

*(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)*

# KINSUS INTERCONNECT TECHNOLOGY CORP.

## Handbook for the 2024 Annual Meeting of Shareholders

Meeting Date: May 30<sup>th</sup>, 2024

Place: No. 1245, ZhongHua Rd., XinWu Dist., Taoyuan City (i.e. Kinsus Shih-Lei plant)

*(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)*

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# **Kinsus Interconnect Technology Corp.**

## **Procedure for the 2024 Annual Meeting of Shareholders**

- I. Chairperson Declares the Starting of the Meeting
- II. Chairperson's Opening Statements
- III. Items To Be Reported
- IV. Items To Be Approved
- V. Discussions and Elections
- VI. Other Questions and Motions
- VII. Adjournment

## Kinsus Interconnect Technology Corp. Agenda for the 2024 of Annual Meeting of Shareholders

Convening method: entity shareholders meeting

Time: 9:00 a.m., May 30<sup>th</sup> (Thursday), 2024

Place: No. 1245, ZhongHua Rd., XinWu Dist., Taoyuan City  
(Kinsus Shih-Lei plant)

- I. Chairperson Declares the Starting of the Meeting
- II. Chairperson's Opening Statements
- III. Items To Be Reported
  1. The 2023 Business Report
  2. Audit Committee's Review Report on the 2023 Financial Statements
  3. To report 2023 Employees' and directors' Compensation
  4. To report the 2023 Earnings Distribution of dividends
- IV. Items To be Approved
  1. To approve 2023 Business Report, Consolidated Financial Statements and Parent-company-only Financial Statements (Proposed by the Board of Directors)
  2. To approve the proposal for 2023 earnings distribution (Proposed by the Board of Directors)
- V. Discussion and Election
  1. Resolving an issuance of restricted stock awards. (Proposed by the Board of Directors)
  2. Re-election of all directors. (Proposed by the Board of Directors)
  3. Release the newly re-elected directors from prohibition of non-compete (Proposed by the Board of Directors)
- VI. Other Questions and Motions
- VII. Adjournment

## **I. Items To Be Reported**

- (1) The 2023 Business Report

Explanatory Notes: Please refer to Attachment I. (Page 16 to 19)

- (2) Audit Committee's Review Report on the 2023 Financial Statements

Explanatory Notes: Please refer to Attachment II. (Page 20)

- (3) To report 2023 Employees' and Directors' Compensation

Explanatory Notes:

- a. Based on the Company's the Article of Incorporation, Article 24, the Company's employees' and directors' compensation shall be at no less than 10% and no more than 1% of the "income before tax and employees' and directors' compensation", respectively, if profits in current year is made.
  - b. The Company's board of directors has resolved to pay out 2023 directors' and employees' compensation in amount of NT\$0 and NT\$6,480,000, respectively, if profits in current year is made.
- (4) To report the 2023 Earnings Distribution of dividends.

Explanatory Notes:

- a. Based on the Company's Article of Incorporation, article 24-1, authorize the Company's board of directors to resolve to pay out cash dividend NT\$1.0 per share in amount of NT\$454,423,060.
- b. Please include in other income of the company, if too trivial to one NT dollar, to specific shareholders. The measurement date will be decided by the Chairman under the authorization.
- c. Please authorize the Chairman to adjust, in good faith, the ratio of dividend per share, based on the shares outstanding on the record date for distribution, to the extent of no change in the resolved total amount to be distributed to shareholders.

## **II. Items To Be Approved**

- (1) To approve 2023 Business Report, Consolidated Financial Statements and Parent-Company-Only Financial Statements (Proposed by the Board of Directors)

Explanatory Notes:

- a. The Company's Business Report, Consolidated Financial Statements and Parent-Company-Only Financial Statements have been reviewed by Audit Committee and hereby proposed for the shareholders' approval. Among these documentations, the Parent-Company-Only Financial Statements and Consolidated Financial Statements have been audited by Ernst & Young, Taiwan.
- b. For details, please refer to page 16-19 of Attachment I and page 21-42 of Attachment III to the Meeting Handbook.

Resolution:

- (2) To approve the proposal for 2023 earnings distribution (Proposed by the Board of Directors)

Explanatory Notes:

- a. The Company's after-tax net income in 2023 was NT\$47,515,806. After withdrawing the legal reserve and reversing the special reserve, the Company makes the earnings distribution table in accordance with its Articles.
- b. The 2023 earnings distribution table is shown in Attachment IV (page 43) to the Meeting Handbook for reference.

Resolution:

### **III. Discussed and Election**

1. Resolving an issuance of restricted stock awards (RSA). (Proposed by the Board of Directors).

Explanatory Notes:

- a. The Company would issue restricted stock awards (RSA) for 2024 in accordance with the related regulations from Article 267, Item 9 and 10 of the Company Act and the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers". (Hereinafter referred to as the "issuance regulation")
- b. The major terms are described below:
  - (1) Issue price: 50% of the closing price of common shares on the date of the board resolution.
  - (2) Total volume to be issued: 2,700,000 shares. may be issued at once or in installments within two years from the date when the approval notification from the competent authority becomes effective. The actual issuance date shall be determined by the chairman of the board authorized by the Board of Directors,

based on actual needs.

(3)Release conditions:

(a)Vesting conditions:

i. Indicator A: Employees of Grade Eight or above (inclusive)

According to the regulations for “Issuance Rules of New Restricted Employee Shares for 2024” employees who are granted the restricted employee stock rights and hold positions at Grade Eight or above (inclusive), if they remain employed and have not violated any laws, company service agreements, integrity and confidentiality commitments, company regulations, code of business ethics, or other relevant norms and agreements from the date of granting (i.e., the date of capital increase reference, hereinafter referred to as "reference date") to the following dates, are eligible for the following shareholding ratios upon meeting the conditions:

A. 40% upon one month from the grant date

B. 30% upon thirteen month from the grant date

C. remaining shares upon twenty five month from the grant date.

ii. Indicator B: Employees classified as Grade Six to Grade Seven and other outstanding employees

According to “Issuance Rules of New Restricted Employee Shares for 2024”, if they remain employed from the date of granting (i.e., the date of capital increase reference, hereinafter referred to as "reference date") to the following dates, and have achieved a performance rating of B or above, have not violated any laws, company service agreements, integrity and confidentiality commitments, company regulations, code of business ethics, or other relevant norms and agreements, they are eligible for the following shareholding ratios upon meeting the conditions:

A. 40% upon one month from the grant date

B. 30% upon thirteen month from the grant date

C. remaining shares upon twenty five month from the grant date.

(b)Measures to be taken when employees fail to meet the vesting conditions:

According to “Issuance Rules of New Restricted Employee Shares for 2024”, if there are subscribers who fail to meet the predetermined conditions, the shares for which the conditions have not been met shall be repurchased by the company at the issuance price in full and subsequently cancelled.

(c)Measures to be taken to deal with employee departure, retirement, occupational disability, death, transfer to affiliated enterprises, and leave without pay typically involves various policies and procedures established by the Company or relevant regulations.

A. In cases of voluntary resignation, termination due to incompetence, dismissal, retirement, or non-work-related death, employees are considered to have forfeited their eligibility to meet the vested

conditions on the day of resignation, retirement, or death. Consequently, any shares for which the vested conditions have not been met will be repurchased by the Company at the issuance price in full.

- B. Employees terminated for reasons other than incompetence, if they meet other vested conditions as specified in Article 7 of these regulations in the year of termination, shall be considered to have met the vested conditions for shares proportionally based on their length of service during that year, multiplied by the number of shares eligible for vesting according to Article 7 of these regulations for that year. Any remaining shares for which the vested conditions have not been met shall be considered as forfeited on the day of termination, and the Company shall repurchase them at the issuance price in full.
- C. Employees who become disabled due to occupational accidents: If an employee becomes physically disabled due to an occupational accident and is unable to continue employment, they shall be considered to have completed the employment period as specified in Article 7 of these regulations for the year in which they resign. However, they are still subject to the limitations and proportions specified in Article 7 of these regulations regarding vested conditions. Starting from the next fiscal year after resignation, they shall be considered to have forfeited their eligibility to meet the vested conditions, and the company shall repurchase their shares at the original issuance price and proceed with cancellation. However, this provision does not apply if the employee has made outstanding contributions to the company, demonstrated loyalty, and fulfilled their duties diligently, subject to approval by the chairman of the board.
- D. In the case of death due to occupational accidents: For employees who die as a result of occupational accidents and have unvested restricted shares, their unvested shares shall be deemed to have met the employment period requirement as specified in Article 7 of these regulations, starting from the date of death. Following the event, the legal heirs shall, in accordance with the relevant provisions of the Civil Code on inheritance and the "Regulations Governing the Administration of Shareholder Services of Public Companies," complete the necessary legal procedures for inheritance and provide relevant documentary evidence. They shall then acquire the transferred shares according to the trust agreement. However, the heirs must comply with the related procedures for claiming the shares within one year from the date of notification by the company. Failure to comply within this period shall be deemed as refusal by the heirs to accept the shares, and the company reserves the right to repurchase the shares at no cost and proceed with



cancellation.

E. Transfer to the Company's affiliates: The Company's employees may be required by the Company, based on operational needs, to transfer to affiliates of the Company. If the transfer meets other vested conditions as specified in Article 7 of these regulations for the current fiscal year, the Chairman of the Board or authorized senior personnel may approve the proportion and timeframe for meeting the vested conditions within the scope of the schedule as specified in Article 7 of these regulations.

F. Leave without pay: Employees who are approved by the Company for leave without pay, if they meet other vested conditions as specified in Article 7 of these regulations for the current year, shall have their unvested restricted shares calculated based on the actual days of leave without pay, and the vesting period as stipulated in the regulations on the issuance of restricted employee stock rights shall be extended accordingly.

G. The restricted employee shares repurchased by the Company according to these regulations will be canceled.

(4) Qualification criteria for employees and the number of shares entitled to grant or subscribe:

(a) It is limited to full-time employees, who work officially on the date the new restricted employee shares are granted, which includes:

Indicator A: Employees at Grade 8 or above (inclusive)

Indicator B: Employees at Grade 6 to 7 and other outstanding performers

(b) The actual employees eligible for subscription and the quantity of subscriptions shall be determined by considering factors such as job grade, job performance, or other management requirements. The determination shall be made by the CEO, submitted to the chairman, and then presented to the Board of Directors for approval. However, for executives and directors who are also employees, approval from the Compensation Committee shall be obtained first. For non-executives and non-director employees, approval from the Audit Committee shall be obtained prior to submission.

(c) The Company shall issue employee stock options to a single employee in accordance with Article 56-1, paragraph 1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers. The cumulative number of shares that the employee is entitled to subscribe to, including the total number of restricted employee stock rights acquired, shall not exceed three per thousand of the total issued shares. Additionally, the cumulative number of shares that a single employee may subscribe to through the issuance of employee stock options by the Company in accordance with Article 56, paragraph 1 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" shall not exceed one percent of the total issued shares. However, if approved by the relevant central competent authority on a

special project basis, the total number of employee stock options and restricted employee shares that a single employee may acquire shall not be subject to the aforementioned proportion restrictions. If the competent authority updates relevant regulations, the Company shall comply with the updated laws and regulations as well as the directives of the competent authority.

