



## KINSUS INTERCONNECT TECHNOLOGY CORP. 2024 Annual Report

### Notice to readers

*This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

Printed in April, 23 2025

Taiwan Stock Exchange Market Observation Post System: <http://mops.twse.com.tw>

Annual Report is available at: <http://www.kinsus.com.tw>

## **The inside cover of annual report**

1. **The name, title, telephone number, and e-mail address of the spokesman or acting spokesman**
  - (1) The Spokesman  
Name: Mu, Xian Jue  
Title: Senior Project Director of Chairman Office  
Telephone number: 886-3-487-1919  
E-mail: jackmu@kinsus.com.tw
  - (2) The Acting Spokesperson  
Name: Liu, Su Zhen  
Title: Senior Director of Finance Department  
Telephone number: 886-3-487-1919  
E-mail: suejaneliu@kinsus.com.tw
2. **The address and telephone number of the Company's headquarters, branch offices, and factories**

Headquarter (Shilei Factory): No.1245, Zhonghua Rd., Xinwu Dist., Taoyuan City 327, Taiwan, R.O.C.  
Telephone number: 886-3-487-1919  
Qinghua Factory: No.810, Zhonghua Rd., Xinwu Dist., Taoyuan City 327, Taiwan, R.O.C.  
Telephone number: 886-3-487-1988  
Xinfeng Factory: No.526, Sec. 2, Jianxing Rd., Xinfeng Township, Hsinchu County 304, Taiwan, R.O.C.  
Telephone number: 886-3-557-1799  
Youth Factory: No.580, Gaoshi Rd., Yangmei Dist., Taoyuan City 326103, Taiwan, R.O.C.  
Telephone number: 886-3-487-1919
3. **The name, address, e-mail address, and telephone number of the agency handling shares transfer**

Name: Shareholder Services Department, KGI Securities  
Address: 5th Fl., No. 2, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan, R.O.C.  
Website: <https://www.kgiworld.com.tw>  
Telephone number: 886-2-2389-2999
4. **The name of the certified public accountant who duly audited the annual financial report for the most recent fiscal year, and the name, address and telephone number of said person's accounting firm**

Names of certified public accountant: Chang, Chih-ming and Chen, Kuo Shuai  
Name of accounting firm: Ernst & Young  
Address: 9th Fl., No. 333, Sec. 1, Keelung Rd., Songshan Dist., Taipei City 105, Taiwan, R.O.C.  
Website: <http://www.ey.com.tw>  
Telephone number: 886-2-2757-8888
5. **The name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities**

NA
6. **The address of the Company's website**

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

## **The contents of annual report**

	<u>Page</u>
<b>1. A report to the shareholders .....</b>	<b>1</b>
<b>2. A corporate governance report</b>	
(1) Information on the Company's directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the supervisors of all the Company's divisions and branch units .....	6
(2) The state of the Company's implementation of corporate governance.....	24
(3) Information on CPA professional fees .....	66
(4) Information on replacement of certified public accountant .....	66
(5) Where the Company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held ·	66
(6) Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report.....	67
(7) Relationship information, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another .....	68
(8) The total number of shares and total equity stake held in any single enterprise by the Company, its directors and supervisors, managers, and any companies controlled either directly or indirectly by the Company.....	69
<b>3. Information on capital raising activities</b>	
(1) Capital and shares .....	70
(2) Issuance of corporate bonds.....	77
(3) Issuance of preferred shares.....	77
(4) Issuance of global depository receipts .....	77
(5) Issuance of employee share subscription warrants .....	77
(6) Issuance of new restricted employee shares.....	78
(7) Mergers, acquisitions, and issuance of new shares due to acquisition of shares of other companies.....	85
(8) Implementation of the Company's capital allocation plans .....	85

#### **4. An overview of operations**

(1) A description of the business .....	86
(2) An analysis of the market as well as the production and marketing situation .....	94
(3) The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of printing of the annual report, their average years of service, average age, and education levels (including the percentage of employees at each level) .....	99
(4) Disbursements for environmental protection .....	100
(5) Labor relations .....	101
(6) Information security management .....	104
(7) Important contracts .....	109

#### **5. A review and analysis of the Company's financial position and financial performance, and a listing of risks**

(1) Financial position .....	110
(2) Financial performance .....	111
(3) Cash flow .....	112
(4) The effect upon financial operations of any major capital expenditures during the most recent fiscal year .....	112
(5) The Company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year .....	112
(6) The matters that the risks section shall analyze and assess during the most recent fiscal year and as they stood on the date of printing of the annual report .....	113
(7) Other important matters .....	116

#### **6. Other items deserving special mention**

(1) Information related to the Company's affiliates .....	117
(2) The status of the Company carrying out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report .....	117
(3) Other matters that require additional description .....	117
(4) Any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, occurring during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report .....	117

## **1. A report to the shareholders**

Dear Shareholders,

### **(1) 2024 Business Report**

At the beginning of 2024, the electronics market generally expects that after a one-and-a-half-year inventory adjustment period, the overall market demand will enter a growth trend of replenishing inventory. Applications including smartphones, computers, consumer electronics and automotive electronics will be the driving force and main axis of growth for the whole year, and also the tone of global market expectations. All levels of the overall semiconductor industry chain have also set their annual business plans accordingly.

At the same time, the global impact of the COVID-19 pandemic has gradually eased, and economic activities have begun to recover. This is also one of the reasons why the industry is optimistic about 2024. In 2024, global economic growth will have very different progress, and different economies will face very different problems.

Overall, the economic recovery in the post-epidemic era is not as strong as originally expected. The craze for traveling has only occurred in a few countries. During the epidemic, people have changed to a lifestyle that relies heavily on the Internet for online meetings and media social networking, which has become the norm. The network devices and terminal equipment purchased during the epidemic have met the demand. In 2024, under the dual pressure of reduced new demand and slow digestion of old inventory, consumer electronics, automotive applications, and industrial applications have not seen any improvement.

Geopolitical conflicts and risks have emerged one after another, increasing the pressure on economic recovery. On the one hand, the United States is preparing for the general election at the end of 2024, and its long-term strategy of confrontation with China has made it even more difficult for China to recover its growth in the near future amid its already weak economic development. Several domestic demand market stimulus policies have not yielded results. In the context of such a large economic recession, not only has the global demand for electronic products stalled, but it has also indirectly dragged down the growth of the European and American markets.

Amid the chaos of global political conflicts that have affected economic growth, artificial intelligence (AI) has emerged as a new force. From a positive perspective, AI has developed to the point where the architecture from learning to inference has become mainstream. Major cloud service providers (CSPs) are actively building data center hardware, and IC design customers are also competing to provide platforms and solutions with higher computing power. Ultimately, they will provide hardware and software products required for cloud computing and edge computing, providing sufficient conditions for the true widespread realization of AI. This trend in AI development is the growth of ABF substrates in the industrial practice of IC substrates.

