

Stock Code: 3003

K.S. TERMINALS INC.



2024 Annual Report

Printed on May 8, 2025

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<http://www.ksterminals.com.tw>

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Deputy Spokesperson: Huang Shu-Wen

Title: Financial

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II. Address and Telephone Number of the Company and Factories

Head Office and Connector Division: No. 8, Zhangbin East 3rd Road, Xianxi Township, Changhua County, Taiwan (R.O.C.)

Tel.: 04-7580001

III. Stock Transfer Agency

Name: Stock Agency Department, KGI Securities Co. Ltd.

Address: 5F., No. 2, Section 1, Chongqing South Road, Zhongzheng District, Taipei City, Taiwan (R.O.C.)

Website: <http://www.kgieworld.com.tw>

Tel.: 02-23148800

IV. CPAs For the Most Recent Financial Report

Names: CPAs Chen Ming-Hung, Huang Yu-Ting

Accounting Firm: EY Taiwan

Address: 26F., No. 186, Shizheng North 7th Road, Xitun District, Taichung City, Taiwan (R.O.C.)

Website: http://www.ey.com/zh_tw

Tel.: 04-2259 8999

V. Name of overseas exchange where securities are listed and method of inquiry: None.

VI. Company Website: <http://www.ksterminals.com.tw>

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One. Report to the Shareholders

Dear Shareholders,

The global economy faced multiple challenges in 2024, including high inflation, high interest rates, slow economic recovery in China, and geopolitical events such as the Russia-Ukraine war and Middle Eastern conflicts. These factors put pressure on global end-product demand. However, key factors that maintained global economic resilience included slowing inflation, easing labor market pressures, and strong demand for artificial intelligence (AI) related goods. Developed economies benefited from improved supply chains and increased demand for services, while trade significantly recovered.

Taiwan's economy grew by 4.3% in 2024, the fastest growth rate in three years, primarily driven by the flourishing semiconductor and AI industries, as well as rebounding demand from the Chinese market.

The Company benefited from increased sales of EV charging connectors and energy storage connectors. In the fourth quarter, anticipation of tariff increases under the Trump administration and pre-Chinese New Year stock-up created a surge in orders, resulting in overall revenue and net profit after tax growth of 9.00% and 11.63% respectively compared to 2023.

I. 2024 Business Report

The Company's revenue in 2024 was NTD4.545 billion, a 9.00% increase from the NTD4.170 billion in 2023.

Operating profit was NTD644 million, a 6.54% decrease from NTD689 million in 2023.

Net profit after tax was NTD613 million, an 11.63% increase from NTD549 million in 2023.

Earnings per share after tax was NTD3.88.

(I) Results of the Implementation of the Business Plan:

Unit: NTD thousand

Item	2024 Actual Number	2023 Actual Number	Increase (Decrease) Percentage (%)
Operating income	4,544,959	4,169,674	9.00
Operating Costs	3,238,495	2,888,105	12.13
Operating Gross Profit	1,306,464	1,281,569	1.94
Operating Expenses	662,354	592,355	11.82
Operating Profit	644,110	689,214	(6.54)
Profit Before Tax	851,220	769,935	10.56
Profit After Tax	612,984	549,103	11.63

(II) Revenue, Expenses, and Profitability Analysis

Unit: NTD thousand

Analysis Item		2024	2023
Financial Income and Expenditure	Interest Income	59,287	64,397
	Interest Expenditure	16,966	12,874
Profitability Analysis	Return on Assets (%)	7.49	6.92
	Return on Shareholders' Equity (%)	9.42	8.86
	Operating Income to Paid-in Capital Ratio (%)	41.38	44.28
	Net Income Before Tax to Paid-in Capital Ratio (%)	54.69	49.46
	Net Profit Margin (%)	13.49	13.17
	Earnings per Share After Tax (NTD)	3.88	3.49

(III) Performance in Research and Development

1. Continue developing high-power DC “liquid-cooled” charging connectors.
2. Continue developing NACS (North American Charging Standard) specification AC and DC charging connectors.
3. ESS (Energy Storage System) connectors.

II. 2025 Business Plan Overview

(I) Business Policy

1. Establish overseas production facilities with diversified locations to directly supply local market customers and regional marketing bases.
2. Strengthen talent development, including automation technology R&D personnel, overseas manufacturing plant management personnel, and overseas marketing talent.
3. To upgrade the smart manufacturing management system and expand automation equipment, increasing production efficiency.
4. Purchase or directly generate renewable energy to reduce organizational carbon emissions.

(II) Key Marketing Policies

1. Establish production bases in Thailand and India to achieve multi-site flexible manufacturing.
2. Build local business teams and professional product management (PM) teams in India, the United States, and other locations to deeply cultivate relationships with local automotive manufacturers, system manufacturers, and distribution channels.
3. Enhance the international recognition of the Company brand and provide customers with comprehensive product design services.

III. Company's Future Development Strategy

- (I) Expand into emerging markets including India and Southeast Asia, while simultaneously deepening relationships with customers in mature markets such as the United States and Japan.
- (II) Accelerate the development of automotive and energy storage connector products, and enhance laboratory verification and professional technical service capabilities.

IV. Impact from External Competitive Environment, Regulatory Environment, and Overall Business Environment

Looking ahead to 2025, major global economies are entering an interest rate reduction cycle. According to the International Monetary Fund (IMF)'s "World Economic Outlook Report," global economic growth is expected to reach 3.3% in 2025. Domestic private investment will benefit from semiconductor capacity expansion and continued investment from international corporations. Combined with the continued strong demand for emerging technologies such as AI, these factors are expected to boost Taiwan's export and production momentum. According to the Directorate-General of Budget, Accounting and Statistics, Taiwan's economy is expected to maintain stable growth exceeding 3%.

Geopolitical risks will persist in 2025, particularly with the Trump administration's aggressive tariff increases on major economies such as China and the European Union, potentially affecting supply chain stability.

Furthermore, green energy and low-carbon transition have become irreversible trends. Increased demand for green energy and low-carbon transition across countries is expected to drive greater R&D investment in green energy, energy storage, and electric vehicle industries.

Overall, the tariff trade war remains the biggest challenge and uncertainty for 2025, while mainland China's active development of AI technology, robotics, and domestic industries may bring opportunities for recovery.

Thank you, ladies and gentlemen, for taking time to attend our Annual Shareholders' Meeting. We will continue our efforts to create greater value for our shareholders and investors. We appreciate your support and trust in our company. Finally, I wish all shareholders good health and happiness.

Respectfully,

Chairman Cheng Ke-Pin

Two. Corporate Governance Report

I. Information Concerning the Directors, President, Vice President, Assistant Vice President, and Department and Branch Managers

(I) Director:

1. Information on Directors

April 16, 2025

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election (appointment)	Term (years)	Date First Elected	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse and Minor Children		Shareholding Through Nominee		Principal Work Experience and Education	Position(s) Held Concurrently in the Company and/or in any Other Company	Executives, Directors, or Supervisors Who are Spouses or Relatives Within Two Degrees of Kinship With Another			Notes
							Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)			Title	Name	Relationship	
Chairman	Taiwan	JING BAO INVESTMENT CO., LTD.	-	June 6, 2024	3 years	June 6, 2024	2,568,000	1.65%	2,568,000	1.65%	-	-	-	-	-	-	-	-	-	The president is not the most senior person in the Company, as the Chief Technology Officer (CTO) is.
	Taiwan	Representative: Cheng Ke-Pin	Male (71-80 years old)	June 6, 2024	3 years	June 15, 2000	-	-	670,014	0.43%	88,657	0.06%	4,568,000	2.93%	Chairman, K.S. TERMINALS INC. Junior High School	Note 4	Director President	Cheng Yu-Liang Cheng Chieh-Yuan	Brothers Father and Son	
Director	Taiwan	Cheng Yu-Liang	Male (71-80 years old)	June 6, 2024	3 years	June 15, 2000	6,780,191	4.36%	6,780,191	4.36%	3,072,103	1.97%	-	-	President of K.S. TERMINALS INC. Elementary School	Note 4	Chairman	Cheng Ke-Pin	Brothers	
Director	Taiwan	Cheng I-Tien	Male (41-50 years old)	June 6, 2024	3 years	June 15, 2000	2,964,541	1.90%	2,964,541	1.90%	-	-	-	-	British Columbia Institute of Technology K.S. Terminals Inc., Project Manager	Note 4	-	-	-	
Director	Taiwan	Cheng Chieh-Yuan	Male (41-50 years old)	June 6, 2024	3 years	June 6, 2024	3,926,057	2.52%	3,926,057	2.52%	668,241	0.43%	-	-	Department of Intelligence, Tokyo University of Information Sciences President of K.S. TERMINALS INC.	Note 4	Chairman	Cheng Ke-Pin	Father and Son	

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election (appointment)	Term (years)	Date First Elected	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse and Minor Children		Shareholding Through Nominee		Principal Work Experience and Education	Position(s) Held Concurrently in the Company and/or in any Other Company	Executives, Directors, or Supervisors Who are Spouses or Relatives Within Two Degrees of Kinship With Another			Notes
							Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)			Title	Name	Relationship	
Director	Taiwan	Cheng Wen-Shuo	Male (31-40 years old)	June 6, 2024	3 years	June 6, 2024	5,541,963	3.56%	5,541,963	3.56%	-	-	-	-	University of British Columbia, Department of Economics K.S. Terminals Inc., General Manager of Sales Division	Note 4	Director	Cheng Yu-Liang	Father and Son	
Independent Director	Taiwan	Lee Yi-Lung	Male (71-80 years old)	June 6, 2024	3 years	June 12, 2018	-	-	-	-	-	-	-	-	Chairman, TERA AUTOTECH CORPORATION Ph.D., Institute of Electrical Engineering, Changhua Normal University Adjunct Professor, Department of Electrical Engineering, Changhua Normal University	Note 4	-	-	-	
Independent Director	Taiwan	Hsu Ching-Tao	Male (61-70 years old)	June 6, 2024	3 years	June 14, 2002	-	-	-	-	-	-	-	-	Feng Chia University, Bachelor of Accounting President Securities Corp., Senior Manager	Note 4	-	-	-	
Independent Director	Taiwan	Chen Mao-Tang	Male (71-80 years old)	June 6, 2024	3 years	June 6, 2024	-	-	-	-	-	-	-	-	National Taiwan University, Bachelor Mechanical Engineering Technical University of Berlin, Graduate Responsible person of Bailin Enterprise Consulting Co., Ltd.	Note 4	-	-	-	
Independent Director	Taiwan	Wu Mei-Yuan	Female (61-70 years old)	June 6, 2024	3 years	June 6, 2024	-	-	-	-	-	-	-	-	National Chung Hsing University, Bachelor of Accounting KGI Securities Co., Ltd. Capital Markets Associate Director	Note 4	-	-	-	

Note 1: Director Cheng Ke-Pin served as Director of the Company from June 15, 2000 to June 5, 2024, and has served as Corporate Representative Director of the Company from June 6, 2024 to present.

Note 2: Director Cheng I-Tien served as Director of the Company from June 15, 2000 to July 14, 2021, and from June 6, 2024 to present.

Note 3: Independent Director Hsu Ching-Tao served as Supervisor of the Company from June 14, 2002 to June 11, 2018, and has served as Independent Director of the Company from June 6, 2024 to present.

Note 4:

List of Directors	Position(s) Held Concurrently in the Company and/or in any Other Company
Cheng Ke-Pin	Chairman of the Company, Chairman of Jing Bao Investment Co., Ltd., Director of Yiyuan Investment Co., Ltd., Chairman of Caiying Investment Co., Ltd.
Cheng Yu-Liang	CTO of the Company, Chairman of SHERNG YII CO., LTD., Director of CHI RUI (CAYMAN) HOLDING LIMITED, Supervisor of Yiyuan Investment Co., Ltd.
Cheng I-Tien	Project Manager of the Company, Director of CHIEN HO HSING TECHNOLOGY (SUZHOU) CO., LTD, Director of SONG XIN INVESTMENT CO., LTD., Chairman of Hailin Investment Limited
Cheng Chieh-Yuan	General Manager of the Company, Supervisor of SAN MAO Investment Co., Ltd., Chairman of Huangqi Investment Co., Ltd., Chairman of Yuanhong Investment Co., Ltd., Chairman of Jieju Investment Co., Ltd., Chairman and General Manager of K.S. Terminals USA LLC
Cheng Wen-Shuo	Special Assistant to the Company, Director of Huihong Investment Co., Ltd., Director of Juyuan Investment Co., Ltd., Chairman of Yongyuan Investment Co., Ltd., Director of Jurui Investment Co., Ltd., Director of Sanmao Investment Co., Ltd.
Lee Yi-Lung	Chairman, TERA AUTOTECH CORPORATION
Hsu Ching-Tao	Independent Director of Excel Cell Electronic Co., Ltd.
Chen Mao-Tang	Responsible Person of Bailin Enterprise Consulting Co., Ltd., Independent Director of GMT Global Inc., Supervisor of Fuho Technology Co., Ltd., Director of Shenpo Ancient Scripture Cultural Foundation
Wu Mei-Yuan	Independent Director of Yao I Fabric Co., Ltd.

2. Major Shareholders of Corporate Shareholders

May 8, 2025

Corporate Shareholder Name	Major Shareholders of Corporate Shareholders
JING BAO INVESTMENT CO., LTD.	Cheng Ke-Pin (84.42%), Nien Mei-Chu (15.58%)

3. Disclosure of Information on Professional Qualifications of Directors and Independence of Independent Directors

May 8, 2025

Qualifications Name	Professional Qualification and Experience	State of Independence	Number of Public Companies in Which the Director or Supervisor Concurrently Serves as an Independent Director
Cheng Ke-Pin	With commercial, legal, financial, accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act.	N/A	None
Cheng Yu-Liang	With commercial, legal, financial, accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act.	N/A	None
Cheng I-Tien	With commercial, legal, financial, accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act.	N/A	None
Cheng Chieh-Yuan	With commercial, legal, financial, accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act.	N/A	None
Cheng Wen-Shuo	With commercial, legal, financial, accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act.	N/A	None

Qualifications Name	Professional Qualification and Experience	State of Independence	Number of Public Companies in Which the Director or Supervisor Concurrently Serves as an Independent Director
Lee Yi-Lung	With commercial, legal, financial, accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act. Experience: Chairman of TERA AUTOTECH CORPORATION, Adjunct Professor of Department of Electrical Engineering, Changhua Normal University	◎ Independent Director of the Company, meeting the independence criteria. ◎ The independent director, his/her spouse, or relatives within the second degree of kinship do not serve as a director, supervisor, or employee of the Company or its affiliates; do not hold any shares of the Company; do not serve as director, supervisor, or an employee of a company with which the Company has a specific relationship. ◎ Remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates in the most recent two years.	None
Chen Mao-Tang	With commercial, legal, financial, accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act. Major experience: Responsible person of Bailin Enterprise Consulting Co., Ltd.; member of Remuneration Committee of K.S. TERMINALS INC.; General Manager of Heng Tai Consumables Group Ltd.; Engineer and Production Capacity Manager of Berlin Company, Germany	◎ Independent Director of the Company, meeting the independence criteria. ◎ The independent director, his/her spouse, or relatives within the second degree of kinship do not serve as a director, supervisor, or employee of the Company or its affiliates; do not hold any shares of the Company; do not serve as director, supervisor, or an employee of a company with which the Company has a specific relationship. ◎ Remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates in the most recent two years.	1

Qualifications Name	Professional Qualification and Experience	State of Independence	Number of Public Companies in Which the Director or Supervisor Concurrently Serves as an Independent Director
Hsu Ching-Tao	With commercial, legal, financial, accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act. Experience: President Securities Corp., Senior Manager, Supervisor of K.S. TERMINALS INC.	◎ Independent Director of the Company, meeting the independence criteria. ◎ The independent director, his/her spouse, or relatives within the second degree of kinship do not serve as a director, supervisor, or employee of the Company or its affiliates; do not hold any shares of the Company; do not serve as director, supervisor, or an employee of a company with which the Company has a specific relationship. ◎ Remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates in the most recent two years.	1
Wu Mei-Yuan	With commercial, legal, financial, accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act. Experience: Capital Markets Associate Director of KGI Securities Co., Ltd.	◎ Independent Director of the Company, meeting the independence criteria. ◎ The independent director, his/her spouse, or relatives within the second degree of kinship do not serve as a director, supervisor, or employee of the Company or its affiliates; do not hold any shares of the Company; do not serve as director, supervisor, or an employee of a company with which the Company has a specific relationship. ◎ Remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates in the most recent two years.	1

4. Diversity and Independence of the Board of Directors:

(1) Diversity of the Board of Directors

The goal for the diversity of the Company's Board members is to have at least 5 directors and the number of directors who also serve as the Company's managers does not exceed one-third of the total Board members, with at least 3 independent directors on the Board and no less than one-fifth of the Board members. The Company currently has 9 directors, including 1 female director. The implementation of diversity among all directors is as follows:

- 5 non-independent directors, 4 independent directors; 44% of directors are independent directors.
- Board of Directors age distribution: 4 directors over 71 years old, 2 directors between 61-70 years old, and 3 directors under 50 years old.
- Directors' tenure: 3 directors with over 10 years of service, 2 directors with 3-9 years of service, and 4 directors with less than 3 years of service.
- The core of diversity of each director:

Diversity Core Item	Operations Management	Leadership and Decision-making	Industrial Knowledge	Financial Accounting
Director Name				
Director Cheng Ke-Pin	V	V	V	
Director Cheng Yu-Liang	V	V	V	
Director Cheng I-Tien	V			
Director Cheng Chieh-Yuan	V		V	
Director Cheng Wen-Shuo	V			
Independent Director Lee Yi-Lung	V			
Independent Director Chen Mao-Tang	V			V
Independent Director Hsu Ching-Tao	V			V
Independent Director Wu Mei-Yuan	V			V

(2) Independence of the Board of Directors:

The election procedure of the Company's directors is open and fair, on par with the provisions prescribed in the Company's "Articles of Incorporation", "Procedures for Election of Directors", "Corporate Governance Best-Practice Principles", "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and "Article 14-2 of the Securities and Exchange Act". The current Board of Directors is made up of 4 independent directors (44%) and 5 non-independent directors (56%).

The Company's Board of Directors guide company strategies, supervise management, and is responsible for the Company and shareholders. As for the various operations and arrangements of the corporate governance system, the Board of Directors exercises its authority in accordance with the regulations of the law and the Articles of Incorporation or resolutions adopted at the shareholders' meeting. Our 4 independent directors comply with the regulatory requirements. Coupled with the authority of the Audit Committee, the independent directors review the control of the Company's existing or potential risks to ensure the effective implementation of the Company's internal control, selection (dismissal) and independence of CPAs, and fair preparation of financial statements. In addition, according to the method for the election of directors and independent directors stipulated in the Company's "Procedures for Election of Directors", the Company adopts the candidate nomination system, in which we encourage shareholders to take part. Shareholders holding a certain number of shares may propose a list of candidates. The qualifications of the candidates must be examined and they must not violate the matters listed in Article 30 of the Company Act. Acceptance and announcement of director candidates are conducted in accordance with the law to protect the rights and interests of shareholders and to maintain independence.

We have established a performance evaluation system for the Board of Directors. An internal self-evaluation of the Board of Directors and a self-evaluation of the individual Board members is performed once a year. The evaluation results are disclosed in the Company's annual report.

(II) Information Concerning the President, Vice President, Assistant Vice President, and Department and Branch Managers:

April 16, 2025

Title	Nationality	Name	Gender	Date of Election (appointment)	Shareholding		Shareholding of Spouse and Minor Children		Shareholding Through Nominee		Principal Work Experience and Education	Concurrent Positions in Other Companies	Managers who are Spouses or Relatives Within the Second Degree of Kinship			Notes
					Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)			Title	Name	Relationship	
CTO	Taiwan	Cheng Yu-Liang	Male	January 1, 2013	6,780,191	4.36%	3,072,103	1.97%	-	-	President of K.S. TERMINALS INC. Elementary School	Chairman of SHERNG YII CO., LTD., Director of CHI RUI (CAYMAN) HOLDING LIMITED, Supervisor of Yiyuan Investment Co., Ltd.	-	-	-	The president is not the most senior person in the Company, as the Chief Technology Officer (CTO) is.
President	Taiwan	Cheng Chieh-Yuan	Male	December 27, 2019	3,926,057	2.52%	668,241	0.43%	-	-	Vice President of K.S. TERMINALS INC. Department of Intelligence, Tokyo University of Information Sciences	Supervisor of SAN MAO INVESTMENT CO., LTD., Chairman of HUANGQI INVESTMENT CO., LTD., Chairman of YUAN HONG INVESTMENT CO., LTD., Chairman of JIEJU INVESTMENT CO., LTD., Chairman and General Manager of K.S. Terminals USA LLC.	-	-	-	
Deputy General Manager (Note 4)	Taiwan	Lee Liu-Hsun	Male	June 1, 2008	-	-	-	-	-	-	Factory Director, K.S. TERMINALS INC. Junior College	-	-	-	-	

Title	Nationality	Name	Gender	Date of Election (appointment)	Shareholding		Shareholding of Spouse and Minor Children		Shareholding Through Nominee		Principal Work Experience and Education	Concurrent Positions in Other Companies	Managers who are Spouses or Relatives Within the Second Degree of Kinship			Notes
					Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)			Title	Name	Relationship	
Deputy General Manager (Note 4)	Taiwan	Hsu Hung-Ming	Male	June 1, 1998	-	-	-	-	-	-	Vice President of K.S. TERMINALS INC. Master of Management, Tunghai University	-	-	-	-	
Chief of Finance Division and Corporate Governance Officer	Taiwan	Tseng Yu-Chin	Female	March 14, 1999	-	-	-	-	-	-	Director of Finance Division and Corporate Governance Officer of K.S. Terminals Inc. MBA, Changhua Normal University	-	-	-	-	

Note 1: Information of the president, vice president, assistant vice president, and the heads of all company divisions and branch units, as well as the positions equivalent to the president, vice president, assistant vice president, regardless of their job titles, shall also be disclosed.

Note 2: Experience related to the current position. If the person has worked for the Company's CPA firm or affiliates in the aforementioned period, please specify the title of the position and the duties performed.

Note 3: Where the Chairman of the Board of Directors and the president or person of an equivalent post (the highest level manager) of a company are the same person, spouse, or relatives within the first degree of kinship, an explanation (e.g., method of increasing the number of independent directors with a majority of the directors not serving as an employee or manager) shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.

Note 4: Deputy General Manager Lee Liu-Hsun and Mr. Hsu Hung-Ming retired on August 8, 2024.