(5) Necessary reasons to issue the new restricted employee shares:

To retain and attract necessary professional talents, motivate employees, and enhance their sense of belonging, thereby collectively creating benefits for the company and shareholders, and ensuring the alignment of employee interests with shareholder interests.

(6) Calculated expense amount, Dilution of the Company's Earnings per share (EPS) and Other matters affecting shareholder's equity:

(a) Calculated expense amount: Based on an estimated closing price of NT\$98.4 on 19 January 2024, the estimated expenses for fulfilling vested conditions for 2024, 2025, and 2026 are NT\$72,641 thousand, NT\$42,421 thousand, and NT\$13,129 thousand, respectively.

(b) Dilution of the Company's EPS and Other matters affecting shareholder's equity: The estimated reduction in earnings per share after expenses for 2024, 2025, and 2026 is NT\$0.16, NT\$0.09, and NT\$0.03, respectively. The dilution effect on the Company's earnings per share is considered limited, thus not significantly impacting shareholder equity.

Resolution:

## 2. Re-election of all directors. (Proposed by the Board of Directors)

Explanatory notes:

- a. The Company's 8<sup>th</sup> directorship will expire at 11 July 2024. The Company should submit a proposal of re-electing all of 9 directors, including 3 independent directors, to the annual shareholders' meeting in accordance with Article 15 of the Articles of Incorporation.
- b. The term for the newly 8th directorship, including independent directors, would be a 3-year period starting from the date of re-election at 2024 shareholders' meeting, i.e. from 30 May 2024 to 29 May 2027. The term of office for the current directors shall continue until the appointment of the new directors.
- c. The Company shall adopt a candidate nomination method for its re-election of directors which election by shareholder according to the Company's Charter. A list and details of candidates nominated is as below.

List of Director Candidates (6 in total)

Name	Education	Experience	Currently serving	Shareholding when elected
Tong, Zi-Xian	Computer and Communication Engineering /Taipei Tech, Honorary Doctor of Engineering/ Taipei Tech	Chairman of Pegatron Corp., vice president of Asustek Computer Corporation	The Company's chief strategy officer Chairman: Pegatron Corp.(also the chief strategy officer), Kinsus Investment, Lumens Digital Optics Inc., ASUS INVESTMENT CO., LTD., ASUSPOWER INVESTMENT CO., LTD., ASUSTEK INVESTMENT CO., LTD., Ri-Kuan Metal Corporation, BeautyTech Platform Corporation, FacialBeau International Corporation Fisfisa Media Co., Ltd. Vice chairman: New Frontier Foundation Director: Asrock Inc., Pegavision Corporation Hua Yuan Investment, AS Fly Travel Service, Hua Wei Investment, Pega International Limited, Casetek Holdings Limited(Cayman), Pegatron Holding Ltd., Unihan Holding Ltd., Magnificent Brightness Ltd., Casetek Holdings Ltd., Protek Global Holdings Ltd., Digitek Global Holdings Ltd., Kinsus Corp. (USA), Pegatron Holland Holding B.V., Powtek Holdings Limited, Cotek Holdings Limited, Grand Upright Technology Limited, Aslink Precision Co., Ltd., Q Place Creative Inc., Alliance Culture Foundation, Hanguang Education Foundation, Lung Yingtai Cultural Foundation, Huang Da-fu Medical Education Promotion Foundation, Fair Winds Foundation, Relations Across the Taiwan Straits Development Research Foundation, Fullfoods Foundation, Bulareyaung Dance Company	240,000

			<p>Foundation, Cloud Gate Culture And Arts Foundation.</p> <p>Lovely Taiwan Foundation, The Liu Juo-sung Foundation, Cheng Hsin General Hospital, Koo foundation</p> <p>Independent director: PChome Online Inc.</p> <p>President: Monte Jade Science &amp; Technology Association, Contact Lens Society of Taiwan</p> <p>Vice President: Taiwan Climate Partnership</p> <p>Trustee: Taipei Computer Association.</p>	
Liao, Sih-Jheng	Bachelor degree in Industrial and Business Management / Tatung Institute of Technology, Honorary Doctor of Business / Tatung University	Chief operating officer of Pegatron Corp., Senior vice president of Unihan Corp.	<p>Chairman &amp; vice chief strategy officer: Kinsus Interconnect Technology Corp.</p> <p>Vice president: Pegatron Corp.</p> <p>Chairman: Pegatron Vietnam Company Limited, Pegatron Technology HAI PHONG Company Limited</p> <p>President: Pegatron Japan Inc.</p> <p>Director: Pegatron Corp., AMA Precision Ins., Asuspower Corporation, Asuspower Investment Co., Ltd., KAEDAR Electronics(KUNSHAN) Co., Ltd. 、Piotek Holdings Ltd. (Cayman) 、Piotek Holdings Ltd. 、Piotek (HK) Trading Limited 、Kinsus Holding (Samoa) Limited 、Kinsus Holding (Cayman) Limited</p> <p>Executive director: KAI CHUAN Electronics (CHONGQING) Co., Ltd.</p>	172,000
Guo,Ming-Dong	National Taipei Institute of Technology	Chairman of Kinsus Interconnect Technology Corp., President of Unicpa Electronics Industrial Corp.	<p>Chairman &amp; chief strategy officer: Pegavision Corporation,Mayin Investment Co., Ltd.</p> <p>Vice chairman: FacialBeau International Corporation, BeautyTech Platform Corporation.</p> <p>Director: Pegatron Corp., Kinsus Corp.(USA), Kinsus Investment. Lumens Digital Optics Inc.</p> <p>Trustee:</p>	521,795

			Monte Jade Science & Technology Association Managing director: Contact Lens Society of Taiwan	
Chen, He-Xu	Physics/Qinghua University	President of Kinsus Interconnect Technology Corp. Production manager of Motorola Solutions, Inc.	CEO & president of Kinsus Interconnect Technology Corp. Director: Kinsus Interconnect Technology Corp., Pegavision Corporation, FuYang Technology Corp. Vice chairman: Taiwan Printed Circuit Association, Taoyuan Enterprise Chamber Trustee: Monte Jade Science & Technology Association	403,002
ASUSPOWER Investment Representative: Chang, Chien-Wei	Engineering / National Central University	General manager of Kinsus Interconnect Technology Corp., PCB equipment design manager of Manz Taiwan Ltd. director of Fu Yang Technology Corp.	The Company's Technical director	55,556,221
ASUSTEK Investment Rep: Wu, Xiang-Xiang	MBA, University of St. Thomas	Vice chairman, OFCO Industrial Corporation	Vice president & investment manager: Pegatron Corp Director: Eslite Corporation Director (Corporate representative) : ASUS INVESTMENT CO., LTD., ASUSTEK INVESTMENT CO., LTD., Kinsus Investment, Pegatron Venture Capital Co., Ltd Supervisor: FuYang Technology Corp., PEGAUNIHAN TECHNOLOGY INDONESIA, PEGATRON VIETNAM COMPANY LIMITED, PEGATRON TECHNOLOGY HAI PHONG COMPANY LIMITED	58,233,091

List or Independent Director Candidates(3 in total)

Name	Education	Experience	Currently serving	Shareholding when elected
Lee, Ming-Yu	Master of Accounting Institute / NCCU, CPA of ROC	Partner of Hongdao & Company, independent director & member of Audit Committee & member of Compensation Committee of Casetek Holdings Limited	Partner: Hongdao & Company Independent Director & member of Audit Committee & member of compensation committee: ASUSTEK Computer Inc. Executive supervisor: Taiwan Fucoidan Development Society, Taiwan Anti-Cancer Association, Taiwan Honest Social Service Association	0
Reasons for Mr. Lee to be elected as an independent director for 3 consecutive terms: Not applicable				
Chen, Liang-Ji	Electrical Engineering & Computer Science/NCKU Master of Electrical Engineering & Computer Science/NCKU Doctor of Electrical Engineering & Computer Science/NCKU	The founding director of the graduate institute of Electrical Engineering & Computer at NTU, Industrial Technology Investment Corporation of Industrial Technology Research Institute, Special appointed professor of Electrical Engineering & Computer at NTU, director of Creativity and Entrepreneurship Program at NTU, vice dean of Electrical Engineering and	Honorary professor of Electrical Engineering & Computer at NTU Director: Nuvoton Technology Corp., Ganzin Technology, Inc., Himax Technologies, Inc.(US) Independent director: Vanguard International Semiconductor Corporation, Qisda Corporation, VERLIGHT ELECTRONICS CO., LTD.	0

		Computer Science at NTU, The 13th and 16th National Chair Professor appointed by the Ministry of Education, chair professor at NTU, director of National Applied Research Laboratories, vice president for academic affairs at NTU, deputy minister of the Ministry of Education, minister of National Science and Technology Council		
	Reasons for Mr. Chen to be elected as an independent director for 3 consecutive terms: Not applicable.			
He, Chen-Hong	Mechanical Engineering/NTU, Diplom in Mechanical Engineering/ RWTH Aachen, Doctor of engineering/University of CA-Berkeley	President of NTHU, vice chairman of the National Science and Technology Council at Executive Yuan, College of Engineering, Dean of the College of Engineering of NTHU, dean of student affairs of NTHU, professor of the department of Power Mechanical Engineering of NTHU	Mei Yiqi Honorary Professor	0
	Reasons for Mr. Chen to be elected as an independent director for 3 consecutive terms: Not applicable.			

d. The election is to execute in accordance with the “The Rule for Director Election” of the Company.

Election results:

3. To release the newly by-elected directors from prohibition of non-compete (proposed by the Board of Directors)

Explanatory Notes:

Pursuant to Article 209 of the Company Act, a director engaging either for himself or on behalf of another person, in the activities that are within the scope of the Company's business shall report to and acquire an approval from the shareholders' meeting. In the presumption that the newly-elected director's behavior will not cause any harm to the Company, it is hereby proposed to release them from the prohibition of non-complete.

Title	Name	Current Concurrent Duties
Director	Tong, Zi-Xian	<p>Chairman:  Pegatron Corp.(also the chief strategy officer),  Kinsus Investment,  Lumens Digital Optics Inc.,  ASUS Investment,  ASUSPOWER Investment,  ASUSTEK Investment,  Ri-Kuan Metal Corporation,  BeautyTech Platform Corporation,  Facial Beau International Corporation,  Fisfisa Media Co., Ltd.</p> <p>Director:  Asrock Inc.,  Pegavision Corpovation,  Hua Yuan Investment,  AS Fly Travel Service,  Hua Wei Investment,  Pega International Limited,  Casetek Holdings Limited(Cayman),  Pegatron Holding Ltd.,  Unihan Holding Ltd.,  Magnificent Brightness Ltd.,  Casetek Holdings Ltd.,  Protek Global Holdings Ltd.,  Digitek Global Holdings Ltd.,  Kinsus Corp. (USA),  Pegatron Holland Holding B.V.,  Powtek Holdings Limited,  Cotek Holdings Limited,  Grand Upright Technology Limited,  Aslink Precision Co., Ltd.,  Q Place Creative Inc.</p> <p>Independent director: PChome Online Inc.</p>
Director	Liao, Sih-Jheng	<p>Deputy CEO: Pegatron Corp.  Chairman: Pegatron Vietnam Company Limited 、 Pegatron Technology HAI PHONG Company Limited  President: Pegatron Japan Inc.  Director: Pegatron Corp., AMA Precision Inc. 、 Asuspouer</p>



		Corporation, Asuspower Investment Co., Ltd., KAEDAR Electronics (KUNSHAN) Co.,Ltd., Piotek Holdings Ltd (Cayman), Piotek Holdings Ltd, Piotek (HK) Trading Limited 、Kinsus Holding (Samoa) Limited, Kinsus Holding (Cayman) Limited Executive director: KAI CHUAN Electronics(CHONGQING)Co., Ltd.
Director	Guo, Ming-Dong	Chairman & chief strategy officer: Pegavision Corporation, Mayin Investment Co., Ltd. Vice chairman: FacialBeau International Corporation, BeautyTech Platform Corporation. Director: Pegatron Corp., Kinsus Corp.(USA), Kinsus Investment. Lumens Digital Optics Inc
Director	Chen, He-Xu	Director: Pegavision Corporation
Director	ASUSPOWER Investment Rep.: WU,Xiang-Xiang	Vice president & investment manager: Pegatron Corp Director: Eslite Corporation Director (Corporate representative) : ASUS INVESTMENT CO., LTD., ASUSTEK INVESTMENT CO., LTD., Kinsus Investment, Pegatron Venture Capital Co., Ltd
Independent director	Lee, Ming-Yu	Independent Director & member of Audit Committee & member of Compensation Committee: ASUSTEK Computer Inc.
Independent director	Chen, Liang-Ji	Director: Nuvoton Technology Corp., Ganzin Technology,Inc., Himax Technologies, Inc.(US) Independent director: Vanguard International Semiconductor Corporation, Qisda Corporation, Verlight Electronics Co., Ltd.