The company's substrate revenue were still achieve an annual growth of 20.47% in the chaotic and rapidly changing market conditions in 2024, because we had truly grasped the trend of AI artificial intelligence.

Looking ahead to the next few years, the development trend of IC substrates remains positive. In Table 1, the compound growth rate of the overall substrate market from 2023 to 2028 were reach 7.6%, which is an accelerating growth trend compared to 3.1% from 2011 to 2023.

The FC BGA (generally known as ABF substrate) in the substrate products were decline by 27.5% in 2023 compared to 2022, mainly due to the decline of PC/NB. Among them, AI-related applications had grown significantly. The compound growth rate of the entire FC BGA from 2023 to 2028 will reach 8.9%, the highest among all substrate products.

Half of memory products were driven by AI, boosting demand for servers, data centers, and edge computing devices, while the other half were dragged down by sluggish demand for consumer products, with the overall compound growth rate slightly slower at 8.1%.

The CSP substrate products used in smartphones were obviously affected by the Chinese economy and were full of unpredictable variables.

Unit: USD million

	2021	2022	2023	2024F	2028F	2023/2022	2023-2028 CAAGR	2011-2023 CAAGR
FC PGA/LGA/BGA	\$7,033	\$9,265	\$6,716	\$6,445	\$10,282	-27.5%	8.9%	4.1%
FCCSP/FC-DRAM	\$2,561	\$2,767	\$1,998	\$2,285	\$2,947	-27.8%	8.1%	5.7%
WB PBGA/CSP	\$3,032	\$3,251	\$2,287	\$2,414	\$2,726	-29.6%	3.6%	-0.7%
Module	\$1,784	\$2,132	\$1,497	\$1,685	\$2,110	-29.8%	7.1%	3.8%
Total	\$14,410	\$17,415	\$12,498	\$12,829	\$18,065	-28.2%	7.6%	3.1%

Table 1: Growth Trends of IC Substrate Products (Source: Prismark, Dec. 2024)

After the results of the U.S. presidential election are finalized at the end of 2024, economies around the world, including the semiconductor industry, will adopt a more conservative view of the outlook. The bottom-up reversal trend of the industry is certain, and the subsequent impact of the general tariff increase is the biggest variable.

The Company's revenue in parent-company-only basis totaled to NT\$23,303,299 thousand in 2024, increased by 20.47% compared to NT\$19,342,946 thousand in 2023. Net income in parent-company-only basis was NT\$48,889 thousand in 2024, increased by 2.89% compared to NT\$47,516 thousand in 2023. The Company's consolidated revenue totaled to NT\$30,534,979 thousand in 2024, increased by 13.80% compared to NT\$26,832,187 thousand in 2023. The consolidated net income was NT\$1,331,050 thousand in 2024, increased by 13.73% compared to NT\$1,170,402 thousand in 2023.

## (2) Summary of 2024 business plan

### I. Business Policy

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

The IC packaging substrates industry is developing in several technological directions; For example, multi-chip Wafer, high-integration packages (Chiplet), SiP modules, integrated antenna modules, high-frequency and high-speed applications, thin lines, thinning... etc. The company's R&D department continues to grasp the direction of technological development and customer demands, and will create differentiation with technology and quality to maintain the highest competitiveness.

### II.Expected Sales and Its Sources

According to Prismark research data, between 2011 and 2023, the compound growth rate of the IC substrate market reached 3.1% (Refer to Table I). The lower growth rate is due to the slowdown in overall demand, and the revenue in each year has caused severe fluctuations due to panic in the upstream and downstream supply and demand relationships. Similarly according to Prismark research data, between 2023 and 2028, the compound growth rate of the IC substrate market reached 7.6% (Refer to Table I). The main driving force is the gradual formation and expansion of artificial intelligence applications. The company's business plan is also based on these industry development forecasts, and takes into account customer product launch and certification schedules to form sales revenue.

### III.Significant Production and Marketing Policy

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



- C. Continue to participate in customers' R&D of glass core substrates and the material systems and processes required for co-package optics.

(3) Company development strategy

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

Sincerely Yours,

KINSUS INTERCONNECT TECHNOLOGY CORP.

The Chairman	Liao, Sih-Jheng
The CEO and General manager	Chen, He-Xu

## 2. A Corporate Governance Report

(1) Information on the Company's directors, general manager, assistant general managers, deputy assistant general managers, and the supervisors of all the Company's divisions and branch units.