II. Remuneration Paid to Directors, President, and Vice President in the Most Recent Year:

(I) Remuneration to Directors

Unit: NTD thousand

Title	Name (Note 11)	Remuneration to Directors								Sum of A, B, C, and D and as percentage of profit after tax (%) (Note 9)				Remuneration as Company Employees								Sum of A, B, C, D, E, F and G and as percentage of profit after tax (%) (Note 9)				Remuneration From Investees Other Than Subsidiaries or the Parent Company
		Remuneration (A) (Note 1)		Pension (B)		Remuneration to Directors (C) (Note 2)		Fees for Professional Practice (D) (Note 3)						Salary, Bonuses, and Special Allowances (D) (Note 4)		Severance Pay and Pension (F)		Remuneration to Employees (G) (Note 5)								
		The Company	All Companies Included in the Financial Reports (Note 6)	The Company	All Companies Included in the Financial Reports (Note 6)	The Company	All Companies Included in the Financial Reports (Note 6)	The Company		All Companies Included in the Financial Reports (Note 6)		The Company	All Companies Included in the Financial Reports (Note 6)	The Company	All Companies Included in the Financial Reports (Note 6)	The Company		All Companies Included in the Financial Reports (Note 6)		The Company		All Companies Included in the Financial Reports (Note 6)				
								Total	Ratio (%)	Total	Ratio (%)					Cash Amount	Share Amount	Cash Amount	Share Amount	Total	Ratio (%)	Total	Ratio (%)			
Chairman	Cheng Ke-Pin	-	-	-	-	-	-	30	30	30	-	30	-	7,048	7,048	-	-	-	-	-	-	7,078	1.17	7,078	1.17	None
Director	JING BAO INVESTMENT CO., LTD.	-	-	-	-	2,650	2,650	-	-	2,650	0.44	2,650	0.44	-	-	-	-	-	-	-	-	2,650	0.44	2,650	0.44	
Director	Cheng Yu-Liang	-	-	-	-	2,650	2,650	24	24	2,674	0.44	2,674	0.44	5,859	5,859	-	-	2,448	-	2,448	-	10,981	1.82	10,981	1.82	
Director	Liao Pen-Lin	-	-	-	-	-	-	12	12	12	-	12	-	-	-	-	-	-	-	-	-	12	-	12	-	
Director	Cheng Hsin-Yen	-	-	-	-	-	-	12	12	12	-	12	-	389	389	447	447	-	-	-	-	848	0.14	848	0.14	
Director	Cheng Chieh-Yuan	-	-	-	-	600	600	18	18	618	0.10	618	0.10	5,271	5,271	108	108	1,509	-	1,509	-	7,506	1.24	7,506	1.24	
Director	Cheng Wen-Shuo	-	-	-	-	600	600	18	18	618	0.10	618	0.10	813	813	526	526	-	-	-	-	1,957	0.32	1,957	0.32	

Title	Name (Note 11)	Remuneration to Directors								Sum of A, B, C, and D and as percentage of profit after tax (%) (Note 9)				Remuneration as Company Employees								Sum of A, B, C, D, E, F and G and as percentage of profit after tax (%) (Note 9)				Remuneration From Investees Other Than Subsidiaries or the Parent Company
		Remuneration (A) (Note 1)		Pension (B)		Remuneration to Directors (C) (Note 2)		Fees for Professional Practice (D) (Note 3)						Salary, Bonuses, and Special Allowances (D) (Note 4)		Severance Pay and Pension (F)		Remuneration to Employees (G) (Note 5)								
		The Company	All Companies Included in the Financial Reports (Note 6)	The Company	All Companies Included in the Financial Reports (Note 6)	The Company	All Companies Included in the Financial Reports (Note 6)	The Company		All Companies Included in the Financial Reports (Note 6)		The Company	All Companies Included in the Financial Reports (Note 6)	The Company	All Companies Included in the Financial Reports (Note 6)	The Company		All Companies Included in the Financial Reports (Note 6)		The Company		All Companies Included in the Financial Reports (Note 6)				
								Total	Ratio (%)	Total	Ratio (%)					Cash Amount	Share Amount	Cash Amount	Share Amount	Total	Ratio (%)	Total	Ratio (%)			
Director	Cheng I-Tien	-	-	-	-	600	600	18	18	618	0.10	618	0.10	652	652	456	456	-	-	-	-	1,726	0.29	1,726	0.29	
Independent Director	Lai Jui-Hua	215	215	-	-	-	-	12	12	227	0.04	227	0.04	-	-	-	-	-	-	-	-	227	0.04	227	0.04	
Independent Director	Chen Liang-Kung	215	215	-	-	-	-	12	12	227	0.04	227	0.04	-	-	-	-	-	-	-	-	227	0.04	227	0.04	
Independent Director	Lee Yi-Lung	472	472	-	-	600	600	24	24	1,096	0.18	1,096	0.18	-	-	-	-	-	-	-	-	1,096	0.18	1,096	0.18	
Independent Director	Hsu Ching-Tao	257	257	-	-	600	600	18	18	875	0.14	875	0.14	-	-	-	-	-	-	-	-	875	0.14	875	0.14	
Independent Director	Chen Mao-Tang	257	257	-	-	600	600	18	18	875	0.14	875	0.14	-	-	-	-	-	-	-	-	875	0.14	875	0.14	
Independent Director	Wu Mei-Yuan	257	257	-	-	600	600	18	18	875	0.14	875	0.14	-	-	-	-	-	-	-	-	875	0.14	875	0.14	

1. Please describe the independent directors' remuneration policy, system, standards, and structure, and explain the factors including the independent directors' duties, risks, and invested time connected to the remuneration amount:

2. In addition to the disclosure in the table above, in the most recent year, remuneration received by directors for providing services: None

Range of Remuneration

Range of Remuneration to Each Director of the Company	Director Name			
	Total Remuneration (A+B+C+D)		Total Remuneration (A+B+C+D+E+F+G)	
	The Company (Note 7)	All Companies Included in the Financial Reports (Note 8)	The Company (Note 7)	All Companies Included in the Financial Reports (Note 8)
Below NTD1,000,000	Cheng Ke-Pin, Liao Pen-Lin, Cheng Hsin-Yen, Cheng Chieh-Yuan, Cheng Wen-Shuo, Cheng I-Tien, Lai Jui-Hua, Chen Liang-Kung, Hsu Ching-Tao, Chen Mao-Tang, Wu Mei-Yuan	Cheng Ke-Pin, Liao Pen-Lin, Cheng Hsin-Yen, Cheng Chieh-Yuan, Cheng Wen-Shuo, Cheng I-Tien, Lai Jui-Hua, Chen Liang-Kung, Hsu Ching-Tao, Chen Mao-Tang, Wu Mei-Yuan	Liao Pen-Lin, Cheng Hsin-Yen, Lai Jui-Hua, Chen Liang-Kung, Hsu Ching-Tao, Chen Mao-Tang, Wu Mei-Yuan	Liao Pen-Lin, Cheng Hsin-Yen, Lai Jui-Hua, Chen Liang-Kung, Hsu Ching-Tao, Chen Mao-Tang, Wu Mei-Yuan
NTD1,000,000 (inclusive) – NTD2,000,000 (exclusive)	Lee Yi-Lung	Lee Yi-Lung	Lee Yi-Lung, Cheng Wen-Shuo, Cheng I-Tien	Lee Yi-Lung, Cheng Wen-Shuo, Cheng I-Tien
NTD2,000,000 (inclusive) – NTD3,500,000 (exclusive)	Jing Bao Investment Co., Ltd., Cheng Yu-Liang	Jing Bao Investment Co., Ltd., Cheng Yu-Liang	JING BAO INVESTMENT CO., LTD.	JING BAO INVESTMENT CO., LTD.
NTD3,500,000 (inclusive) – NTD5,000,000 (exclusive)	-	-	-	-
NTD5,000,000 (inclusive) – NTD10,000,000 (exclusive)	-	-	Cheng Ke-Pin, Cheng Chieh-Yuan	Cheng Ke-Pin, Cheng Chieh-Yuan
NTD10,000,000 (inclusive) – NTD15,000,000 (exclusive)	-	-	Cheng Yu-Liang	Cheng Yu-Liang
NTD15,000,000 (inclusive) – NTD30,000,000 (exclusive)	-	-	-	-
NTD30,000,000 (inclusive) – NTD50,000,000 (exclusive)	-	-	-	-
NTD50,000,000 (inclusive) – NTD100,000,000 (exclusive)	-	-	-	-
Over NTD100,000,000	-	-	-	-
Total	14	14	14	14

Note 1: Refers to the remuneration (including salaries, allowances, severance pay, various bonuses, and incentives) to directors in the most recent year.

Note 2: Refers to the remuneration to directors passed by the Board of Directors in the most recent year.

Note 3: Refers to remuneration received by directors for services rendered (including travel, special allowances, various subsidies, accommodation, corporate vehicles, and other in-kind benefits).

Note 4: Refers to any salaries, allowances, severance pay, bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, vehicles, and in-kind benefits received by directors in the most recent year for assuming the role of a company employee (such as a president or vice president, manager or other employee).

Note 5: Refers to any remuneration that the director has received (in cash or in shares) in the last year for assuming the role of an employee (such as president or vice president, managers or other employees).

Note 6: The total amount of remuneration paid to each director of the Company by all companies (including the Company) in the consolidated report.

Note 7: The name of the director is disclosed in the remuneration range for each director.

Note 8: The total amount of remuneration paid to each director of the Company by all companies in the consolidated report (including the Company) is disclosed with the name of the director disclosed in their respective remuneration range.

Note 9: The net income after tax refers to the net income after tax of the most recent year of the parent company only or individual financial reports.

Note 10: a. This field represents remuneration received by directors from the Company's invested businesses other than subsidiaries.

b. For directors who received remuneration from invested businesses other than subsidiaries, amounts received from these invested businesses have been added to column "I" of the remuneration range table. In which case, column "I" will be renamed "parent company and all invested businesses".

c. Remuneration refers to any remuneration and compensation (including remuneration received as an employee, director, and supervisor) and professional service fees which the Company's director received for serving as a director, supervisor, or manager in invested businesses other than subsidiaries.

Note 11: The Company re-elected its directors on June 6, 2024. The original directors were discharged on June 6, 2024, and compensation information is disclosed up to June 6, 2024.

* The basis of remuneration disclosed above is different from the concept of provisions prescribed in the Income Tax Act; hence the above table has been prepared solely for information disclosure, and not for tax purposes.

(II) Remuneration to the President and Vice President

Unit: NTD thousand

Title	Name	Salary (A) (Note 1)		Pension (B)		Bonuses and Special Allowances (C) (Note 2)		Employee Remuneration (D) (Note 3)				Sum of A, B, C, and D and as percentage of profit after tax (%) (Note 7)				Remuneration From Investees Other Than Subsidiaries or the Parent Company
		The Company	All Companies Included in the Financial Reports (Note 4)	The Company	All Companies Included in the Financial Reports (Note 4)	The Company	All Companies Included in the Financial Reports (Note 4)	The Company		All Companies Included in the Financial Reports (Note 4)		The Company		All Companies Included in the Financial Reports (Note 4)		
								Cash Amount	Share Amount	Cash Amount	Share Amount	Total	Ratio (%)	Total	Ratio (%)	
CTO	Cheng Yu-Liang	3,679	3,679	-	-	2,180	2,180	2,448	-	2,448	-	8,307	1.37	8,307	1.37	None
President	Cheng Chieh-Yuan	3,006	3,006	108	108	2,265	2,265	1,509	-	1,509	-	6,888	1.14	6,888	1.14	None
Vice President	Hsu Hung-Ming (Note 9)	1,303	1,303	79	79	-	-	-	-	-	-	1,382	0.23	1,382	0.23	None
Vice President	Lee Liu-Hsun (Note 9)	784	784	60	60	-	-	-	-	-	-	844	0.14	844	0.14	None

Range of Remuneration

Range of Remuneration to the President and Vice President	Name of President and Vice President	
	The Company (Note 5)	All Companies Included in the Financial Reports (Note 6)
Below NTD1,000,000	Lee Liu-Hsun	Lee Liu-Hsun
NTD1,000,000 (inclusive) – NTD2,000,000 (exclusive)	Hsu Hung-Ming	Hsu Hung-Ming
NTD2,000,000 (inclusive) – NTD3,500,000 (exclusive)	-	-
NTD3,500,000 (inclusive) – NTD5,000,000 (exclusive)	-	-
NTD5,000,000 (inclusive) – NTD10,000,000 (exclusive)	Cheng Yu-Liang, Cheng Chieh-Yuan	Cheng Yu-Liang, Cheng Chieh-Yuan
NTD10,000,000 (inclusive) – NTD15,000,000 (exclusive)	-	-
NTD15,000,000 (inclusive) – NTD30,000,000 (exclusive)	-	-
NTD30,000,000 (inclusive) – NTD50,000,000 (exclusive)	-	-
NTD50,000,000 (inclusive) – NTD100,000,000 (exclusive)	-	-
Over NTD100,000,000	-	-
Total	4	4

Note 1: Refers to any salaries allowances, severance pay, various bonuses, and incentives to the president and vice president in the most recent year

Note 2: Refers to various bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, vehicles and in-kind benefits, and other remuneration received by the president and vice president in the most recent year.

Note 3: This refers to the total amount of employee compensation (including stock bonuses and cash bonuses) allocated to the General Manager and Deputy General Managers as approved by the Board of Directors in the most recent year.

Note 4: The total amount of remuneration paid to each president and vice president of the Company by all companies (including the Company) in the consolidated report.

Note 5: The name of the president and vice president is disclosed in the remuneration range for each president and vice president.

Note 6: The total amount of remuneration paid to each president and vice president of the Company by all companies in the consolidated report (including the Company) is disclosed with the name of the president and vice president disclosed in their respective remuneration range.

Note 7: The net income after tax refers to the net income after tax of the most recent year of the parent company only or individual financial reports.

Note 8:

- a. This field represents remuneration received by the president and vice president from the Company's invested businesses other than subsidiaries.
- b. For the president and vice president who received remuneration from invested businesses other than subsidiaries, amounts received from these invested businesses have been added to column "E" of the remuneration range table. In which case, column "E" will be renamed "parent company and all invested businesses".
- c. Remuneration refers to any remuneration and compensation (including remuneration received as an employee, director, and supervisor) and professional service fees which the Company's president and vice president received for serving as a director, supervisor, or manager in invested businesses other than subsidiaries.

Note 9: Mr. Hsu Hung-Ming and Mr. Lee Liu-Hsun retired on August 8, 2024, and compensation information is disclosed up to August 8, 2024.

* The basis of remuneration disclosed above is different from the concept of provisions prescribed in the Income Tax Act; hence the above table has been prepared solely for information disclosure, and not for tax purposes.

(III) Compensation of the Top Five Highest-Paid Executives of Listed Companies

Title	Name	Salary (A)		Pension (B)		Bonuses and Special Allowances (C)		Employee Remuneration (D)				Sum of A, B, C, and D and as percentage of profit after tax (%)				Remuneration From Investees Other Than Subsidiaries or the Parent Company
		The Company	All Companies Included in the Financial Reports	The Company	All Companies Included in the Financial Reports	The Company	All Companies Included in the Financial Reports	The Company		All Companies Included in the Financial Reports		The Company		All Companies Included in the Financial Reports		
								Cash Amount	Share Amount	Cash Amount	Share Amount	Total	Ratio (%)	Total	Ratio (%)	
CTO	Cheng Yu-Liang	3,679	3,679	-	-	2,180	2,180	2,448	-	2,448	-	8,307	1.37	8,307	1.37	None
President	Cheng Chieh-Yuan	3,006	3,006	108	108	2,265	2,265	1,509	-	1,509	-	6,888	1.14	6,888	1.14	None
Chief of Finance Division and Corporate Governance Officer	Tseng Yu-Chin	1,214	1,214	108	108	886	886	843	-	843	-	3,051	0.50	3,051	0.50	None
Deputy General Manager of India Business Division	Chen Po-Fa	1,231	1,231	76	76	1,345	1,345	-	-	-	-	2,652	0.44	2,652	0.44	None
Director of Connector Division	Hung Fu-Te	1,399	1,399	94	94	586	586	200	-	200	-	2,279	0.41	2,279	0.41	None

III. Names of Managers to Whom Employee Remuneration was Allocated, and Status of the Allocation

May 8, 2025
Unit: NTD thousand

Title		Name	Share Amount	Cash Amount	Total	Ratio of Total Amount to Profit After Tax (%)
Manager	CTO	Cheng Yu-Liang	-	4,800	4,800	0.79
	President	Cheng Chieh-Yuan				
	Chief of Finance Division and Corporate Governance Officer	Tseng Yu-Chin				

Note 1: Refers to the employee remuneration to managers passed by the Board of Directors in the most recent year.

- (IV) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by the Company and by each other company included in the consolidated financial statements during the most recent two years to directors, supervisors, president, and vice presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its connection to operating performance and future risk exposure.

Title	2024 (Year of Earnings Attribution)	2023 (Year of Earnings Attribution)
	Remuneration paid by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, president, and vice president as a percentage of profit after tax (%)	Remuneration paid by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, president, and vice president as a percentage of profit after tax (%)
Director	6.48	7.07
President and Vice President		

Description:

- The Company's remuneration policy is based on duties of the position in the Company and the contribution to the Company's operational objectives. Reasonable remuneration is paid by not only taking into consideration the Company's overall operational performance, but also the achievement rate of personal and department performance as well as their contribution to the Company. Remuneration is subject to the review and approval of the Remuneration Committee.
- The percentage of overall remuneration to profit after tax in 2024 decreased by 0.59% from 2023.

III. Corporate Governance

(I) Operation of the Board of Directors:

The Board of Directors convened 6 meetings [A] in the most recent year. The attendance of directors is summarized as follows:

Title	Name	Actual Attendance [B]	Attendance by Proxy	Actual Attendance Rate [B/A]	Notes
Chairman	Cheng Ke-Pin	6	0	100%	
Director	Cheng Yu-Liang	5	1	83%	
Director	Cheng Hsin-Yen	2	0	100%	Resigned on June 6, 2024
Director	Liao Pen-Lin	2	0	100%	Resigned on June 6, 2024
Director	Cheng Chieh-Yuan	4	0	100%	
Director	Cheng I-Tien	4	0	100%	
Director	Cheng Wen-Shuo	4	0	100%	
Independent Director	Lai Jui-Hua	2	0	100%	Resigned on June 6, 2024
Independent Director	Chen Liang-Kung	2	0	100%	Resigned on June 6, 2024
Independent Director	Lee Yi-Lung	5	1	83%	
Independent Director	Chen Mao-Tang	4	0	100%	
Independent Director	Hsu Ching-Tao	4	0	100%	
Independent Director	Wu Mei-Yuan	3	1	75%	

Other matters to be recorded:

- I. If the Board of Directors meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of proposals, opinions of all independent directors, and the Company's resolution of said opinions:
 - (I) Matters referred to in Article 14-3 of the Securities and Exchange Act: Not applicable, as the Company has set up an Audit Committee.
 - (II) Other than those described above, any other resolution(s) passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None.
- II. Regarding the situation of directors' conflict of interest recusal, the name of the director with potential conflict of interest, subject matter, reason for conflict of interest recusal, and deliberation participation shall be recorded: None.
- III. Companies listed on the TWSE or the TPEX shall disclose the evaluation cycle and period, scope of evaluation, method, and contents of evaluation of the Board of Directors' self-performance evaluation (or peer evaluation):

Item	Description
Evaluation	Once a Year

Frequency		
Evaluation Period	January 1, 2024 – December 31, 2024	
Evaluation Scope	Board of Directors, Board Members and Functional Committees	
Evaluation Method	Internal Evaluation of the Board	
Evaluation Content	Performance Evaluation of the Board	A. Participation in the Operation of the Company B. Quality of the Board of Directors' Decision Making C. Composition and Structure of the Board of Directors D. Election and Continuing Education of the Directors E. Internal Control
	Evaluation of the Board Members	A. Understanding of the Goals and Mission of the Company B. Awareness of the Duties of a Director C. Participation in the Operation of the Company D. Management of Internal Relationships and Communication E. Director's Professionalism and Continuing Education F. Internal Control
	Performance Evaluation of the Functional Committees	A. Participation in the Operation of the Company B. Awareness of Functional Committees' Responsibilities C. Functional Committees' Decision-making Quality D. Composition of Functional Committees and Selection of Members E. Internal Control
Evaluation Results	According to the results of performance evaluation of the Board, evaluation of the Board members, performance evaluation of each functional committee, there are no improvements to be made.	

IV. The objectives of strengthening the competency of the Board of Directors for the present year and the most recent year (such as establishment of the Audit Committee and improvement of information transparency), and assessment of the implementation:

(I) The Company established the Audit Committee on June 12, 2018.

(II) In a bid to build a robust Board governance system and improve its supervisory function and strengthen the management function, the "Rules for Performance Evaluation of Board of Directors" were established on August 9, 2019.

(III) The Board performance evaluation for 2024 was completed at the end of 2024, and the evaluation results were reported to the Board on March 13, 2025.

(II) Operation of the Audit Committee:

The Audit Committee convened 5 meetings [A] in the most recent year, with its attendance provided as follows:

Title	Name	Actual Attendance [B]	Attendance by Proxy	Actual Attendance Rate (%) [B/A]	Notes
Independent Director	Lai Jui-Hua	2	0	100%	Resigned on June 6, 2024
Independent Director	Chen Liang-Kung	2	0	100%	Resigned on June 6, 2024
Independent Director	Lee Yi-Lung	4	1	80%	
Independent Director	Chen Mao-Tang	3	0	100%	
Independent Director	Hsu Ching-Tao	3	0	100%	
Independent Director	Wu Mei-Yuan	3	0	100%	

Other matters to be recorded:

- I. For Audit Committee meetings that meet any of the following descriptions, state the date and session of the Audit Committee meeting held, the discussed topics, the content of the objections, reservations, or material recommendations of independent directors, the Audit Committee's resolution, and how the Company responded to Audit Committee's opinions:
(I) Matters specified in Article 14-5 of the Securities and Exchange Act:

Date of the Board of Directors' Meeting	Date of the Audit Committee Meeting	Contents of Motion	The Audit Committee's Resolution, and How the Company Responded to Audit Committee's Opinions
March 14, 2024	March 14, 2024	1. Motion for the appointment of and remuneration to the CPAs of the financial report. 2. Motion for the review of the 2023 business report and 2023 parent company only and consolidated financial statements. 3. Motion for the 2023 earnings distribution. 4. Motion for the 2023 "Statement of Internal Control System".	All members present passed the motion without objection.
May 9, 2024	May 9, 2024	1. Report of consolidated financial statements for the first quarter of 2024. 2. Discussion on credit facilities from financial institutions 3. Sale of land in Rayong, Thailand	
August 8, 2024	August 8, 2024	1. Report of consolidated financial statements for the second quarter of 2024.	

November 7, 2024	November 7, 2024	1. Report of consolidated financial statements for the third quarter of 2024. 2. Case of acquiring right-of-use assets from leasing property from related parties 3. Motion for change in credit facilities of financial institutions.	
December 19, 2024	December 19, 2024	1. Business objectives for 2025 2. Motion for 2025 audit plan. 3. Appointment of CPAs for transfer pricing report services 4. Proposed capital increase for Vietnam subsidiary 5. Proposed capital increase for Indonesia subsidiary 6. Addition of “Sustainability Information Management Operating Regulations” case	

(II) Other than those described above, any resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors: None.

II. Regarding the situation of independent directors’ conflict of interest recusal, the name of the independent director with potential conflict of interest, subject matter, reason for conflict of interest recusal, and participation in voting shall be recorded: None.

III. Communications between the independent directors and the Company’s chief internal auditor and CPAs (including the material issues, methods, and results of audits of the Company’s finance or operations):

(I) The Company holds an Audit Committee meeting on a regular basis and invites the accountants, chief auditor, and relevant supervisors to attend as necessary.

(II) According to the annual audit plan, the chief internal auditor periodically submits a summarized Audit Report to the Audit Committee. The Audit Committee also conducts audits on the Company’s internal control system, internal auditors, and their work.