Resolution:

#### IV. Other Questions and Motions

#### V. V. Adjournment

## Attachment I

(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)

### 2023 Business Report

#### 1. 2023 Business Report

After experiencing a rapid growth driven by the pandemic dividends in 2022, the electronics and semiconductor industry entered an extremely conservative phase of inventory adjustment in 2023. The industry as a whole experienced a downturn in 2023, with unclear prospects. Existing product inventories were too high, while the delay in pushing forward with new products was due to uncertainty about future growth trends. Additionally, political and war conflicts, US-China technology restrictions, and global inflationary pressures further strained economic growth. Hopes for China's economic growth after the pandemic lockdowns, and the expectation that it would drive some global demand, gradually diminished.

In the midst of a sluggish market across various electronic products in 2023, the topic of AI brought a glimmer of hope to the entire industry. AI servers and generative AI applications once sparked a frenzy, leading many to believe that AI applications would experience significant growth, potentially offsetting the downturn in consumer electronics. However, the AI application market still failed to reverse the overall economic trend, only beginning to bring some hope for recovery in the growth of the 2024, starting from the fourth quarter of 2023.

A comprehensive overview of the ups and downs in various electronic products in 2023 reveals some changes, as seen from Prismark data (Table 1). In the realm of PC-level computers, there was a 25.1% decline compared to 2022. This was primarily due to excessive inventory buildup at the client end, coupled with sluggish economic growth, resulting in weak momentum for inventory digestion. The anticipated demand for inventory replenishment from clients is estimated to emerge in the latter half of the 2024.

Unit: USD million

	2021	2022	2023F	2027F	2022/2021	2023F/2022	2022-2027F CAAGR
Computer: PC	\$14,542	\$12,745	\$9,440	\$10,317	-12.40%	-25.10%	-4.10%
Server/Data Storage	\$7,804	\$9,894	\$8,178	\$13,527	26.80%	-17.34%	6.50%
Other Computer	\$4,554	\$4,106	\$3,732	\$4,272	-9.80%	-9.10%	0.80%
Mobile Phones	\$16,117	\$15,968	\$12,978	\$16,991	-0.90%	-18.72%	1.20%
Wired Infrastructure	\$6,111	\$6,665	\$5,947	\$7,591	9.10%	-10.78%	2.60%
Wireless Infrastructure	\$3,337	\$3,585	\$3,203	\$4,211	7.40%	-10.66%	3.30%
Consumer	\$11,858	\$11,085	\$8,961	\$11,901	-6.50%	-19.16%	1.40%
Automotive	\$8,728	\$9,468	\$9,137	\$11,956	8.50%	-3.50%	4.80%
Industrial	\$3,226	\$3,317	\$3,030	\$3,736	2.80%	-8.66%	2.40%
Medical	\$1,531.62	\$1,553	\$1,485	\$1,740	1.40%	-4.38%	2.30%
Military/Aerospace	\$3,113	\$3,356	\$3,424	\$4,107	7.80%	2.03%	4.10%
Total	\$80,920	\$81,740	\$69,514	\$90,348	1.00%	-14.96%	2.00%

Table 1: Global PCB Market Size (Source: Prismark, Nov 2023)

In terms of mobile phone sector, a similar downward trend is observed, with a decline of 18.72% in 2023 compared to 2022. Particularly noteworthy is the situation in China's smartphone market, where demand failed to rebound following the easing of pandemic restrictions. Instead, the slowdown in China's economic growth led to a deceleration in the pace of consumer product upgrades and a notable decrease in the introduction of new models. Additionally, US restrictions on Chinese semiconductors further dampened demand for high-end smartphones.

Even the once rapidly growing communication infrastructure witnessed a decline of over 10% in 2023, primarily due to high inventory levels and low demand. The electronics market as a whole is waiting for signs of growth to emerge, with no willingness to replenish inventory before such signals appear.

The last hope and highly anticipated market driver lie in AI servers and generative AI applications. However, this development is concentrated in a few applications and occurred after the fourth quarter, contributing little to the overall growth for the entire year. Ultimately, demand for servers still declined by 17.34%, lacking the strength to reverse the overall market downturn.

Consumer electronics products, which hold a significant market share, also experienced a decline of 19.16% in 2023. Apart from a certain degree of recovery in the United States, the global market remained in a low atmosphere with other regions.

Looking ahead to 2024, there are several directions worth anticipating. The atmosphere of recovery has begun to emerge in the first quarter, indicating a promising start. Although the full-year recovery growth may not yet reach the level of the 2022, it has already moved away from the trough.

1. The continuous pace of inventory digestion has brought inventory levels back to adequate levels, gradually restoring market supply-demand equilibrium.
2. AI servers, general-purpose servers, and new communication infrastructure products are emerging rapidly, while applications of large-scale language models are evolving at an unprecedented pace. Consequently, the demand for related semiconductors is becoming increasingly evident.
3. The trend of semiconductor supply chain decoupling from China has taken shape, leading to a stabilization in the development patterns of various industry chains. As a result, uncertainties have decreased.

The semiconductor and electronic product markets underwent an exceptional growth phase in 2022, followed by inventory adjustments in 2023. As they welcome a healthy recovery in the 2024, companies' immediate priority remains to grasp product development trends, align with market dynamics, and adjust capacity allocation to ensure stable growth.

The Company's revenue in parent-company-only basis totaled to NT\$19,342,946 thousand in 2023, decreased by 43.53% compared to NT\$34,251,019 thousand in 2022. Net income in parent-company-only basis was NT\$47,516 thousand in 2023, decreased by 99.32% compared to NT\$6,976,792 thousand in 2022. The Company's consolidated revenue totaled to NT\$26,832,187 thousand in 2023, decreased by 36.78% compared to NT\$42,441,054 thousand in 2022. The consolidated net income was NT\$1,170,402 thousand in 2023, decreased by 85.25% compared to NT\$7,933,470 thousand in 2022. The operating results are as follows.

(In Thousands of New Taiwan Dollars Except for Earnings Per Share)

Account (In parent-company-only basis)	2023	2022	Growth Rate (%)
Operating revenues	19,342,946	34,251,019	-43.53%
Gross profit	2,706,747	11,123,870	-75.67%
Operating income (losses)	(866,462)	7,106,474	-112.19%
Pre-tax income	47,516	8,725,094	-99.46%
Net income	47,516	6,976,792	-99.32%
Earnings per share (in NT\$)	0.11	15.47	

(In Thousands of New Taiwan Dollars Except for Earnings per Share)

Account (In consolidated basis)	2023	2022	Growth Rate (%)
Operating revenues	26,832,187	42,441,054	-36.78%
Gross profit	6,757,506	15,711,556	-56.99%
Operating income	1,042,247	9,576,339	-89.12%
Pre-tax income	1,426,085	10,091,874	-85.87%
Net income	1,170,402	7,933,470	-85.25%
Net income/loss attributable to:			
Shareholders of the parent	47,516	6,976,792	
Non-controlling interests	1,122,886	956,678	
Earnings per share (in NT\$)	0.11	15.47	

## 2. Summary of 2023 business plan:

### (1) Business Policy

Since the Company's establishment, we have been upholding the principle of "Satisfying Customers and Pursuing for Excellence" as our business policy, developing leadership in technique to meet market demand, mastering new generation product demands, investing engineering resources to stay ahead, and striving for better profit to benefit our shareholders under the intense competition.

The IC packaging substrates industry is developing in several technological directions; For example, multi-chip Wafer, high-integration packages (Chiplet), SiP modules, integrated

antenna modules, high-frequency and high-speed applications, thin lines, thinning... etc. The company's R&D department continues to grasp the direction of technological development and customer demands, and will create differentiation with technology and quality to maintain the highest competitiveness.

## (2)Expected Sales and Its Sources

According to Prismark research data, between 2021 and 2026, the compound growth rate of the IC substrate market reached 8.3% (Refer to Table I). This is not just demand of ABF substrate products which grow by AI, IoT, HPC, machine learning, automotive applications, 5G/6G infrastructure, etc., in terms of BT substrates, there are AiP, SiP, RF components brought by 5G mobile phones, and broadband memory (High Bandwidth Memory, HBM) which brought by servers, data centers, etc., all drive the growth of the overall demand for IC substrates. The growth of the Company's revenue is based on the growth trends of these product segments, and what needs to be dealt with carefully is the effective allocation of capacity utilization.

## (3)Significant Production and Marketing Policy

- A. Strengthen the development of multi-chip packaging technology, and focus on process technology and match the development of high-frequency and high-speed materials to meet the needs of 5G/6G and automotive products.
- B. Expanding the capacity of ABF FC-BGA substrate to match the medium and long-term development needs of multi-layer boards, high-frequency and high-speed.

## 3. Company development strategy

We will aim at application of slim substrates of ABFFC-BGA and memory and the techniques and products of SiP module and Wafer module in short-term, keeping up with the elemental global semiconductor developing trend of continuously miniature line width, aperture, and thickness in medium term, and developing complicated structural technique of active/passive components and direct wafer bonding in long term. By these development strategies, we are confident that the Company will definitely sustain our competitiveness in product market as well as in the technique.

Chairman:

CEO:

Chief Accountant:

## **Attachment II**

*(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)*

### **Kinsus Interconnect Technology Corp.**

#### **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2023 Business Report, Consolidated Financial Statements, Parent-company-only Financial Statements and the proposal for distribution of earnings. Among these documentation, the financial statements have been audited by the auditors, Ernst & Young, and the audit reports relating to the Financial Statements have been granted. The Business Report, Financial Statements, and earnings distribution proposal have been reviewed and determined to be fairly presented by the Audit Committee members of Kinsus Interconnect Technology Corp. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit the review report to the Company's shareholders.

Kinsus Interconnect Technology Corp.