(a) Directors as of March 30, 2024

Title	Nationality/ Country of Origin	Name	Gender / Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse&Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note (Note11)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C	Liao, Sih-Jheng	Male 71-80	2024.5.30	3	2021.7.12	172,000	0.04%	245,000	0.05%	-	-	-	-	Bachelor degree in Industrial and Business Management /Tatung Institute of Technology Honorary Doctor of Business / Tatung University Chief Operating Officer of Pegatron Corp. Senior Vice President of UniHan Corp.	Note 1	-	-	-	
Director	R.O.C	Tong, Zi-Xian	Male 61~70	2024.5.30	3	2000.9.1	240,000	0.05%	281,200	0.06%	-	-	-	-	Computer and Communication Engineering / Taipei Tech Honorary Doctor of Engineering / Taipei Tech Vice President of Asustek Computer Corporation Chairman/PEGATRON Corp. Chairman/Kinsus Interconnect Technology Corp. Chairman/Pegavision Corp.	Note 2	-	-	-	
Director	R.O.C	Guo, Ming-Dong	Male 71-80	2024.5.30	3	2000.9.1	521,795	0.11%	521,795	0.11%	-	-	-	-	National Taipei Institute of Technology General Manager/UNICAP ELECTRONICS Chairman/Kinsus Interconnect Technology Corp.	Note 3	-	-	-	
Director	R.O.C	Chen, He-Xu	Male 51-60	2024.5.30	3	2017.5.26	403,002	0.09%	432,002	0.10%	-	-	-	-	Master of Physics/National Tsing Hua University General Manager / Kinsus Interconnect Technology Corp. Manufacturing Manager/ Motorola	Note 4	-	-	-	
Director	R.O.C	Asuspower Investment Rep: Zhang, Qian-Wei	-	2024.5.30	3	2000.9.1	55,556,221	12.23%	55,556,221	12.17%	-	-	-	-	Mechanical Engineering / National Central University PCB Equipment Design Manager of Manz Taiwan Ltd. General Manager / Kinsus Interconnect Technology Corp.	Note 5	-	-	-	
Director	R.O.C	Zhang, Qian-Wei	Male 61~70	2024.5.30	3	2021.7.12	-	-	-	-	-	-	-	-	as above	as above	-	-	-	
Director	R.O.C	Asustek Investment Rep: Wu, Xiang-Xiang	-	2024.5.30	3	2000.9.1	58,233,091	12.81%	58,233,091	12.75%	-	-	-	-	M.B.A/Univ. of St.Thomas Vice President of OFCO Industrial Corp.	Note 6	-	-	-	
Director	R.O.C	Wu, Xiang-Xiang	Female 61~70	2024.5.30	3	2003.09.01 (Note 10)	-	-	-	-	-	-	-	-	as above	as above	-	-	-	
Independent Director	R.O.C	Lee, Ming-Yu	Male 61~70	2024.5.30	3	2021.7.12	-	-	-	-	-	-	-	-	Master of Accounting Institute/National Chengchi University Partner of Hongdao & Company Independent Director & Member of audit committee & Member of compensation committee of Casetek Holdings Limited	Note 7	-	-	-	
Independent Director	R.O.C	Chen, Liang-Ji	Male 61~70	2024.5.30	3	2024.5.30	-	-	-	-	-	-	-	-	Computer Science/NCKU Doctor of Electrical Engineering & Computer Science/NCKU The founding director of the graduate institute of Electrical Engineering & Computer at NTU Industrial Technology Investment Corporation of Industrial Technology Research Institute Special appointed professor of Electrical Engineering & Computer at NTU Director of Creativity and Entrepreneurship Program at NTU Vice dean of Electrical Engineering and Computer Science at NTU The 13th and 16th National Chair Professor appointed by the Ministry of Education Chair professor at NTU Director of National Applied Research Laboratories Vice president for academic affairs at NTU Deputy minister of the Ministry of Education Minister of National Science and Technology Council	Note 8	-	-	-	
Independent Director	R.O.C	Hocheng, Hong	Male 61~70	2024.5.30	3	2024.5.30	-	-	-	-	-	-	-	-	Doctor of engineering/University of CA-Berkeley President of NTHU Vice chairman of the National Science and Technology Council at Executive Yuan Dean of the College of Engineering of NTHU Dean of student affairs of NTHU Professor of the department of Power Mechanical Engineering of NTHU	Note 9	-	-	-	

Note 1	Chairman and Deputy Chief of Strategy	Kinsus Interconnect Technology Corp.
	Group Vice President	Pegatron Corp.
	Chairman	Pegatron Vietnam Company Limited, Pegatron Technology HAI PHONG Company Limited
	President	Pegatron Japan Inc.
	Director	Pegatron Corp., AMA PRECISION INC., Asuspowers Corporation, Asuspowers Investment Co., Ltd., Piotek Holdings Ltd (Cayman), Piotek Holdings Ltd, Kinsus Holding (Samoa) Limited, Kinsus Holding (Cayman) Limited
	Executive Director	KAI-CHUAN ELECTRONICS (CHONGQING) CO., LTD.
Note 2	Chief Strategy Officer	Kinsus Interconnect Technology Corp.
	Chairman	Pegatron Corp. (also the Chief Strategy Officer), Kinsus Investment, Lumens Digital Optics Inc., Asus Investment Co. Ltd, Asuspowers Investment Co., Ltd., Asustek Investment Co. Ltd, Ri-Kuan Metal Corporation, BeautyTech Platform Corporation, FacialBeau International Corporation, Fisfisa Media Co., Ltd.
	Assistant Chairman	Fair Winds Foundation, New Frontier Foundation
	Director	Asrock Inc., Pegavision Corp., AS Fly Travel Service, Hua Wei Investment, Pega International Limited, Casetek Holdings Limited(Cayman), Pegatron Holding Ltd., Unihan Holding Ltd, Magnificent Brightness Limited, Casetek Holdings Ltd., Protek Global Holdings Ltd, Digitek Global Holdings Ltd, Kinsus Corp.(USA), Pegatron Holland Holding B.V., Powtek Holdings Limited, Cotek Holdings Limited, Grand Upright Technology Limited, Aslink Precision Co., Ltd., Q Place Creative Inc., Alliance Culture Foundation, Hanguang Education Foundation, Lung Yingtai Cultural Foundation, Huang Da-fu Medical Education Promotion Foundation, Relations Across the Taiwan Straits Development Research Foundation, Fullfoods Foundation, Bulareyaung Dance Company Foundation, Cloud Gate Culture And Arts Foundation, Lovely Taiwan Foundation, Liu Kuo-sung Foundation, Cheng Hsin General Hospital.C.F. Koo Foundation
	President	Monte Jade Science and Technology Association, Contact Lens Society of Taiwan
	Assistant President	Taiwan Climate Partnership
	Trustee	Taipei Computer Association, Institute for Biotechnology and Medicine Industry.
Note 3	Chairman	Pegavision Corp. (also the Chief Strategy Officer), Mayin Investment Co., Ltd.
	Assistant Chairman	FacialBeau International Corp., BeautyTech Platform Corp.
	Director	Pegatron Corp., Kinsus Corp.(USA), Kinsus Investment Co., Ltd., Lumens Digital Optics Inc.
	Trustee	Monte Jade Science and Technology Association.
	Executive Supervisor	Contact Lens Society of Taiwan
Note 4	CEO and GM	Kinsus Interconnect Technology Corp.
	Director	Pegavision Corp.
	Vice President	Taoyung Enterprise Chamber

	Supervisor	Monte Jade Science and Technology Association.
Note 5	CTO	Kinsus Interconnect Technology Corp.
Note 6	Deputy General Manager and Chief Investment Officer	Pegatron Corp.
	Director	Eslite Corporation, Asus Investment Co. Ltd, Asustek Investment Co. Ltd., Kinsus Investment, Pegatron Venture Capital Co., Ltd.
	Supervisor	PEGAUNIHAN TECHNOLOGY INDONESIA, PEGATRON VIETNAM COMPANY LIMITED, PEGATRON TECHNOLOGY HAI PHONG COMPANY LIMITED
Note 7	Partner	Hongdao & Company.
	Independent Director & Member of Audit Committee & Member of Compensation Committee	ASUSTEK Computer Inc.
	Executive Supervisor	Taiwan Fucoidan Development Society, Taiwan Anti-Cancer Association, Taiwan Honest Social Service Association.
	Public Welfare Supervisor	Ming Chi University of Technology, Minghsin University of Science and Technology
Note 8	Honorary Professor	Electrical Engineering & Computer at NTU
	Director	Nuvoton Technology Corporation, Ganzin Technology, Inc., Himax Technologies, Inc.(USA)
	Independent Director	Vanguard International Semiconductor Corporation, Qisda Corporation, Everlight Electronics Co., Ltd.
Note 9	Professor	Mei Yi-chi Honorary Chair
Note 10		On September 1, 2003, Ms. Wu, Xiang-Xiang served as the company's director or supervisor for the first time. On July 12, 2021, the shareholders' regular meeting comprehensively re-elected directors, and the legal person directors re-appointed representatives. Ms. Wu, Xiang-Xiang stopped serving as the company's director. Later, at the shareholders' regular meeting on May 30, 2024, the directors were comprehensively re-elected. Ms. Wu, Xiang-Xiang served as the legal representative of Asustek Investment Co. Ltd..
Note 11		The chairman of the Company and the general manager or equivalent (the top manager) are the same person, relatives of each other, such as spouse or one parent, should explain the reasons, rationality, necessity and corresponding measures (such as increasing the number of independent directors) and should be more than half of the directors who do not serve as employees or managers, etc.) related information: Not applicable.