(III) The Audit Committee regularly meets with the Company’s certified public accountants to discuss quarterly financial statement reviews or audit results and other required communication matters. The most recent communication between the Audit Committee and the certified public accountants took place on March 13, 2025. Discussion items included audit procedures, results, and analyses, as well as reports on audit quality indicators and non-assurance services. The independent directors had no comments regarding this meeting. The Audit Committee also conducts independent reviews on the appointment of CPAs and the audit and non-audit services they provide.

(III) Status of Corporate Governance, Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and Reasons for Such Deviations

Scope of Evaluation		Operational status			Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
		Yes	No	Summary	
I.	Has the Company established and disclosed the corporate governance practice principles according to the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established its Corporate Governance Best-Practice Principles. The Company’s corporate governance practices have been able to meet the spirit of the Principles.	None
II. Equity Structure and Shareholders’ Rights of the Company	(I) Has the Company established a set of internal procedures to handle shareholders’ suggestions, queries, disputes, and litigations and implemented them accordingly?	V		To ensure shareholder rights, the Company has appointed a spokesperson, and the Finance Division has dedicated personnel for shareholder services who handle shareholder suggestions, questions, disputes, and litigation in accordance with internal operating procedures.	None
	(II) Does the Company possess a list of the major shareholders and a list of the ultimate controllers of the major shareholders?	V		The Company has set up dedicated stock personnel and the Stock Agent Department to handle the list of the shareholders that actually control the Company at all times and pay attention to the changes in their shareholding.	None
	(III) Has the Company established and implemented risk management and firewalls for companies it is affiliated with?	V		Through the “Related-Party Transaction Procedures”, we have built appropriate risk control and firewall mechanisms. The financial and accounting operations of affiliates are independently run and overseen by dedicated personnel, with an internal audit and control system set up according to the law and regulations.	None

Scope of Evaluation		Operational status			Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
		Yes	No	Summary	
	(IV) Has the Company established internal rules against Company insiders trading with undisclosed information?	V		Through the “Management of Prevention of Insider Trading”, the Company prohibits the Company’s insiders from trading marketable securities using undisclosed information in the market.	None
III. Composition and Responsibilities of the Board of Directors	(I) Has the Board formulated a diversity policy and specific management objectives, and have they been implemented?	V		The Company has established the “Corporate Governance Best-Practice Principles” and has explained in it the structure of the Board of Directors, proactively implementing the diversity of the composition of the Board members.	None
	(II) Is the Company, in addition to establishing the Remuneration Committee and Audit Committee in accordance with the law, willing to voluntarily establish any other functional committees?	V		We have established a Remuneration Committee and Audit Committee. In the future, we will establish other functional committees depending on the business development scale and practical development of the Company.	None
	(III) Has the Company established a standard to measure the performance of the Board and implemented it annually? Has the Company submitted results of the performance evaluation to the Board of Directors as a reference in determining the remuneration of individual directors and nomination for re-election?	V		1. The Company passed the Rules for Performance Evaluation of Board of Directors on August 9, 2019. 2. The 2024 Board of Directors performance evaluation was completed at the end of 2024 and reported to the Board of Directors on March 13, 2025.	None

Scope of Evaluation	Operational status			Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(IV) Does the Company assess the CPAs for their independence on a regular basis?	V		The Company's Finance Division annually evaluates the independence and competence of certified public accountants, reporting these assessments to the Audit Committee and the Board of Directors. The most recent report was presented to the Board of Directors on March 13, 2025. The Company internally evaluates aspects including financial interests, financing, business relationships, family and personal relationships, and employment relationships. The Company also obtains statements from certified public accountants affirming they have not been penalized for violations and maintain independence. The evaluation references Audit Quality Indicators (AQIs) and assesses five dimensions: professionalism, quality control, independence, supervision, and innovation capacity. The Company is not aware of any circumstances that may affect the independence of the CPAs.	None

Scope of Evaluation	Operational status			Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
IV. Does the Company have an appropriate number of qualified governance personnel and designate one chief corporate governance officer to oversee corporate governance affairs (including but not limited to providing the directors with information needed to perform their duties, assisting the directors with legal compliance, handling matters related to Board meetings and shareholders' meetings according to laws, and preparing minutes of Board and shareholders' meetings, etc.)?	V		The Company has designated the Finance Division as the part-time corporate governance unit, with the Chief of Finance Division serving concurrently as the corporate governance officer responsible for corporate governance-related matters. These matters include: Matters in connection with Board meetings and shareholders' meetings in accordance with the law, company registration and change registration, preparation of minutes of Board meetings and shareholders' meetings, and provision of information for directors to carry out their duties.	None
V. Does the Company build communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), establish a stakeholder section on the Company's website, and duly respond to the stakeholders' concerns on issues related to corporate social responsibilities?	V		The Company has set up dedicated units for communication with customers, suppliers, employees, financial institutions, the government, and shareholders. There is also a "Stakeholder Service" section on the Company's website to appropriately respond to important CSR issues.	None
VI. Has the Company delegated a professional stock agency to handle affairs regarding the shareholders' meetings?	V		We have appointed the Stock Agency Department of KGI Securities to handle shareholder matters.	None

Scope of Evaluation		Operational status			Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
		Yes	No	Summary	
VII. Public Disclosure of Information	(I) Has the Company set up a website to disclose financial business and corporate governance information?	V		We announce our latest finances and corporate governance information on https://www.ksterminals.com.tw	None
	(II) Has the Company adopted other means to disclose information (e.g. an English website, assigning specific personnel to collect and disclose corporate information, implementing a spokesperson system, broadcasting investor conferences via the Company's website)?	V		We have established a website in both Chinese and English and set up a spokesperson and deputy spokesperson as a window for releasing information to the outside world. We also disclose the latest information including company finances on the Company website, striving for information transparency.	None
	(III) Does the Company announce and report the annual financial reports within two months after the end of each fiscal year, and the financial reports for Q1, Q2, and Q3 and the monthly operation overview before the prescribed time limit?	V		The Company publishes its Q1, Q2, and Q3 financial reports and the monthly operation overview within the deadline in accordance with the regulations.	None
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, continuing education of directors, implementation of risk management policies)		V		(I) Employee Rights and Benefits: We have established a Worker Welfare Committee, and electronic and physical complaint mailboxes. Furthermore, we protect the rights and benefits of employees in accordance with the requirements prescribed in the Labor Standards Act.	None

Scope of Evaluation	Operational status			Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
and risk measurements, implementation of customer policy, and purchasing liability insurance for directors by the Company)?			(II) Employee Care: We plan for employee group insurance and regular health checkups, while also providing a variety of employee education and training and annual allowances for employee and family trips. (III) Investor Relations and Stakeholder Rights: We regularly announce company information in an honest manner in accordance with laws and regulations. By doing so, we are able to ensure the rights and interests of investors and stakeholders. (IV) Supplier Relations: We keep a robust relationship with our suppliers and deal with each other with honesty and trust. (V) Further Education of Directors: All directors of the Company are equipped with a professional background and business management experience in the industry. Moreover, the directors also take corporate governance-related courses. (VI) Implementation of Risk Management Policy and Risk Measurement Criteria: The Company's internal control system and necessary management regulations, approved by resolutions adopted at Board meetings and shareholders' meetings, are thoroughly implemented.	

Scope of Evaluation	Operational status			Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons						
	Yes	No	Summary							
			(VII) Implementation of Customer Policy: At K.S. Terminals, we strictly abide by the contracts entered into with customers and applicable regulations. In doing so, we protect the rights and interests of customers, providing customized and robust services. (VIII) Liability Insurance Coverage of Directors: As prescribed in the Articles of Incorporation, all directors of the Company are covered with liability insurance. To establish a sound corporate governance mechanism, the insurance policy is subject to an annual regular review to reduce the risks borne by the directors and Company.							
IX. Please specify the status of the improvements made, based on the corporate governance assessment report released by the Corporate Governance Center of the TWSE in the most recent year, and the priority corrective actions and measures for any issues that are yet to be rectified.										
Unscored Items From the Results of the 11th Corporate Governance Assessment (assessment year 2024):										
<table><tr><th>Title No.</th><th>Contents of Indicator</th><th>Situation Pending Improvement</th></tr><tr><td>1.3</td><td>Did the Company have a majority of directors and the Audit Committee convener personally attend the annual shareholders' meeting, with attendance list disclosed in the meeting minutes?</td><td>The majority of the Company's directors and the convener of the Audit Committee will attend the Annual Shareholders' Meeting on June 10, 2025 in person</td></tr></table>					Title No.	Contents of Indicator	Situation Pending Improvement	1.3	Did the Company have a majority of directors and the Audit Committee convener personally attend the annual shareholders' meeting, with attendance list disclosed in the meeting minutes?	The majority of the Company's directors and the convener of the Audit Committee will attend the Annual Shareholders' Meeting on June 10, 2025 in person
Title No.	Contents of Indicator	Situation Pending Improvement								
1.3	Did the Company have a majority of directors and the Audit Committee convener personally attend the annual shareholders' meeting, with attendance list disclosed in the meeting minutes?	The majority of the Company's directors and the convener of the Audit Committee will attend the Annual Shareholders' Meeting on June 10, 2025 in person								

(IV) The State of the Remuneration Committee

1. The Company's Remuneration Committee has four members.
2. Information on Remuneration Committee Members

Identity (Note 1)	Qualifications	Professional Qualification and Experience	State of Independence	Number of Positions as a Remuneration Committee Member in Other Public Listed Companies
	Name			
Independent Director (Convener)	Lee Yi-Lung	With commercial, legal, financial, accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act. Experience: Chairman of TERA AUTOTECH CORPORATION, Adjunct Professor of Department of Electrical Engineering, Changhua Normal University	◎ Independent Director of the Company, meeting the independence criteria. ◎ The independent director, his/her spouse, or relatives within the second degree of kinship do not serve as a director, supervisor, or employee of the Company or its affiliates; do not hold any shares of the Company; do not serve as director, supervisor, or an employee of a company with which the Company has a specific relationship. ◎ Remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates in the most recent two years.	None
Independent Director	Chen Mao-Tang	With commercial, legal, financial, accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act. Major experience: Responsible person of Bailin Enterprise Consulting Co., Ltd.; member of Remuneration Committee of K.S. TERMINALS INC.; General Manager of Heng Tai Consumables Group Ltd.; Engineer and Production Capacity Manager of Berlin Company, Germany	◎ Independent Director of the Company, meeting the independence criteria. ◎ The independent director, his/her spouse, or relatives within the second degree of kinship do not serve as a director, supervisor, or employee of the Company or its affiliates; do not hold any shares of the Company; do not serve as director, supervisor, or an employee of a company with which the Company has a specific relationship. ◎ Remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates in the most recent two years.	1

Identity (Note 1)	Qualifications	Professional Qualification and Experience	State of Independence	Number of Positions as a Remuneration Committee Member in Other Public Listed Companies
	Name			
Independent Director	Hsu Ching-Tao	With commercial, legal, financial, accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act. Experience: President Securities Corp., Senior Manager, Supervisor of K.S. TERMINALS INC.	◎ Independent Director of the Company, meeting the independence criteria. ◎ The independent director, his/her spouse, or relatives within the second degree of kinship do not serve as a director, supervisor, or employee of the Company or its affiliates; do not hold any shares of the Company; do not serve as director, supervisor, or an employee of a company with which the Company has a specific relationship. ◎ Remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates in the most recent two years.	1
Independent Director	Wu Mei-Yuan	With commercial, legal, financial, accounting work experience required to perform the assigned duties, and does not meet any of the circumstances stipulated in Article 30 of the Company Act. Experience: Capital Markets Associate Director of KGI Securities Co., Ltd.	◎ Independent Director of the Company, meeting the independence criteria. ◎ The independent director, his/her spouse, or relatives within the second degree of kinship do not serve as a director, supervisor, or employee of the Company or its affiliates; do not hold any shares of the Company; do not serve as director, supervisor, or an employee of a company with which the Company has a specific relationship. ◎ Remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates in the most recent two years.	1

Note 1: Please specify director, independent director, or other.

3. Information Concerning the Operation of the Remuneration Committee
Current committee term: June 6, 2024 to June 5, 2027. The Remuneration Committee met 3 times in the most recent year (A). The qualifications and attendance of committee members are as follows:

Title	Name	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Notes
Convener	Lai Jui-Hua	1	0	100%	Resigned on June 6, 2024
Committee Member	Chen Liang-Kung	1	0	100%	Resigned on June 6, 2024
(New) Convener	Lee Yi-Lung	3	0	100%	Re-elected on June 6, 2024 and serves as convener
Committee Member	Chen Mao-Tang	2	0	100%	
Committee Member	Hsu Ching-Tao	2	0	100%	
Committee Member	Wu Mei-Yuan	2	0	100%	

Other matters to be recorded:

- I. If the Board of Directors does not adopt or decide to revise the recommendation of the Remuneration Committee, the Board shall record the date and term, subject matter, resolution, and measures taken concerning the recommendation of the Remuneration Committee (for example, if the remuneration approved by the Board of Directors is higher than the recommendation proposed by the Remuneration Committee, the Board shall explain the differences and reasons): None.
- II. In the resolutions of the Remuneration Committee, if any member expresses objections or has reservations, then the Remuneration Committee shall record the date, term, subject matter, opinions of its members, and the measures taken: None.
- III. Important Resolutions Adopted by the Remuneration Committee in 2024:

Meeting Date	Contents of Motion	Resolution
March 14, 2024	1. Case of total compensation for managers in 2023 2. Motion for the distribution of remuneration to directors and managers in 2023 3. Motion for the adjustment to the salary and remuneration to managers in 2024	All members present passed the motion without objection.
August 8, 2024	1. Case of proposed compensation items to be implemented in 2024. 2. Motion for the adjustment to the salary and remuneration to managers in 2024	
December 19, 2024	1. Motion for the plan of the year-end bonus distribution to managers in 2024 2. Motion for the schedule for the 2025 Remuneration Committee meeting	

(V) Discrepancies Between the Promotion of Sustainable Development and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons

Promotion Item	Implementation Status			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
I. Has the Company established a governance framework for the promotion of sustainable development and an exclusively (or concurrently) dedicated unit to promote sustainable development, and has the Board of Directors authorized the senior management to handle matters, and does the Board of Directors supervise the implementation?	V		The Sustainability Development Center under the Company's General Management Division is responsible for sustainability report editing, organizational carbon inventory, and energy management. The General Manager serves as the guidance committee member, and the General Management Division is the unit driving corporate sustainability development. Regular reports on implementation status are made to the Board of Directors annually, and the "Sustainability Report" is issued after approval by the Board.	None

Promotion Item		Implementation Status			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
		Yes	No	Summary	
II.	Does the Company conduct risk assessment on environmental, social, and corporate governance issues related to the Company's operations and adopt related risk management policies or strategies pursuant to the materiality principle?	V		1. The Company has established "Sustainable Development Practice Principles" and issues a "Sustainability Report" following the Global Reporting Initiative (GRI) Sustainability Reporting Standards, with a dedicated chapter explaining risk management. 2. The Company's sustainability report is available at https://www.ksterminals.com.tw for download. 3. We have formulated the control and management methods targeting the control of the Company's operational risks. These include the "Management Method for Strategies and Risks", "Procedures for Ethical Management and Guidelines for Conduct", "Identification of Environmental and Harmful Substances and Risk Evaluation and Risk Control Planning Method", "Implementation Rules for Internal Audits", and "Management Method for the Supervision of Subsidiaries".	None
III. Environmental Issues	(I) Has the Company established environmental policies suitable for the Company's industrial characteristics?	V		The Company abides by the government's environmental protection laws and regulations, and has formulated the "Identification Method for Environmental Considerations", "Management Method for the Environment, Safety, and Health Supervision and Measurement", "Waste Management Method", and "Management Method for Regulatory Identification of the Environment, Safety, and Health". The Company has been certified by the ISO14001 Environmental Management system and IECQ QC80000 Hazardous Substance Process Management system.	None

Promotion Item	Implementation Status			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(II) Does the Company endeavor to upgrade the energy use efficiency and use environmentally-friendly materials?	V		The Company has been certified by the ISO14001 Environmental Management system and IECQ QC80000 Hazardous Substance Process Management system. Furthermore, we are committed to improving the utilization rate of various resources and continuing to reduce the impact on the environment through the following measures: 1. Enhance the energy efficiency of machinery and equipment, air conditioning, and lighting; 2. Simplify the design of products to reduce the usage of the packing materials for shipments; 3. Water resource recovery and reuse, such as uncontacted cooling water in process, air conditioning condensate, RO wastewater; 4. Commission a professional qualified vendor to recover and refine copper sludge for reuse.	None

Promotion Item	Implementation Status			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(III) Has the Company evaluated the potential risks and opportunities arising from climate change now and in the future and taken relevant countermeasures?	V		Due to the fact that global climate change has produced significant changes with its impact gradually expanding, it has posed potential risks to the Company's operations. To mitigate the damage, we have established the "Emergency Response Management Method", "Production Line Emergency Response Plan", and "Post-Disaster Recovery Plan" to strengthen the response and recovery capabilities in the face of natural disasters. In doing so, we are able to minimize the impact of natural disasters on the Company's operations. At the same time, we will continue to make proactive approaches to save energy, reduce carbon, and save water, fulfilling our responsibility as a responsible corporate citizen.	None

Promotion Item	Implementation Status			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(IV) Has the Company gathered statistics on the greenhouse gas emissions, water usage, and total waste weight over the past two years, and has the Company established policies for carbon reduction, greenhouse gas emission reduction, reduction of water usage, or other waste management?	V		1. Each year, the Company conducts internal greenhouse gas (GHG) inventories to continue to monitor and calculate the data including GHG emission intensity, volatile organic compound emissions, water usage, wastewater discharge, and business waste removal and disposal volume. The data is used as the indicator for improvement of the environmental management policy. During working hours, we reinforce water-saving and water-recovery measures. In the summertime, we control the temperature of the air conditioners, which were gradually replaced with the inverter type and lights were replaced with LED lights. To achieve the energy conservation and carbon reduction objective, we have also gradually installed power-saving inverters in air compressors and high power-consuming equipment. 2. The information on GHG emissions, water usage, and total waste volume, alongside the management policy, has been disclosed in the sustainability report, available for download at https://www.ksterminals.com.tw.	None
IV. Social Issues (I) Has the Company developed its policies and procedures in accordance with laws and the International Bill of Human Rights?	V		At K.S. Terminals, we comply with the Labor Standards Act and relevant labor laws and regulations to protect the legal rights of employees. We take a two-way communication approach when it comes to the promotion of company policies and opinions of employees.	None

Promotion Item	Implementation Status			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(II) Does the Company establish and implement proper employee benefit plans (including the salary, holidays, and other welfare) and reflect the corporate business performance or achievements in employee remuneration?	V		The Company's "Remuneration Handbook" and "Work Rules" set forth the remuneration policy and leave regulations, which are periodically reviewed and revised by the Board of directors and the Remuneration Committee. Benefits including subsidies for employees are handled in accordance with the "Rules for Use of Benefits and Subsidies" and "Regulations for Weddings and Funerals". The Company allocates a certain percentage of bonuses based on the earnings per share (EPS) and net income of the financial statements. A year-end bonus is paid once a year and performance bonuses twice a year (every 6 months). Also, according to the Company's Articles of Incorporation, a bonus of not less than 3% of the profit, if any, shall be allocated to be paid in September each year.	None

Promotion Item	Implementation Status			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(III) Does the Company provide a safe and healthy work environment for its employees? Does the Company regularly provide its employees with health and safety education?	V		The Company maintains a medical office, regularly arranges employee health examinations, and implements workplace environment monitoring in accordance with regulations to identify potential workplace hazards. The Company also has an emergency response team that conducts regular drills annually, and employees must participate in occupational safety and health courses or obtain relevant qualified operating licenses according to their job functions. Fire drills are held regularly each year to develop employees' emergency response and self-safety management capabilities. The Changbin Xianxi Plant obtained ISO45001 Occupational Health and Safety Management System certification in 2023. Through various systematic occupational safety and health management functions, the Company continuously improves the working environment of production operations and eliminates risks to prevent occupational accidents. In 2024, the number of fire incidents at all plants and office locations was 0; the number of deaths and injuries was 0; the percentage of total employees affected was 0%. Each plant (location) of the Company regularly conducts "Fire Safety Equipment Inspection and Reporting" before the end of November each year. If any deficiencies are found during inspection, improvements are made immediately, and reports are submitted to fire authorities after completion of improvements.	None

Promotion Item		Implementation Status			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
		Yes	No	Summary	
V. Social Issues	(IV) Has the Company established effective career development training plans for employees?	V		In 2014, we took part in the Taiwan TrainQuali System (TTQS) evaluation and received a silver medal from the Workforce Development Agency, Ministry of Labor. We give promotions to our employees each year to encourage their development capabilities. At the same time, we provide appropriate education and training according to our employees' career development, including new employee training, on-the-job professional skills training, qualified operating license training, and occupational health and safety training.	None
	(V) Does the Company comply with laws and international standards with regards to the customer health and safety of products and services, customer privacy, marketing and labeling of products and services, and has the Company established policies and reporting procedures related to consumer or customer rights and benefit protection?	V		The health and safety, customer privacy, marketing, and labeling of our products and services are in compliance with the regulations and international standards.	None
	(VI) Does the Company establish supplier management policies and require them to follow relevant regulations on the issues of environmental protection, occupational health and safety, or labor rights? What is the status of implementation?	V		The Company's Supplier Management Regulations and Contractors EHS Management Regulations specify the matters that must be complied with by suppliers and contractors. These include human rights regulations and the prohibition of child labor and forced labor. If any violation is found, the procurement collaboration or contracting agreement will be terminated.	None
VI.	Has the Company stipulated standards or guidelines for the preparation of reports according to internationally accepted reports,	V		The Company's "Sustainability Report" follows the Global Reporting Initiative (GRI) Standards (2021 edition) and responds to the Taiwan Stock Exchange's	None

Promotion Item	Implementation Status			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
and does it prepare sustainability reports and other reports to disclose non-financial information of the Company? Have the aforementioned reports obtained the assurance or guarantee opinions from a third verification unit?			“Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies,” the Task Force on Climate-related Financial Disclosures (TCFD) framework, the Sustainability Accounting Standards Board (SASB) standards, and the United Nations Sustainable Development Goals (SDGs). Although the report has not been verified by an external third-party organization, its content and data are collected and provided by the responsible units, compiled by the General Management Division, checked multiple times by various departments, and submitted to the Board of Directors. The financial data disclosed in the operational overview are quoted from financial reports certified by accountants.	
VII. If the Company has formulated its own Sustainable Development Best-Practice Principles in accordance with the “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe the differences between its operation and the Principles: None.				
VIII. Other important information that facilitates the understanding of the promotion of sustainable development:				
(I) We care for the disadvantaged: (1) We work with Fengtian Temple, Huatan Township of Changhua County and donate supplies to low-income families during major festivals. (2) We donate money on a regular basis to charities such as the Eden Social Welfare Foundation, Huashan, Huei-Kong and the Taiwan Reading and Culture Foundation (Philanthropic Library), as well as the Taiwan Fund for Children and Families in Changhua. (II) We care about talent cultivation and arrange periodic academic exchanges: (1) We arrange for students and teachers of nearby high schools, colleges, and universities in the central region to visit the Company, achieving the goal of teaching and learning together. (2) We perform industry-academic collaboration with relevant departments of colleges and universities in the central region. Our collaboration involves skills training of talents and studies on technical topics. (III) Investing in sports charity, cultivating potential young athletes in women’s golf and rhythmic gymnastics.				