Chairman of the Audit Committee: Wu, Hui-Huang

January 29<sup>th</sup>, 2024

## **Attachment III**

### English Translation of an Audit Report Originally Issued in Chinese **INDEPENDENT AUDITORS' REPORT**

To: the Board of Directors and Shareholders of  
Kinsus Interconnect Technology Corp.

#### **Opinion**

We have audited the accompanying parent-company-only balance sheets of Kinsus Interconnect Technology Corp. (the “Company”) as of December 31, 2023 and 2022, and the related parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including the summary of significant accounting policies (together referred as “the parent-company-only financial statements”).

In our opinion, based on the results of our audits and the report of other auditors (please refer to the Other Matter—Making Reference to the Audit of a Component Auditor section of our report), the parent-company-only financial statements referred to above present fairly, in all material respects, the parent-company-only financial position of the Company as of December 31, 2023 and 2022, and their parent-company-only financial performance and cash flows for the years then ended, 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 Auditing and Attestation of Financial Statements by 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 Parent-Company-Only Financial Statements section of our report. We are independent of the Company 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. Based on our audits and the reports of other auditor(s), 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 the most significance in our audit of parent-company-only financial statements for the year ended December 31, 2023. 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

We determine that revenue recognition is one of the key audit matters. The Company's revenue in the amount of NT\$19,342,946 thousand for the year ended December 31, 2023 is a significant account to the Company's financial statements. The Company has conducted these sale activities in multiple marketplaces, including Taiwan, China, USA, etc. Among these locations, the Company has established hub-warehouse for certain foreign customers' convenience. Furthermore, the timing of fulfilling performance obligation needs to be determined based on various sale terms and conditions with major clients. We therefore determined revenue recognition a key audit matter. Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition in the sales cycle, taking samples to perform test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of revenue recognition from foreign warehouses with the timing of fulfilling performance obligation for sale agreement or orders, performing analytical review procedures on monthly sale revenues and the cut-off tests for a period before and after the balance sheet dates, etc. We have also considered the appropriateness of the revenue disclosure in Notes 4 and 6 to the parent-company-only financial statements.

### Market valuation on Inventory

We determine the market valuation on inventory is one of the key audit matters in considering that the amount of inventory was significant and the assessment of sufficiency of inventory loss requires significant management judgement. The Company's net inventory amounted to NT\$1,792,341 thousand as of December 31, 2023. As the application market of substrate, the Company's main products, is characterized by rapid development in technology and the trend of consumers' preference, management, in timely considering the status of new products development and the demand from clients, has to evaluate the inventory loss due to market value decline as well as write-down on slow-moving inventories to their net realizable value. Our audit procedures therefore include, but not limit to, evaluating the Company's policy with respect to assessment the loss from slow-moving and obsolete inventory, (including identification method, testing the accuracy of inventory aging schedule, analysis on inventory movement), performing observation on the Company's inventory physical-taking, and inspecting the current status of inventory usage, etc. We also assessed the adequacy of the inventory-related disclosures shown in the Notes 5 and 6 to the parent-company-only financial statements.

### **Other Matter – Making Reference to the Audit of a Component Auditor**

We did not audit the financial statements of certain invested associates accounted for using the equity



method by the Company, which were audited by other independent auditors. The financial statements of certain invested associates as of December 31, 2023 and 2022, and for the years then ended were audited by other independent auditors, whose reports thereon have been furnished to us. Our audit, insofar as it related to the investment in the associate accounted for using the equity method amounting to NT\$424,357 thousand and NT\$381,123 thousand as of December 31, 2023 and 2022 representing 0.64% and 0.60% of the Company's total assets, the related shares of income before tax from the associate using the equity method for the year then ended amounting to NT\$(12,714) thousand and NT\$53,319 thousand representing (26.76)% and 0.61% of the Company's income before tax, and the related shares of other comprehensive income from the associate using the equity method for the years then ended amounting to NT\$20,182 thousand and NT\$2,799 thousand representing (32.54)% and 2.87% of the other comprehensive income, are based solely on the audit reports of other auditors.

### **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 for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company 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 the Company.

### **Auditor's Responsibilities for the Audit of the Parent-Company-Only 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 auditor's 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 parent-company-only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain 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 the Company.
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 the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company 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 financial information of the entities or business activities within the Company to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the company 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 2023 parent-company-only financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

/s/Chang, Chih Ming

/s/Chen, Kuo Shuai

Ernst & Young  
January 29<sup>th</sup>, 2024  
Taipei, Taiwan,  
Republic of China

Notice to Readers

*The accompanying parent-company-only financial statements are intended only to present the parent-company-only financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China on Taiwan and not those of any other jurisdictions. The standards, procedures and practice to audit such parent-company-only financial statements are those generally accepted and applied in the Republic of China on Taiwan.*

*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 Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Parent-Company-Only Balance Sheets

As of December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			2023		2022	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$13,048,646	20	\$12,137,938	19
1110	Financial assets at fair value through profit or loss	4, 6(2)	546,647	1	540,099	1
1136	Financial assets measured at amortized cost	4, 6(3)	20,057	-	20,057	-
1150	Notes receivable, net	4, 6(4)	4,760	-	11,200	-
1170	Accounts receivable, net	4, 6(5)	3,334,121	5	4,178,881	7
1180	Accounts receivable - related parties, net	4, 6(5), 7	214	-	902	-
1200	Other receivables		78,051	-	577,835	1
1210	Other receivables - related parties	7	29,855	-	15,066	-
130x	Inventories, net	4, 6(6)	1,792,341	3	2,770,717	4
1410	Prepayments	7	953,461	1	626,084	1
1470	Other current assets		88,492	-	203,340	-
11XX	Total current assets		<u>19,896,645</u>	<u>30</u>	<u>21,082,119</u>	<u>33</u>
	Non-current assets					
1550	Investment accounted for using equity method	4, 6(7)	6,349,328	10	6,135,660	10
1600	Property, plant and equipment, net	4, 6(8), 7, 9	25,346,578	38	24,888,173	39
1780	Intangible assets	4, 6(9)	19,235	-	19,762	-
1840	Deferred tax assets	4, 6(26)	9,593	-	9,593	-
1915	Prepayment for equipment	4, 6(8), 9	14,673,820	22	11,411,585	18
1995	Other non-current assets	6(10), 6(17)	30,091	-	37,745	-
15XX	Total non-current assets		<u>46,428,645</u>	<u>70</u>	<u>42,502,518</u>	<u>67</u>
1XXX	Total Assets		<u>\$66,325,290</u>	<u>100</u>	<u>\$63,584,637</u>	<u>100</u>

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

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Parent-Company-Only Balance Sheets (Continued)

As of December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			2023		2022	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(11)	\$500,000	1	\$-	-
2130	Contract liability	4, 6(20)	984,899	2	33,923	-
2150	Notes payable		46,664	-	20,420	-
2170	Accounts payable		1,548,996	2	1,796,782	3
2180	Accounts payable - related parties	7	306,633	-	241,659	-
2200	Other payables	6(12), 7	4,548,098	7	6,918,469	11
2230	Current tax liabilities	4	846,928	1	1,792,657	3
2300	Other current liabilities	6(13)	1,839,873	3	1,065,121	2
2365	Refund liability	6(14)	14,393	-	367,137	-
21XX	Total current liabilities		10,636,484	16	12,236,168	19
	Non-current liabilities					
2527	Contract liability	4, 6(20)	3,912,317	6	2,441,184	4
2540	Long-term loans	6(15)	14,915,204	22	9,683,274	15
2600	Other non-current liabilities	4, 6(16), 6(17)	5,166,396	8	4,902,311	8
25XX	Total non-current liabilities		23,993,917	36	17,026,769	27
2XXX	Total liabilities		34,630,401	52	29,262,937	46
31xx	Equity attributable to shareholders of the parent company					
3100	Capital	6(18)				
3110	Common stock		4,544,231	7	4,527,711	7
3200	Capital surplus	6(18)	7,153,073	11	6,860,826	11
3300	Retained earnings	6(18)				
3310	Legal reserve		4,789,190	7	4,087,701	6
3320	Special reserve		147,938	-	203,108	-
3350	Unappropriated earnings		15,270,310	23	18,826,225	30
3400	Other components of equity		(209,853)	-	(183,871)	-
3XXX	Total equity		31,694,889	48	34,321,700	54
	Total liabilities and equity		\$66,325,290	100	\$63,584,637	100

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



English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Parent-Company-Only Statements of Comprehensive Income

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(20), 7	\$19,342,946	100	\$34,251,019	100
5000	Operating costs	7	(16,636,199)	(86)	(23,127,149)	(67)
5900	Gross profit		2,706,747	14	11,123,870	33
6000	Operating expenses	7				
6100	Sales and marketing		(259,423)	(1)	(376,186)	(1)
6200	General and administrative		(1,708,986)	(9)	(1,930,473)	(6)
6300	Research and development		(1,608,890)	(8)	(1,698,340)	(5)
6450	Expected credit gains (losses)	4, 6(21)	4,090	-	(12,397)	-
	Total operating expenses		(3,573,209)	(18)	(4,017,396)	(12)
6900	Operating income (losses)		(866,462)	(4)	7,106,474	21
7000	Non-operating income and expenses					
7100	Interest income	6(24)	418,196	2	50,416	-
7010	Other income	6(24), 7	80,550	-	156,584	-
7020	Other gains and losses	6(24), 7	753	-	140,608	-
7050	Finance costs	6(24)	(240,555)	(1)	(123,381)	-
7070	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method		655,034	3	1,394,393	4
	Total non-operating income and expenses		913,978	4	1,618,620	4
7900	Income before tax		47,516	-	8,725,094	25
7950	Income tax expense	4, 6(26)	-	-	(1,748,302)	(5)
8200	Net income		47,516	-	6,976,792	20
8300	Other comprehensive income	6(25)				
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurements of the defined benefit plans		(14,711)	-	42,519	-
8360	Items that may be reclassified subsequently to profit or loss					
8380	Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method - items that may be reclassified subsequently to profit or loss		(47,302)	-	55,169	-
	Other comprehensive income, net of tax		(62,013)	-	97,688	-
8500	Total comprehensive income		\$(14,497)	-	\$7,074,480	20
	Earnings per share (in NT\$)					
9750	Basic earnings per share (in NT\$)	6(27)	\$0.11		\$15.47	
9850	Diluted earnings per share (in NT\$)	6(27)	\$0.10		\$15.07	

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

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Parent-Company-Only Statements of Changes in Equity

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Common Stock 3100	Capital Surplus 3200	Retained Earnings			Other Components of equity		Total Equity 3XXX
				Legal Reserve 3310	Special Reserve 3320	Unappropriated Earnings 3350	Exchange differences arising on translation of foreign operations 3410	Unearned Employee Benefit 3490	
A1	Balance as of January 1, 2022	\$4,508,441	\$6,633,051	\$3,700,821	\$181,016	\$14,249,110	\$(203,107)	\$-	\$29,069,332
B1	Appropriation and distribution of 2021 earnings								
B1	Legal reserve			386,880		(386,880)			-
B3	Special reserve				22,092	(22,092)			-
B5	Cash dividends - ordinary shares					(2,028,798)			(2,028,798)
D1	Net income for 2022					6,976,792			6,976,792
D3	Other comprehensive income for 2022					42,519	55,169		97,688
D5	Total comprehensive income	-	-	-	-	7,019,311	55,169	-	7,074,480
H3	Reorganization		1,435			(1,645)			(210)
M5	Difference between consideration and carrying amount of subsidiaries acquired or disposed		(292)			(2,781)			(3,073)
N1	Share-based payment transactions		498						498
T1	Restricted stock awards and others	19,270	226,134					(35,933)	209,471
Z1	Balance as of December 31, 2022	4,527,711	6,860,826	4,087,701	203,108	18,826,225	(147,938)	(35,933)	34,321,700
B1	Appropriation and distribution of 2022 earnings								
B1	Legal reserve			701,489		(701,489)			-
B3	Special reserve reversed				(55,170)	55,170			-
B5	Cash dividends - ordinary shares					(2,943,012)			(2,943,012)
D1	Net income for 2023					47,516			47,516
D3	Other comprehensive income for 2023					(14,711)	(47,302)		(62,013)
D5	Total comprehensive income	-	-	-	-	32,805	(47,302)	-	(14,497)
M7	Changes in ownership interests in subsidiaries		133,512						133,512
T1	Restricted stock awards and others	16,520	158,735			611		21,320	197,186
Z1	Balance as of December 31, 2023	\$4,544,231	\$7,153,073	\$4,789,190	\$147,938	\$15,270,310	\$(195,240)	\$(14,613)	\$31,694,889

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

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp.

