BofA SECURITIES

King Yuan Electronics Corp.

Testing business diversification strengthen '27 outlook at low-end valuation

Reiterate Rating: BUY | PO: 330.00 TWD | Price: 228.50 TWD

3Q26 results in line; 4Q TPU ramp offsets GPU headwind

3Q26 sales were +9% QoQ backed by healthy demand from its GPU/CPU customers and early mobile inventory builds. With higher depreciation and labor cost moving to COGS as new facility production kick off, GM dipped 190bps QoQ to 37.6% in 3Q26 but operating leverage lifted OpM 40bps QoQ to 25.8%, taking EPS to NT$2.06. 4Q26 sales is guided +7-9% QoQ, in line with our preview, due to slower GPU ramp from continued HBM4 yield issue at Hynix partially offsetting strength in AI ASICs (Google's v8t/i TPUs) and CPUs (Nvidia Vera, Google Axion and Microsoft Cobalt). Despite better business mix, the rising cost and slower UTR improvement should keep GMs stable at 36-37% in 4Q.

Solid position into 2027 across chipset and wafer testing

KYEC's '26 sales is now on track to grow 34% YoY and could further accelerate in '27 at +53% YoY from a diversifying application base across GPU, CPU, networking switches and ASICs. It is also in a strong position to capture its foundry partner's chip probing outsourcing demand in addition to higher testing unit/dollar content from its existing direct customer business. To support expansion across wafer sorting, chip testing and system level testing, the company is accelerating its clean room construction in Taiwan and has announced it will grow its testing footprint in the US. While its '27 capex could stay at elevated levels, we think the investment mix shifting toward facility should keep its depreciation under control. This along with capex-light tool consignment business model could drive its GMs to 40%+ in 1H27 and keep profitability resilient through the cycles.

Recent pullback to low-end valuation: particularly attractive

We keep EPS for '26/27/28E largely unchanged at NT$7.87/NT$15.36/NT$19.18, and reiterate our Buy rating with PO of NT$330 still based on 18x 2H27-1H28E P/E (vs. its 10-25x P/E range). Following the AI sentiment drag, the stock is trading at 15x/11x '27/28E P/E, attractive as the business downside is protected by its leadership in scale and execution for AI chipset testing even if AI investment moderates in '28.

Estimates (Dec) (NT$)	2024A	2025A	2026E	2027E	2028E
Net Income (Adjusted - mn)	7,779	11,016	10,103	19,724	24,624
EPS	6.06	8.58	7.87	15.36	19.18
EPS Change (YoY)	33.2%	41.6%	-8.3%	95.2%	24.8%
Dividend / Share	3.81	0.952	9.14	4.76	4.76
Free Cash Flow / Share	2.82	(14.96)	(19.59)	4.56	16.92
Valuation (Dec)					
P/E	37.71x	26.63x	29.04x	14.87x	11.91x
Dividend Yield	1.67%	0.417%	4.00%	2.08%	2.08%
EV / EBITDA*	25.03x	20.45x	13.89x	8.14x	6.82x
Free Cash Flow Yield*	1.23%	-6.55%	-8.57%	2.00%	7.41%

* For full definitions of iQmethod℠ measures, see page 7.

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Refer to important disclosures on page 8 to 10. Analyst Certification on page 5. Price

05 November 2026

Equity

Key Changes

(NT$)	Previous	Current
2026E EPS	7.62	7.87
2027E EPS	15.08	15.36
2028E EPS	19.34	19.18
2026E EBITDA (m)	24,480.3	24,320.4
2027E EBITDA (m)	41,356.9	41,499.1
2028E EBITDA (m)	50,097.3	49,537.9

Haas Liu >>
Research Analyst
Merrill Lynch (Taiwan)
+886 2 2376 3727
haas.liu@bofa.com

Mike Yang >>
Research Analyst
Merrill Lynch (Taiwan)
+886 2 2376 3729
mike.c.yang@bofa.com