### Major shareholders of the institutional shareholders

As of March 30, 2025

Name of the Company's institutional shareholder	Major Shareholders of the Company's institutional shareholder
Asuspower Investment Co., Ltd	Pegatron Corp. (100.00%)
Asustek Investment Co., Ltd	Pegatron Corp. (100.00%)

### Major shareholders of the Company's institutional shareholders

As of July 3, 2024

Name of major institutional shareholders of the Company's institutional shareholder	Major Shareholders, if institutional, of major institutional shareholders of the Company's institutional shareholder	Shareholding ratio
Pegatron Corp.	Asustek Computer Incorporation (Representative: Tsung-Tang, Shih)	16.84
	Tong, Zi-Xian	3.56
	Fuh Hwa Taiwan Technology Dividend Highlight ETF	2.95
	Yuanta Taiwan Dividend Plus ETF Account	2.77
	Yuanta Taiwan Value High Dividend ETF	2.64
	Tsung-Tang, Shih	2.52
	Shih-Chang, Hsu	2.12
	HSBC Custody Account of Morgan Stanley International Limited	1.83
	New Labor Retirement Fund	1.71
	Cathay United Bank Custody Professional Alliance Company Investment Account	1.45

### Professional qualifications and independence analysis of directors

#### (a) Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

Name \ Qualification	Professional Qualification and Work Experience (Remark 1)	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Liao, Sih-Jheng	Bachelor degree in Industrial and Business Management / Tatung Institute of Technology	N/A	-
	Honorary Doctor of Business / Tatung University		
	Chief Operating Officer/PEGATRON Corp.		
	Senior Vice President/Unihan Corp.		
	Commercial and corporate business experience		
Tong, Zi-Xian	Computer and Communication Engineering / Taipei Tech	N/A	-
	Honorary Doctor of Engineering / Taipei Tech		
	Vice President of Asustek Computer Corporation		
	Chairman/PEGATRON Corp.		
	Chairman/Kinsus Interconnect Technology Corp.		
	Chairman/Pegavision Corp.		
	Commercial and corporate business experience		
Guo, Ming-Dong	National Taipei Institute of Technology	N/A	-
	General Manager/UNICAP ELECTRONICS		
	Chairman/Kinsus Interconnect Technology Corp.		
	Commercial and corporate business experience		
Chen, He-Xu	Master of Physics / National Tsing Hua University	N/A	-
	General Manager / Kinsus Interconnect Technology Corp.		
	Manufacturing Manager / Motorola		
	Commercial and corporate business experience		

<div> <div>Qualification</div> <div>Name</div> </div>	Professional Qualification and Work Experience (Remark 1)	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Zhang, Qian-Wei	Mechanical Engineering / National Central Univ.	N/A	-
	PCB Equipment Design Manager / Manz Taiwan Ltd.		
	General Manager / Kinsus Interconnect Technology Corp.		
	Commercial and corporate business experience		
Wu, Xiang-Xiang	M.B.A/Univ. of St.Thomas	N/A	-
	Vice President / OFCO Industrial Corp.		
	Commercial, Finance, Accounting and corporate business experience		
Lee, Ming-Yu	Master of Accounting Institute/National Chengchi University	<ul style="list-style-type: none"> <li>● Not the managers of the Company and related companies.</li> <li>● I, my spouse, and relatives up to the second degree have not served as directors, supervisors, or employees of the company or its affiliated companies.</li> <li>● I and my spouse do not hold company shares.</li> <li>● Does not have a spouse or relative within the second degree of relationship with other directors.</li> <li>● Not serving as a director, supervisor or employee of a company that has a specific relationship with the company.</li> <li>● Has not provided business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.</li> </ul>	1
	Hongdao Certified Public Accountants		
	Independent Director, Audit Committee Member and Remuneration Committee Member/Casetek Holdings Limited		
	Commercial, Finance, Accounting and corporate business experience		
Chen, Liang-Ji	Computer Science/NCKU Doctor of Electrical Engineering & Computer Science/NCKU		3
	The founding director of the graduate institute of Electrical Engineering & Computer at NTU		
	Industrial Technology Investment Corporation of Industrial Technology Research Institute		
	Special appointed professor of Electrical Engineering & Computer at NTU		

<div> <div>Qualification</div> <div>Name</div> </div>	Professional Qualification and Work Experience (Remark 1)	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	<div>Director of Creativity and Entrepreneurship Program at NTU</div> <div>Vice dean of Electrical Engineering and Computer Science at NTU</div> <div>The 13th and 16th National Chair Professor appointed by the Ministry of Education</div> <div>Chair professor at NTU</div> <div>Director of National Applied Research Laboratories</div> <div>Vice president for academic affairs at NTU</div> <div>Deputy minister of the Ministry of Education</div> <div>Minister of National Science and Technology Council</div> <div>Commercial, corporate business and academic research experience</div>		
Hocheng, Hong	<div>Doctor of engineering/University of CA-Berkeley</div> <div>President of NTHU</div> <div>Vice chairman of the National Science and Technology Council at Executive Yuan</div> <div>Dean of the College of Engineering of NTHU</div> <div>Dean of student affairs of NTHU</div> <div>Professor of the department of Power Mechanical Engineering of NTHU</div> <div>Academic research experience</div>		-

Remark 1: Not been a person of any conditions defined in Article 30 of the Company Law.



## (b) Diversity of Board Members:

The Company's "Corporate Governance Code of Practice" has a policy of diversification of board members, including but not limited to two aspects: basic conditions and values (gender, age, nationality and culture, etc.) and professional knowledge and skills, hoping to bring the board of directors has more visions from different angles and strengthen the functions of the board of directors. Their background covers professional fields such as business management, computer communication, physics, computer science, machinery, electronic engineering, and financial accounting, and they have the knowledge, skills, and accomplishments necessary to perform their duties, including operational judgment, industrial experience, leadership decision-making, and operational judgment, etc.