Parent-Company-Only Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2023	2022	Code	Items	2023	2022
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$47,516	\$8,725,094	B00050	Disposal of financial assets measured at amortized cost	-	59,980
A20000	Adjustments:			B01800	Acquisition of investment accounted for using equity method	(564,210)	-
A20010	Adjustments to reconcile profit (loss):			B02700	Acquisition of property, plant and equipment	(8,570,575)	(15,342,080)
A20100	Depreciation	3,947,684	3,696,551	B02800	Proceeds from disposal of property, plant and equipment	15,331	166,421
A20200	Amortization	51,287	49,923	B03800	Decrease in refundable deposits	212	4,449
A20300	Expected credit losses (gains)	(4,090)	12,397	B04500	Acquisition of intangible assets	(50,760)	(59,831)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(6,548)	(2,944)	BBBB	Net cash provided by (used in) investing activities	(9,170,002)	(15,171,061)
A20900	Interest expense	240,555	123,381				
A21200	Interest income	(418,196)	(50,416)	CCCC	Cash flows from financing activities:		
A21900	Cost of share-based payment	55,344	47,882	C00100	Increase in (repayment of) short-term loans	500,000	(391,991)
A22300	Share of profit or loss of subsidiaries, associates and joint ventures			C01600	Increase in long-term loans	7,160,000	3,240,000
	accounted for using equity method	(655,034)	(1,394,393)	C01700	Repayment of long-term loans	(1,146,746)	(1,493,885)
A22500	Loss (gain) on disposal of property, plant and equipment	(10,798)	(27,085)	C03000	Increase (decrease) in deposits received	246,978	3,078,618
A23100	Loss (gain) on disposal of investment	-	6,650	C04500	Cash dividends	(2,943,012)	(2,028,798)
A29900	Gain on government grants	(22,908)	(14,172)	C04600	Proceeds from issuing shares	147,917	165,379
A29900	Loss from fire	-	2,526	CCCC	Net cash provided by (used in) financing activities	3,965,137	2,569,323
A30000	Changes in operating assets and liabilities:						
A31130	(Increase) decrease in notes receivable	6,440	(7,000)	EEEE	Net Increase (decrease) in cash and cash equivalents	910,708	190,656
A31150	(Increase) decrease in accounts receivable	848,850	70,035	E00100	Cash and cash equivalents at beginning of period	12,137,938	11,947,282
A31160	(Increase) decrease in accounts receivable - related parties	688	10,205	E00200	Cash and cash equivalents at end of period	\$13,048,646	\$12,137,938
A31180	(Increase) decrease in other receivables	554,160	(200,159)				
A31190	(Increase) decrease in other receivables - related parties	(14,789)	2,927				
A31200	(Increase) decrease in inventories	978,376	(493,589)				
A31230	(Increase) decrease in prepayments	(327,377)	(251,168)				
A31240	(Increase) decrease in other current assets	114,848	(33,342)				
A31990	(Increase) decrease in net defined benefit assets	(7,269)	-				
A32125	Increase (decrease) in contract liabilities	2,422,109	1,686,230				
A32130	Increase (decrease) in notes payable	26,244	(5,899)				
A32150	Increase (decrease) in accounts payable	(247,786)	6,828				
A32160	Increase (decrease) in accounts payable - related parties	64,974	(369,493)				
A32180	Increase (decrease) in other payables	(1,484,143)	1,177,258				
A32230	Increase (decrease) in other current liabilities	(281)	(45,740)				
A32240	Increase (decrease) in net defined benefit liabilities	-	(4,239)				
A32990	Increase (decrease) in refund liability	(352,744)	299,008				
A33000	Cash generated from (used in) operations	5,807,112	13,017,256				
A33100	Interest received	363,820	47,669				
A33200	Dividend received	1,092,400	360,000				
A33300	Interest paid	(202,030)	(98,107)				
A33500	Income tax paid	(945,729)	(534,424)				
AAAA	Net cash provided by (used in) operating activities	6,115,573	12,792,394				

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



**MANAGEMENT REPRESENTATION LETTER**

The entities that are required to be included in the combined financial statements of Kinsus Interconnect Technology Corp. as of December 31, 2023 and for the year then ended under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Kinsus Interconnect Technology Corp. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Kinsus Interconnect Technology Corp.

By

Liao, Sih-Jheng

Chairman

January 29<sup>th</sup>, 2024

English Translation of Financial Statements and a Report Originally Issued in Chinese

**INDEPENDENT AUDITORS' REPORT**

To The Board of Directors of  
Kinsus Interconnect Technology Corp.

**Opinion**

We have audited the accompanying consolidated balance sheets of Kinsus Interconnect Technology Corp. (the “Company”) and its subsidiaries as of December 31, 2023 and 2022, the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together referred as “the consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditor (please refer to the Other Matter – Making Reference to the Audit of a Component Auditor section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2023 and 2022, and its consolidated financial performance and cash flows for the years then ended, 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 by Financial Supervisory Commission of the Republic of China.

**Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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 the Company 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. Based on our audits and the reports of other auditor(s), 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 2023 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

We determine that revenue recognition is one of the key audit matters. The Company's consolidated revenue in the amount of NT\$26,832,187 thousand for the year ended December 31, 2023 is a material account to the Company's consolidated financial statements. The Company has conducted these sale activities in multiple marketplaces, including Taiwan, China, USA, etc. Among these locations, the Company has established hub-warehouse for certain foreign customers' convenience. Furthermore, the timing of fulfilling performance obligation needs to be determined based on various sale terms and conditions with major clients. We therefore determined revenue recognition a key audit matter. Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition in the sales cycle, taking samples to perform test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of timing of revenue recognition from foreign warehouses with the timing of fulfilling performance obligation for sale agreement or orders, performing analytical review procedures on monthly sale revenues and the cut-off tests for a period before and after the balance sheet dates, etc. We have also considered the appropriateness of the revenue disclosure in Notes 4 and 6 to the consolidated financial statements.

### Market valuation on Inventory

The Company's inventory amounted to NT\$2,611,682 thousand as of December 31, 2023. As the application market of substrate, the Company's main products, is characterized by rapid development in technology and the trend of consumers' preference, management, in timely considering the status of new products development and the demand from clients, has to evaluate the loss due to market value decline as well as write-down on slow-moving inventories to their net realizable value and the assessment of appropriateness of loss allowance of value decline and slow-moving inventory requires significant management judgement, we therefore determined inventory valuation one of the key audit matters.

Our audit procedures therefore include, but not limit to, evaluating the Company's policy with respect to assessment of the loss from slow-moving and obsolete inventory (including identification method, testing the accuracy of inventory aging schedule, analysis on inventory movement), performing observation on the Company's inventory physical-taking, and inspecting the current status of inventory usage, etc. We also assessed the adequacy of the inventory-related disclosures shown in the Notes 5 and 6 to the consolidated financial statements.

### **Other Matter – Making Reference to the Audit of a Component Auditor**

We did not audit the financial statements of invested associates accounted for using the equity method by the Group, which were audited by other independent auditors. The financial statements of certain invested associates. as of December 31, 2023 and 2022 and for the years then ended were audited by other independent auditors, whose reports thereon have been furnished to us. Our audit, insofar as it related to the investment in the associate accounted for using the equity method amounting to NT\$438,318 thousand and NT\$381,123 thousand as of December 31, 2023 and 2022 representing 0.56% and 0.53% of the Company's consolidated total assets, the related shares of income before tax from the associate using the equity method for the years then ended amounting to NT\$ (12,843) thousand and NT\$53,319 thousand representing (0.90)% and 0.53% of the Company's consolidated income before tax, and the related shares of other comprehensive income from the associate using the equity method for the years then ended amounting to NT\$20,182 thousand and NT\$2,799 thousand representing (20.58)% and 2.72% of the consolidated other comprehensive income, are based solely on the audit reports of other auditors.

### **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 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 the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

### **Auditor's 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 auditor's 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 maintain 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 the Company.
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 the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company 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 the Company 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 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

## **Other matters**

We have audited and expressed an unqualified opinion on the parent-company-only financial statements of the Company as of and for the years then ended December 31, 2023 and 2022.

/s/Chang, Chih Ming

/s/Chen, Kuo Shuai

Ernst & Young  
January 29<sup>th</sup>, 2024  
Taipei, Taiwan,  
Republic of China

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China on Taiwan and not those of any other jurisdictions. The standards, procedures and practice to audit such consolidated financial statements are those generally accepted and applied in the Republic of China on Taiwan.*

*Accordingly, the accompanying consolidated 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 Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2023 and 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of December 31, 2023		As of December 31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$15,700,767	20	\$16,684,198	23
1110	Financial assets at fair value through profit or loss	4, 6(2)	3,194,224	4	1,218,551	2
1136	Financial assets measured at amortized cost	4, 6(3)	2,118,426	3	20,057	-
1150	Notes receivable, net	4, 6(5)	4,760	-	11,200	-
1170	Accounts receivable, net	4, 6(6)	4,293,765	6	5,035,681	7
1180	Accounts receivable - related parties, net	4, 6(6), 7	367	-	2,924	-
1200	Other receivables		140,790	-	606,035	1
130x	Inventories, net	4, 6(7)	2,611,682	3	3,480,943	5
1410	Prepayments	7	1,036,628	1	659,751	1
1470	Other current assets		267,514	-	380,949	-
11xx	Total current assets		29,368,923	37	28,100,289	39
	Non-current assets					
1517	Financial asset at fair value through OCI	4, 6(4)	51,000	-	51,000	-
1550	Investment accounted for using equity method	4, 6(8)	438,318	1	381,123	1
1600	Property, plant and equipment, net	4, 6(9), 7, 8, 9	31,623,152	41	31,552,538	43
1755	Right-of-use asset	4, 6(23), 7	420,903	1	517,233	1
1780	Intangible assets	4, 6(10)	41,844	-	48,023	-
1840	Deferred income tax assets	4, 6(27)	47,983	-	27,386	-
1900	Other non-current assets	6(11), 6(18), 8	263,033	-	119,314	-
1915	Prepayment for acquiring machinery	6(9), 9	15,811,883	20	11,836,510	16
15xx	Total non-current assets		48,698,116	63	44,533,127	61
1xxx	Total Assets		\$78,067,039	100	\$72,633,416	100