Cathy Hsu >>
Research Analyst
Merrill Lynch (Taiwan)
+886 2 2376 3726
cathy.hsu3@bofa.com

Stock Data

Price	228.50 TWD
Price Objective	330.00 TWD
Date Established	8-Aug-2026
Investment Opinion	C-1-7
52-Week Range	187.14 TWD-350.00 TWD
Mrkt Val / Shares Out (mn)	8,924 USD / 1,283.9
Market Value (mn)	293,367 TWD
Average Daily Value (mn)	201.44 USD
Free Float	88.9%
BofA Ticker / Exchange	KYUFF / TAI
Bloomberg / Reuters	2449 TT / 2449.TW
ROE (2026E)	16.2%
Net Dbt to Eqty (Dec-2025A)	24.4%

See inside for Glossary

iQprofile℠ King Yuan Electronics Corp.

Key Income Statement Data (Dec)	2024A	2025A	2026E	2027E	2028E
(NT$ Millions)					
Sales	26,856	34,934	46,679	71,621	86,216
Gross Profit	9,344	12,522	17,882	30,886	37,920
Sell General & Admin Expense	(2,316)	(2,589)	(4,412)	(5,069)	(5,959)
Operating Profit	6,172	9,003	12,144	24,171	30,127
Net Interest & Other Income	(201)	1,626	317	167	461
Associates	NA	NA	NA	NA	NA
Pretax Income	5,972	10,629	12,461	24,338	30,589
Tax (expense) / Benefit	(1,211)	(2,624)	(2,358)	(4,614)	(5,965)
Net Income (Adjusted)	7,779	11,016	10,103	19,724	24,624
Average Fully Diluted Shares Outstanding	1,290	1,289	1,287	1,287	1,287
Key Cash Flow Statement Data					
Net Income	4,445	7,963	10,103	19,724	24,624
Depreciation & Amortization	7,324	7,513	12,176	17,329	19,411
Change in Working Capital	1,444	(1,516)	(681)	(6,945)	1,689
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	5,263	(808)	(249)	749	1,006
Cash Flow from Operations	18,475	13,152	21,349	30,856	46,730
Capital Expenditure	(14,857)	(32,355)	(46,500)	(25,000)	(25,000)
(Acquisition) / Disposal of Investments	167	(1,947)	(10,852)	0	0
Other Cash Inflow / (Outflow)	335	21,225	3,989	2,110	892
Cash Flow from Investing	(14,355)	(13,078)	(53,363)	(22,890)	(24,108)
Shares Issue / (Repurchase)	0	0	0	0	0
Cost of Dividends Paid	(3,913)	(4,891)	(1,223)	(11,738)	(6,114)
Cash Flow from Financing	(2,781)	4,613	18,571	5,240	10,890
Free Cash Flow	3,619	(19,204)	(25,151)	5,856	21,730
Net Debt	10,251	12,311	33,296	21,091	(11,421)
Change in Net Debt	421	5,231	33,675	2,794	(17,511)
Key Balance Sheet Data					
Property, Plant & Equipment	34,924	60,554	95,402	102,210	106,848
Other Non-Current Assets	7,869	11,705	28,726	30,295	30,643
Trade Receivables	6,032	7,203	9,001	17,057	16,604
Cash & Equivalents	10,329	17,964	4,531	17,736	51,248
Other Current Assets	27,557	3,753	8,143	10,174	11,809
Total Assets	86,711	101,178	145,803	177,472	217,150
Long-Term Debt	20,581	30,275	37,827	38,827	39,827
Other Non-Current Liabilities	4,512	4,546	11,123	12,872	13,261
Short-Term Debt	0	0	0	0	0
Other Current Liabilities	16,907	15,919	22,742	26,407	29,429
Total Liabilities	41,999	50,740	71,692	78,106	82,517
Total Equity	44,711	50,438	74,111	99,366	134,633
Total Equity & Liabilities	86,711	101,178	145,803	177,472	217,150
iQmethod℠ **- Bus Performance***					
Return On Capital Employed	7.3%	9.1%	9.6%	14.4%	14.5%
Return On Equity	18.9%	23.5%	16.2%	22.7%	21.0%
Operating Margin	23.0%	25.8%	26.0%	33.7%	34.9%
EBITDA Margin	50.3%	47.3%	52.1%	57.9%	57.5%
iQmethod℠ **- Quality of Earnings***					
Cash Realization Ratio	2.4x	1.2x	2.1x	1.6x	1.9x
Asset Replacement Ratio	2.0x	4.3x	3.8x	1.4x	1.3x
Tax Rate (Reported)	20.3%	24.7%	18.9%	19.0%	19.5%
Net Debt-to-Equity Ratio	22.9%	24.4%	44.9%	21.2%	-8.5%
Interest Cover	14.1x	48.5x	17.2x	24.7x	30.0x

