of long-term loans	(45,468,581)	(30,348,239)
Impairment of non-financial assets	34,712	123,029	Increase in deposits received	503	-
Gain on disposal of non-current assets held for sale	(4,431,196)	-	Decrease in deposits received	-	(27,736)
Gain on disposal of investments	(25,895)	-	Cash payments for the principal portion of the lease liabilities	(234,433)	(29,576)
Unrealized foreign exchange (gains) losses	(219,979)	511,024	Cash dividends	(4,890,980)	(3,912,784)
Changes in operating assets and liabilities :			Interest paid	(179,627)	(550,856)
Contract assets	(205,845)	322,663	Change in non-controlling interests	-	(20,608)
Notes receivable	(227)	-	Net cash used in financing activities	4,613,149	(2,781,073)
Accounts receivable	(631,894)	(1,141,129)			
Accounts receivable from related parties	(581,590)	(88,444)	Effect of changes in exchange rate on cash and cash equivalents	(325,996)	935
Other receivables	4,072	(633,185)	Net increase in cash and cash equivalents	4,360,883	1,340,067
Other receivables from related parties	(36,822)	83,062	Cash and cash equivalents at the beginning of the period	13,602,621	12,262,554
Inventories	(56,224)	54,603	Cash and cash equivalents at the end of the period	17,963,504	13,602,621
Prepayments	(1,025,818)	(387,697)			
Other current assets	206,705	(167,237)	<b>Reconciliation of the amounts in the consolidated statements of cash flows with cash and cash equivalent items reported :</b>		
Contract liabilities	11,778	(1,333)	Cash and cash equivalents in the consolidated balance sheets	\$17,963,504	\$10,329,331
Notes payable	(1,758)	7,257	Cash and cash equivalents in disposal group held for sale	-	3,273,290
Accounts payable	(278,439)	845,310	Cash and cash equivalents in the consolidated statements of cash flows	\$17,963,504	\$13,602,621
Accounts payable to related parties	28,450	8,292			
Other payables	960,370	1,658,135			
Other payables to related parties	(8,500)	38,847			
Other current liabilities	393,718	318,121			
Accrued pension liabilities	(138,690)	(956)			
Other operating liabilities	(1,302)	(11,860)			
Cash generated from operating activities	16,007,639	19,411,642			
Interest received	380,723	130,270			
Income tax paid	(3,236,375)	(1,066,452)			
Net cash provided by operating activities	13,151,787	18,475,460			

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

(Annex 2)

**King Yuan Electronics Co., Ltd.**  
**2025 Earnings Distribution Statement**

Units: NT\$

Item	Amount	Projected dividend (stock)
Unallocated earnings – beginning	11,744,341,387	
Add: Net profit after tax	11,179,140,225	
Less: Confirmed actuarial gain/loss of welfare	(279,553,380)	
Add: Disposal of equity instruments measured at fair value through other comprehensive income	22,213,254	
The amount of net profit after tax for the period and the amount adjusted to the current year's undistributed earnings	10,921,800,099	
Less: Provision of 10% legal reserve	(1,092,180,010)	
Allocable earnings	21,573,961,476	
Scope of allocation		
Dividends to shareholders – cash	1,222,745,065	NT\$1.0 per share
Dividends to shareholders – stocks	611,372,530	NT\$0.5 per share
Total allocation	1,834,117,595	
Unallocated earnings – ending	19,739,843,881	
<p>Note: 1. According to the Company's distribution policy, the allocable earnings for 2025 shall be allocated as the first priority. The deficit, if any, shall be allocated from the allocable earnings accumulated for the previous year according to the last-in first-out policy in the order of the years in which the earnings were generated chronically.</p> <p>2. The distribution yield and stock distribution ratio are calculated based on the outstanding common stock totaling 1,222,745,065 shares when the Board of Directors' meeting was held.</p> <p>3. The cash dividend shall be rounded to the whole dollar amount according to the allocation rate. The total of the odd lots less than NT\$1 included in the distribution shall be transferred to the Company's other revenue.</p> <p>4. Should the Company encounter a change of share capital that changes the number of outstanding shares on a later date, thereby causing variations in the percentage of cash dividends allocated to shareholders and stock distribution ratio that require adjustments, the Board of Directors shall be fully authorized to make the necessary adjustments.</p> <p>5. The base date for allocation of cash dividends and matters thereto shall be set by the Board of Directors with authorization upon resolution by the general shareholders' meeting.</p>		