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



English Translation of Consolidated Financial Statements Originally Issued in Chinese  
Kinsus Interconnect Technology Corp. and Subsidiaries  
Consolidated Balance Sheets-(Continued)  
As of December 31, 2023 and 2022  
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2023		As of December 31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(12)	\$1,408,619	2	\$376,620	-
2130	Contract liability	4, 6(21)	1,072,455	1	112,683	-
2150	Notes payable		47,253	-	24,330	-
2170	Accounts payable		2,053,559	3	2,148,750	3
2200	Other payables	6(13), 7	6,356,260	8	8,624,862	12
2230	Current income tax liabilities	4	971,330	1	1,926,949	3
2280	Lease liability	4, 6(23), 7	133,272	-	132,253	-
2300	Other current liabilities	6(14)	1,963,440	3	1,481,521	2
2365	Refund liability	4, 6(15)	252,687	-	545,781	1
21xx	Total current liabilities		14,258,875	18	15,373,749	21
	Non-current liabilities					
2527	Contract liability	4, 6(21)	3,912,317	5	2,441,184	4
2540	Long-term loans	6(16), 8	15,280,296	20	10,770,014	15
2570	Deferred income tax liabilities	4, 6(27)	65,368	-	37,335	-
2580	Lease liability	4, 6(23), 7	140,048	-	231,107	-
2600	Other non-current liabilities	6(17)	5,251,009	7	4,964,134	7
25xx	Total non-current liabilities		24,649,038	32	18,443,774	26
2xxx	Total liabilities		38,907,913	50	33,817,523	47
31xx	Equity attributable to shareholders of the parent					
3100	Capital	6(19)				
3110	Common stock		4,544,231	6	4,527,711	6
3200	Capital surplus	6(19)	7,153,073	9	6,860,826	9
3300	Retained earnings	6(19)				
3310	Legal reserve		4,789,190	6	4,087,701	5
3320	Special reserve		147,938	-	203,108	1
3350	Unappropriated earnings		15,270,310	20	18,826,225	26
3400	Other components of equity		(209,853)	-	(183,871)	-
36xx	Non-controlling interests	6(19)	7,464,237	9	4,494,193	6
3xxx	Total equity		39,159,126	50	38,815,893	53
	Total liabilities and equity		\$78,067,039	100	\$72,633,416	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
Kinsus Interconnect Technology Corp. and Subsidiaries  
Consolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(21), 7	\$26,832,187	100	\$42,441,054	100
5000	Operating costs		(20,074,681)	(75)	(26,729,498)	(63)
5900	Gross profit		6,757,506	25	15,711,556	37
6000	Operating expenses	7				
6100	Sales and marketing		(842,593)	(3)	(934,428)	(2)
6200	General and administrative		(2,458,259)	(9)	(2,665,967)	(6)
6300	Research and development		(2,396,867)	(9)	(2,511,381)	(6)
6450	Expected credit losses	4, 6(22)	(17,540)	-	(23,441)	-
	Total operating expenses		(5,715,259)	(21)	(6,135,217)	(14)
6900	Operating income		1,042,247	4	9,576,339	23
7000	Non-operating incomes and expenses					
7100	Interest income	6(25)	517,093	2	83,239	-
7010	Other incomes	6(25), 7	170,946	1	248,183	-
7020	Other gains or losses	6(25), 7	40,449	-	314,449	1
7050	Finance costs	6(25), 7	(331,807)	(2)	(183,655)	-
7060	Share of the profit or loss of associates and joint ventures accounted for using equity method	6(8)	(12,843)	-	53,319	-
	Total non-operating incomes and expenses		383,838	1	515,535	1
7900	Income before income tax		1,426,085	5	10,091,874	24
7950	Income tax expense	4, 6(27)	(255,683)	(1)	(2,158,404)	(5)
8200	Net income		1,170,402	4	7,933,470	19
8300	Other comprehensive income	6(26)				
8310	Item that not be reclassified to profit or loss					
8311	Actuarial gain (loss) from defined benefit plans		(14,711)	-	42,519	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		(103,528)	-	57,556	-
8370	Share of the other comprehensive income of associates and joint ventures accounted for using equity method		20,182	-	2,799	-
	Total other comprehensive income, net of tax		(98,057)	-	102,874	-
8500	Total comprehensive income		\$1,072,345	4	\$8,036,344	19
8600	Net income attributable to:					
8610	Shareholders of the parent		\$47,516	-	\$6,976,792	17
8620	Non-controlling interests		1,122,886	4	956,678	2
			1,170,402	4	7,933,470	19
8700	Comprehensive income attributable to:					
8710	Shareholders of the parent		\$(14,497)	-	\$7,074,480	17
8720	Non-controlling interests		1,086,842	4	961,864	2
			\$1,072,345	4	\$8,036,344	19
9750	Earnings per share-basic (in NTD)	6(28)	\$0.11		\$15.47	
9850	Earnings per share-diluted (in NTD)	6(28)	\$0.10		\$15.07	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent								Non-controlling Interests	Total Equity
		Common Stock	Capital Surplus	Retained Earnings			Others		Total		
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unearned Employee Benefit			
		3100	3200	3310	3320	3350	3410	3490	31XX	36XX	3XXX
A1	Balance as of January 1, 2022	\$4,508,441	\$6,633,051	\$3,700,821	\$181,016	\$14,249,110	\$(203,107)	\$-	\$29,069,332	\$3,919,766	\$32,989,098
	Appropriation and distribution of 2021 earnings										
B1	Legal reserve			386,880		(386,880)			-		-
B3	Special reserve				22,092	(22,092)			-		-
B5	Cash dividends - ordinary shares					(2,028,798)			(2,028,798)		(2,028,798)
D1	Net income for 2022					6,976,792			6,976,792	956,678	7,933,470
D3	Other comprehensive income, net of tax, for 2022					42,519	55,169		97,688	5,186	102,874
D5	Total comprehensive income	-	-	-	-	7,019,311	55,169	-	7,074,480	961,864	8,036,344
H3	Reorganization		1,435			(1,645)			(210)	(5,554)	(5,764)
M5	Difference between consideration and carrying amount of subsidiaries acquire or disposed		(292)			(2,781)			(3,073)	10,130	7,057
N1	Share-based payments		498						498		498
O1	Non-controlling interests increase (decrease)								-	(392,013)	(392,013)
T1	Restricted employee stocks and others	19,270	226,134					(35,933)	209,471		209,471
Z1	Balance as of December 31, 2022	4,527,711	6,860,826	4,087,701	203,108	18,826,225	(147,938)	(35,933)	34,321,700	4,494,193	38,815,893
	Appropriation and distribution of 2022 earnings										
B1	Legal reserve			701,489		(701,489)			-		-
B3	Special reserve				(55,170)	55,170			-		-
B5	Cash dividends - ordinary shares					(2,943,012)			(2,943,012)		(2,943,012)
D1	Net income for 2023					47,516			47,516	1,122,886	1,170,402
D3	Other comprehensive income, net of tax, for 2023					(14,711)	(47,302)		(62,013)	(36,044)	(98,057)
D5	Total comprehensive income	-	-	-	-	32,805	(47,302)	-	(14,497)	1,086,842	1,072,345
M7	Changes in ownership interests in subsidiaries		133,512						133,512	(75,126)	58,386
O1	Non-controlling interests increase (decrease)								-	1,958,328	1,958,328
T1	Restricted employee stocks and others	16,520	158,735			611		21,320	197,186		197,186
Z1	Balance as of December 31, 2023	\$4,544,231	\$7,153,073	\$4,789,190	\$147,938	\$15,270,310	\$(195,240)	\$(14,613)	\$31,694,889	\$7,464,237	\$39,159,126

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



English Translation of Consolidated Financial Statements Originally Issued in Chinese

Kinsus Interconnect Technology Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2023	2022	Code	Items	2023	2022
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$1,426,085	\$10,091,874	B00040	Acquisition of financial assets at amortized cost	(2,098,369)	-
A20000	Adjustments:			B01800	Acquisition of investments accounted for using equity method	(50,000)	-
A20010	Income and expense adjustments:			B02700	Acquisition of property, plant and equipment	(10,135,844)	(17,093,642)
A20100	Depreciation (including right-of-use assets)	5,282,179	5,038,962	B02800	Proceeds from disposal of property, plant and equipment	11,987	496,477
A20200	Amortization	69,274	68,116	B03800	Decrease in refundable deposits	10,691	2,990
A20300	Expected credit losses (gains)	17,540	23,441	B04500	Acquisition of intangible assets	(63,095)	(84,096)
A20400	Net gains of financial assets or liabilities at fair value through P/L	(22,871)	(3,773)	B05350	Acquisition of right-of-use assets	(161,852)	-
A20900	Interest expense	331,807	183,655	B09900	Proceeds from disposal of right-of-use assets	-	143,540
A21200	Interest income	(517,093)	(83,239)	BBBB	Net cash provided by (used in) investing activities	(12,486,482)	(16,534,731)
A21900	Cost of share-based payment	114,828	49,673	CCCC	Cash flows from financing activities:		
A22300	Share of profit or loss of associates and joint ventures	12,843	(53,319)	C00100	Increase in short-term loans	1,031,999	-
A22500	Loss (gain) on disposal of property, plant and equipment	(2,719)	(229,399)	C00200	Repayments of short-term loans	-	(723,226)
A23700	Impairment loss on non-financial assets	19,488	40,759	C01600	Increase in long-term loans	7,282,900	3,551,153
A29900	Gain on lease modification	(12)	(101,434)	C01700	Repayments of long-term loans	(2,271,492)	(1,648,515)
A29900	Gain on government grants	(22,976)	(14,574)	C03000	Increase in deposits received	269,716	3,063,848
A29900	Loss from fire	-	2,526	C04020	Cash payments for the principal portion of the lease liability	(141,084)	(117,882)
A30000	Changes in operating assets and liabilities:			C04500	Cash dividends paid	(3,438,175)	(2,443,311)
A31115	(Increase) decrease in financial assets at fair value through P/L	(1,952,802)	(598,698)	C04600	Proceeds from issuing shares	147,917	165,379
A31130	(Increase) decrease in notes receivable	6,440	(7,000)	C05800	Increase (decrease) in non-controlling interests	2,453,491	22,500
A31150	(Increase) decrease in accounts receivable	724,132	588,281	CCCC	Net cash provided by (used in) financing activities	5,335,272	1,869,946
A31160	(Increase) decrease in accounts receivable - related parties	2,557	23,387	DDDD	Effect of exchange rate changes	(88,288)	56,000
A31180	(Increase) decrease in other receivables	537,243	(187,330)	EEEE	Increase (decrease) in cash and cash equivalents	(983,431)	1,352,171
A31190	(Increase) decrease in other receivables - related parties	-	367	E00100	Cash and cash equivalents at beginning of period	16,684,198	15,332,027
A31200	(Increase) decrease in inventories	869,261	(14,999)	E00200	Cash and cash equivalents at end of period	\$15,700,767	\$16,684,198
A31230	(Increase) decrease in prepayments	(376,877)	(211,244)				
A31240	(Increase) decrease in other current assets	113,435	(8,767)				
A31990	(Increase) decrease in net defined benefit assets	(7,269)	-				
A32125	Increase (decrease) in contract liabilities	2,430,905	1,699,955				
A32130	Increase (decrease) in notes payable	22,923	(4,306)				
A32150	Increase (decrease) in accounts payable	(95,191)	(738,127)				
A32180	Increase (decrease) in other payables	(1,374,967)	1,134,532				
A32230	Increase (decrease) in other current liabilities	(13,124)	(29,392)				
A32240	Increase (decrease) in net defined benefit liabilities	-	(4,239)				
A32990	Increase (decrease) in refund liability	(293,094)	364,673				
A33000	Cash generated from (used in) operations	7,301,945	17,020,361				
A33100	Interest received	444,828	70,948				
A33300	Interest paid	(288,078)	(151,377)				
A33500	Income tax paid	(1,202,628)	(978,976)				
AAAA	Net cash provided by (used in) operating activities	6,256,067	15,960,956				