Key Metrics

* For full definitions of *iQmethod*℠ measures, see page 7.

Company Sector

Semiconductors

Company Description

Founded in 1987 and headquartered in Hsinchu, Taiwan, King Yuan Electronics Corp. (KYEC) is a niche Outsourced Semiconductor Assembly and Test (OSAT) company focused on IC testing services, with market shares of 3% in OSAT (IC packaging+testing, number 7 vendor) and 14% in IC testing (number 2 vendor) globally. Its capacity is mainly located in Greater China. In addition to IC testing, it has c.20% revenue exposure to IC packaging, mainly at its Chinese subsidiary and mainly for memory products.

Investment Rationale

We have a Buy rating on KYEC, in view of undervalued upside from smartphone business for both near-term and longer-term, structural opportunities in AI areas led by GPU, as well as the solid GPM/ROE expansion toward into 2025.

Stock Data

Price to Book Value	4.0x

Focus tables

Exhibit 1: KYEC 3Q26-4Q26 and 2026-27 estimates BofAe vs. Street
We now model 2026/27E EPS to be NT$7.87/15.36

	3Q26E				4Q26E			2026E			2027E	
	Actual	Old	Street	BofAe	Old	Street	BofAe	Old	Street	BofAe	Old	Street
Sales (NT$mn)	$12,142	$12,142	$12,123	$13,203	$13,115	$13,877	$46,679	$46,590	$47,417	$71,621	$71,281	$70,278
Sales QoQ / YoY (%)	**9.0%**	**9.0%**	**8.8%**	**8.7%**	**8.0%**	**14.5%**	**33.6%**	**33.4%**	**35.7%**	**53.4%**	**53.0%**	**48.2%**
Gross profit (NT$mn)	$4,560	$4,555	$4,620	$4,872	$5,050	$5,607	$17,882	$18,056	$18,710	$30,886	$30,831	$29,208
GMs (%)	**37.6%**	**37.5%**	**38.1%**	**36.9%**	**38.5%**	**40.4%**	**38.3%**	**38.8%**	**39.5%**	**43.1%**	**43.3%**	**41.6%**
Operating profit (NT$mn)	$3,133	$2,989	$3,250	$3,411	$3,453	$4,103	$12,144	$12,043	$13,087	$24,171	$24,028	$22,450
OpMs (%)	**25.8%**	**24.6%**	**26.8%**	**25.8%**	**26.3%**	**29.6%**	**26.0%**	**25.8%**	**27.6%**	**33.7%**	**33.7%**	**31.9%**
Pretax profit (NT$mn)	$3,248	$2,884	$3,336	$3,329	$3,341	$4,208	$12,461	$12,109	$13,472	$24,338	$23,968	$22,687
Pretax margins (%)	26.7%	23.8%	27.5%	25.2%	25.5%	30.3%	26.7%	26.0%	28.4%	34.0%	33.6%	32.3%
Tax expense (NT$mn)	-$603	-$563	-$692	-$649	-$652	-$903	-$2,358	-$2,320	-$2,637	-$4,614	-$4,605	-$4,468
Tax rate (%)	18.6%	19.5%	20.7%	19.5%	19.5%	21.5%	18.9%	19.2%	19.6%	19.0%	19.2%	19.7%
Net profit (NT$mn)	$2,645	$2,321	$2,644	$2,680	$2,689	$3,304	$10,103	$9,789	$10,835	$19,724	$19,363	$18,218
Net margins (%)	21.8%	19.1%	21.8%	20.3%	20.5%	23.8%	21.6%	21.0%	22.8%	27.5%	27.2%	25.9%
EPS (NT$)	**$2.06**	**$1.81**	**$2.12**	**$2.09**	**$2.09**	**$2.65**	**$7.87**	**$7.62**	**$8.67**	**$15.36**	**$15.08**	**$14.53**