(VI) Listed Company Climate-related Information

1. Implementation Status of Climate-related Information

Item	Implementation Status
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities. 2. Describe how identified climate risks and opportunities impact the Company's business, strategy, and finances (short-term, medium-term, long-term). 3. Describe the financial impact of extreme climate events and transition actions. 4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. 5. If scenario analysis is used to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and main financial impacts used. 6. If there is a transition plan to respond to and manage climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical risks and transition risks. 7. If internal carbon pricing is used as a planning tool, explain the basis for price setting. 8. If climate-related targets have been set, describe the activities covered, greenhouse gas emission scopes, planning timeline, annual progress information, etc.; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related targets, explain the source and quantity of carbon reduction credits offset or the quantity of Renewable Energy Certificates (RECs). 9. Greenhouse gas inventory and verification status, along with reduction targets, strategies, and specific action plans (to be filled in 1-1 and 1-2).	Items 1-4, 9: Please refer to the explanation below. 5. The Company has not yet used scenario analysis to assess resilience to climate change risks. 6. There is currently no transition plan to respond to and manage climate-related risks. 7. Internal carbon pricing has not yet been used as a planning tool. 8. No climate-related targets have been set yet.

- The Board of Directors is the highest decision-making body for climate change risk management in the Company. It incorporates these issues into corporate sustainability guidelines, supervises the Company's overall climate change-related risk management objectives, clearly understands the risks faced by operations, and ensures the effectiveness of risk management.

The Company refers to the Task Force on Climate-related Financial Disclosures (TCFD) recommended framework to identify risks and opportunities brought by climate change.

The Company will subsequently evaluate and analyze the likelihood and degree of impact of identified risks, and develop strategic guidelines and response measures accordingly.

- Governance

Climate change is a global issue, and our company's management actively pays attention to the risks and opportunities that climate change brings to operations and long-term development. We incorporate climate change into major corporate sustainability issues for analysis and assessment.

- Strategy

We evaluate and categorize the risks and opportunities that climate change brings to our company, develop operational strategies and emergency response plans for disasters, to prepare for potential operational and financial impacts that may arise from climate change.

- Risk Management

The Company incorporates climate risk into the Company's risk management process, identifying climate-related risks to formulate countermeasures.

- Metrics and Targets

The Company shall implement ISO14064-1 greenhouse gas inventory operations according to the timeline of the Listed Companies Sustainability Development Roadmap, obtain third-party verification, and develop annual greenhouse gas emission reduction targets.

➤ Climate-Related Risks, Responses, and Financial Impacts

Risk Type	Risk Item	Time Frame	Impact	Financial impact	Response strategy
Transition Risks	Market trend	Short-term	Environment protection trends leading to customer requirements for recycled materials	Increase in Operating Costs	Develop eco-friendly products, reduce material consumption or use recycled materials
	Regulations and Policies	Short-term	Conduct greenhouse gas inventory	Increase in Operating Costs Increase in Capital Expenditure	1. Use of renewable energy 2. Replace low energy efficiency equipment 3. Conduct GHG inventory operations to identify carbon hotspots for reduction 4. Adopt energy management systems to monitor energy usage in real-time
		Medium-term	Carbon fees/taxes implementation		
		Long-term	Energy Price Increases		
Physical Risk	Extreme Climate Impact	Short-term	Natural disasters causing production interruptions	Decreased business revenue Increase in Operating Costs	1. Establish emergency response teams to reduce disaster losses 2. Find alternative transportation methods 3. Increase safety stock of raw materials 4. Establish cross-regional production bases and flexible alternative supply chains to diversify risk
		Short-term	Transportation Delays or Interruptions		
		Long-term	Raw material shortages, cost increases		
		Long-term	Energy shortages, Drought and water scarcity	Increase in Operating Costs Increase in Capital Expenditure	1. Installation of backup water storage systems 2. Application of special permits to use groundwater sources 3. Install water recycling and reuse systems for water-consuming processes

➤ Climate-Related Opportunities and Financial Impacts

Opportunity Type	Opportunity Item	Financial impact	Management Strategy
Market Change	Green energy product opportunities arising from “Net Zero Carbon Emissions” goals promoted by countries to mitigate global warming.	Increased business revenue Increase in Operating Costs	Develop green energy products, broadly supply renewable energy, electric vehicle, and other industries
Renewable energy use			
New Product Technology R&D			

➤ Greenhouse Gas Inventory and Verification Status, Reduction Targets, Strategies, and Specific Action Plans

1-1 Company Greenhouse Gas Inventory and Verification Status for the Past Two Years

Basic Company Information ☐ Companies with capital of NTD10 billion or more, steel industry, cement industry ☐ Companies with capital of NTD5 billion or more but less than NTD10 billion ☒ Companies with capital less than NTD5 billion	Minimum disclosure required according to the Listed Companies Sustainability Development Roadmap (Note 1): ☐ Parent company individual inventory ☐ Parent company individual verification ☐ Subsidiary companies in consolidated financial statement inventory ☐ Subsidiary companies in consolidated financial statement verification
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Scope 1/Scope 2	Total Emissions (tons CO ₂ e)	Intensity (tons CO ₂ e/million NTD)	Verification Institution	Verification Status Description
Parent Company	N/A	N/A	N/A	N/A
Subsidiary	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A

Note 1: Our company is a listed company with capital below NTD5 billion, belonging to the third stage of the “Listed Companies Sustainability Development Roadmap.” We will disclose parent company entity inventory information in 2026.

1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emissions (metric tons CO2e), intensity (metric tons CO2e/million dollars), and data coverage scope for the most recent two years.
Not applicable.

1-1-2 Greenhouse Gas Verification Information

Describe the verification status for the most recent two years as of the annual report printing date, including verification scope, verification institution, verification standards, and verification opinion.
Not applicable.

1-2 Greenhouse Gas Reduction Targets, Strategies and Specific Action Plans

As a listed company with paid-in capital less than NTD5 billion, according to the Taiwan Stock Exchange's "Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies," we are required to complete disclosure of carbon reduction targets, strategies, and specific action plans starting from 2027.

(VII) Implementation of Ethical Corporate Management and Deviations From Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Scope of Evaluation		Operational status			Deviations From “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
		Yes	No	Summary	
I. Establishment of Ethical Management Policy and Plan	(I) Has the Company established ethical operation policies approved by the Board of Directors’ meeting and stated in its memorandum or external correspondence the policies and practices it has for maintaining business integrity? Are the Board of Directors and the management committed to fulfilling this commitment?	V		We have established Ethical Corporate Management Best Practice Principles and conduct business activities based on the principles of fairness, honesty, trustworthiness, and transparency. In a bid to implement the ethical corporate management policy, we take a proactive approach to prevent unethical conduct. All employees of the Company must follow the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” in the course of carrying out their duties.	None
	(II) Has the Company established an assessment mechanism for unethical conduct risk, does it perform periodic analysis and assess operating activities of relatively higher risks of unethical conduct in the scope of business, and has it established unethical conduct solutions accordingly, at least covering the preventive measures for the acts described in each subparagraph of Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		We regularly invite the directors, managers, employees, and those who have substantial control over the Company to participate in education, training, and orientation. In doing this, they are able to be fully aware of the determination, policy, prevention programs, and consequences of violation of operating procedures.	None

Scope of Evaluation		Operational status			Deviations From “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
		Yes	No	Summary	
	(III) Whether the Company explicitly defines procedures, guides of conduct, and disciplinary and reporting systems in the case of a violation in the preventive solutions of unethical conduct, implement them accordingly, and carries out reviews and modifications of these solutions?	V		We have formulated our “Procedures for Ethical Management and Guidelines for Conduct”, covering operating procedures, guidelines for conduct, disciplinary practices, and a complaint system. The “Procedures for Ethical Management and Guidelines for Conduct” are thoroughly implemented.	None
II. Implementation of Ethical Management Practices	(I) Has the Company assessed a trading counterpart’s ethical operation record and expressly states the ethical operation clause in the contract to be signed with the trading counterpart?	V		Our company complies with the relevant provisions of the “Trade Secrets Management Regulations” and commits to the responsibility and obligation of protecting official confidentiality and commercial information. Departing employees must sign a “Business Confidentiality and Copyright Agreement” and “Memorandum of Departing Employees” during their employment and before departure, adhering to the principle of ethical business operations.	None
	(II) Has the Company established a dedicated unit under the Board of Directors for promoting corporate ethical operations and periodically reporting its ethical management policy and plan for preventing unethical conduct, as well as the supervision of the implementation status to the Board of Directors (at least once per year)?	V		We have established an effective accounting system and internal control system, with the compliance regularly audited by the personnel of the Audit Office who report to the independent directors and Board of Directors.	None

Scope of Evaluation	Operational status			Deviations From “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
(III) Does the Company have any policies for preventing conflicts of interests, and channels to facilitate the reporting of conflicts of interests?	V		We regularly promote the concept of ethical management and have formulated the “Procedures for Ethical Management and Guidelines for Conduct” for compliance. Where there is a concern of ethics or a conflict of interest, the Company’s employees, investors, and other stakeholders should take the initiative and report the incident to the Company. To provide appropriate channels for complaints, there is a mailbox available on the Company’s website for shareholders and a “complaint mailbox” on the Company’s intranet.	None
(IV) Has the Company implemented an effective accounting system and internal control system for the purpose of maintaining ethical operations? Has the internal audit unit established a relevant audit plan according to the assessment results of the risks of unethical conduct and does it audit the status of compliance with the plan for the prevention of unethical conduct, or entrust CPAs to perform an audit?	V		We have set up an accounting system and internal control system in an effort to reasonably ensure the effectiveness and efficiency as well as the reliability of financial reporting and compliance with relevant laws and regulations. Moreover, to implement the spirit of ethical management, we entrust a professional accounting firm to carry out audits on a regular basis.	None
(V) Does the Company periodically organize internal/external education training programs for ethical operations?	V		We regularly invite the directors, managers, employees, and those who have substantial control over the Company to participate in education, training, and orientation. In doing this, they are able to be fully aware of the determination, policy, prevention programs, and consequences of unethical practices.	None

Scope of Evaluation	Operational status			Deviations From “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
III. Implementation of the Company’s Whistleblowing System (I) Does the Company provide incentives and easy access for employees to report misconduct? Has the Company assigned dedicated personnel to investigate the reported misconduct? (II) Has the Company defined standard operating procedures for investigation after accepting misconduct reports, the follow-up actions to be taken after investigation, and the relevant confidentiality mechanism? (III) Has the Company adopted any measures to prevent whistleblowers from being abused after filing complaints?	V		We have set up both electronic and physical “complaint mailboxes”. If there is a concern of a suspected violation of the rules, employees are obligated to report to management and relevant units. Complaints filed are appropriately dealt with by the President’s Office or the General Management Office. The whistleblower has the right to decide whether to remain anonymous, with management protecting the identity of the whistleblower and giving appropriate incentives.	None
IV. Enhancing Information Disclosure Has the Company disclosed its Ethical Corporate Management Best Practice Principles and progress thereof on its website and the MOPS?	V		We have set up a “Stakeholders” section on the Company’s website to announce relevant corporate governance rules and disclose information in relation to ethical management.	None
V. If the Company has established ethical management best practice principles based on “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the principles and their implementation: We have formulated the “Ethical Corporate Management Best Practice Principles”, which we dedicate ourselves to complying with.				
VI. Other important information material to the understanding of ethical management operations (e.g., discussion of an amendment to the ethical corporate management best practice principles defined by the Company) The Company’s dedicated unit for material internal information examines these operating procedures at all times in order to comply with the regulatory requirements and practical management. These operating procedures are displayed at the Notice Board and the dedicated unit informs all employees of the formulation and subsequent amendments to these operating procedures via internal email. The Company’s material financial information is released truthfully on the MOPS each month for investors and stakeholders.				

(VIII) Any other material information that would afford a better understanding of the status of the Company’s implementation of corporate governance may also be disclosed: None.

(IX) Operation Status of the Internal Control System:

1. Statement of Internal Control

Statement of Internal Control System

Showing both the design and execution are effective.

(This Statement is applicable to all legal statements.)

K.S. TERMINALS INC.

Statement of Internal Control System

Date: March 13, 2025

Based on the results of our self-assessment, we hereby declare the following regarding our company's internal control system for fiscal year 2024:

- I. We acknowledge that the Board of Directors and managers are responsible for the establishment, operation, and maintenance of the internal control system. We have established such a system. The system's purpose is to provide reasonable assurance for the achievement of the objectives concerning the effectiveness and efficiency of operations (including profits, performance, and protection of asset security), reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws.
- II. Any internal control system has its inherent limitations. No matter how well an internal control system is designed, it can only provide reasonable assurance for achieving the above three objectives. Moreover, the effectiveness of an internal control system may vary as a result of changes in the environment and circumstances. However, our internal control system has a self-monitoring mechanism, and we take corrective actions immediately once a nonconformity is identified.
- III. We judge the design and operation of the internal control system for their effectiveness with reference to the items to be judged for the effectiveness of the internal control system specified in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The judgment items of the internal control system adopted in the Regulations are divided into the following five constituent elements according to the management control process: 1. control environment; 2. risk assessment; 3. control operations; 4. information and communications; and 5. monitoring operations. Each constituent element contains a number of items. Please refer to the provisions of the abovementioned Regulations.
- IV. We have adopted the judgment items of the internal control system to assess the effectiveness of the design and implementation of the internal control system.
- V. Based on the results of the aforementioned assessment, we confirm that our internal control system (including monitoring and management of subsidiaries), as of December 31, 2024, was effective in terms of its design and operation with respect to understanding the effectiveness and efficiency of operations, the reliability, timeliness, transparency, and regulatory compliance of reporting, and in its compliance with applicable laws, regulations, and bylaws, in order to reasonably ensure that these objectives are achieved.
- VI. This Statement will be a major part of our annual reports and prospectuses and will be open to the public. If there is any misrepresentation, nondisclosure, or other illegality in the contents open to the public referred to above, the legal responsibility specified in Articles 20, 32, 171, and 174 of the Securities and Exchange Act shall apply.
- VII. The Statement was approved by the Board of Directors at the meeting held on March 13, 2025. None of the 9 directors present expressed any dissent and all of them agreed with the Statement. This information is declared as an addition.

K.S. TERMINALS INC.

Chairman: Cheng Ke-Pin

Signature

President: Cheng Chieh-Yuan

Signature

2. If review of the internal control system has been conducted by entrusted CPAs, the CPAs' review report shall be disclosed: None.

- (X) Punishment of the Company or its internal personnel in accordance with law, the Company's punishment of internal personnel violating internal control system regulations, main deficiencies, and improvements during the most recent year and up to the date of publication of the Annual Report: None.
- (XI) Shareholder meetings and significant Board resolutions during the most recent year and up to the date of publication of the Annual Report:

1. Important Resolutions of the Shareholders' Meeting

Meeting Date	Important Resolutions	Implementation Status
June 6, 2024	1. Motion for ratification of the 2023 financial statements (proposed by the Board of Directors).	1. Passed after voting at the annual general meeting.
	2. Motion for ratification of the 2023 earnings distribution (proposed by the Board of Directors).	2. Passed after voting at the annual general meeting. (Matters regarding distribution in cash was completed on April 26, 2024)
	3. Approved the motion for amendment to the Company's Rules of Procedure for Shareholders' Meetings (proposed by the Board of Directors).	3. Passed after voting at the annual general meeting.

2. Important Resolutions of the Board of Directors Meeting

Meeting Name	Meeting Date	Important Resolutions
1st Board Meeting in 2024	March 14, 2024	1. Approved the motion for the appointment of and remuneration to the CPAs of the financial report. 2. Passed the motion for the 2023 remuneration distribution to employees and directors. 3. Passed the motion for the review of the 2023 business report and 2023 parent company only and consolidated financial statements. 4. Passed the motion for the 2023 earnings distribution. 5. Passed the motion for the cause, meeting time, and location for the 2024 annual general meeting. 6. Passed the motion for acceptance period for shareholder proposal rights and director nomination for the 2024 annual general meeting. 7. Passed the motion for the election of the 9th Board of Directors. 8. Passed the motion for the list of director nominations for the Company's Board of Directors. 9. Passed the motion for lifting the non-competition restriction against the Company's new directors. 10. Passed the motion for the 2023 "Statement of Internal Control System".
2nd Board Meeting in 2024	May 9, 2024	1. Approved Q1 2024 consolidated financial statements 2. Passed the motion for renewing "insurance for directors and key employees". 3. Approved discussion case for financial institution credit limit 4. Approved the sale of land in Rayong, Thailand

Meeting Name	Meeting Date	Important Resolutions
3rd Board Meeting in 2024	June 6, 2024	1. Passed the motion for the election of the Chairman and Vice Chairman for the 9th term. 2. Passed the motion for the appointment of the members of the 6th Remuneration Committee
4th Board Meeting in 2024	August 8, 2024	1. Approved the 2023 Corporate Sustainability Report 2. Passed the consolidated financial statements report for the second quarter of 2024 3. Approved management retirement case
5th Board Meeting in 2024	November 7, 2024	1. Passed the consolidated financial statements report for the third quarter of 2024 2. Approved the acquisition of right-of-use assets for property leased from related parties 3. Passed the motion for the change in credit facilities of financial institutions.
6th Board Meeting in 2024	December 19, 2024	1. Approved 2025 business objectives 2. Passed the motion for the 2025 audit plan. 3. Passed the motion for the review by the Remuneration Committee 4. Approved the proposed capital increase for Vietnam subsidiary 5. Approved the proposed capital increase for Indonesia subsidiary 6. Approved the addition of “Sustainability Information Management Operating Regulations” 7. Approved amendments to the Company’s Articles of Incorporation
1st Board Meeting in 2025	March 13, 2025	1. Approved the motion for the appointment of and remuneration to the CPAs of the financial report. 2. Passed the motion for the 2024 remuneration distribution to employees and directors. 3. Passed the motion for the review of the 2024 business report and 2024 parent company only and consolidated financial statements. 4. Passed the motion for the 2024 earnings distribution. 5. Passed the motion for the cause, meeting time, and location for the 2025 annual general meeting. 6. Passed the motion for the acceptance period for shareholder proposal rights for the 2025 annual general shareholders’ meeting. 7. Passed the motion for the 2024 “Statement of Internal Control System”. 8. Approved the ratification of company organizational structure adjustments 9. Approved the investment case for establishing a manufacturing plant subsidiary in India
2nd Board Meeting in 2025	May 8, 2025	1. Approved Q1 2025 consolidated financial statements 2. Passed the motion for renewing “insurance for directors and key employees”. 3. Approved discussion case for financial institution credit limit

- (XII) Documented opinions or declarations in writing made by directors or supervisors against important Board resolutions in the most recent year up to the publication date of this Annual Report: None.
- (XIII) Resignation or dismissal of persons related to the financial report (including the Chairman, General Manager, Chief Accounting Officer, Chief Financial Officer, Chief Internal Auditor, or Chief R&D Officer) in the most recent year and up to the date of publication of the Annual Report: None.

IV. Information on CPA Fees

(I) Information on CPA Fees

Unit: NTD thousand

Name of the Accounting Firm	CPA Name	Audit Period	Audit Fees	Non-audit Fees	Total	Notes
EY Taiwan	Chen Ming-Hung	January 1, 2024 ~ December 31, 2024	2,930	565	3,495	Tax certification of NTD380 thousand, transfer report of NTD185 thousand.
	Huang Yu-Ting	January 1, 2024 ~ December 31, 2024				

- (II) If the CPA firm is replaced and the audit fee paid during the year in which the replacement occurs is less than the audit fee paid in the previous year, the amount of the audit fee before and after the replacement and the reason thereof shall be disclosed: None.
- (III) Audit fees paid for the current financial year are lower than those paid for in the immediate preceding financial year by 10% or more: None.

V. Information on Replacement of CPAs: None.

VI. The Company's Chairman, President, or any manager in charge of finance or accounting matters in the most recent year holding a position at the Company's CPA accounting firm or at an affiliate of such an accounting firm: None.

VII. Any transfer of equities and/or pledge of or change in equities by a director, supervisor, manager, or shareholder with a stake of more than 10% in the most recent year and up to the publication date of the Annual Report:

(I) Any change in equities of directors, supervisors, managers, and major shareholders:

Unit: Shares

Title (Note 1)	Name	2024		Up to April 16, 2025		Notes
		Increase (decrease) in Shares Held	Increase (decrease) in Shares Pledged	Increase (decrease) in Shares Held	Increase (decrease) in Shares Pledged	
Chairman (Note 3)	JING BAO INVESTMENT CO., LTD.	-	-	-	-	
Chairman	Cheng Ke-Pin	(1,900,000)	-	-	-	Payment of shares in kind
Chairman and CTO	Cheng Yu-Liang	-	-	-	-	
Directors (Note 2)	Liao Pen-Lin	-	-	-	-	
Directors (Note 2)	Cheng Hsin-Yen	-	-	-	-	
Directors (Note 3)	Cheng I-Tien	-	-	-	-	
Chairman and General Manager	Cheng Chieh-Yuan	-	-	-	-	
Directors (Note 3)	Cheng Wen-Shuo	-	-	-	-	
Independent Director (Note 2)	Lai Jui-Hua	-	-	-	-	
Independent Director (Note 2)	Chen Liang-Kung	-	-	-	-	
Independent Director	Lee Yi-Lung	-	-	-	-	
Independent Director (Note 3)	Hsu Ching-Tao	-	-	-	-	
Independent Director (Note 3)	Chen Mao-Tang	-	-	-	-	
Independent Director (Note 3)	Wu Mei-Yuan	-	-	-	-	
Deputy General Manager (Note 4)	Lee Liu-Hsun	-	-	-	-	
Deputy General Manager (Note 4)	Hsu Hung-Ming	-	-	-	-	
Chief of Finance Division and Corporate Governance Officer	Tseng Yu-Chin	-	-	-	-	

Note 1: Shareholders with more than 10% of the total shares of the Company shall be stated as major shareholders and indicated separately.

Note 2: The Company re-elected its 9th Board of Directors at the shareholders' meeting on June 6, 2024. The original directors Liao Pen-Lin, Cheng Hsin-Yen, Lai Jui-Hua, and Chen Liang-Kung were discharged from their directorships, so their shareholding and pledge information is calculated up to June 6, 2024.

Note 3: The 9th Board of Directors was elected at the shareholders' meeting on June 6, 2024. Shareholding and pledge information for newly elected directors JING BAO INVESTMENT CO., LTD., Cheng I-Tien, Cheng Wen-Shuo, Hsu Ching-Tao, Chen Mao-Tang, and Wu Mei-Yuan is calculated from June 6, 2024.

Note 4: Mr. Lee Liu-Hsun and Mr. Hsu Hung-Ming retired on August 8, 2024, and their shareholding and pledge information is calculated up to August 8, 2024.

(II) Transfer Information:

Name	Reason for Share Transfer	Transaction Date:	Trading Counterparty	Relationship between Trading Counterparty and the Company's Directors, Supervisors, Managers, and Shareholders with More than 10% Shareholding	Shares	Transaction price
Cheng Ke-Pin	Payment of shares in kind	July 11, 2024	CAI YING INVESTMENT CO., LTD.	Chairman's Shares Held in the Names of Others	1,900,000	82.3

(III) Pledge Information: There is no pledge of shares by the Company's directors, supervisors, managers, or major shareholders.