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

## Attachment IV

*(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)*

Kinsus Interconnect Technology Corp.  
Earnings Distribution Proposal  
For The Year Ended December 31, 2023

Item	Amount (In: NT\$)
Beginning retained earnings	\$15,236,894,097
Less: Other comprehensive income (loss) in 2023	
-Actuarial gain/loss of defined benefit	(14,711,325)
Add: Employee restricted share adjusted amount	611,711
Add: Net income after tax in 2023	47,515,806
Less: 10% legal reserve	(3,341,619)
Less: appropriation of special reserve	(47,301,654)
Distributable earnings	15,219,667,016
Distributions	
Less: Cash dividend to shareholders (NT\$1 per share)	(454,423,060)
Unappropriated retained earnings	\$14,765,243,956

Chairman:

CEO:

Chief Accountant:

## **Appendix I**

*(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)*

### **Kinsus Interconnect Technology Corp. Rules of Procedure for Shareholder Meetings**

#### **Article 1**

Unless otherwise required by laws and regulations, the shareholders meeting of the Company shall be held in accordance with these Rules.

#### **Article 2**

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares present shall be calculated based on the attendance sheet or the attendance cards delivered.

#### **Article 3**

The attendance and voting at the shareholders' meeting shall be calculated based on the shares.

#### **Article 4**

The place of the shareholders meeting shall be at the office of the Company or at a location convenient to the shareholders and suitable for convening a shareholders meeting. The time of the meeting may not be earlier than 9 a.m. or later than 3 p.m.

#### **Article 4-1**

This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

#### **Article 5**

When the shareholders meeting was convened by the Board of Directors, the shareholders' meeting shall be presided by the Chairman of the Board of Directors. If the Chairman is absent or is unable to exercise the duties for certain reasons, the vice-Chairman shall act on his/her behalf. If the vice-Chairman is absent or is unable to exercise the duties for certain reasons, the Chairman may designate the managing director to act on his/her behalf; if there is no managing director, one of the directors may be designated to act on his/her behalf. Where the Chairman does not designate a proxy, the managing director or directors may elect a person among themselves to act on behalf of the Chairman. When the shareholders meeting was convened by other persons who have the convening right, the shareholders' meeting shall be presided by the convener. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

#### **Article 6**

The Company may designate the attorneys, accountants or relevant personnel engaged to present in the shareholders meeting. The staffs handling the shareholders meeting shall wear identification cards or arm-band.

## **Article 7**

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

## **Article 8**

Upon the starting time of the meeting, the chairman shall order the meeting to begin. However, where the shareholders present represent half or less than half of the total outstanding shares, the chairman may postpone the meeting for a total of two times. The postponed time may not in total exceed one hour. Where after two postponements, the shareholders present still do not meet the quorum but represent one-third or more of the total outstanding shares, a tentative resolution may be passed in accordance with Paragraph 1, Article 175 of the Company Act. If the shares present represent more than half of the total outstanding shares before the end of the meeting, the chairman may propose the tentative resolution to the shareholders meeting for voting in accordance with Article 174 of the Company Act.

## **Article 9**

If the shareholders meeting is convened by the Board of Directors, its agenda shall be stipulated by the Board of Directors, and the meeting shall be held in accordance with the agenda and may not be changed without the resolution of the shareholders meeting. When the shareholders meeting was convened by other persons who have the convening right, the above paragraph shall apply mutatis mutandis. Before the closing of the discussions (including provisional motions) stipulated in the agenda under the above two paragraphs, the chairman may not announce the adjournment of the meeting without resolution. After the adjournment of the meeting, the shareholders may not elect a chairman to continue the meeting at the original address or at another location.

## **Article 10**

Before a shareholder makes a statement, he/she must complete a statement slip stating the subject of the statement, the shareholder number (or attendance card number) and shareholder name, and the chairman shall determine the order of his/her statement. Where a shareholder present only completed a statement slip but did not make a statement, he/she will be deemed to not have made a statement. Where the statement made is inconsistent with that stated on the statement slip, the statement made will prevail. When a shareholder present makes a statement, the other shareholders may not make a statement and interfere, unless consent is obtained from the chairman and the shareholder making the statement. The chairman shall restrain such interfering shareholder.

## **Article 11**

For each proposal, a shareholder may not make more than two statements, unless consent is obtained from the chairman. Each statement may not exceed five minutes. The chairman may restrain the shareholder from making the statement if he/she violates the above provisions or has exceeded the scope of the proposal.

## **Article 12**

Where an institution is delegated to attend the shareholders meeting, it may only appoint one representative to attend. Where the institution appoints two or more representatives to attend the shareholders meeting, only one person may make a statement for each proposal.

## **Article 13**

After a shareholder makes a statement, the chairman may respond him/herself or designate a relevant person to respond.

**Article 14**

Where the chairman believes that the proposal discussed may be resolved, he/she may announce the ending of the discussion and propose that votes be made.

**Article 15**

If the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

**Article 16**

The personnel supervising and calculating the votes for the proposals shall be designated by the chairman, but the supervising personnel shall be a shareholder. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes and the numbers of votes with which they were elected, shall be announced on-site at the meeting, and a record made of the vote.

**Article 17**

During the meeting, the chairman may announce recesses at his/her own discretion.

**Article 18**

Unless otherwise specified in the Company Act and the Articles of Incorporation, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present.

**Article 19**

When a proposal has an amendment or a replacement, the chairman may combine it with the original proposal and determine the order of resolution. If one of the proposals is resolved, the other proposals will be deemed as rejected and there is no need to make another resolution.

**Article 20**

The chairman may instruct the security officer to assist in maintaining the order of the meeting. The security officer shall wear an arm-band with the word "Security" when assisting in the maintenance of the order of the meeting.

**Article 21**

These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

**Article 22**

These Rules and Procedures of Shareholders' Meeting were made on June 28, 2003. The first amendment was on June 17, 2013.



## **Appendix II**

*(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)*

### **Articles of Incorporation of Kinsus Interconnect Technology Corp.**

#### **CHAPTER I GENERAL PROVISIONS**

##### **Article 1**

This Company is incorporated under the Company Act, with the name of KINSUS INTERCONNECT TECHNOLOGY CORP, and the English name of KINSUS INTERCONNECT TECHNOLOGY CORP.

##### **Article 2**

The business scope of the Company is as following:

1. CC01080 Electronic Parts and Components Manufacturing
2. F119010 Wholesale of Electronic Materials
3. F219010 Retail Sale of Electronic Materials
4. I103060 Management consultation
5. CQ01010 Die Manufacturing
6. CC01990 Electrical Machinery, Supplies Manufacturing
7. CB01990 Other Machinery Manufacturing Not Elsewhere Classified
8. F401010 International Trade
9. C801010 Basic Industrial Chemical Manufacturing
10. ZZ99999 All business items that are not prohibited or restricted by laws and regulations, except for those subject to special approval.

##### **Article 3**

The Company has its head office in Taoyuan City, and the Company may establish branches in and out of this country.

##### **Article 4**

The method of the public announcement of the Company shall be made in accordance with Article 28 of the Company Act.

#### **CHAPTER II SHARES**

##### **Article 5**

The authorized capital of the Company is NTD 6,000,000,000, divided into 600,000,000 shares, at a par value of NTD 10 per share. The shares may be issued in installments, and the shares which have not been issued would be issued in installments pursuant to the resolution of Board of Directors. The registered capital keeps NTD 300,000,000 divided into 30,000,000 shares provided for exercise of the option of stock option certificates, preferred shares with warrants and warrants attached to corporate bonds, which may be issued in installments pursuant to the resolution of Board of Directors.

##### **Article 5-1**

When the Company transfer to the employees at a price lower than the average price of the actual bought-back shares, or lower than “Regulations Governing the Offering and Issuance of Securities by Securities Issuers” exercise price issue employee stock warrants, it shall be resolved by two-thirds of the votes at a shareholders' meeting attended by shareholders representing a majority of the total number of issued shares.

## **Article 5-2**

The company of reward tools include stock repurchase, qualification requirements of employees, an issuance of new shares and shares of restricted stock for employees with Company Act and Securities and Exchange Act. Qualification requirements of employees, and subscription by employees including the employees of parents or subsidiaries of the company meeting certain specific requirements, provide for the Board of Directors.

## **Article 6**

Share certificates of the Company shall be in registered form, signed or sealed by directors representing the company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance. The issued shares may be exempted from printing any share certificate, provided that such issuance shall register the issued shares with a centralized securities depository enterprise agency and follow the regulations of that agency.

## **Article 7**

The shareholders of the Company shall conduct shares related affairs or exercise other relevant rights in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies unless the laws, regulations or securities regulation rules provide otherwise.

## **Article 8**

The shareholders' register shall be closed during 60 days prior to the date of an ordinary shareholders' meeting, 30 days prior to the date of an extraordinary shareholders' meeting, or five days period prior to the record dates for distribution of dividends, bonuses or other benefits of the Company.

# **CHAPTER III SHAREHOLDER'S MEETING**

## **Article 9**

The shareholders' meeting of the Company is as following :

1. Ordinary shareholders' meeting shall be convened within six months after close of each fiscal year by the branches.
2. Extraordinary shareholders' meeting shall be convened when necessary in accordance with the relevant laws and regulations.

## **Article 9-1**

When the Company's shareholders' meeting is held, it can be held by means of physical shareholder meeting, visual communication network (including pure video shareholders' meeting and video-assisted shareholders' meeting) or other methods promulgated by the central competent authority. It shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.

## **Article 10**

When the shareholders meeting was convened by the Board of Directors, the shareholders' meeting shall be presided by the Chairman of the Board of Directors. If the Chairman is absent, the Chairman may designate one of the directors to act on his/her behalf. Where the Chairman does not designate a proxy, the directors may elect a person among themselves to act as the chairman of the meeting. When the shareholders meeting was convened by other persons who has the convening right, the shareholders' meeting shall be presided by the convener. When there are two or more conveners, the conveners shall elect among themselves to act as the chairman of the meeting.

**Article 11**

A notice to convene an ordinary meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date, and a notice to convene an extraordinary meeting of shareholders shall be given to each shareholder no later than 15 days prior to the scheduled meeting date. Such notice shall specify the meeting date, meeting venue, and proposed matters and be sent to the shareholders in writing.

**Article 12**

When a shareholder for any reasons cannot attend the shareholders' meeting in person, he/she/it may attend the meeting by proxy by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy.

**Article 13**

Except in the circumstances set forth in the Company Act where there is no voting right for a share, each shareholder of the Company shall have one vote for each share held.