The Company's board of directors attaches great importance to gender equality and aims to have at least one member of a different gender. In the future, it will continue to strive to increase the proportion of female directors. The board diversity policy is implemented as follows:

Diversified Item Name	Nationality	Gender	Employees of the company	Age			Seniority			Management	Accounting	Commerce	Crisis management	Industry knowledge	International Market Perspective	Leadership decisions	Operational judgment
				51~60	61~70	Above 70	Less than 3 years	3~9 years	More than 9 years								
Liao, Sih-Jheng	R.O.C	male	v			v				v		v	v	v	v	v	v
Tong, Zi-Xian	R.O.C	male	v		v					v		v	v	v	v	v	v
Guo, Ming-Dong	R.O.C	male				v				v		v	v	v	v	v	v
Chen, He-Xu	R.O.C	male	v	v						v		v	v	v	v	v	v
Zhang, Qian-Wei	R.O.C	male	v		v					v		v	v	v	v	v	v
Wu, Xiang-Xiang	R.O.C	female			v					v	v	v	v	v	v	v	v
Lee, Ming-Yu	R.O.C	male			v			v		v	v	v	v	v	v	v	v
Chen, Liang-Ji	R.O.C	male			v		v			v		v	v	v	v	v	v
Hocheng, Hong	R.O.C	male			v		v			v			v	v	v	v	v

Remark: 1. For professional qualifications and experience of directors, please refer to page 10 to 12 for details on the professional qualifications of directors and the disclosure of information on the independence of independent directors.

Among the nine directors of the company, four directors with employee status account for 44%, three independent directors account for 33%, and one female director accounts for 11%; the term of office of two independent director is less than three years, and other one independent directors have a term of office of between three and nine years. And none of them has a spouse or a second-degree relative who serves as a director of the company, which meets the requirements of Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

## (b) The general manager, assistant general managers, deputy assistant general managers and the chief of all the Company's divisions and branch units

As of March 30, 2025

Title	Nationality/ Country of Origin	Name	Gender/ Age	Date Elected	Current Shareholding		Spouse&Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
CSO	R.O.C	Tong, Zi-Xian	Male	2014.11.01	281,200	0.06%	-	-	-	-	Computer and Communication Engineering / Taipei Tech Honorary Doctor of Engineering / Taipei Tech Vice President of Asustek Computer Corporation Chairman/PEGATRON Corp. Chairman/Kinsus Interconnect Technology Corp. Chairman/Pegavision Corp.	Page 7/Note 2	-	-	-	
Chairman and deputy CSO	R.O.C	Liao, Sih-Jheng	Male	2022.05.01	245,000	0.05%	-	-	-	-	Bachelor degree in Industrial and Business Management / Tatung Institute of Technology Honorary Doctor of Business / Tatung University Chief Operating Officer of Pegatron Corp. Senior Vice President of Unihan Corp.	Page 7/Note 1	-	-	-	
CEO and GM	R.O.C	Chen, He-Xu	Male	2000.09.11	432,002	0.10%	-	-	-	-	Master of Physics/National Tsing Hua University General Manager / Kinsus Interconnect Technology Corp. Manufacturing Manager/ Motorola	Page 7 to 8/Note 4	-	-	-	
CTO	R.O.C	Zhang, Qian-Wei	Male	2000.09.11	44,000	0.01%	-	-	-	-	Mechanical Engineering / National Central University PCB Equipment Design Manager of Manz Taiwan Ltd. General Manager / Kinsus Interconnect Technology Corp.	N/A	-	-	-	

English Translation of The Annual Report Originally Issued in Chinese

Title	Nationality/ Country of Origin	Name	Gender/ Age	Date Elected	Current Shareholding		Spouse&Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Senior Assistant GM	R.O.C	Huang, Geng Fang	Male	2005.08.01	345,875	0.08%	-	-	-	-	Ta Hwa Univ, of Science&Technology Senior Manager/MITAC Int'l Corp.	N/A	-	-	-	
Senior Assistant GM	R.O.C	Huang, Sheng Chuan	Male	2015.02.01	18,800	0.00%	-	-	-	-	Mechanical Engineering/Univ, of Cambridge Senior Manager/UNICAP Electronics	N/A	-	-	-	
Assistant GM	R.O.C	Lin, Zhi-Wei	Male	2001.03.01	39,109	0.01%	-	-	-	-	Material Science & Enginnering/Qinghua Univ. QC Manager/AU Optronics Crop	N/A	-	-	-	
Assistant GM	R.O.C	Wu, Wei-Wen	Male	2016.09.01	Note 1											
Assistant GM	R.O.C	Zhuang, Da Zhong	Male	2019.09.16	81,600	0.02%	-	-	-	-	Master of Business Management/Royal Roads University Department Director/United Microelectronics Corp.	N/A	-	-	-	
Assistant GM	R.O.C	Lee, An Tang	Male	2021.02.01	90,100	0.02%	60	0.00%	-	-	Institute of Chemistry/National Taiwan Normal University Assistant of Chemistry/National Taiwan Normal University	N/A	-	-	-	
Finance Supervisor	R.O.C	Liu, Su-Zhen	Female	2010.08.01	87,000	0.02%	-	-	-	-	M.B.A/National Central Univ. Junior Manager/EY Accounting Firm	Supervisor of Kinsus Interconnect Technology Suzhou Corp. Director of Zhuhe Investment Co., Ltd.	-	-	-	

Note: When the manager or equivalent (the top manager) and the chairman are the same person, relatives such as spouse or first relative, they should disclose the reasons, rationality, necessity and corresponding measures (such as increasing the number of independent directors more than half of the directors have not served as employees or managers.): Not applicable.

Note 1 : The Assistant General Manager, Wu, Wei-Wen, resigned on January 25, 2025.