Source: BofA Global Research estimates, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 2: King Yuan detailed analysis by major AI customers
We expect Nvidia to still be the main growth driver for King Yuan while Broadcom is ramping from a low base; rest of the business should see mild unit improvement and price hike on high utilization

KYEC sales analysis	1Q26	2Q26	3Q26	4Q26	2024	2025	2026	2027
Nvidia revenue contribution	$4,253	$4,767	$5,436	$6,553	$4,745	$13,113	$21,010	$34,117
Broadcom revenue contribution	$760	$1,234	$1,348	$1,640	$1,406	$1,810	$4,982	$8,770
KYEC sales ex-Nvidia & Broadcom	$5,179	$5,141	$5,358	$5,010	$20,705	$20,010	$20,687	$28,733
KYEC total revenue (NT$mn)	$10,192	$11,142	$12,142	$13,203	$26,856	$34,934	$46,679	$71,621
KYEC sales QoQ/YoY	**1Q26**	**2Q26**	**3Q26**	**4Q26**	**2024**	**2025**	**2026**	**2027**
Nvidia	3%	12%	14%	21%		176%	60%	62%
Broadcom	28%	62%	9%	22%		29%	175%	76%
KYEC sales ex-Nvidia & Broadcom	-2%	-1%	4%	-6%		-3%	3%	39%
KYEC total revenue YoY	2%	9%	9%	9%		30%	34%	53%
Nvidia assumptions	**1Q26**	**2Q26**	**3Q26**	**4Q26**	**2024**	**2025**	**2026**	**2027**
Hopper GPU revenue contribution	$0	$308	$0	$0	$2,018	$381	$308	$0
Blackwell GPU revenue contribution	$3,287	$3,350	$2,798	$2,176	$800	$8,726	$11,611	$2,084
Rubin GPU revenue contribution	$0	$122	$1,368	$2,872	$0	$0	$4,362	$23,239
Nvidia data center GPU revenue contribution	$3,287	$3,780	$4,166	$5,049	$2,818	$9,106	$16,282	$25,323
Nvidia data center CPU revenue contribution	$116	$171	$520	$603	$245	$239	$1,410	$2,869
RTX gaming GPU revenue contribution	$850	$816	$751	$901	$1,746	$3,768	$3,318	$5,925
Unit/testing time analysis	**1Q26**	**2Q26**	**3Q26**	**4Q26**	**2024**	**2025**	**2026**	**2027**
Hopper GPU testing units ('000 units)	0	600	0	0	4,550	850	600	0
Blackwell GPU testing units ('000 units)	1,865	1,810	1,350	1,000	498	5,861	6,025	900
Rubin GPU testing units ('000 units)	0	50	500	1,000	0	0	1,550	6,580
Nvidia QoQ/YoY	**1Q26**	**2Q26**	**3Q26**	**4Q26**	**2024**	**2025**	**2026**	**2027**
Hopper GPU revenue contribution	NM	NM	-100%	NM		-81%	-19%	-100%
Blackwell GPU revenue contribution	6%	2%	-16%	-22%		991%	33%	-82%
Rubin GPU revenue contribution	NM	NM	1020%	110%				433%
Nvidia data center GPU revenue contribution QoQ/YoY	**6%**	**15%**	**10%**	**21%**		**223%**	**79%**	**56%**
Nvidia data center CPU revenue contribution QoQ/YoY	**77%**	**47%**	**204%**	**16%**		**-2%**	**490%**	**104%**
RTX gaming GPU revenue contribution QoQ/YoY	**-10%**	**-4%**	**-8%**	**20%**		**116%**	**-12%**	**79%**
Broadcom assumptions	**1Q26**	**2Q26**	**3Q26**	**4Q26**	**2024**	**2025**	**2026**	**2027**
TPU revenue contribution	$197	$616	$779	$1,061	$383	$491	$2,653	$6,345
Broadcom ex-TPU contribution	$563	$617	$569	$579	$1,023	$1,319	$2,328	$2,426