**Article 14**

Unless otherwise specified in the Company Act, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present in person or through proxy, who represent more than one-half of the total number of voting shares. When the shareholders meeting was convened by the Board of Directors, it shall be handled in accordance with Article 183 of the Company Act.

## **CHAPTER IV DIRECTORS, AUDIT COMMITTEE AND MANAGERS**

**Article 15**

The Company set up seven to eleven directors with three-year term in adopting the system of nominating candidates. The shareholders elect the directors from the list of candidates and the directors can be re-elected for next term.

During the directors' term, the Company shall buy enough insurance for all its directors to cover the legal liability that might incur in mal-practice of its Company's business.

The board meeting is authorized to resolve the remuneration for the executive directors, no matter the Company makes profit or not, based on the degree of their participation and contribution to the Company's operations in reference to the industry level.

**Article 15-1**

The Company may have independent directors within the aforementioned number of directors and the number of independent directors shall be no less than one-fifth of the total number of directors and shall not be less than two. The election of independent directors shall adopt the candidate nomination system, and the shareholders shall elect the independent directors from the list of the candidates of the independent directors. The professional qualifications, shareholdings, restrictions on concurrent position, nomination, and other compliance matters shall be handled in accordance with relevant regulations of the securities authorities.

**Article 15-2**

Pursuant to Article 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee. The Audit Committee shall be composed of the entire number of Independent Directors.

**Article 15-3**

The Board of Directors of a company may have any other functional committees.

Any other functional committees shall establish exercise power rules and be enforced after resolving them in the Board of Directors.

**Article 16**

The Board of Directors is composed of directors. The functions and responsibilities of the Board of Directors shall be as follows:

1. To determine the business plans and financial statements,
2. To propose distribution of profit or appropriation of losses,
3. To propose capital increase or decrease,
4. To enact important rules and organizational regulations of the Company,
5. To engage and terminate the general manager and principal manager of the Company,
6. To determine the establishment and winding-up of branches,
7. To produce the budget and the final accounts, and
8. To delegated other duties authorized by the Company Act or the resolution of the shareholders' meeting(s).

**Article 17**

The Chairman will be elected from among directors by a majority vote at a board meeting at which at least two-thirds (2/3) of directors are present. The Chairman shall be the representative of the Company externally.

**Article 18**

Convening the board meeting shall be handled in accordance with Article 204 of the Company Act. In order to convene the board meeting, notice may be made by written notice, e-mail or fax. Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

**Article 19**

The Chairman will preside at the board meetings. If the Chairman is on leave or unable to perform his/her duties, the Chairman may designate one of the directors to act on his/her behalf. Where the Chairman does not designate a proxy, the directors may elect a person among themselves to act as the chairman of the meeting. The directors shall personally attend the board meeting, and if the directors cannot attend the board meeting for certain reasons, he/she may appoint another director as his/her proxy. The board meeting may be convened via video conference, and the directors who attend the board meeting via video conference shall be deemed to have attended the meeting in person. The Chairman appoint another director as his/her proxy each time with a power of attorney stating the scope of authority with reference to the subjects to be discussed at the meeting and powers granted; provided that a director may act as the proxy for only one another director.

**Article 20**

The authority of the Audit Committee and the other compliance issues shall be made according to the Securities and Exchange Act and other relevant laws and regulations.

**Article 21**

The Company may have various managers. The appointment, discharge and the remuneration of the managers shall be handled in accordance with Article 29 of the Company Act.

## **CHAPTER V ACCOUNTING**

### **Article 22**

The fiscal year of the Company commences from January 1 to December Final accounts shall be handled at the end of each fiscal year.

### **Article 23**

After the end of each fiscal year, the following documents and statements should be approved by the Board of Directors, and then submit the same to the ordinary shareholders' meeting for recognition:

1. Business Report,
2. Financial Statements, and
3. Proposal for distribution of profit or appropriation of losses.

### **Article 24**

The Company, if making profits in current year, shall provide the ratio of employee compensation to “income before tax and the employee and directors’ compensation to be provided” at less than 10% and the ratio of directors’ compensation to “income before tax and the employee and directors’ compensation to be provided” at be more than 1%, provided that all accumulated deficits, if any, are fully offset.

The employees’ compensation can be distributed in cash or stocks. The employees receiving the stock dividends may include employees in affiliated or control companies who met certain conditions stipulated by the Board of Directors authorized.

Employee and directors’ compensation are to report in the shareholders’ meeting.

### **Article 24-1**

The Company, if making profits in current year, shall distribute the earnings in the following order:

1. Payment of all taxes and dues;
2. Offset prior years’ operation losses;
3. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve; However, when the statutory surplus reserve has reached the company's paid-in capital, this limitation is not applicable;
4. Set aside or reverse special reserve in accordance with law and regulations;
5. The remaining portion after the above-mentioned, accounted for as distributable earnings from current year, plus the undistributed earnings from prior years, i.e. accumulated distributable earnings, can be distributed to shareholders based on the proposal submitted by the board and approved by shareholders. If any, will be recommended by the Board of Directors and resolved in the shareholders’ meeting.

To authorize the distributable dividends and bonuses or all or part of statutory surplus reserve and capital reserve in whole may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; in addition thereto a report of such distribution shall be submitted to the shareholders’ meeting.

The Company is in an industry with versatile environment. For long-term finance planning requirements and to meet the shareholders' demand for cash, dividend policy aims for a steady balance. Shareholder extra dividend each year cannot be less than 10% of distributed surplus earnings and cash dividends distributed each year cannot be less than 10% of the gross amount of dividends.

## **ARTICLE VI SUPPLEMENTARY PROVISIONS**

### **Article 25**

The Company is allowed to make investment in an amount exceeding 40% of its paid-in capital and authorizes the Board of Directors to execute the investment.

### **Article 25-1**

The Company may provide guarantee as necessary for the business.

### **Article 26**

The organizational rules and operating rules of the Company shall be enacted separately by the Board of Directors remuneration.

### **Article 27**

If there is any matter not covered herein, the Company Act and the relevant laws and regulations shall govern.

### **Article 28**

The Article was agreed by all the promoters in founder's meeting in September 1, 2000. The first revised was June 28, 2003. The second revised was August 26, 2003. The third revised was April 16, 2004. The fourth time revised was April 16, 2004. The fifth time revised was June 14, 2005. The sixth time revised was June 14, 2005. The seventh revised was June 19, 2006. The eighth revised was May 30, 2007. The ninth revised was May 30, 2008. The tenth revised was June 18, 2010. The eleventh revised was June 22, 2011. The twelfth revised was June 18, 2012. The thirteenth revised was May 27, 2016. The fourteenth revised was May 26, 2017. The fifteenth revised was May 29, 2019. The sixteenth revised was May 28, 2020. The seventeenth revised was May 27, 2022.

## **Appendix III**

### **Kinsus Interconnect Technology Corp. Rules for Election of Directors**

#### **Article 1**

Election of directors shall be acted upon in accordance with these regulations.

#### **Article 2**

The election of directors of the Company shall be executed at the shareholders' meeting.

#### **Article 3**

Company's directors shall be elected through cumulative voting. Voters' registration can be substituted by the attendee card number which is printed on the ballots.

#### **Article 4**

When electing the Company's directors, each share shall be entitled to one vote for each director to be elected. In the election of directors of this Company, each share shall have voting rights equivalent to the number of seats to be elected and such voting rights can be combined to vote for one person or divided to vote for several persons.

#### **Article 5**

The numbers of the directors of the Company shall be provided by the Articles of Incorporation of the Company. The election of independent directors and non-independent directors shall be held together; but elected places shall be calculated separately. The elected candidates shall base on the total voting rights received. If an elected director submits a representation for not to be the director before the Company applying to the government for updated registration, the person with votes next to the elected will be deemed elected. When two or more persons receive the same number of votes and the specified number of positions is exceeded, the two persons receiving the same number of votes shall draw lots to decide who shall serve; the chair shall draw lots on behalf of a non-attendee.

#### **Article 6**

When voting commences, the chair shall appoint several inspectors to count ballots and carry out related duties.

#### **Article 7**

A ballot box shall be provided by the Board of Directors and shall be kept in public view by the monitor before the vote.

#### **Article 8**

The voters shall fill in the "candidate" column the candidate's name and the voters' attending number and place the ballots into the ballot box. If the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name(s) of their representative(s) should be filled in the column.

#### **Article 9**

A ballot is invalid under any of the circumstances listed below:

1. Not the votes prepared by the Board of Directors or convenors.
2. Any blank ballot placed in the ballot box.
3. Any ballot with illegible writing or incomplete corrections rendering it unrecognizable.
4. The list of nominated candidates for elected officials and directors has been checked and found to be inconsistent.

5. Any ballot containing other characters in addition to allocated voting rights.

**Article 10**

After the completion of voting, the ballots will be counted on the spot, with the scrutineers overseeing the counting process. The Chairperson will then announce the results immediately.

**Article 11**

The Board of Directors of the Company shall deliver a written notification to the directors elected.

**Article 12**

Matters not specified in the Rules shall be governed by the Company Act, Articles of Incorporation of the Company and the relevant laws and regulations.

**Article 13**

These Regulations and any amendments hereto shall enter into force when approved by a resolution at a Shareholders' Meeting.

**Article 14**

These regulations were enacted on 28 June 2003. The first amendment was made on 18 June 18 2012. The second amendment was made on 12 July 2021.



## Appendix IV

(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)

### Shareholding of Directors

1. Paid-in capital of the Company is NTD\$4,544,230,600, with a total of 454,423,060 outstanding shares.
2. According to Article 26 of the Securities and Exchange Act, the minimum number of shares to be held by the entire directors is 16,000,000 shares.
3. As of the date for suspending the share transfer for this shareholders meeting, the shareholding of each individual and entire directors stipulated in the shareholders roster is as follows:

Book closure date: April 1, 2024

Position	Name	Shareholding when elected		Current shareholding	
		Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)
Chairman	Liao, Sih-Jheng	-	-	172,000	0.04%
Director	Tong, Zi-Xian	200,000	0.04%	240,000	0.05%
Director	Guo, Ming-Dong	906,795	0.20%	521,795	0.11%
Director	Chen, He-Xu	351,002	0.08%	403,002	0.09%
Director	Asuspower Investment Co. Ltd. Representative: Zhang, Qian-Wei	55,556,221	12.32%	55,556,221	12.23%
Director	Asustek Investment Co. Ltd. Representative: Jheng, Guang-Jhih	58,233,091	12.92%	58,233,091	12.81%
Independent Director	Wu, Hui-Huang	-	-	-	-
Independent Director	Chen, Jin-Cai	-	-	-	-
Independent Director	Lee, Ming-Yu	-	-	-	-
Total		115,247,109	25.56%	115,126,109	25.33%

Note: Mr. Jheng, Guang-Jhih has served as the legal representative of Asustek Investment Co. Ltd. since August 1, 2023.

## Appendix V

*(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)*

### Other Explanation Item

The acceptance of the shareholders' proposals for the shareholders meeting this year:

1. According to Article 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a shareholders' general meeting.
2. The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and more than one proposal or any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting.
3. The period for acceptance of shareholders' proposal: From March 22, 2024 to April 1, 2024; the information has been announced on the Market Observation Post System.
4. The Company did not receive any shareholders' proposal during the aforesaid period.