

## Letter to Shareholders

Looking back over the past year, a series of problems, such as the epidemic, manpower shortage and raw material supply, all tested the operation and resilience of enterprises. Driven by the global pursuit of carbon balance, electric vehicles, charging piles and energy storage will all make significant use of the three products of Kamei. As a result, the operation is expected to enter the next phase of growth once short-term distractions are gradually eliminated.

### I. 2021 Operation Results of the Company

#### (I) Implementation results of business plan

The consolidated revenue of the Company in 2021 was NT\$7.716 billion, representing an increase of approximately 19.72% as compared with NT\$6.445 billion in 2010. Gross profit margin was 23%, with a net operating profit of NT\$941 million. Net income after tax attributable to owners of the Company was NT\$1.171 billion. And the earnings per share (EPS) was NT\$8.62.

#### (II) Status of execution:

As the Company did not announce a financial forecast for 2021, this information is not required.

#### (III) Financial balance and profitability analysis

(Unit: NT\$ / Amount in NT\$ thousands, unless otherwise specified)

Item	2021
Net cash generated from operating activities	766,753
Net cash generated used in investing activities	(3,010,977)
Net cash generated from financing activities	1,633,895
Return of assets	6.66%
Return on equity	13.33%
Profit margin of the Company	15.18%
Consolidated profit margin	14.76%
Earnings per share (NT\$)	8.62

#### (IV) Research and development

1. Capacitor: Low resistance, long life, high temperature resistance, and high ripple current.
2. Motor fan: Cooling fan products with salt-fog resistance, and ultra-high to high static pressure
3. Resistor: High power, high temperature/high humidity resistance/anti-vulcanization, the range of resistance value of each series is expanded.

### II. 2022 Business Plan

(I) Business policy:

1. Strengthen product and service quality, consolidate and expand high-quality customers.
2. Collect market information, invest in new technology research and development, and develop product application.
3. Optimizing process, strictly controlling quality, cost and delivery time
4. Strengthen inventory and account management.
5. Integrate resources of the Group and enhance operational efficiency to reduce management costs.

(II) Production and marketing policies:

1. Improve the production and marketing system, collect industry information, environment and government decrees and regulations to make correct decisions and R&D strategies, develop fast and flexible market response capacity and mechanism, and respond to customer needs quickly.
2. Expand markets for product applications with a view to diversify the sales scope of products.
3. Strengthen cooperation with key suppliers, develop and integrate materials, reduce production cost.
4. Strengthen inventory and account management.

III. Future Development Strategy

1. Replace the old equipment and strengthen the introduction of automation system equipment
2. Focus on electric vehicles, charging piles and energy storage industry to develop high value-added products.

IV. Effect of External Competition, Legal environment, and the Overall Business Environment

Despite the many potential risks posed by the global economy and the increasingly stringent challenges posed by external regulations and the overall operating environment, the company continues to focus on niche products and is cautiously optimistic about its future business outlook.

Dear Esteemed Shareholders,

Wish you good health and all the best

Kaimei Electronic Corp.

Chairman Weng, Chi-Sheng