## (c) Remuneration paid during 2024 to directors, the general manager, and assistant general manager

## Remuneration to directors(including independent directors)

Unit: NT\$'000

Title (Rmk12)	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income %(Rmk10)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income %(Rmk10)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or Parent company (Rmk11)		
		Base Compensation (A) (Rmk.2)		Severance Pay (B)		Bonus to Directors (C) (Rmk.3)		Allowances(D) (Rmk.4)				Salary, Bonuses, and Allowances (E) (Rmk5)		Severance Pay Profit (F)		Profit Sharing- Employee Bonus (G) (Rmk6)								
		The Company	Companies in the consolidated financial statements (Rmk7)	The Company	Companies in the consolidated financial statements (Rmk7)	The Company	Companies in the consolidated financial statements (Rmk7)	The Company	Companies in the consolidated financial statements (Rmk7)	The Company	Companies in the consolidated financial statements (Rmk7)	The Company	Companies in the consolidated financial statements (Rmk7)	The Company	Companies in the consolidated financial statements (Rmk7)	The Company		Companies in the consolidated financial statements (Rmk8)		The Company	Companies in the consolidated financial statements (Rmk7)			
Chairman	Liao, Sh-Jheng																							
Director	Tong, Zi-Xian																							
Director	Guo, Ming-Dong																							
Director	Chen, He-Xu																							
Director	Asuspower Investment	-	800	-	-		15,423	-	1,708	-%	36.68%	12,902	22,072	216	216	290	-	14,270	-	27.43%	111.45%			
Director	Asuspower Investment Rep.: Zhang, Qian-Wei																							
Director	Asustek Investment																							
New Director	Asustek Investment Rep.: Wu, Xiang-Xiang																							
Director Dismissal	Asustek Investment Rep.: Zeng, Guang-Zhi																							
Independent Director	Lee, Ming-Yu	-	-	-	-		-	3,240	3,240	6.63%	6.63%	-	-	-	-	-	-	-	-	6.63%	6.63%			
New Independent Director	Chen, Liang-Ji																							
Director	Hocheng, Hong																							
Independent	Wu, Hui-Huang																							
Director Dismissal	Chen, Jin -Cai																							

## Note:

1. Compensation to directors and employee for 2024 has been approved by a board meeting held on 2025/2/17 and will be reported in the coming shareholders' meeting on 2025/05/28.
2. The Severance pay listed above is an accrual while the actual payment is zero.

\*Please state the policy, system, standards and structure of independent directors' remuneration payment and according to the responsibilities, risks, time invested and other factors, describe the relevance to the amount of remuneration:

It is reference to the normal level of the industry, and in accordance with the "Director's Remuneration Payment Method" to consider the value of participation and contribution to the company's operations, and pay independent directors' salary and remuneration.

\*In addition to the above table, the directors who provided services for all companies in the financial report (such as consultants who are non-employees) received zero remuneration in the recent year.

Range of Remuneration

Range of Remuneration	Name of director			
	The total amount of the first four remunerations(A+B+C+D)		The total amount of the first seven remunerations(A+B+C+D+E+F+G)	
	The Company (Remark 8)	All companies in the financial report (Remark 9) H	The Company (Remark 8)	All companies in the financial report (Remark 9) I
Under NT\$1,000,000	Liao, Sih-Jheng Tong, Zi-Xian Guo, Ming-Dong Chen, He-Xu Zhang, Qian-Wei Wu, Xiang-Xiang Zheng Guang-Zhi Asuspower Investment Asustek Investment Chen, Liang-Ji Hocheng, Hong Wu, Hui-Huang Chen, Jin-Cai	Liao, Sih-Jheng Zhang, Qian-Wei Wu, Xiang-Xiang Zheng Guang-Zhi Asustek Investment Chen, Liang-Ji Hocheng, Hong Wu, Hui-Huang Chen, Jin-Cai	Liao, Sih-Jheng Tong, Zi-Xian Guo, Ming-Dong Wu, Xiang-Xiang Zheng Guang-Zhi Asuspower Investment Asustek Investment Chen, Liang-Ji Hocheng, Hong Wu, Hui-Huang Chen, Jin-Cai	Asustek Investment Chen, Liang-Ji Hocheng, Hong Wu, Hui-Huang Chen, Jin-Cai
NT\$1,000,000 ~ NT\$2,000,000	Lee, Ming-Yu	Chen, He-Xu Lee, Ming-Yu	Lee, Ming-Yu	Lee, Ming-Yu
NT\$2,000,000 ~ NT\$3,500,000	-	Asuspower Investment	-	Asuspower Investment
NT\$3,500,000 ~ NT\$5,000,000	-	Tong, Zi-Xian	-	-
NT\$5,000,000 ~ NT\$10,000,000	-	Guo, Ming-Dong	Chen, He-Xu Zhang, Qian-Wei	Chen, He-Xu Zhang, Qian-Wei
NT\$10,000,000 ~ NT\$15,000,000	-	-	-	-
NT\$15,000,000 ~ NT\$30,000,000	-	-	-	Tong, Zi-Xian Wu, Xiang-Xiang Zheng, Guang-Zhi
NT\$30,000,000 ~ NT\$50,000,000	-	-	-	Liao, Sih-Jheng Guo, Ming-Dong
NT\$50,000,000 ~ NT\$100,000,000	-	-	-	-
Over NT\$100,000,000	-	-	-	-
Total	14(Note 13)	14(Note 13)	14(Note 13)	14(Note 13)

Remark:

1. Director should be disclosed separately (Legal person shareholders shall list the names of legal person shareholders and their representatives separately), and the payment should be displayed in a consolidation. The board directors who also act as Chairman or GM should fill in this form and the following Form (3-1) or (3-2-1) and (3-2-2).
2. Refers to the latest remuneration of the Directors which include basic base compensation, professional allowance, everance pay, various bonuses, and rewards, etc.
3. Fill in the latest amount of directors' remuneration approved by the board of directors.
4. Refers to the Director's relevant business execution expenses in the most recent year. (including carriage fees, special expenses, various allowances, dormitories, car allocation, etc.) The allowances which include housing, cars, and the other vehicles should be listed the nature and the cost of asset on actual or market value. If accompanied with drivers, the drivers' salary shall be remarked but excluded from the persons' compensation.
5. Refers to the latest directors who are also be the employees (including part-time GM, assistant GM, other managers and employees) received including salary, job bonus, severance payment, various bonuses, incentives, carriage fees, special expenses, various allowances, dormitories, car distribution and other physical provision and so on. The allowances which include housing, cars, and the other vehicles should be listed the nature and the cost of asset on actual or market value. If accompanied with drivers, the drivers' salary shall be remarked but excluded from the persons' compensation. In addition, acquiring employee stock options, employee's restricted stocks right and the right to subscribe in cash offerings shall be taken into consideration in recognizing the compensation cost based on IFRS#2, Share-based Compensation.
6. Refers to the consolidated remuneration which include stock bonus and cash bonus received by the Directors who are also be the employees (including part-time GM, assistant GM, other managers and employees) should be disposed the approved number in board meeting before shareholder meeting. If unable to forecast, take reference to the last year, and fill in the Form 1-3.
7. Disposed the consolidated payment of our company and all the other companies in this report.
8. The payment to all the Director by our company would be disclosed in the form of range of remuneration.
9. The payment to all the Director by our company and the other companies should be disclosed in the form of range of remuneration.
10. The after-tax net profit refers to the one happened in personal or individual financial statement in the latest year.
11. a. This column should dispose the remuneration to the Director from our affiliates and the other investments or parent company.  
b. The remuneration to the Director from our affiliates and the other investments should be included in column and defined as other investment.  
c. The remuneration received by Director from our subsidiaries and the other investments other than the Company's in the positions of the board director, supervisor, or manager which include honorarium, special disbursement, and the other allowances.
12. Re-election of directors on May 30, 2024.
13. It includes five re-elected natural person directors, two re-elected juristic person directors, one re-elected juristic person representatives, two dismissed natural person directors, one dismissed juristic person directors, two newly appointed natural person directors and one newly appointed juristic person representatives.