VIII. Relationship information, if among the 10 largest shareholders anyone is a related party, or is the spouse or a relative within the second degree of kinship with another:

April 16, 2025; Unit: Shares

Name	Shares Held by the Shareholder		Shareholding of Spouse and Minor Children		Shareholding in the Names of Others		Disclosure of information on related parties or spouse relationship or relations within the second degree of kinship among top ten shareholders, including their titles or names and relationships.		Notes
	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Title (or name)	Relationship	
Cheng Yu-Liang	6,780,191	4.36%	3,072,103	1.97%	-	-	Chiu Yu-Peng Cheng Yin-Kun Cheng Wen-Shuo Cheng Yu-Chen	Spouse First Degree of Kinship First Degree of Kinship First Degree of Kinship	
Cheng Wen-Shuo	5,541,963	3.56%	-	-	-	-	Cheng Yu-Liang Chiu Yu-Peng Cheng Yin-Kun Cheng Yu-Chen	First Degree of Kinship First Degree of Kinship Second Degree of Kinship Second Degree of Kinship	
Cheng Yin-Kun	5,451,188	3.50%	124,000	0.08%	-	-	Cheng Yu-Liang Chiu Yu-Peng Cheng Wen-Shuo Cheng Yu-Chen	First Degree of Kinship First Degree of Kinship Second Degree of Kinship Second Degree of Kinship	
Cheng Ching-Jen	4,526,405	2.91%	342,000	0.22%	-	-	Cheng Ke-Pin Cheng Chieh-Yuan	First Degree of Kinship Second Degree of Kinship	
Cheng Chieh-Yuan	3,926,057	2.52%	668,241	0.43%	-	-	Cheng Ke-Pin Cheng Ching-Jen	First Degree of Kinship Second Degree of Kinship	
SAN MAO INVETMNET CO., LTD.	3,745,461	2.41%	-	-	-	-	-	-	
HUI HONG INVESTMENT CO., LTD.	3,590,135	2.31%	-	-	-	-	-	-	
Li Chih-Yung	3,578,000	2.30%	-	-	-	-	-	-	
Cheng Yu-Chen	3,478,940	2.24%	-	-	-	-	Cheng Yu-Liang Chiu Yu-Peng Cheng Yin-Kun Cheng Wen-Shuo	First Degree of Kinship First Degree of Kinship Second Degree of Kinship Second Degree of Kinship	
Chiu Yu-Peng	3,072,103	1.97%	6,780,191	4.36%	-	-	Cheng Yu-Liang Cheng Yin-Kun Cheng Wen-Shuo Cheng Yu-Chen	Spouse First Degree of Kinship First Degree of Kinship First Degree of Kinship	

IX. The total number of shares and total equity stake held by the same investee by the Company, its directors, managers, and any companies controlled either directly or indirectly by the Company:

Investment Enterprises (Note)	Invested by the Company		Investment by Directors and Managers, or by Directly or Indirectly Controlled Enterprises		Total Investment	
	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)
K.S.T. INTERNATIONAL HOLDINGS LIMITED .	14,540,500	100%	-	-	14,540,500	100%
JUNG PANG ENTERPRISE LTD.	10,000	100%	-	-	10,000	100%
K.S. Terminals USA LLC	3,300,000	100%	-	-	3,300,000	100%
TAIBON HOLDING LIMITED	160,000	100%	-	-	160,000	100%
Ifchic Inc.	2,500,000	100%	-	-	2,500,000	100%
K.S.TERMINALS TECHNOLOGY (THAILAND) CO.,LTD.	1,000,000	100%	-	-	1,000,000	100%
KST TERMINALS (INDIA) PRIVATE LIMITED	1,050,000	70%	-	-	1,050,000	70%
Yangde Technology Co., Ltd.	980,000	35%	-	-	980,000	35%
HONLEY AUTO. PARTS CO., LTD.	25,433,438	20.89%	-	-	25,433,438	20.89%
JIAN BANG (HONG KONG)HOLDING LIMITED	-	-	103,766,000	100%	103,766,000	100%
K.S.TERMINALS (Asia) Co.,LTD.	-	-	2,950	100%	2,950	100%
K.S.TERMINALS (THAILAND) CO.,LTD.	-	-	490,000	49%	490,000	49%
CHIEN HO HSING TECHNOLOGY (SUZHOU) CO., LTD	-	-	7,500,000	100%	7,500,000	100%
K.S.TERMINALS COMPANY LTD VIETNAM	-	-	1,000,000	100%	1,000,000	100%
PT.KSTERMINALS TECHNOLOGY INDONESIA	-	-	1,300,000	100%	1,300,000	100%

Note 1: Long-term investments accounted for using the equity method by the Company.

Note 2: Data as of Q1 2025.

Three. Fundraising Status

I. Capital and Shares

(I) Source of Capital

1. Formation of Capital Stock

Date	Issue Price	Authorized Capital		Paid-in Capital		Notes		
		Shares	Amount	Shares	Amount	Source of Capital	Offset by any property other than cash.	Others
February 1978	10	100,000	1,000,000	100,000	1,000,000	Capital at establishment.	None	Note 1
December 1982	10	500,000	5,000,000	500,000	5,000,000	Capital increase by cash.	None	Note 2
September 1987	10	1,500,000	15,000,000	1,500,000	15,000,000	Capital increase by debt.	Debt offset.	Note 3
August 1989	10	3,000,000	30,000,000	3,000,000	30,000,000	Capital increase by cash.	None	Note 4
May 1990	10	5,000,000	50,000,000	5,000,000	50,000,000	Capital increase by cash.	None	Note 5
June 1994	10	15,500,000	155,000,000	15,500,000	155,000,000	Capital increase by cash.	None	Note 6
June 1995	10	19,500,000	195,000,000	19,500,000	195,000,000	Capital increase by earnings.	None	Note 7
January 1996	10	14,235,000	142,350,000	14,235,000	142,350,000	Capital decrease.	None	Note 8
May 1998	10	19,135,000	191,350,000	19,135,000	191,350,000	Capital increase by cash.	None	Note 9
September 1998	10	19,935,000	199,350,000	19,935,000	199,350,000	Consolidated capital increase.	None	Note 10
June 1999	10	100,000,000	1,000,000,000	44,853,750	448,537,500	Capital increase by earnings and capital surplus.	None	Note 11
July 2000	10	100,000,000	1,000,000,000	51,761,800	517,618,000	Capital increase by earnings and employee bonus.	None	Note 12
June 2001	10	120,000,000	1,200,000,000	58,153,000	581,530,000	Capital increase by earnings and employee bonus.	None	Note 13
June 2002	10	120,000,000	1,200,000,000	65,363,900	653,639,000	Capital increase by earnings and employee bonus.	None	Note 14
June 2003	10	120,000,000	1,200,000,000	72,340,000	723,400,000	Capital increase by earnings and employee bonus.	None	Note 15
June 2004	10	120,000,000	1,200,000,000	80,000,000	800,000,000	Capital increase by earnings and employee bonus.	None	Note 16
February 2005	10	120,000,000	1,200,000,000	80,835,863	808,358,630	Capital increase by convertible bonds.	None	Note 17
April 2005	10	120,000,000	1,200,000,000	81,457,980	814,579,800	Capital increase by convertible bonds.	None	Note 18
April 2005	10	120,000,000	1,200,000,000	81,469,430	814,694,300	Capital increase by convertible bonds.	None	Note 19
July 2005	10	120,000,000	1,200,000,000	90,017,060	900,170,600	Capital increase by earnings and employee bonus.	None	Note 20
April 2006	10	120,000,000	1,200,000,000	89,884,060	898,840,600	Capital reduction by treasury stock cancellation.	None	Note 21
July 2006	10	200,000,000	2,000,000,000	96,412,560	964,125,600	Capital increase by earnings and employee bonus.	None	Note 22
January 2007	10	200,000,000	2,000,000,000	105,213,266	1,052,132,660	Capital increase by convertible bonds.	None	Note 23
April 2007	10	200,000,000	2,000,000,000	107,231,320	1,072,313,200	Capital increase by convertible bonds.	None	Note 24
July 2007	10	200,000,000	2,000,000,000	107,358,014	1,073,580,140	Capital increase by convertible bonds.	None	Note 25
October 2007	10	200,000,000	2,000,000,000	113,083,114	1,130,831,140	Capital increase by earnings and employee bonus.	None	Note 26
October 2007	10	200,000,000	2,000,000,000	113,363,651	1,133,636,510	Capital increase by convertible bonds.	None	Note 27
July 2008	10	200,000,000	2,000,000,000	116,458,884	1,164,588,840	Capital increase by convertible bonds.	None	Note 28
September 2009	10	200,000,000	2,000,000,000	119,937,650	1,199,376,500	Capital increase by earnings.	None	Note 29
April 2000	10	200,000,000	2,000,000,000	120,201,650	1,202,016,500	Capital increase by employee stock options.	None	Note 30
August 2000	10	200,000,000	2,000,000,000	120,258,650	1,202,586,500	Capital increase by employee stock options.	None	Note 31
September 2000	10	200,000,000	2,000,000,000	129,834,782	1,298,347,820	Capital increase by earnings.	None	Note 32
November 2000	10	200,000,000	2,000,000,000	129,854,782	1,298,547,820	Capital increase by employee stock options.	None	Note 33

Date	Issue Price	Authorized Capital		Paid-in Capital		Notes		
		Shares	Amount	Shares	Amount	Source of Capital	Offset by any property other than cash.	Others
November 2000	10	200,000,000	2,000,000,000	129,354,782	1,293,547,820	Capital reduction by treasury stock cancellation.	None	Note 34
April 2011	10	200,000,000	2,000,000,000	129,674,782	1,296,747,820	Capital increase by employee stock options.	None	Note 35
September 2011	10	200,000,000	2,000,000,000	140,048,765	1,400,487,650	Capital increase by earnings.	None	Note 36
August 2012	10	200,000,000	2,000,000,000	140,259,765	1,402,597,650	Capital increase by employee stock options.	None	Note 37
January 2013	10	200,000,000	2,000,000,000	140,343,765	1,403,437,650	Capital increase by employee stock options.	None	Note 38
April 2014	10	200,000,000	2,000,000,000	152,488,684	1,524,886,840	Capital increase by convertible bonds.	None	Note 39
August 2014	10	200,000,000	2,000,000,000	153,186,412	1,531,864,120	Capital increase by convertible bonds.	None	Note 40
November 2014	10	200,000,000	2,000,000,000	152,545,399	1,525,453,990	Capital reduction by treasury stock cancellation and capital increase by convertible bonds.	None	Note 41
January 2015	10	200,000,000	2,000,000,000	152,608,999	1,526,089,990	Capital increase by convertible bonds.	None	Note 42
May 2015	10	200,000,000	2,000,000,000	153,965,865	1,539,658,650	Capital increase by convertible bonds.	None	Note 43
August 2015	10	200,000,000	2,000,000,000	154,570,095	1,545,700,950	Capital increase by convertible bonds.	None	Note 44
August 2015	10	200,000,000	2,000,000,000	155,654,890	1,556,548,900	Capital increase by convertible bonds.	None	Note 45

Note 1: 1978.2.10 Liu-Qi-Jian-San-Zi No. 16027

Note 4: 1989.11.7 Jing-(78)-Shang-Zi No. 132755

Note 7: 1995.7.26 Jing-(84)-Shang-Zi No. 110132

Note 10: 1998.9.29 Jing-(87)-Shang-Zi No. 7130793

Note 13: 2001.6.6 (90)-Tai-Cai-Zheng-(Yi) No. 135573

Note 16: 2004.6.29 Tai-Cai-Zheng-Yi-Zi No. 0930128673

Note 19: 2004.5.18 Tai-Cai-Zheng-Yi-Zi No. 0930118881

Note 22: 2006.7.5 Jin-Guan-Zheng-Yi-Zi No. 0950128532

Note 25: 2007.7.25 Jing-Shou-Shang-Zi No. 09601171910

Note 28: 2008.7.18 Jing-Shou-Shang-Zi No. 09701178900

Note 31: 2010.4.20 Jing-Shou-Shang-Zi No. 09901069190

Note 34: 2010.11.22 Jing-Shou-Shang-Zi No. 09901258290

Note 37: 2012.8.10 Jing-Shou-Shang-Zi No. 10101165290

Note 40: 2014.8.11 Jing-Shou-Shang-Zi No. 10301154160

Note 43: 2015.5.12 Jing-Shou-Shang-Zi No. 10401076160

Note 2: 1982.12.20 Qi-Yi-Jian-San-Zi No. 241445

Note 5: 1990.8.28 Jing-(79)-Shang-Zi No. 118130

Note 8: 1996.11.28 Jing-(85)-Shang-Zi No. 119658

Note 11: 1999.6.25 (88)-Tai-Cai-Zheng-(Yi) No. 56083

Note 14: 2002.6.27 Tai-Cai-Zheng-Yi-Zi No. 0910135183

Note 17: 2004.5.18 Tai-Cai-Zheng-Yi-Zi No. 0930118881

Note 20: 2005.7.4 Jin-Guan-Zheng-Yi-Zi No. 0940126691

Note 23: 2007.1.18 Jing-Shou-Shang-Zi No. 09601013670

Note 26: 2007.7.16 Jin-Guan-Zheng-Yi-Zi No. 0960036626

Note 29: 2009.9.4 Jing-Shou-Shang-Zi No. 09801199720

Note 32: 2010.6.30 Jin-Guan-Zheng-Fa-Zi No. 0990033632

Note 35: 2011.4.11 Jing-Shou-Shang-Zi No. 10001067780

Note 38: 2013.1.15 Jing-Shou-Shang-Zi No. 10201008410

Note 41: 2014.11.4 Jing-Shou-Shang-Zi No. 10301228470

Note 44: 2015.8.11 Jing-Shou-Shang-Zi No. 10401163050

Note 3: 1987.9.25 Qi-Liu-Jian-San-Geng-Zi No. 291146

Note 6: 1995.1.6 Jing-(84)-Shang-Zi No. 118437

Note 9: 1998.6.2 Jing-(87)-Shang-Zi No. 113107

Note 12: 2000.7.21 (89)-Tai-Cai-Zheng-(Yi) No. 64411

Note 15: 2003.6.25 Tai-Cai-Zheng-Yi-Zi No. 0920128052

Note 18: 2004.5.18 Tai-Cai-Zheng-Yi-Zi No. 0930118881

Note 21: 2006.05.12 Jing-Shou-Shang-Zi No. 09501084440

Note 24: 2007.4.19 Jing-Shou-Shang-Zi No. 09601082570

Note 27: 2007.10.18 Jing-Shou-Shang-Zi No. 09601255230

Note 30: 2010.4.20 Jing-Shou-Shang-Zi No. 09901069190

Note 33: 2010.9.13 Jing-Shou-Shang-Zi No. 09901207490

Note 36: 2011.9.01 Jing-Shou-Shang-Zi No. 10001204760

Note 39: 2014.4.22 Jing-Shou-Shang-Zi No. 10301072320

Note 42: 2015.1.28 Jing-Shou-Shang-Zi No. 10401009160

Note 45: 2015.8.26 Jing-Shou-Shang-Zi No. 10401178720

2. Type of Shares

April 16, 2025; Unit: Shares

Type \ Shares	Paid-in Capital			Notes
	Outstanding Shares	Unissued Shares	Total	
Registered Common Stocks	155,654,890	44,345,110	200,000,000	TWSE Listed Chares

3. Information related to issuing securities by self-registration: None.

(II) Major Shareholder List:

April 16, 2025; Unit: Shares

Name of Major Shareholder	Shares	Shareholding Ratio (%)
Cheng Yu-Liang	6,780,191	4.36%
Cheng Wen-Shuo	5,541,963	3.56%
Cheng Yin-Kun	5,451,188	3.50%
Cheng Ching-Jen	4,526,405	2.91%
Cheng Chieh-Yuan	3,926,057	2.52%
SAN MAO INVETMNET CO., LTD.	3,745,461	2.41%
HUI HONG INVESTMENT CO., LTD.	3,590,135	2.31%
Li Chih-Yung	3,578,000	2.30%
Cheng Yu-Chen	3,478,940	2.24%
Chiu Yu-Peng	3,072,103	1.97%

(III) Company Dividend Policy and Implementation Status

1. Dividend Policy

- (1) After final accounting for the year, the Company shall first pay taxes and cover previous losses with the profit for the year, if any. 10% of the remaining balance may be set aside as legal reserve, provided the legal reserve does not reach the amount of the Company's paid-in capital. In addition, special reserve may be appropriated or reversed in accordance with the regulations of the competent authorities. If there are remaining earnings, distributable earnings are conducted together with the accumulated undistributed earnings of the previous year in accordance with (2).
- (2) The Company operates in the electronic components industry and strives to be in line with the overall environment and the characteristics of the industry. The Company achieves its sustainability, pursues long-term interests of shareholders, stabilizes business performance targets, while taking into account the Company's budget for future capital expenditures and the status of capital needs. The Company's dividend policy is to appropriate at least 10% of its earnings after tax, less legal reserve and special reserve, as shareholder bonus, with cash dividends accounting for at least 10% of the total dividends paid to shareholders. Earnings may not be distributed where the Company's net income for the year does not reach 15% of the paid-in capital. The Company may distribute its accumulated undistributed earnings from the previous year if there are no earnings for the year. Where the shareholder bonus or legal reserve or capital reserve as mentioned above is paid in cash, the Board of Directors is authorized by approval of two-thirds of the directors at a meeting attended by more than half of the directors, and shall be reported at the shareholders' meeting.

2. The dividends to be distributed as proposed at the shareholders' meeting this year: Under Article 31 of the Company's Articles of Incorporation, the Board of Directors is authorized to distribute all or part of the dividends or bonuses in cash, which shall be reported at the shareholders' meeting. Shareholder bonus was NTD311,309,780. As recorded in the shareholders' register on the ex-dividend date, NTD2 per share was to be distributed in cash.

3. Explanation Shall be Given if There Were Projected Material Changes in Dividend Policy

There was no material change in the Company's dividend policy.

- (IV) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the shareholders' meeting: Not applicable.

- (V) Remuneration to Employees and Directors

1. The percentages or ranges of remuneration to employees and directors, as set forth in the Company's Articles of Incorporation:

If the Company has a profit in the year, it should first set aside no less than 3% as remuneration to employees and no more than 3% as remuneration to directors. However, earnings shall first be used to make up accumulated losses, if any.

2. The basis for estimating the amount of employee and director remuneration, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The basis for estimating the Company's remuneration to employees and directors is in compliance with the Company's Articles of Incorporation. Changes in the amount after the publication date of the annual consolidated financial report will be treated as changes in accounting estimates and adjusted in the following year.

3. Distribution of remuneration approved by the Board of Directors:

Unit: NTD thousand

Item	Amount	How it is Distributed
Remuneration to Employees	24,000	Cash
Remuneration to Directors	9,500	Cash

4. The actual distribution of employee and director remuneration for the previous year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee and director remuneration, additionally the discrepancy, cause, and how it is treated:

Our company actually distributed NTD23,000 thousand in employee compensation and NTD9,000 thousand in director compensation in 2024 for fiscal year 2023. These amounts do not differ from the amounts recorded as expenses in the 2023 financial report.

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

II. Issuance of Corporate Bonds: None.

III. Issuance of preferred shares: None.

IV. Issuance of Global Depositary Receipts: None.

V. Employee Share Subscription Warrants: None.

VI. New Restricted Employee Shares: None.

VII. Issuance of New Shares in Connection With Mergers or Acquisitions or With Acquisitions of Shares of Other Companies: None.

VIII. Implementation of the Capital Allocation Plan: None.

Four. Overview of Operations

I. Description of the Business

(I) Scope of Business

1. The Company's main business is as follows:

- (1) Manufacturing, processing, trading, and domestic and foreign sales of a variety of terminals.
- (2) Manufacturing, processing, trading, and domestic and foreign sales of plastic products associated with terminals.
- (3) Manufacturing of mechanical and electrical circuits associated with terminals.
- (4) Manufacturing and processing of metal stamping and plastic molds associated with terminals.
- (5) CC01080 Electronics Components Manufacturing.
- (6) C805050 Industrial Plastic Products Manufacturing.
- (7) CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery.
- (8) CQ01010 Mold and Die Manufacturing.
- (9) CC01040 Lighting Equipment Manufacturing.
- (10) CA01130 Copper Rolling, Drawing and Extruding.
- (11) CP01010 Hand Tools Manufacturing.
- (12) CA04010 Surface Treatments.
- (13) CC01060 Wired Communication Mechanical Equipment Manufacturing.
- (14) CC01070 Wireless Communication Mechanical Equipment Manufacturing.
- (15) F219010 Retail Sale of Electronic Materials.
- (16) F119010 Wholesale of Electronic Materials.
- (17) C901010 Ceramic and Ceramic Products Manufacturing.
- (18) CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing. (Power Socket).
- (19) Import and export trading and distribution business of the above.
- (20) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Main Product Categories and Business Proportion for 2024:

Product	Weight of Business
Connectors and Wiring Devices	94.43%
Others	5.57%
Total	100.00%

3. New products planned for development:

Please see p. 2 of this Annual Report.

(II) Industry Overview

1. Current Status and Development of the Industry

(1) High Conductivity Connector

A terminal, mainly made of copper, is a metal component that connects both ends of an electrical circuit. With its excellent corrosion and wear resistance, conductivity, thermal conductivity, and ease of processing, copper is widely used in many electronic and electrical industries. Terminals are indispensable basic components when it comes to the transmission of electricity, power, and signals, and can be divided into the following categories:

- A. Terminals for Internet and 4G/5G Communication
- B. Terminals for IoT Devices at Home
- C. Terminals for Infrastructure Transmission and Power Distribution Systems
- D. Terminals for Public Transportation
- E. Terminals for Industry 4.0 and Intelligent Automation

The Company's information terminals are mainly applied in switched power supply (SPS), uninterruptible power supply (UPS), scanners, printers, and industrial motherboards. The primary function of terminals is the transmission of signals, mostly used for wired and wireless transmission and terminal equipment, such as base stations for communication. Terminals for home appliances are primarily used for video (e.g., TVs, VCRs, and their peripherals), audio (e.g., stereos and their peripherals), and appliances related to food (e.g., refrigerators, microwaves, ovens, dishwashers). Electrical terminals include the transmission system and the transformer system (collectively called the power distribution system), as well as terminals that connect to both ends of a control system of various mechanical equipment for electrical connection. The power distribution system is large electrical apparatus that effectively delivers electricity of the power station to users. While machinery and equipment are indispensable roles in the production industry, power distribution panels, terminal boards, and various types of power transmission equipment are the sources of the above machinery and equipment. With the growth of the economy and technology, there is an increasing demand for stability and safety in electrical equipment. Due to this, terminals play a vital role in electrical products. Terminals are widely used in transportation, such as aircraft, ships, and electricity for various types of vehicles, signal transmission of dashboards, as well as electrical and mechanical systems used in high speed rail and mass rail transportation systems.

- (2) Connectors for Electric Vehicles (EVs) and Conventional Vehicles and Motorcycles

The main function of a connector is providing a separable interface that connects two subsystems in an electronic or electrical system to smoothly transmit electricity or signals. In-vehicle connectors can be divided:

- A. Wire End to Wire End
- B. Wire End to Board End

Currently, connector functionality has advanced to include waterproof types and multi-pole designs. Combined with the global carbon neutrality trend and various countries' timelines for ending sales of gasoline vehicles, electric vehicles (EV) have been prioritized for research and development by automobile manufacturers. This has increased demand for electric vehicle control connectors and charging connectors or charging guns.

- (3) Wiring Devices

The main product for wiring devices is cable ties (zip ties), which are widely used in the electrical, horticultural, agricultural, hardware, automation, and chemical industries. The current form of cable ties is a long and thin nylon strap with one squared fixed end. The ratchet mechanism on the head of a cable tie makes the strap move forward but cannot be pulled back, making them perfect for fixing cables, bundle objects, or as temporary handcuffs.