Source: BofA Global Research estimates, company reports

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Exhibit 3: Terms and definitions
Glossary of abbreviations/acronyms

Term	Definition
AI	Artificial Intelligence
ASIC	Application Specific Integrated Circuit
CPU	Central Processing Unit
GPU	Graphic Processing Unit
HBM	High Bandwidth Memory
HPC	High-Performance Computing
TPU	Tensor Processing Unit
SoC	System on Chip

Source: BofA Global Research

BofA GLOBAL RESEARCH

Price objective basis & risk

King Yuan Electronics Corp. (KYUFF)
We value KYEC at NT$330 per share, based on 18x 2H27-1H28E P/E, which is close to its historical average since 2010. In our view, P/E valuation is appropriate for KYEC given its strong growth in earnings over the past few years, future growth potentials with upside in total addressable market (TAM) and market share, and enhanced cash position. We think 18x P/E, which is above the average P/E level of global OSAT peers, is undemanding, in view of its better ROE profile and 2-3% dividend yield.

Downside risks are
1) faster-than-expected pick-up by testing peers in high-end AI area,
2) greater-than-expected slowdown in global smartphone/consumer electronics demand,
3) potential asset disposal caused by strategy shift amid the ongoing decoupling in the semis supply chain.

Analyst Certification

I, Haas Liu, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

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APR - Semiconductor Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Alchip	ALCPF	3661 TT	Haas Liu
	All Ring	XNQNF	6187 TT	Haas Liu
	AMEC	XRTOF	688012 CH	Dai Shen
	ASE Technology Holding	XSRIF	3711 TT	Haas Liu
	ASE Technology Holding -ADR	ASX	ASX US	Haas Liu
	ASMPT	ASMVF	522 HK	Simon Woo, CFA
	Aspeed	XLKMF	5274 TT	Mike Yang