\*The forms here are for information disposal, not applicable for taxation if conflicts aroused with law.

Remuneration of the general manager and assistant general managers

Unit: NT\$'000

Title	Name	Base Compensation (A) (Remark 2)		Severance Pay (B)		Bonus and Special Allowance (Remark 3)		Disposition of Net Earnings (D) (Remark 4)				Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Remark 8)		Compensation Paid to Supervisors from an Invested Company Other than the Company's Subsidiary Or parent company (Remark 9)
		The Company	Companies in the consolidated financial statements (Remark 5)	The Company	Companies in the consolidated financial statements (Remark 5)	The Company	Companies in the consolidated financial statements (Remark 5)	The Company		Companies in the consolidated financial statements (Remark 5)		The Company	Companies in the consolidated financial statements (Remark 5)	
								Cash	Stock	Cash	Stock			
CSO	Tong, Zi-Xian	28,326	28,326	864	864	5,718	5,718	476	-	476	-	72.38%	72.38%	57,495
CEO and Deputy CSO	Liao, Sih-Jheng													
CEO and GM	Chen, He-Xu													
CTO	Zhang, Qian-Wei													
Senior Assistant GM	Huang, Geng-Fang													
Senior Assistant GM	Huang, Sheng-Chuan													
Assistant GM	Lin, Zhi-Wei													
Assistant GM	Wu, Wei-Wen (Note 10)													
Assistant GM	Zhuang, Da-Zhong													
Assistant GM	Lee, An-Tang													

\*It is required to be disclosed for a position equivalent to the General Manager, Assistant General Manager (example: President, CEO, Executive supervisor, etc.)

Note:

1. Compensation to directors and employee for 2024 has been approved by a board meeting held on 2025/02/17 and will be reported in shareholders' meeting on 2025/05/28.
2. The retirement pay listed above is based on an accrual only while the actual payment was zero.

Range of Remuneration

Range of Remuneration	Name of the general manager and assistant general managers	
	The Company(Remark 6)	Parent company and invested company (Remark 7)
Under NT\$1,000,000	Tong, Zi-Xian Liao, Sih-Jheng	-
NT\$1,000,000 ~ NT\$2,000,000	-	-
NT\$2,000,000 ~ NT\$3,500,000	-	-
NT\$3,500,000 ~ NT\$5,000,000	Huang, Geng-Fang Huang, Sheng-Chuan Lin, Zhi-Wei Wu, Wei-Wen Zhuang, Da-Zhong Lee, An-Tang	Huang, Geng-Fang Huang, Sheng-Chuan Lin, Zhi-Wei Wu, Wei-Wen Zhuang, Da-Zhong Lee, An-Tang
NT\$5,000,000 ~ NT\$10,000,000	Chen, He-Xu Zhang, Qian-Wei	Chen, He-Xu Zhang, Qian-Wei
NT\$10,000,000 ~ NT\$15,000,000	-	-
NT\$15,000,000 ~ NT\$30,000,000	-	Tong, Zi-Xian
NT\$30,000,000 ~ NT\$50,000,000	-	Liao, Sih-Jheng
NT\$50,000,000 ~ NT\$100,000,000	-	-
Over NT\$100,000,000	-	-
Total	10	10

Remark:

1. GM, assistant GM should be disclosed separately, and the payment should be displayed in a consolidation. The board directors who also act as Chairman or GM should fill in this form and the following Form (1-1) or (1-2-1) and (1-2-2).



2. Refers to the latest pay of the GM, assistant GM which include basic base compensation, professional allowance, and severance pay.
3. Refers to the consolidated allowances of the GM, assistant GM which include honorarium, special disbursement, and the other allowances. The allowances which include housing, cars, and the other vehicles should be listed the nature and the cost of asset on actual or market value. If accompanied with drivers, the drivers' salary shall be remarked but excluded from the persons' compensation. In addition, acquiring employee stock options, employee's restricted stocks right and the right to subscribe in cash offerings shall be taken into consideration in recognizing the compensation cost based on IFRS#2, Share-based Compensation.
4. Refers to the consolidated remuneration received by the GM, assistant GM who are which include stock bonus and cash bonus should be disposed the approved number in board meeting before shareholder meeting. If unable to forecast, take reference to the last year, and fill in the Form 1-3. The after-tax net profit refers to the one happened in personal or individual financial statement in the latest year.
5. Disposed the consolidated payment of our company and all the other companies in this report.
6. The payment to all the GM, assistant GM by our company would be disclosed in the form of range of remuneration.
7. The payment to all the GM, assistant GM by our company and the other companies should be disclosed in the form of range of remuneration.
8. The after-tax net profit refers to the one happened in personal or individual financial statement in the latest year.
9. a. This column should dispose the remuneration to the GM, assistant GM from our affiliates and the other investments or parent company.  
b. The remuneration to the GM, assistant GM from our affiliates and the other investments should be included in column and defined as other investment.  
c. The remuneration received by GM, assistant GM from our subsidiaries and the other investments other than the Company's in the positions of the board director, supervisor, or manager which include honorarium, special disbursement, and the other allowances.
10. The Assistant General Manager, Wu, Wei-Wen, resigned on January 25, 2025.

\*The forms here are for information disposal, not applicable for taxation if conflicts aroused with law.

The name of each individual and the corresponding remuneration amount

Unit: NT\$'000

	Title	Name	Stock Bonus	Cash Bonus	Total	% of Net income (%)
Managers	CSO	Tong, Zi-Xian	-	476	476	0.97%
	Chairman and deputy CSO	Liao, Sih-Jheng				
	CEO and GM	Chen, He-Xu				
	CTO	Zhang, Qian-Wei				
	Senior Assistant GM	Huang, Geng-Fang				
	Senior Assistant GM	Huang, Sheng-Chuan				
	Assistant GM	Lin, Zhi-Wei				
	Assistant GM	Wu, Wei-Wen(Note 5)				
	Assistant GM	Zhuang, Da-Zhong				
	Assistant GM	Lee, An-Tang				
	Finance Supervisor	Liu, Su-Zhen				

Note: Compensation to directors and employee for 2024 has been approved by a board meeting held on 2025/02/17 and will be reported in the coming shareholders' meeting held on 2025/05/28.