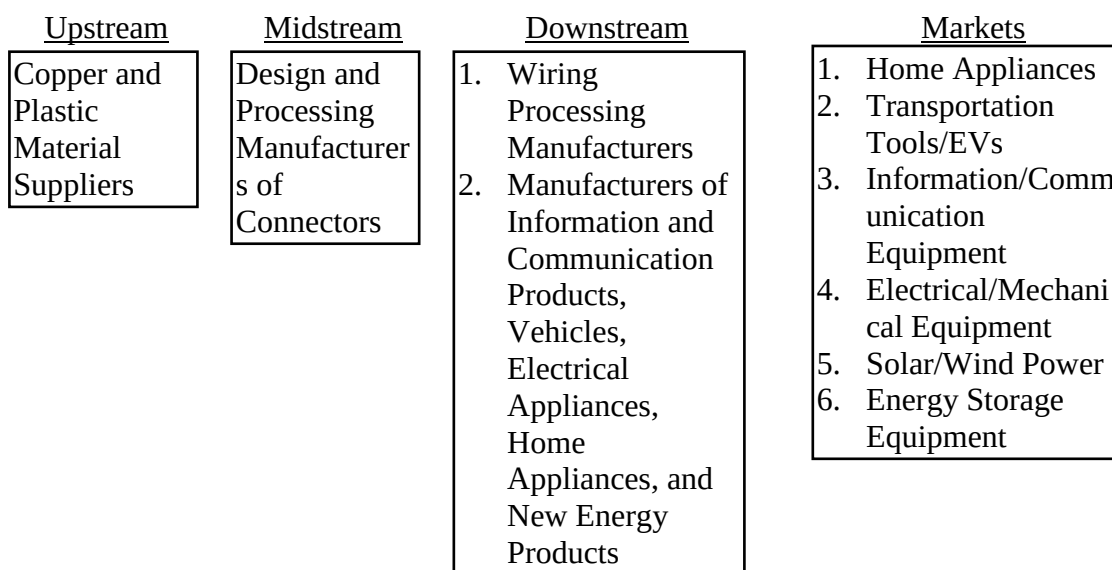
- (4) Green Energy Connector

Thanks to the subsidies in the green energy industry by governments around the world, coupled with the rising environmental and anti-nuclear awareness amongst people, demand for green energy products such as solar power and wind power has gradually increased. The Company's junction boxes for solar power generation can be used for connecting solar modules in series, as well as connecting solar modules to inverters. Additionally, our electrical terminal products are widely used in wind turbines and energy storage equipment for power transmission.

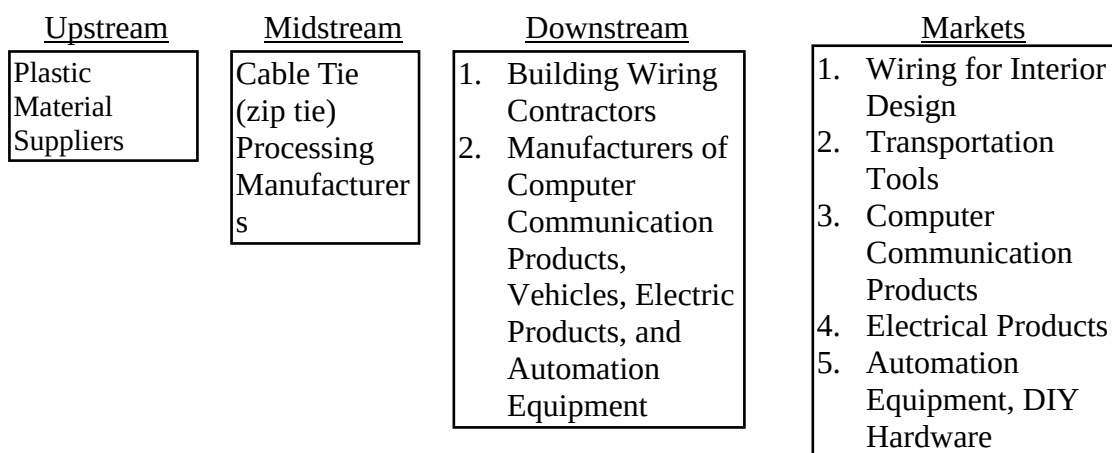
2. Links Between the Upstream, Midstream, and Downstream Segments of the Industry

We are mainly engaged in the manufacturing of electrical connectors, vehicle and motorcycle connectors, wiring devices, and green energy connectors. Electrical terminals, connectors, and wiring devices are basic parts and components for information, communications, home appliances, and electric equipment. The primary upstream raw materials in the industry are copper and plastic materials supplied by the copper and plastic industries. The terminal product industry, covers information, communication, home appliances, transportation, and basic electricity, and construction and electrical wiring industries. The links of the industry are shown below:

(1) Electrical Connectors, Vehicle and Motorcycle Connectors, Green Energy Connectors



(2) Wiring Devices



(3) Charging Guns, Charging Stands

<u>Upstream</u>	<u>Midstream</u>	<u>Downstream</u>	<u>Markets</u>
Copper and Plastic Material Suppliers	Manufacturers of Wires and Copper Bars	1. Charging Station Operators 2. Charging System Equipment Manufacturers (OEM) 3. OEM for EVs	1. Electric Motorcycles, Electric Mobility Scooters 2. Electric Vehicles, Electric Vans 3. Electric Buses 4. Private (community) Charging Stations 5. State-run (public) Charging Stations

3. Development Trends of Products in the Industry

(1) High Conductivity Connector

Products such as terminals and connectors are widely used. Although the development of these products is not directly subject to the prosperity of a single industry, their progress, however, is closely linked to the advancement of technology and global economy. The Company's terminal products can be applied in the following industries:

A. Terminals for Internet and 4G/5G Communication

With the improvement of network speed and popularization of mobile devices, many countries around the world have been striving to build communication base stations. With the 5G mobile network becoming more accessible, 4G base stations have gradually been replaced by 5G base stations and this will continue to drive the demand for terminals for these types of products.

B. Terminals for IoT Devices at Home

The Internet of Things (IoT) is regarded as the next generation of innovation in the electrical industry around the world. The development trend of IoT is to integrate digital communication technology and audio-visual functions to develop new application products from within. New types of home appliance products stimulate consumer demand and drive the replacement trend that further improves the usage of terminals. As conventional home appliance products are more commonly used by the public, the demand for replacement is stable, resulting in gradual growth in the market for overall home appliance products.

C. Terminals for Power Distribution Systems

Distribution systems play a crucial role in power utilities, industrial electricity, and residential electricity. With Taiwan's power supply approaching shortage in recent years, the government has actively promoted relatively clean power systems such as solar power plants, offshore wind power, and natural gas power generation. Combined with the Biden administration's 8-year USD2.25 trillion infrastructure plan in the United States, there will be aggressive deployment or updates to power systems, which will drive increased demand for power generation, transmission systems, and transformer equipment, thereby boosting demand growth for related components. With the rebound of the global economy and advancement of technology, power

transmission efficiency increases the demand for intelligent power grids, driving a growth of electrical terminals in the market.

D. Terminals for Public Transportation

Terminals for public transportation can be applied to power and signal transmission in aircraft, ships, railways, high-speed rail, and subway transit vehicles. Currently, terminals used in railways, high-speed rail, and subway transit vehicles constitute the majority. The growth of terminals for public transportation depends on the scale of infrastructure investment in various countries. The U.S. government has officially proposed an 8-year USD2.25 trillion infrastructure plan that includes investments in transportation, renewable energy, manufacturing, and climate change mitigation. In the future, demand for high-current terminals used in public transportation in the U.S. market will increase significantly.

E. Terminals for Industry 4.0 and Intelligent Automation

In terms of process improvement and production efficiency enhancement, automation equipment plays a considerably important role. With factors such as product processes becoming more complex, labor shortages and rising labor costs, many companies have sped up their automation plans. The popular topic in recent years - Industrial 4.0 - is a new trend that combines automation equipment, smart control, and IoT. In conclusion, control systems for automation equipment will largely use electrical terminals, hence the reason that this industry will continue to drive demand.

(2) Connectors for Electric Vehicles (EVs) and Conventional Vehicles and Motorcycles

Since 2022, the trend has become clear that sales of electric vehicles is increasing while the sales of traditional fuel vehicles is decreasing. Europe, the U.S., and mainland China are the three largest electric vehicle markets in the world. However, because the development background, promotion policies, and deployment strategies of car dealers in the top three market are different, the development of the markets varies as well. The sales volume of all-electric vehicles in mainland China is the highest, accounting for 60% of the world. The U.S. is the country with the second largest vehicle market. The electrification level of the overall vehicle market in the Europe is the highest, reaching 42%. Currently, electric vehicles have become an important policy for promoting trends of zero carbon emissions. Government of major countries and large enterprises have taken the lead in response, successively making massive purchase of electric vehicles. Also, auto-driving functions and personal automobile software services bring additional attraction to customers, which has urged more traditional car dealers, emerging car dealers, and large vendors of consumer electronics to enter this industry that may grow with high speed in the future. As an important component of a vehicle, the connectors and chargers (charging station) for basic supply equipment are bound to have a surge in demand.

(3) Wiring Devices

The uses of cable ties are extremely versatile and can be used in many industries. The major development of cable ties can be divided into the following:

A. General DIY, hardware, gardening, and consumer markets:

Cable ties for these industries are used by general consumers and

require a variety of packaging and aesthetic design. As the demand and procurement amount are large for small-sized and lower-priced products, the quality requirement for environmental resistance is lower.

B. Professional and industrial wiring:

Cable ties used in electrical wiring, automobile, and motorcycle and electric wiring factories or wiring for interior design must pass safety certifications including UL, CSA, DNV, ABS, TUV, and GL. The quality standard for these types of cable ties is higher, with a medium demand and medium to high price range.

C. Construction and decoration projects:

Cable ties used in decoration projects must meet safety regulations, such as flame resistance and insulation standards. Sometimes there are other attached requirements including color and shape.

(4) Green Energy Connector

There are many applications for solar power, such as ground-mounted solar power panels, roof-mounted solar power panels, and building-mounted solar power panels. With the support of the government, the future of these solar power panels is promising. The Company's development of special and economical solar power junction box products is completed and has passed international certification, and is now available in the market.

Given that the instability of the renewable energy supply remains high, large-scale power outages caused by grid failures or transmission and distribution irregularities have occurred a number of times in recent years in Taiwan. Incidents like these have given the "power storage industry" an indispensable role in the entire green energy economy. The Company's BMC connectors are equipped with high anti-dust and water resistance, and can be applied in power storage equipment, providing safe and stable high current transmission.

4. Competition of Products

(1) Electrical Connectors, Vehicle and Motorcycle Connectors, and Green Energy Connectors

Conventional electrical connectors and terminals have been developed for decades. With the advantage of low costs to set up factories in China, India, and Southeast Asian countries, the markets in these countries have become mature and relatively competitive. However, as the technology in the connector industry around the world continues to advance, electronic equipment that improves people's lives is constantly being introduced. Coupled with the fact that the IoT trend drives network infrastructure, data collection, exchange equipment, and signal sensing devices, strong demand for connector products is also prompted. Faced with fierce price competition of electrical connectors, we will continue to invest in automation production and testing processes in a bid to reduce costs and increase production, while stabilizing quality. In terms of product R&D, we strive for developing modularized products with high added value and reliability that are easy to use. In addition, we will take a proactive approach to enter emerging industries, including EVs, power storage systems, and green energy. Consequently, we are committed to increasing our competitiveness with our advantages in diverse products and fast global delivery.

(2) Wiring Devices

Cable tie and wiring device markets are mature conventional industries. The export value of Taiwan's cable ties in recent years is approximately NTD2 billion. This product is made mainly through plastic injection. As the process is simple with a low entry level, there are many competitors in the market. In addition, with the rise of emerging markets, the major markets in Europe and the U.S. have switched to China, India, and South Asian countries. Currently the main cable tie manufacturers include China VAST Ind., and Shanghai Xinlong; HELLERMANNTYTON, T&B, and PANDUIT in Europe and the U.S.; and KSS, Hua Wei, and Yonyu in Taiwan.

(III) An Overview of the Company's Technologies and its Research and Development Work

1. R&D Expenses in the Most Recent Year and up to the Date of Publication of the Annual Report

Year	Amount (NTD)
2024	136,683
As of the annual report printing date, May 8, 2025	54,639

2. Technologies and/or Products Successfully Developed

- (1) High-current Charging Connectors (for EVs and power storage systems)
- (2) High-current Protection-type Connectors (for EVs and power storage systems)
- (3) Dashboard waterproof-type connectors
- (4) Connectors for electronic fuel injection systems
- (5) Connectors for ABS brake systems in motorcycles
- (6) Cable ties for vehicles and motorcycles
- (7) Large plastic parts injection molds, (hot) stamping molds
- (8) Solenoid valve connectors
- (9) Charging guns, charging sockets, and adapters for charging stations and electric vehicles
- (10) DC direct current liquid-cooled charging guns
- (11) Motorcycle OBDs and ECU connectors
- (12) Ultra-high current copper tube terminals (UL approved)
- (13) Battery connector modules for EVs
- (14) Nut-type terminals (for 5G base stations and solar power stations)

(IV) Long-term and Short-term Business Development Plans

1. Long-term Plans:

- (1) Strengthen talent development, including automation technology R&D personnel, overseas manufacturing plant management personnel, and overseas marketing talent.
- (2) Purchase or directly generate renewable energy to reduce organizational carbon emissions.
- (3) Expanding business opportunities for connector products in green energy, ESS energy storage, UPS, and electric vehicle charging (replacement) systems.

2. Short-term Plans:

- (1) To upgrade the smart manufacturing management system and expand

automation equipment, increasing production efficiency.

- (2) Enhance the international recognition of the Company brand and provide customers with comprehensive product design services.
- (3) Build local business teams and professional product management (PM) teams in India, the United States, and other locations to deeply cultivate relationships with local automotive manufacturers, system manufacturers, and distribution channels.

II. Market and Production/Sales Overview

(I) Market Analysis

1. Sales Regions for Major Products

Sales \ Year	2023		2024	
	Sales Amount	Percentage (%)	Sales Amount	Percentage (%)
Asia	2,494,761	59.83%	2,437,163	53.62%
Taiwan	875,418	20.99%	1,198,753	26.38%
The U.S.	399,888	9.59%	447,596	9.85%
Europe	397,890	9.54%	458,337	10.08%
Others	1,717	0.05%	3,110	0.07%
Net Sales	4,169,674	100.00%	4,544,959	100.00%

2. Market Share

(1) Connector Products

According to statistics compiled by the Ministry of Economic Affairs and the Company's net sales of terminal products to the total domestic and foreign sales, the market share of the Company's terminal products is roughly estimated. The below is the Company's net sales of terminal products, total domestic and foreign sales of terminal products, and the market share for the most recent two years:

Unit: NTD thousand

Year	K.S. Terminals Inc. Net Product Sales (A)	Total Domestic and Export Terminal Product Sales (B)	Approximate Market Share (A)/(B)
2023	1,984,589	8,762,565	22.65%
2024	2,546,777	9,944,484	25.61%

Source of Capital: A. K.S. TERMINALS INC.

B. Statistics Compiled by the Ministry of Economic Affairs

(2) Wiring Devices

Overseas market research institutions estimate that the global cable tie market is worth nearly NTD41 billion. As the Company began to sell and manufacture cable ties in 2008, its sales of cable ties remain low in the global cable tie market, meaning there is plenty of room for the Company to continue to expand the market in the future.

3. Demand and Supply Conditions for the Market in the Future

(1) Connectors

As our products are mainly exported to other countries, there is potential for improvement in the domestic market. Due to this, we will strengthen the expansion of our services provided to domestic cable tie processing companies and large cable tie countries, as well as private companies such as Chunghwa Telecom, Taiwan Power Company, Taiwan High Speed Rail, Taiwan Railways, Delta Electronics, CMC, and Lite-On in terms of high power, high voltage terminals or special connector products they require. Moreover, we will continue to strive to expand markets in Southeast Asia, the U.S., and Europe. Our EVConnector has been certified by the UL, CQC, CNS, and TUV, and will continue to acquire certifications from other countries.

(2) Wiring Devices

The growth in industrial momentum in Europe and the U.S. has slowed due to the post-pandemic economic recovery. With the rising demand in the markets of China, India, Indonesia, and Thailand, and the stable development in DIY and car and motorcycle markets, the overall cable tie industry still has some growth momentum each year.

4. Competitive Niche, and the Advantageous and Disadvantageous Factors for Future Development and Policies for Dealing With Them

(1) Competitive niches are explained in the following points:

A. Excellent R&D Capabilities

In light of rapid development of downstream industries, the Company has been emphasizing the importance of the development of new products. With over four decades of R&D experience, the Company has developed many talented professional people and has complete mold processing equipment. Up until now, we have developed over 4,000 sets of molds.

B. Comprehensive Product Lines to Meet Different Requirements of Customers

There are many types of terminals for diverse needs. The specifications of the terminals and connectors provided by the Company are relatively complete compared to other companies. With full cooperation of the personnel of the Operations and R&D Departments, we are able to quickly provide special products requested by customers. In addition, we also keep a close eye on market movements and launch new products in a timely fashion to meet customer needs.

C. Automation Production Equipment and Warehousing System

Taiwan's terminal industry has been developed for many years. With fierce competition in the market, it is necessary for companies to have advantages such as large production and low costs in order to increase their competitive strength. We have been focusing on the improvement and enhancement of production process technology for many years. We have developed automated production equipment to replace or assist manpower, while at the same time reducing production costs and increasing quality. In addition, we introduced an automated warehousing system in 1998 and 2020. In doing so, not only have we saved manpower but we also further improved the efficiency of warehousing operations and reduced inventory loss.

D. Excellent Product Quality

We are strict when it comes to product quality. Aside from reducing quality issues through automated equipment for production, we have also set up a quality assurance laboratory to ensure the quality of each product as zero defects is the Company's ultimate goal. In addition, our company's products have obtained safety certifications ahead of competitors, including UL, CUL, JIS, TÜ V, CSA, and CQC, and are also certified under quality systems such as ISO9001, IATF16949, and IECQ-QC080000.

E. Extensive Experience of the Management Team

The Company's management team is strong, with senior managers equipped with over ten years of extensive experience. The management team grasps market trends in a timely manner and makes appropriate adjustments to operation strategies to create a sustainable development niche for the Company. Moreover, the turnover rate of the Company is low as employees have a high centripetal force. Given this, while the employees are working with stability, we can significantly reduce learning costs.

(2) Positive and Negative Factors for Future Development, and the Company's Response to Such Factors

A. Terminals and Connectors

a. Positive Factors

1. At K.S. Terminals, we fully promote systemization, standardization, and automation through integration and transformation within the organization. We achieve the so called "computer manufacturing integration system" through integrating computers into the manufacturing process in conjunction with the new automated warehousing management and packaging system. In doing so, the Company's production efficiency is fully enhanced and more flexible to quickly respond to the needs of diverse orders with small quantity. We also reinforce the use of technology tools including our website, e-catalog, and online sales.
2. In terms of quality, our company is committed to improving quality yield and reliability by purchasing laboratory instruments and equipment in large quantities, such as laser film thickness meters, high-power temperature rise testers, precision insertion/extraction force testers, and environmental test chambers, ensuring strict control over the product manufacturing process. Currently, most of our products have obtained certifications such as U.S. UL, CUL, and Canadian CSA. Our factories have also passed quality certifications including ISO9001, IATF16949, and IECQ-QC080000, forming a comprehensive quality assurance system.
3. In recent years, we have been constantly expanding our products, both in various types of terminals or dimensional specifications. Products of the world's leading terminal manufacturers can be found in our product line, such as U.S. and worldwide standards including DIN Standards, and Japanese Industrial Standards. Our product catalogs show a high level of our expertise in the terminal industry.
4. The main material for the Company's terminals is copper

sourced in Taiwan. This way, not only are we able to thoroughly control the speed of supply, the product quality and wide range of specifications are also complete.

b. Negative Factors

Low-priced terminals with medium and low quality still account for the majority of the bottom of the pyramid. The competition in the market has become fierce as labor costs are low in regions such as China, Southeast Asia, Eastern Europe, South America, and India. With terminals being highly automated products, the level of automation should be strengthened in the near future to strive for the improvement of efficiency and reduction of costs. In doing so, the competitiveness in the low-priced product market can be increased.

Combining the above factors, with professional terminal production experience accumulated by the Company for over four decades, coupled with excellent quality and reputation, we are highly recognized and trusted in the global terminal industry. Now we are taking a proactive approach: new corporate identity, evolved computer manufacturing integration system, more complete product range, and more flexible and fast engineering and sales service capabilities. These will help the Company improve its international image and competitiveness moving towards the goal of “world-class professional manufacturer for terminals and connectors”.

B. Wiring Devices

a. Positive Factors

1. 100% of plastic pellets used are from international major manufacturers for stable and reliable quality.
2. We have professional and specialized teams for plastic mold design and manufacturing technology.
3. We fully use and integrate the existing terminal channels so that we can immediately push into the sales market of cable ties.
4. The new (high-end) cable tie products and extensive range of terminal products are sold together.
5. The demand is growing in DIY markets and emerging countries.

b. Negative Factors

1. The threshold of entry for low-end cable ties is low.
2. At present, major cable tie manufacturers have already dominated the market, making it difficult for new competitors to enter.
3. Labor costs are lower for competitors in China, leading to price-cutting competition in channels.
4. We have not yet achieved economic production scale; hence we are unable to reduce raw material procurement costs.

(II) Key Purpose and Production Process of Main Products

1. Important Use of Products

(1) Terminals and Connectors

Mainly used for terminal blocks and connectors in various information and communication devices, machine tools, home appliances, electromechanical equipment, energy storage equipment, and

transportation industries in countries worldwide and domestically.

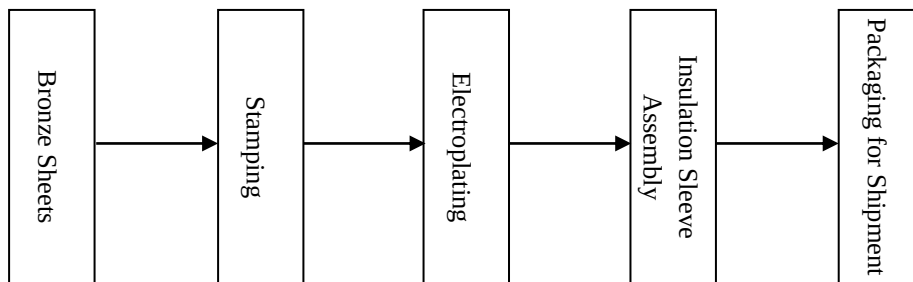
(2) Wiring Devices

Cable ties, also called zip ties, are a type of wiring equipment used for wire-fixing. The current form of cable tie is generally a long and thin nylon strap with one squared fixed end. The ratchet mechanism on the head of a cable tie makes the strap move forward but cannot be pulled back, making them perfect for fixing cables, or as temporary handcuffs. They are widely used in the electrical, horticultural, agricultural, hardware, and automotive industries.