APR - Semiconductor Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Chroma ATE	CRMJF	2360 TT	Haas Liu
	CXMT	XCXMF	688825 CH	Dai Shen
	Doosan Corp	DOSAF	000150 KS	Simon Woo, CFA
	eMemory	XYLWF	3529 TT	Mike Yang
	GigaDevice	XGXIF	603986 CH	Daley Li, CFA
	Global Unichip Corp.	GBUHF	3443 TT	Haas Liu
	Grand Process Technology Corp	XZOWF	3131 TT	Haas Liu
	Hanmi Semiconductor	HNSIF	042700 KS	Simon Woo, CFA
	Hon Precision	XXPIF	7769 TT	Haas Liu
	Horizon Robotics	HRZRF	9660 HK	Daley Li, CFA
	Iluvatar CoreX	XSIBF	9903 HK	Daley Li, CFA
	Ingenic	XISCF	300223 CH	Dai Shen
	InnoScience Technology	XSCHF	2577 HK	Daley Li, CFA
	JCET Group Co Ltd	XJIEF	600584 CH	Dai Shen
	King Yuan Electronics Corp.	KYUFF	2449 TT	Haas Liu
	Kinik	KIKCF	1560 TT	Haas Liu
	Macronix International	MXICF	2337 TT	Dai Shen
	MediaTek	MDTKF	2454 TT	Haas Liu
	Montage Technology	XRDFF	688008 CH	Daley Li, CFA
	MPI Corporation	XMJCF	6223 TT	Mike Yang
	Nanya Technology	NNYAF	2408 TT	Simon Woo, CFA
	NCE Power	XVFFF	605111 CH	Daley Li, CFA
	OmniVision	XXHQF	603501 CH	Dai Shen
	Phison Electronics	PISNF	8299 TT	Simon Woo, CFA
	Powerchip Semiconductor Manufacturing Co	XCHPF	6770 TT	Haas Liu
	Powertech Technology	PWOGF	6239 TT	Simon Woo, CFA
	Rockchip	XRPXF	603893 CH	Daley Li, CFA
	Samsung C&T	XCDTF	028260 KS	Simon Woo, CFA
	Samsung Elec -G	SSNHZ	SMSN LI	Simon Woo, CFA
	Samsung Electronics	SSNLF	005930 KS	Simon Woo, CFA
	Samsung Electronics Preferred	SSNNF	005935 KS	Simon Woo, CFA
	Silergy Corp.	SLEGF	6415 TT	Mike Yang
	Silicon Motion	SIMO	SIMO US	Simon Woo, CFA
	SK Hynix	HXSCF	000660 KS	Simon Woo, CFA
	SK Hynix ADR	SKHY	SKHY US	Simon Woo, CFA
	SK Square	SKSQF	402340 KS	Simon Woo, CFA
	Taiwan Semiconductor Manufacturing Co.	TSM	TSM US	Haas Liu
	Taiwan Semiconductor Manufacturing Co.	TSMWF	2330 TT	Haas Liu
	Vanguard International Semiconductor Co	VGILF	5347 TT	Haas Liu
	Winbond Electronics	WBEKF	2344 TT	Dai Shen
	WinWay Technology	XWCLF	6515 TT	Mike Yang
	WT Microelectronics	XZOPF	3036 TT	Mike Yang
NEUTRAL				
	ASMedia Technology Inc.	XZSFF	5269 TT	Mike Yang
	Black Sesame Intl Holding	BSIHF	2533 HK	Daley Li, CFA
	Hangzhou Silan Microelectronics	XDFRF	600460 CH	Daley Li, CFA
	Lion Electronics	XDHFF	605358 CH	Dai Shen
	MetaX	XMEZF	688802 CH	Daley Li, CFA
	Novatek	NVKMF	3034 TT	Mike Yang
	Realtek	RLTKF	2379 TT	Haas Liu
	Shenzhen Goodix	XQPLF	603160 CH	Daley Li, CFA
	Soulbrain	XSBOF	357780 KS	Simon Woo, CFA
	VeriSilicon	XMLZF	688521 CH	Daley Li, CFA
UNDERPERFORM				
	Crystal Clear	XPPTF	300655 CH	Dai Shen
	Faraday	FDYTF	3035 TT	Haas Liu
	GlobalWafers	XWLFF	6488 TT	Mike Yang
	Hua Hong Grace	HHUSF	1347 HK	Dai Shen
	LX Semicon	XLXSF	108320 KS	Simon Woo, CFA
	M31 Technology	XMTZF	6643 TT	Mike Yang
	Maxscend	XMXSF	300782 CH	Daley Li, CFA
	Parade	PRDWF	4966 TT	Mike Yang
	United Microelectronics Corp.	XUMIF	2303 TT	Haas Liu
	United Microelectronics Corp.	UMC	UMC US	Haas Liu