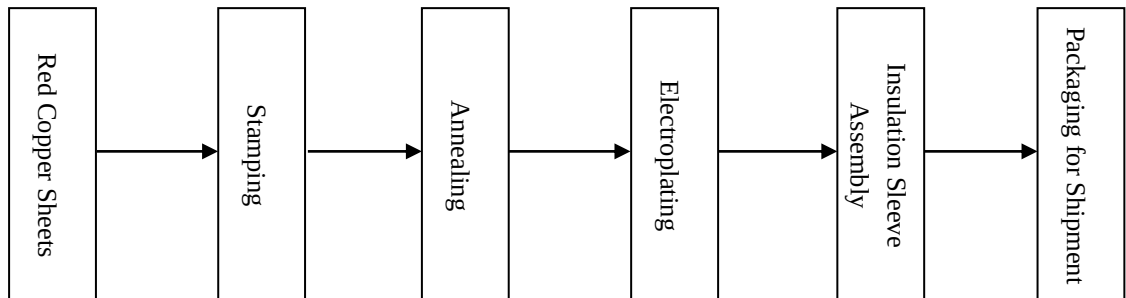
2. Production Process of Major Products

(1) Terminals and Connectors

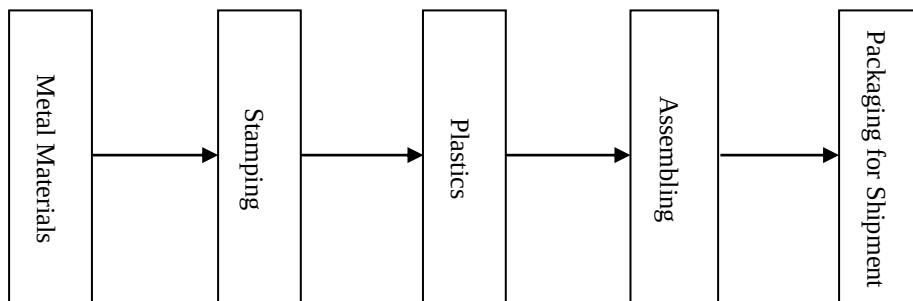
Male and Female Flag Terminals



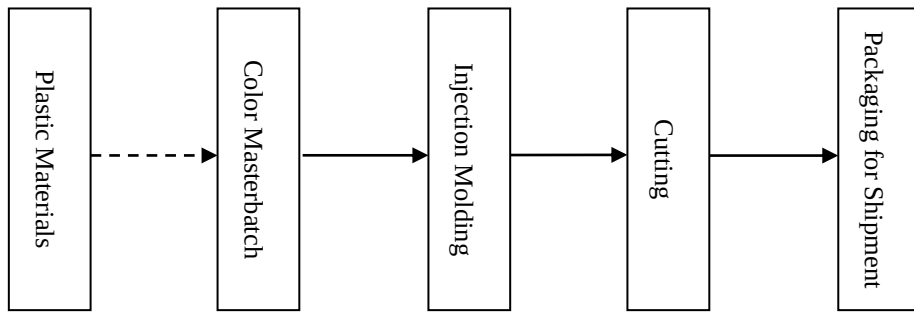
Round/Y/Pin/Flat Pin-type Terminal



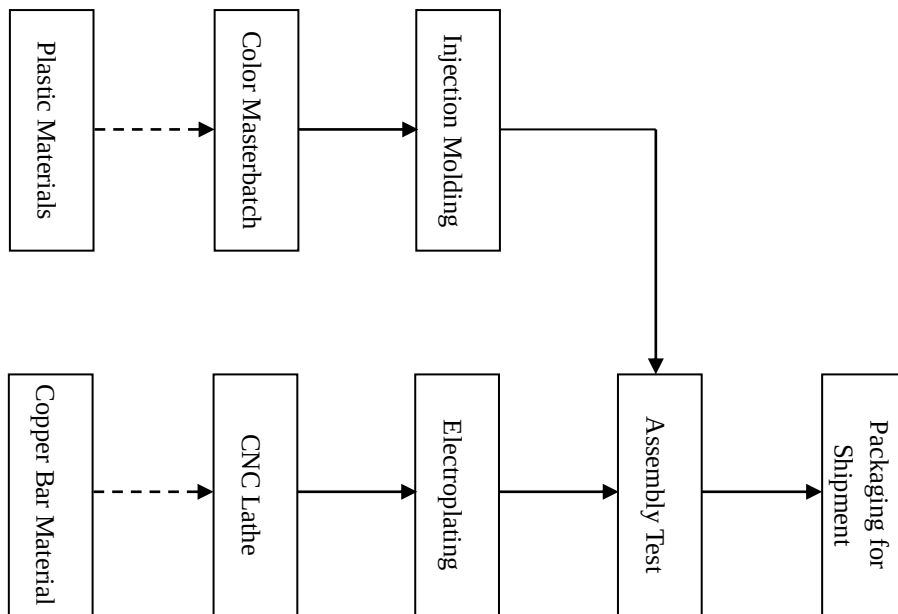
Male/Female Terminals



(2) Wiring Devices



(3) Charging guns, charging sockets, adapters



(III) Supply Status of Main Materials

The main raw material needed for manufacturing the Company's products is copper sheets. The Company's basis for estimates is historical unit prices of inventories, long-term trends in international copper prices, and supply contracts entered into with suppliers. We have an ongoing long-term collaborative relationship with suppliers in Taiwan and there are no expected concerns with supply.

(IV) A list of any suppliers and customers accounting for 10% or more of the Company's total procurement (sales) amount in either of the most recent two years:

1. Information on major customers:

Unit: NTD thousand

Item	2023				2024				2025 up to the first quarter			
	Name	Amount	Percentage of annual net sales [%]	Relationship With the Issuer	Name	Amount	Percentage of annual net sales [%]	Relationship With the Issuer	Name	Amount	Percentage of net sales up to the previous quarter of the current year [%]	Relationship With the Issuer
1	22JP20002	458,494	11.00%					None				None
	Others	3,711,180	89.00%		Others	4,544,959	100.00%		Others	1,006,322	100.00%	
	Net Sales	4,169,674	100.00%		Net Sales	4,544,959	100.00%		Net Sales	1,006,322	100.00%	

Description: The Company's sales channels are mainly through domestic and overseas importers or indirect exporters. The overall sales to major customers is highly stable and dispersed, and there are no concerns of concentration of sales.

2. Information on major suppliers:

Unit: NTD thousand

Item	2023				2024				2025 up to the first quarter			
	Name	Amount	As a Percentage to Annual Net Procurement (%)	Relationship With the Issuer	Name	Amount	As a Percentage to Annual Net Procurement (%)	Relationship With the Issuer	Name	Amount	As a Percentage to Net Sales for the Year Ended the Previous Quarter (%)	Relationship With the Issuer
1	B0150	411,689	16.55%	None	B0150	540,219	19.79%	None	B0001	103,016	18.56%	None
	B0001	253,937	10.21%	None	B0001	507,941	18.61%	None	B0150	90,562	16.31%	
	Others	1,821,626	73.24%		Others	1,681,293	61.60%		Others	361,490	65.13%	
	Net Sales	2,487,252	100.00%		Net Sales	2,729,453	100.00%		Net Sales	555,068	100.00%	

Description: As shown in the above table, there is no significant change in the suppliers accounting for 10% or more of the Company's total procurement in the most recent two years. The copper sheet suppliers for the Company's major product - copper - are B0001 and B0150. As the Company adheres to the principle of disperse procurement and buys important raw materials from two or more suppliers, there are no risks of concentrated procurement.

III. Employee statistics for the most recent two years up to the Annual Report publication date:

Year		December 31, 2023	December 31, 2024	Up to April 30, 2025
Item				
Number of Employees	Direct Personnel	589	703	715
	Indirect Personnel	521	589	605
	Total	1,110	1,292	1,320
Average Age		39.12	38.91	38.95
Average Years of Service		9.11	8.40	8.24
Academic Degree Distribution	Doctoral Degree	0.09%	0.08%	0.08%
	Master's Decree	1.80%	2.01%	2.20%
	College Degree	48.11%	49.61%	48.18%
	Senior High School	26.94%	29.41%	30.00%
	Below Senior High School	23.06%	18.89%	19.54%

IV. Information on Environmental Protection Expenditure

- (I) As the Company is a professional terminal manufacturer, its process generates wastewater (sewage) and waste. Generated wastewater (sewage) is treated by the treatment plant in Changhua Binhai Industrial Zone, while waste is removed by a qualified entity. The declaration and treatment operations are handled in accordance with environmental protection laws and regulations.
1. Sewage Discharge Permit: Business wastewater (sewage) discharge at Changhua Binhai Industrial Zone is handled by the wastewater treatment plant of the Changhua Binhai Industrial Zone. We have applied for a wastewater discharge permit from Changhua Binhai Industrial Zone.
 2. Pollution Prevention Payment: We pay a sewage system treatment fee to the management center of the Changhua Binhai Industrial Zone according to the established rates.
 3. In terms of the manufacturing process of electroplating, aside from entrusting entities equipped with wastewater treatment equipment and a wastewater discharge permit issued by the Environmental Protection Agency, we have also set up a "metal surface treatment plant" in the Electroplating Zone, Changhua Binhai Industrial Zone. The operations of the plant are in compliance with environmental laws and regulations.

(II) Breakdown of Preventive Equipment Against Pollution

December 31, 2024

Unit: NTD thousand

Name of Equipment	Quantity	Year When it Was Acquired	Investment Cost	Undiscounted Balance	Uses and Expected Possible Benefits
Wastewater Equipment	1	2000	848	0	Effectively reduce the concentration of raw wastewater and improve the quality of effluent, achieving the national effluent criteria.
Dust Collector	1	2009	130	0	Reduce the dust in the air in the operating environment, keeping the workers healthy.
Dust Collector	1	2010	168	0	Reduce the dust in the air in the operating environment, keeping the workers healthy.
Wastewater Equipment	1	2012	150	0	Effectively reduce the concentration of raw wastewater and improve the quality of effluent, achieving the national effluent criteria.
Air Pollution Equipment	1	2014	1,333	0	Effectively reduce the concentration of emitted gases and improve the quality of air, achieving the national air pollution emission criteria.
Wastewater Treatment Improvement Project	1	2016	1,240	238	Effectively reduce the concentration of raw wastewater and improve the quality of effluent, achieving the national effluent criteria.
Dewatering Machine and Activated Carbon Adsorption Tower Replacement Project	1	2017	1,880	0	Effectively reduce the concentration of raw wastewater and improve the quality of effluent, achieving the national effluent criteria.
Wastewater Treatment Improvement Project	1	2019	886	0	Effectively reduce the concentration of raw wastewater and improve the quality of effluent, achieving the national effluent criteria.
Wastewater Treatment Improvement Project	1	2021	1,286	1,066	Effectively reduce the concentration of raw wastewater and improve the quality of effluent, achieving the national effluent criteria.
Exhaust Gas Equipment	1	2022	870	580	Reduce air pollution generated from operation,

December 31, 2024

Unit: NTD thousand

Name of Equipment	Quantity	Year When it Was Acquired	Investment Cost	Undiscounted Balance	Uses and Expected Possible Benefits
					keeping workers healthy and meeting the requirements of environmental protection regulations.
Wastewater Treatment Improvement Project	1	2022	4,171	3,615	Effectively reduce the concentration of raw wastewater and improve the quality of effluent, achieving the national effluent criteria.

- (III) Describe the process undertaken by the Company on environmental pollution improvement for the most recent year and up to the publication date of the Annual Report. If there was any pollution dispute, its handling process shall also be described: None.
- (IV) During the most recent year up to the date of publication of the Annual Report, the losses caused by environmental pollution and total amount of penalties. The future countermeasures shall also be disclosed: Pollution control equipment has been set up in accordance with the regulations for waste gas, wastewater, sludge, and other business waste. This is handled, sampled, and monitored in accordance with the law. We also entrust a legal waste disposal entity to recycle the waste generated. Moreover, the transportation process has not caused any significant adverse impact on the environment. The Company did not suffer any losses or was fined due to environmental pollution in the most recent three years.
- (V) Explain the current condition of pollution and the impact of its improvement to the profits, competitive position, and capital expenditures of the Company, as well as the projected major environment-related capital expenses to be made for the coming three years: None.
- (VI) Health and Safety: The Company provides education and safety education to new employees so that they are aware of their operating environment and process safety regulations. We also organize regular fire evacuation drills so that employees are aware of the use of firefighting equipment as well as the evacuation routes. We have set up a medical office equipped with a full-time nurse. Each month, we arrange a physician at the factory to proactively improve the working environment and promote workplace health. We have formulated the “Labor Safety and Health Guidelines”, “Environmental Health and Safety Committee Regulations”, Environmental Policy, and Environmental Safety Health Handbook, showing that the Company attaches great importance to social responsibilities of environmental protection and workplace health and safety.
- (VII) In response to the RoHS Directive:
1. Management measures in response to RoHS:
In 2007, the IECQ-QC080000: 2005 Green Product Management system was complete and began to carry out green product management activities.
 2. The Company’s RoHS Compliance: The Company began to introduce RoHS process and management (by purchasing additional XRF heavy metal detectors internally and conducting IQC sampling checks, while continuing to regularly entrust third-parties to perform product inspections) in 2005. Up to the publication date of the Annual Report, the product inspection results were in compliance with the RoHS requirements.

V. Labor Relations

- (I) Implementation of Employee Welfare Measures, Further Education, and Training: As required by law, our employees are covered by labor insurance and health insurance. Additionally, we take out group medical insurance, life insurance, and accident insurance for each employee. In addition, an Employee Welfare Committee has been set up to handle employee benefits and club activities. Each year, the Company also allocates a certain amount of budget to organize training courses for employees' professional skills and supervisors' management ability.
- (II) Retirement System and its Implementation:
We make a monthly contribution to the retirement fund in accordance with the clauses stipulated in the Labor Pension Act, so that employees can serve the Company with peace of mind.
- (III) Agreements Between Employers and Employees and Various Measures for Protecting the Interests of Employees: The Company has always valued employee welfare and a harmonious relationship between employees and employer. Additionally, we also have a humane management system and an efficient complaint channels in place. In terms of leave, as set forth by the Labor Standards Act, in addition to special leave, employees may also apply for sick leave, personal leave, menstrual leave, family care leave, maternity leave, paternity leave, and baby care leave as needed. Furthermore, the Articles of Incorporation also stipulate the ratio of employee bonus to jointly share the Company's profit. In terms of other benefits, the Company contributes to the welfare fund as required by law. Consequently, an Employee Welfare Committee has been formed by representatives from both the employer and employees, committed to providing welfare measures that are more diverse.
- (IV) Losses incurred due to labor-management disputes in the most recent year and as of the publication date of this Annual Report: None.

VI. Cyber Security Management

- (I) Information Security Risk Management Framework
The department responsible for information security at our company is the Information Office of the General Administration Department. This unit has one dedicated information security supervisor and one information security staff member. Their main responsibilities include formulating and updating information security policies, planning and implementing relevant security measures, and ensuring smooth policy execution. The Information Office of the General Administration Department regularly reports the status of information security management to the Board of Directors.
The Audit Office of our company serves as the supervisory department for information security. This department is staffed with an audit supervisor and designated audit specialists. The main task of the Audit Office is to monitor the implementation of internal information security. If any deficiencies are discovered during the inspection process, the Audit Office will immediately require relevant departments to propose correction strategies and specific actions. They will also regularly review the effectiveness of improvements to reduce internal information security risks. Additionally, accountants conduct information operations audits annually. If deficiencies are found, improvement measures are required and the results of these improvements are tracked.
- (II) Information Security Policy
The Company's information security management mechanism includes the following three aspects:
 - 1. Regulatory Framework:
Establish company information security management systems, clearly define security regulations and standards, and ensure daily operations comply with established norms. Regulate personnel operational behaviors, including access

control, data transmission, and external device usage, to ensure data security and integrity. Regularly review and update information security policies and systems to address rapidly changing information environments and potential threats.

2. Technology application:

Implement information security management equipment, such as firewalls, intrusion detection systems, and anti-spam systems, to monitor and prevent unauthorized access. Implement information security management measures, conduct regular system scans and security tests to ensure system vulnerabilities are promptly repaired. Adopt multi-layered information security defense strategies to ensure comprehensive protection of data and networks.

3. Personnel training:

Conduct regular information security education and training to familiarize employees with company security policies and practical operations. Enhance information security awareness among all colleagues to ensure each employee recognizes their responsibility for information security. Train employees on how to respond to various information security threats and incidents.

(III) Cyber Security Management Measures

To effectively strengthen cyber security management and related technologies, maintain the availability, integrity, and confidentiality of information assets, and prevent internal and external deliberate or unintentional security threats, our company has adopted 6 major information and communication security management strategies, detailed as follows:

1. Computer Equipment Security Management

- (1) The Company's computer hosts and various application servers are placed in specially designed server rooms. Entry and exit to these server rooms are strictly controlled by dedicated IT personnel, and relevant access records are properly maintained for future verification.
- (2) To ensure equipment operates in optimal condition, the server rooms are equipped with dedicated air conditioning systems to control the operating environment temperature. Meanwhile, chemical fire extinguishers are available in the server rooms to address general or electrical fire emergencies.
- (3) Server room hosts are equipped with uninterruptible power supply (UPS) systems and voltage stabilizers to prevent system crashes caused by unstable power supply or momentary power outages. This design ensures that even during temporary short power outages, computer application systems can continue to operate stably or have ample time to shut down the system to protect the host.

2. Network Security Management

- (1) Enhance network security monitoring by deploying enterprise-level firewall systems and IPS intrusion detection systems to prevent unauthorized access and defend against network hackers.
- (2) The headquarters and various branch offices and representative offices use connection mechanisms with designated IP addresses or physical VPN connections. Fixed IP addresses or VPN software binding methods are set in the firewall rules to restrict non-enterprise group members from accessing internal networks and various services, with relevant connection records available for inquiry.
- (3) If employees need to log in remotely to access enterprise intranet information systems (such as ERP), they must do so via company-approved and issued mobile devices or computers, and obtain corresponding Virtual Private Network (VPN) authentication information before accessing the system. VPN

accounts must be bound to authenticated devices for login.

3. Virus Protection and Management

- (1) Endpoint security protection software is pre-installed on servers and employee terminal equipment. This protection software supports automatically updated virus definition databases to effectively counter the latest virus threats. Simultaneously, the software has detection and prevention mechanisms to block improper installation of potentially harmful system executable files.
- (2) Email servers are equipped with professional anti-virus and spam filtering mechanisms designed to prevent viruses or spam from entering user personal computers (PC/NB).
- (3) If the anti-virus system detects or intercepts any form of virus, the system will immediately perform automatic quarantine or deletion operations. The system will actively generate and send risk reports of infected or at-risk computers, allowing management personnel to quickly take appropriate emergency response measures.

4. System access control

- (1) For colleagues to use various application systems, they must complete an information system account application form. After approval by the responsible supervisor, the Information Office establishes the system account and sets permissions before access is granted.
- (2) For account password settings, passwords must be changed within a specified period (45 days) and must meet appropriate complexity requirements (alphanumeric combination) to be accepted.
- (3) When colleagues complete resignation (retirement) procedures, they must fill out a resignation application form. Upon receiving the application form, the Information Office performs deletion operations for all system accounts.

5. Ensuring System Continuous Operation

- (1) System Backup: Establish online and off-site backup systems using daily backup mechanisms. In addition to backing up a copy of the system and database on other hosts at the local server room, an off-site backup mechanism is implemented using fiber optic lines to back up to another plant area, ensuring absolute security.
- (2) Disaster Recovery Drill: Each system conducts drills once every six months. After selecting a restoration date reference point, data is restored from backup media to the system host, and the using department confirms the accuracy of the restored data in writing to ensure the correctness and effectiveness of the backup media.

6. Information Security Promotion and Education Training

- (1) New employees receive information security policy and objective education during new employee orientation training.
- (2) Regularly promote information security risks and the latest security intelligence to colleagues to strengthen personnel security awareness.
- (3) Assign Information Office personnel to absorb new knowledge, continuously update information security knowledge, and participate in seminars and exchanges with other companies for mutual assistance. Join the “Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC)” as a member to obtain information security incident consultation channels and collect security intelligence for internal promotion.

(IV) Resources Invested in Cyber Security Management

1. Network hardware equipment such as firewalls, email anti-virus, spam filtering,

and IPS intrusion detection systems.

2. Software systems such as endpoint protection systems, backup management software, internal network control systems, and asset software inventory systems.
3. Human resources invested include: daily system status checks, daily regular backups and off-site storage of backup media, annual information security promotion, annual system disaster recovery simulation drills, annual internal audits of information cycles, and accountant audits.
4. Information security personnel: 1 information security supervisor and 1 information security staff member, responsible for information security architecture design, security operations and monitoring, security incident response and investigation, and security policy review and revision.

(V) Major Information Security Incidents and Response Measures in the Most Recent Year
In 2024, the Company did not experience any major cybersecurity incidents.

VII. Important Contracts

Nature of Contract	Related Party	Start and End Dates of Contract	Main Contents	Restricted Terms
Procurement Contract	Minchali	Order-type Contract	Raw Material Procurement	As set forth in the contract.
Procurement Contract	First Copper	Order-type Contract	Raw Material Procurement	As set forth in the contract.

Five. Review and Analysis of Financial Position and Financial Performance and Risk Matters

I. Financial position

Analysis of assets, liabilities, and shareholders' equity over the most recent two years:

Unit: NTD thousand

Item \ Year	December 31, 2024	December 31, 2023	Difference	
			Amount	%
Current Assets	6,677,741	6,112,166	565,575	9.25
Property, plants and equipment	1,488,653	1,536,487	(47,834)	(3.11)
Intangible Assets	9,133	7,673	1,460	19.03
Other Assets	416,210	485,459	(69,249)	(14.26)
Total Assets	8,591,737	8,141,785	449,952	5.53
Current liabilities	1,314,438	1,118,789	195,649	17.49
Non-current Liabilities	564,491	715,735	(151,244)	(21.13)
Total Liabilities	1,878,929	1,834,524	44,405	2.42
Capital Stock	1,556,549	1,556,549	-	-
Capital Surplus	27,281	27,281	-	-
Retained Earnings	5,180,230	4,809,090	371,140	7.72
Other Equity	(115,510)	(136,147)	20,637	15.16
Treasury Stocks	-	-	-	-
Non-controlling Interests	64,258	50,488	13,770	27.27
Total shareholders' equity	6,712,808	6,307,261	405,547	6.43
- Intangible Assets: Primarily due to software purchases during this period. - Other Assets: Primarily due to the decrease in financial assets measured at fair value through other comprehensive income. - Current Liabilities: Primarily due to the increase in long-term borrowings due within one year. - Non-current liabilities: Mainly due to the decrease in long-term borrowings. - Other Equity: Primarily due to increased foreign currency translation differences from financial statements of foreign operations, resulting from the depreciation of the New Taiwan Dollar during this period. - Non-controlling Interests: Due to the Company's joint venture establishment of an Indian subsidiary with other parties during this period.				

II. Financial performance

(I) Comparative analysis of financial performance:

Unit: NTD thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Operating income	4,544,959	4,169,674	375,285	9.00
Operating Costs	3,238,495	2,888,105	350,390	12.13
Operating Gross Profit	1,306,464	1,281,569	24,895	1.94
Operating Expenses	662,354	592,355	69,999	11.82
Operating Profit	644,110	689,214	(45,104)	(6.54)
Non-operating Revenue and Expenses	207,110	80,721	126,389	156.58
Net Profit Before Tax	851,220	769,935	81,285	10.56
Income Tax Expenses	238,236	220,832	17,404	7.88
Net Income (loss) in the Current Period	612,984	549,103	63,881	11.63
Other Income in the Current Period (net of tax)	24,291	(20,872)	45,163	216.38
Total Comprehensive Income in the Current Period	637,275	528,231	109,044	20.64
Reason: (If the change in increase/decrease is less than 20%, an analysis may be exempted.)				
1. Non-operating Income and Expenses: Primarily due to increased foreign exchange gains compared to the same period last year, resulting from the depreciation of the New Taiwan Dollar.				
2. Other Comprehensive Income for the Period: Primarily due to increased foreign currency translation differences from financial statements of foreign operations, resulting from the depreciation of the New Taiwan Dollar.				
3. In summary, current total comprehensive income for the period increased compared to 2023.				

(II) Sales volume forecast and the basis therefor: Please see p.2 of this annual report.

(III) Effect upon the Company's financial operations as well as measures to be taken in response:

To sustain business growth, the Company has aggressively promoted new products while developing new markets and customers. We have also continued to recruit international sales talent to expand our global sales coverage. Additionally, the Company's financial structure shows improved and stable performance across various analytical indicators. With this sound financial structure, we are well-positioned to meet future business growth requirements.

III. Cash Flow

(I) Analysis of liquidity over the most recent two years:

Item \ Year	2024	2023	Increase/decrease ratio
Cash flow ratio (%)	9.80%	59.76%	(83.60%)
Cash flow adequacy ratio (%)	77.48%	112.95%	(31.40%)
Cash reinvestment ratio (%)	(1.14%)	4.07%	(128.01%)
Analysis and explanation for the change of ratio increase/decrease: (If the change in increase/decrease is less than 20%, an analysis may be exempted.)			
The increase in inventory has resulted in decreased net cash inflow from operating activities.			

(II) Improvement plan for insufficient liquidity: None.

(III) Cash liquidity analysis for the coming year:

Unit: NTD thousand

Cash balance at the beginning of the period (1)	Estimated annual net cash flow from operating activities (2)	Estimated annual cash outflow (3)	Expected Cash surplus (deficit) amount (1)+(2)-(3)	Expected cash deficiency remedies	
				Investment plan	Financing plan
\$2,876,550	\$486,177	\$564,727	\$2,798,000	-	-
1. Analysis of changes in cash flows:					
(1) Operating Activities: Primarily due to stable revenues, profitability, and collections, resulting in net cash inflow.					
(2) Investment activities: Mainly due to the procurement of production equipment and construction fees from the expansion of production lines, new products and expansion of plant, resulting in net cash outflow.					
(3) Financing activities: Mainly due to payment of dividends, resulting in net cash outflow.					
2. Expected cash deficiency remedies and liquidity analysis: None.					

IV. Effect of material capital expenditure in the most recent year on the financial status: None.

V. Investment policy for the most recent year, main causes of profits or losses, improvement plans and investment plans for the coming year:

- (I) The Company indirectly invests in mainland China through K.S.T. INTERNATIONAL HOLDINGS LTD. For details regarding the establishment of invested companies and investments in JUNG PANG ENTERPRISE LTD., please refer to Note 13.2 of the consolidated financial statements.
- (II) The main production of electrical and consumer terminal products, cable ties, continuous terminal products and plastic injection parts by CHIEN HO HSING TECHNOLOGY (SUZHOU) CO., LTD, as well as the investment status, please refer to Note 13.3 of the consolidated financial statements.
- (III) In 2012, the Company jointly established DRACO K ENTERPRISE, LLC (renamed: K.S. Terminals USA LLC) with Taiwan Ray Electric Industries Co., Ltd. in California, USA. This subsidiary primarily sells electrical terminals, consumer terminals, cable ties, and related peripheral products. In May 2015, the Company acquired the 10% equity stake in DRACO K ENTERPRISE, LLC (renamed: K.S. Terminals USA LLC) held by Taiwan Ray Electric Industries Co., Ltd., increasing the Company's ownership

to 100%. For investment details, please refer to Note 13.2 of the consolidated financial statements.

- (IV) The Company conducted equity exchange with CHANG LI INTERNATIONAL HOLDING LTD. invested in British Cayman Islands of others in a third region using the equity of Foshan Changli Auto Parts Co., Ltd. in China and equity of 4 companies owned by other natural persons CHI RUI (CAYMAN) HOLDING LIMITED invested in a third region. The Company's capital increased after the equity exchange with the Company holding 5.29% of shares as of this year.
- (V) In 2013, the Company established 49%-owned K.S. TERMINALS (THAILAND) CO., LTD. through subsidiary TAIBON HOLDINGS LIMITED. For details on the investment, please refer to Note 13.2 of the consolidated financial statements.
- (VI) IFCHIC INC. is wholly owned by the Company invested in 2014 in the U.S. The primary business of IFCHIC INC. is trading. For details on the investment, please refer to Note 13.2 of the consolidated financial statements.
- (VII) In 2015, the Company invested in K.S. Terminals (Asia) Co., Ltd. in Thailand through K.S.T INTERNATIONAL HOLDINGS LTD, with 100% ownership. This subsidiary primarily manufactures, processes, and sells terminal components. For investment details, please refer to Note 13.2 of the consolidated financial statements.
- (VIII) In 2016, K.S.TERMINALS COMPANY LTD VIETNAM was invested by the Company through JIAN BANG (HONG KONG) HOLDING LIMITED, and became a wholly owned company. The primary business of the Company is trading. For details on the investment, please refer to Note 13.2 of the consolidated financial statements.
- (IX) In 2016, PT.KSTERMINALS TECHNOLOGY INDONESIA was invested by the Company through JIAN BANG (HONG KONG) HOLDING LIMITED, and became a wholly owned company. The primary business of the Company is trading. For details on the investment, please refer to Note 13.2 of the consolidated financial statements.
- (X) In 2024, the Company invested in K.S. TERMINALS TECHNOLOGY (THAILAND) CO., LTD. in Thailand, with 100% ownership. For investment details, please refer to Note 13.2 of the consolidated financial statements.
- (XI) In 2024, the Company invested in K.S. TERMINALS (INDIA) PRIVATE LIMITED in India, with 70% ownership. For investment details, please refer to Note 13.2 of the consolidated financial statements.

VI. Risk management and evaluation

(I) Impact of interest rate, exchange rate fluctuation and inflation condition on the profit/loss of the Company and future countermeasures:

1. The Company's interest and exchange gains and losses for 2024 is as follows:

Unit: NTD thousand

Item \ Year	2024
Net exchange (losses) gains	105,699
Net Operating Income	4,544,959
Net Profit Before Tax	851,220
Net exchange (losses) gains to net operating income ratio	2.33%
Net exchange (losses) gains to net income before income tax	12.42%
Interest Income	59,287
Interest income to net operating income	1.30%
Interest income to net profit before tax	6.96%
Interest Expenses	16,966
Interest expenses to net operating income	0.37%
Interest expenses to net profit before tax	1.99%

Source: Financial report audited by CPAs

2. As we have sufficient capital for robust business management, the impact of interest rate changes on the Company was not significant.
3. As the Company's direct and indirect foreign sales account for more than 70% of its total sales, the Company timely carries out natural hedging such as exchanging foreign currencies from its foreign currency holding positions.
4. As the Company's direct and indirect foreign sales account for more than 70% of its total sales, the impact of domestic inflation was not significant.

(II) Policies for engaging in high risk, high leverage investments, loaning funds to others, endorsement and guarantee as well as derivative transactions, main causes of profit and loss as well as future countermeasures:

We are committed to developing our core business without engaging in high-risk or high leverage investments. Loaning funds to others, endorsements and guarantees and derivatives are carried out in accordance with the "Regulations Governing Loaning of Funds", "Regulations Governing Making of Endorsements/Guarantees", and "Regulations Governing the Acquisition and Disposal of Assets".

(III) Future research and development projects, and funds expected in connection therewith:

1. For the Company's new products under development, please see p.2 of this annual report. As there are many types of newly developed products, with most of them customized in conjunction with the requirements of customers, resources invested are difficult to grasp. Given this, it is difficult to accurately estimate future R&D expenditures. However, with the Company's year-on-year performance growth and adjustment to the R&D strategy, expenditures are bound to increase each year.

2. The Company expects to invest approximately 2% to 5% of its revenue on R&D for 2025.
- (IV) Impacts of domestic/foreign important policies and law changes on the financial business of the Company and responsive measures:
The Company's finances and business were not affected due to changes in important domestic and foreign policies and laws in the most recent year. As the Company's main sales markets are scattered in Taiwan, Europe, the Americas, Southeast Asia and China, our products can be used in many industries and by many customers. As a result, the overall financial operations are less likely to be affected by changes in policies and laws in a single country or region as risks are dispersed. If there is a change across major economies or globally (e.g., a large-scale trade war), the Company immediately initiates crisis response and monitoring mechanisms from daily production and sales coordination, business management meetings to operations of the Board of Directors. By doing this, we aim to minimize the impact of drastic changes in the market or industry.
- (V) Impacts of changes (including cyber security risks) in technology and industry on the financial business of the Company and countermeasures:
The Company primarily engages in the manufacturing of terminals, connectors, and cable tie-related products. Terminals and connector-related products are fundamental components for information technology, communication, consumer electronics, and electrical equipment products. The application range of terminal and connector products is extensive, and their development is not directly affected by the rise and fall of a single industry. However, overall development remains closely related to the pace of technological advancement and the global macroeconomy. The Company will adjust product development directions based on customer needs and market developments, while actively researching and developing related products and technologies (such as: 5G communications, electric vehicles, smart grids, energy storage) to cultivate new flagship products for the future.
With respect to cyber security risks, we have built a network and computer security protection control mechanism. Each year, we allocate a budget to upgrade hardware and software of the information protection system. We also engage a professional third-party entity to perform a cyber security health diagnosis. By doing so, we are able to continue to maintain the most up-to-date and effective information protection. The protection scope includes the information system hosts, internal networks, and connection devices of users. Through mechanisms such as active filtering and blocking, identity security verification, privilege hierarchy management, constant program monitoring, periodic mandatory password changes, and regular copying to the backup database, the Company strives to minimize the possibility of risks from computer virus infections and external malicious attacks on the information system.
- (VI) Impacts of changes of the corporate image on corporate crisis management and countermeasures:
As our top business philosophy is "integrity", we maintain an excellent corporate image and follow the laws and regulations. We set up a taskforce to formulate action plans in the event of a breach of the regulations or when the corporate image is affected. As of the publication date of the annual report, nothing occurred that would have affected our corporate image.
- (VII) Expected benefits, potential risks, and response measures for acquisitions: Not applicable.
- (VIII) The expected benefits, potential risks, and responsive measures with regard to any plant expansion: Not applicable.
Projected possible benefits after production line began at the new factory: Not applicable.

- (IX) Risks and countermeasures with regard to concentrated sales or purchases:
The Company's largest sales customer accounts for less than 10% of net operating revenue, with no concentration in sales. Regarding suppliers, the largest supplier in 2024 accounted for approximately 19.79% of total purchases. However, under the Company's principle of diversified procurement, important raw materials are purchased from two or more suppliers, thus eliminating the risk of purchase concentration.
- (X) Impacts, risks and responsive measures with regard to any major transfer of equities by directors, supervisors, or shareholders with more than 10% of ownership interest: None.
- (XI) Impacts on the Company, risks and responsive measures with regard to any change in management rights: Not applicable.
- (XII) For litigation or non-litigation matters indicating the Company and directors, supervisors, President, the actual responsible person, major shareholder with shareholding exceeding 10% of the Company and affiliates that are involved in major lawsuits with affirmative judgment or is pending in the court proceeding, non-litigation or administrative dispute cases with results capable of causing material impacts on the interests of shareholders or stock price, the dispute fact, claim amount, litigation starting date, primary litigation parties and handling status up to the date of the publication of this annual report shall be disclosed: None.
- (XIII) Other significant risks and countermeasures:
1. Financial risk control measures: Including regular review and collection of accounts receivable, regular evaluation of bank interest rates, hedging of exchange rate fluctuations, tracking of raw material price trends, tax risk physical examination;
 2. Information risk control measures: Including regular remote backup of database, firewall installation and update, anti-virus installation and update, setup of network IP authentication system, computer access privilege setting, regular anti-virus and anti-hacking drills;
 3. Operational risk control measures: Including the implementation of a backup plan for factory productivity, regular implementation of emergency response drills, insurance coverage for factory equipment, fire, business interruption, quality assurance to transfer risks, major investment of establishing (expanding) a factory - implemented with a prior rigorous SWOT analysis and a resolution adopted by the Board of Directors;
 4. Legal and intellectual property risk control measures: Including the establishment of product technology patent maps, use of the WIPS patent search system for assistance, regular release of regulatory compliance report, transfer of risks through liability insurance coverage for products/directors, supervisors and managers, all contracts and official documents must be strictly reviewed internally and by external legal institutions, periodic promotion of laws to relevant units, legal compliance system from the grassroots;
 5. Environmental protection and occupational safety and health risk control measures include: continued operation and supervision by the Occupational Safety and Health Committee, regular internal review and continuous improvement of environmental and occupational safety and health issues, implementation of ISO14001 and ISO45001 management systems, regular identification and updates of government environmental protection and occupational safety and health regulations, and on-site services from factory physicians and nurses to assist in reviewing safety and health risks.

VII. Other important matters

Licenses obtained by financial information transparency-related personnel:

Education period: January 1, 2024 ~ December 31, 2024

Title	Name	Related certificates
Chief of Finance Division and Corporate Governance Officer	Tseng Yu-Chin	Accounting Research and Development Foundation - Latest compilation and internal control management practices for “Annual Reports/Sustainability Information/Financial Report Preparation” related regulations
		Accounting Research and Development Foundation - Strengthening internal control line functions and board operation mechanisms, and analysis of fraud cases

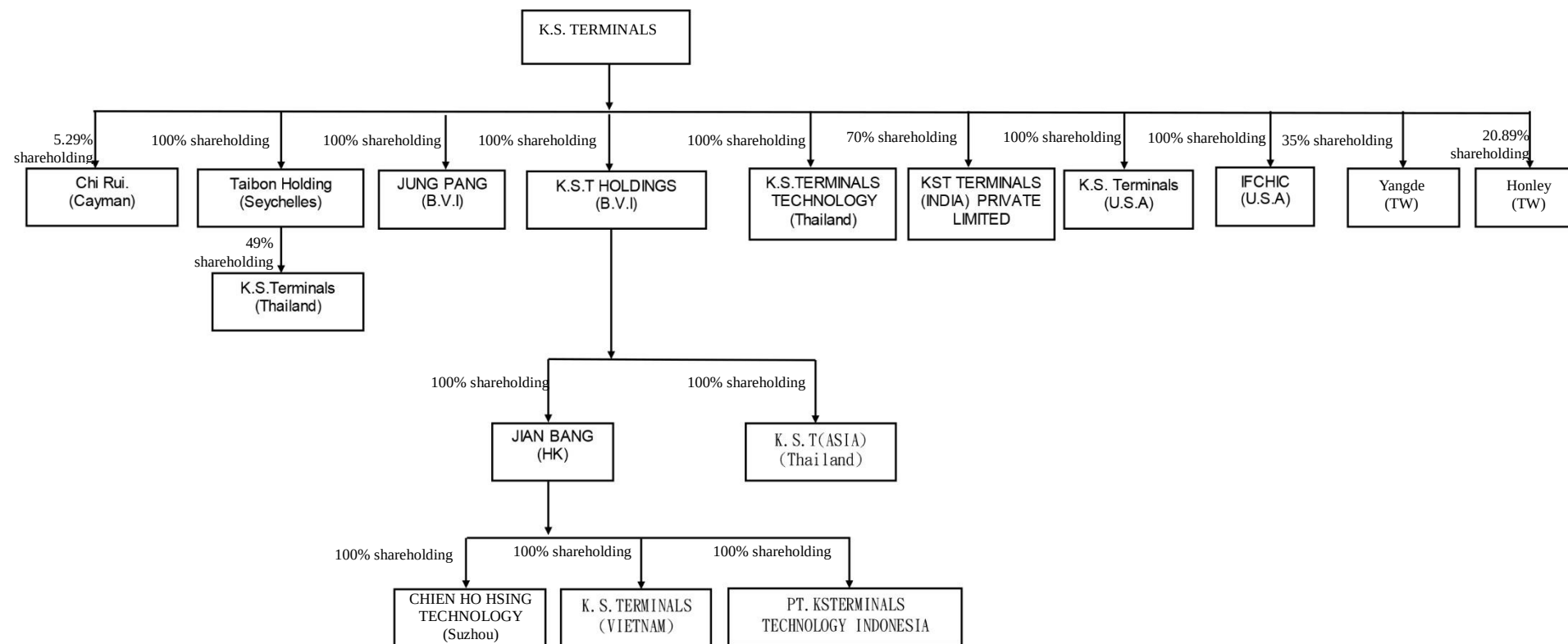
Six. Special Disclosures

I. Information on affiliates

(I) Affiliated enterprise consolidated business report

1. Organizational chart and basic information of affiliates

May 8, 2025



2. Existence of the controlling and subordinate relation set forth in Article 369-3 of the Company Act: Not applicable.
3. Businesses covered by the business operated by the overall affiliated enterprises:
 - (1) The businesses covered by affiliates include: manufacturing, sales of terminals, investment and international trade.
 - (2) Labor division of affiliates: The parent company is mainly engaged in production and sales, while sub-subsidiary in China purchases raw materials from the parent company for its own production for sales.
4. Information on Directors, Supervisors and President of Affiliated Enterprises:

Name of enterprise	Title	Name or representative(s)	Shareholding	
			Number of Shares (equity)	Shareholding Ratio (%)
JUNG PANG ENTERPRISE LTD.	Director	Representative of K.S. TERMINALS INC.: Cheng Ke-Pin	USD 10,000	100%
K.S.T.INTERNATIONAL HOLDINGS LTD.	Director	Representative of K.S. TERMINALS INC.: Cheng Ke-Pin	USD 14,540,500	100%
JIAN BANG(HONG KONG)HOLDING LTD.	Director	K.S.T.INTERNATIONAL HOLDINGS LTD. Representative: Cheng Ke-Pin	HKD 103,766,000	100%
CHIEN HO HSING TECHNOLOGY (SUZHOU) CO., LTD	Director	JIAN BANG(HONG KONG)HOLDING LTD. Representative: Cheng Ke-Pin	USD 7,500,000	100%
K.S. Terminals USA LLC	Director	Representative of K.S. TERMINALS INC.: Cheng Ke-Pin, Cheng Ching-Jen, Cheng Chieh-Yuan	USD 3,300,000	100%
TAIBON HOLDING LIMITED	Director	Representative of K.S. TERMINALS INC.: Cheng Yin-Kun	USD 160,000	100%
K.S.TERMINALS (THAILAND) CO.,LTD.	Director	TAIBON HOLDING LIMITED Representative: Cheng Hsin-Yen	THB 4,900,000	49%
IFCHIC INC	Director	Representative of K.S. TERMINALS INC.: Cheng Chieh-Yuan	USD 2,500,000	100%
K.S. TERMINALS (ASIA)CO.,LTD.	Director	K.S.T.INTERNATIONAL HOLDINGS LTD. Representative: Cheng Hsin-Yen	THB 82,000,000	100%
K.S.TERMINALS COMPANYLTD VIETNAM	Director	JIAN BANG(HONG KONG)HOLDING LTD. Representative: Cheng Hsin-Yen	USD 1,000,000	100%
PT.KSTERMINALS TECHNOLOGY INDONESIA	Director	JIAN BANG(HONG KONG)HOLDING LTD. Representative: Cheng Hsin-Yen	USD 1,300,000	100%
Yangde Technology Co., Ltd.	Director	Representative of K.S. TERMINALS INC.: Hung Fu-Te, Lin Ta-I	TWD 980,000	35%
HONLEY AUTO. PARTS CO., LTD.	Director	Representative of K.S. TERMINALS INC.: Cheng Ching-Jen	TWD 25,433,438	20.89%
K.S.TERMINALS TECHNOLOGY (THAILAND) CO.,LTD.	Director	Representative of K.S. TERMINALS INC.: Cheng Hsin-Yen	THB 10,000,000	100%
KST TERMINALS (INDIA) PRIVATE LIMITED	Director	Representative of K.S. TERMINALS INC.: Cheng Hsin-Yen	INR 10,500,000	70%

5. Operation summary of affiliated enterprise:

December 31, 2024; Unit: NTD thousands

Name of enterprise	Capital	Total Assets	Total Liabilities	Net worth	Operating income	Net operating profit (net loss)	Current profit and loss
JUNG PANG ENTERPRISE LTD.	347	12,242	808	11,434	-	(87)	1,910
K.S.T.INTERNATIONAL HOLDINGS LTD.	484,635	1,525,974	-	1,525,974	-	(200)	249,185
JIAN BANG(HONG KONG)HOLDING LTD.	372,950	1,224,095	-	1,224,095	-	-	157,530
CHIEN HO HSING TECHNOLOGY (SUZHOU) CO., LTD	241,500	1,489,670	307,285	1,182,385	1,838,729	275,899	207,557
K.S. Terminals USA LLC	97,808	50,657	11,157	39,500	27,211	(11,570)	(9,376)
TAIBON HOLDING LTD.	4,950	71,222	-	71,222	-	-	9,906
K.S.TERMINALS (THAILAND) CO.,LTD.	9,513	135,758	12,328	123,430	90,608	17,491	16,935
IFCHIC INC	78,727	73,159	3,198	69,961	57,283	934	694
K.S. TERMINALS (ASIA)CO.,LTD.	28	42,557	8,465	34,092	-	(573)	35,432
K.S.TERMINALS COMPANY LTD VIETNAM	30,633	44,236	27,940	16,296	26,899	(942)	(1,676)
PT.KSTERMINALS TECHNOLOGY INDONESIA	30,580	19,003	9,544	9,459	7,497	(1,712)	(1,885)
Yangde Technology Co., Ltd.	28,000	12,135	12,631	(496)	4,249	(8,055)	(8,241)
HONLEY AUTO. PARTS CO., LTD.	1,205,227	1,864,151	1,409,772	454,379	237,384	(125,721)	(160,270)
K.S.TERMINALS TECHNOLOGY (THAILAND)CO.,LTD.	9,150	12,271	6,430	5,841	-	(3,766)	(3,375)
KST TERMINALS (INDIA) PRIVATE LIMITED	5,845	4,499	134	4,365	-	(916)	(916)

(II) Consolidated financial statements of affiliated companies:

Declaration

For fiscal year 2024 (from January 1, 2024 to December 31, 2024), the companies required to be included in the preparation of the consolidated financial statements of affiliated enterprises under the “Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Reports on Affiliations” are the same as those required to be included in the consolidated financial statements of the parent company and subsidiaries under IFRS 10. All relevant information that should be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the aforementioned consolidated financial statements of the parent company and subsidiaries. Therefore, the Company will not separately prepare consolidated financial statements for affiliated enterprises.

In witness thereof, the Declaration is hereby presented.

K.S. TERMINALS INC.

Responsible person: Cheng Ke-Pin

March 13, 2025

(III) Affiliation Report: None.

II. Any private placement of securities within the most recent year and up to the date of the publication of this annual report: None.

III. Additional information required to be disclosed: None.

Seven. If any of the situations listed in Article 36, Paragraph 3, Subparagraph 2 of the Act, which might materially affect shareholders' equity or the price of the Company's securities, has occurred during the most recent year or during the current year up to the date of publication of the annual report: None.

K.S. TERMINALS INC.

Chairman: Cheng Ke-Pin