APR - Semiconductor Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Win Semiconductors	WSMIF	3105 TT	Haas Liu
	Wonik IPS	XRHQF	240810 KS	Simon Woo, CFA

iQmethod℠ Measures Definitions

Business Performance	Numerator	Denominator
Return On Capital Employed	NOPAT = (EBIT + Interest Income) × (1 − Tax Rate) + Goodwill Amortization	Total Assets − Current Liabilities + ST Debt + Accumulated Goodwill Amortization
Return On Equity	Net Income	Shareholders' Equity
Operating Margin	Operating Profit	Sales
Earnings Growth	Expected 5 Year CAGR From Latest Actual	N/A
Free Cash Flow	Cash Flow From Operations − Total Capex	N/A
Quality of Earnings	**Numerator**	**Denominator**
Cash Realization Ratio	Cash Flow From Operations	Net Income
Asset Replacement Ratio	Capex	Depreciation
Tax Rate	Tax Charge	Pre-Tax Income
Net Debt-To-Equity Ratio	Net Debt = Total Debt − Cash & Equivalents	Total Equity
Interest Cover	EBIT	Interest Expense
Valuation Toolkit	**Numerator**	**Denominator**
Price / Earnings Ratio	Current Share Price	Diluted Earnings Per Share (Basis As Specified)
Price / Book Value	Current Share Price	Shareholders' Equity / Current Basic Shares
Dividend Yield	Annualised Declared Cash Dividend	Current Share Price
Free Cash Flow Yield	Cash Flow From Operations − Total Capex	Market Cap = Current Share Price × Current Basic Shares
Enterprise Value / Sales	EV = Current Share Price × Current Shares + Minority Equity + Net Debt + Other LT Liabilities	Sales
EV / EBITDA	Enterprise Value	Basic EBIT + Depreciation + Amortization

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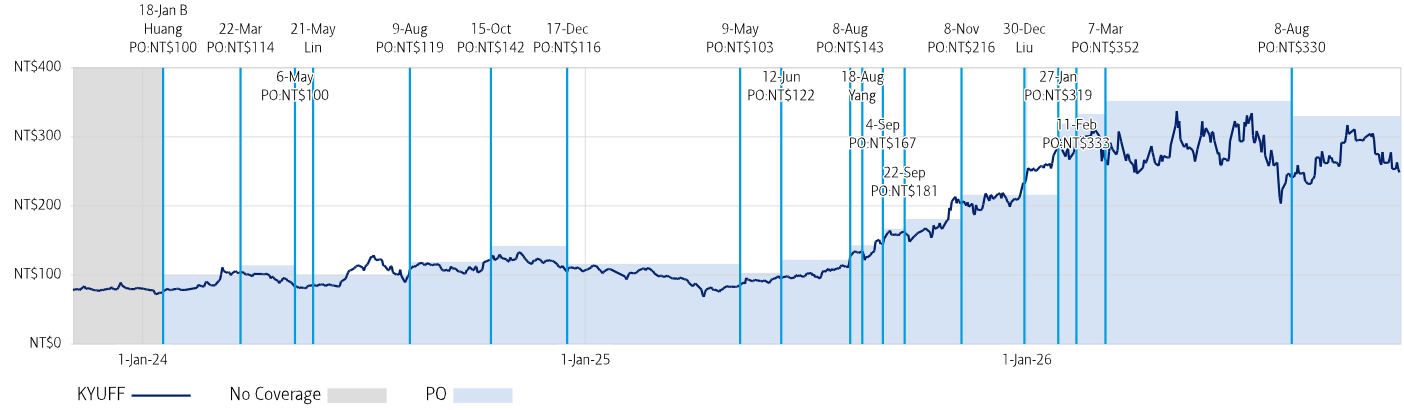
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King Yuan Electronic (KYUFF) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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Equity Investment Rating Distribution: Technology Group (as of 30 Sep 2026)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	255	62.04%	Buy	157	61.57%
Hold	82	19.95%	Hold	46	56.10%
Sell	74	18.00%	Sell	31	41.89%

Equity Investment Rating Distribution: Global Group (as of 30 Sep 2026)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	2057	57.03%	Buy	1386	67.38%
Hold	806	22.35%	Hold	563	69.85%
Sell	744	20.63%	Sell	446	59.95%

[R1] Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster[R2]
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

[R2] Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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