## Remark:

- Names and titles should be disclosed individually and the earning distribution may be disclosed in consolidation.
- The earnings distribution for the managers approved in board meeting which include stock bonus and cash bonus will be estimated by the numbers given last year. The after-tax net profit refers to the one happened in personal or individual financial statement in the latest year.
- Scope of application of the Manager is regulated by TWSE file No.0920001301 on March 27, 2003 and defined as : (1) President and equivalent rank (2) Vice President and equivalent rank (3) Junior President and equivalent rank (4) Financial Supervisor (5) Accounting Supervisor (6) Other signed for management services and the rights of man.
- Board directors, GM and assistant GM who receive employee bonuses (including stock dividends and cash bonus) should fill in this form and Form1-2.
- The Assistant General Manager, Wu, Wei-Wen, resigned on January 25, 2025.

- (d) 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 this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.
- a. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, presidents and vice presidents of the Company, to the net income.

Unit: NT\$'000

Year Title	2024		2023	
	Total remuneration	Total remuneration to net income (%)	Total remuneration	Total remuneration to net income (%)
Director	3,240	6.63%	3,240	6.82%
GM and Assistant GM	35,384	72.38%	43,728	92.03%

- b. According to Articles 24 of the Company's Articles of Incorporation, not lower than 10% of profit of the current year is distributable as employees' compensation and no higher than 1% of profit of the current year is distributable as remuneration to directors and supervisors. The compensation committee will make recommendations on directors' remuneration and employees' compensation, then submit to the Board of Directors for approval, and in addition, a report of such distribution is submitted to the shareholders' meeting. The company has formulated the "Director's Remuneration Payment Method". Directors and independent directors who do not hold positions within the group receive fixed remuneration regardless of the company's profit or loss. Directors who hold positions in the group shall be given reasonable remuneration, which was considered of their positions in the company, their representative positions as directors of subsidiaries, and the degree of participation and profit situation in the company's operations. The manager's remuneration is the monthly salary specified in the salary management regulations, and the year-end/quarter bonuses are issued according to the operating conditions of the current year/quarter. The bonuses and employee remuneration that are not wages are paid according to their grades, administrative or technical positions, and individuals negotiated remuneration for work performance. The aforementioned policies, standards and combinations of the remuneration of the directors and managers of the company shall be performed by the Compensation Committee, and its recommended directors and managers' remuneration shall be submitted to the board of directors for discussion.

## (2) The state of the Company's implementation of corporate governance

## (A) The state of operations of the board of directors

A total of 6 (A) meetings of the Board of Directors were held in 2024. The attendance of directors was as follows:

Title	Name (Remark 1)	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B / A】 (Remark 2)	Note
Chairman	Liao, Sih-Jheng	6	0	100%	Re-elected
Director	Tong, Zi-Xian	5	1	83%	Re-elected
Director	Guo, Ming-Dong	6	0	100%	Re-elected
Director	Chen, He-Xu	6	0	100%	Re-elected
Director	Asuspower Investment Representative: Zhang, Qian-Wei	6	0	100%	Re-elected
Director	Asustek Investment Representative: Wu, Xiang-Xiang / Zheng, Guang-Zhi	4 / 2	0	100%	Re-elected (New representative of juristic person / Old representative of juristic person)
Independent director	Lee, Ming-Yu	6	0	100%	Re-elected
Independent director	Chen, Liang-Ji	2	2	50%	New
Independent director	Hocheng, Hong	4	0	100%	New
Independent director	Wu, Hui-Huang	2	0	100%	Old
Independent director	Chen, Jin-Cai	2	0	100%	Old

The Company held the ninth Board of Directors election at the annual general meeting of shareholders held on May 30, 2024. The term is May 30, 2024 to May 29, 2027.

## Other mentionable items:

1. The date of board meeting, the term, the content of proposal in board meeting, the opinions of all independent directors, and the Company's response or action to the independent directors' opinions shall be specified in the meeting minutes if one of the following situations is met:

- (1) The items listed in Article #14-3 of Security Act. Please refer to pages 63 to 65 of the important resolutions of the Board of Directors.
- (2) In addition to Item #(1) above, those resolutions accompanying with independent directors' written objection or qualification.  
(None)

2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

- (1) Date: 2024/07/29

Contents of motion: Suggested proposal for managers' remuneration disbursement for 2024, proposed annual salary adjustment for managers for 2024 of the company, and the company's issuance of new restricted employee shares for the second time in 2023.

The directors of conflict of interest: Honorary Chairman Tong, Zi-Xian, Chairman Liao, Sih-Jheng and Director Chen, He-Xu, Director Zhang, Qian-Wei

Reason: According to Article 15 of “Rules of Procedure for Board of Directors Meeting”, Honorary Chairman Tong, Zi-Xian, Liao, Chairman Liao, Sih-Jheng, Director Chen, He-Xu, Director Zhang and Qian-Wei, are managers in the company, they may not participate in discussion or voting on that agenda.

Conclusion: 9 directors attended, and 4 persons were deducted due to conflict of interest. The voting result was 5 people favorable. The proposal was approved.

(2) Date: 2024/12/30

Contents of motion: Suggested proposal for the number of months for disbursement of managers year-end bonuses for 2024 of the company.

The directors of conflict of interest: Honorary Chairman Tong, Zi-Xian, Liao, Chairman Liao, Sih-Jheng, Director Chen, He-Xu, Director Zhang and Qian-Wei

Reason: According to Article 15 of “Rules of Procedure for Board of Directors Meeting”, honorary chairman Tong, Zi-Xian, Chairman Liao, Sih-Jheng, Chen, He-Xu, Zhang, Qian-Wei are managers in the company, they may not participate in discussion or voting on that agenda. They have no interest in the matters of this meeting, so there is no reason to avoid it.

Conclusion: 9 directors attended, and 4 persons were deducted due to conflict of interest. The voting result was 5 people favorable. The proposal was approved.

3. TWSE and TPEx Listed companies should disclose information on the evaluation cycle and period, evaluation scope, methods, and evaluation contents of the board's self (or peer) evaluation, and fill out the schedule for the implementation of the board's evaluation: Refer to Note 1.

4. Measures taken to strengthen the functionality of the board:

(1) The Company has established the “Rules of Procedure for Board of Directors Meeting” for compliance, and entered the attendance of directors and the training situation at the Market Observation Post System.

(2) The audit committee consists of three independent directors and shall meet at least quarterly. The audit committee is responsible for the implementation of auditing the company's financial statements, the election and relieved of the certified public accountant, independence and performance, effective implementation of the company's internal control, the company's compliance with relevant laws and regulations and the company's existing or potential risks.

(3) The remuneration Committee consists of three independent directors and shall meet twice a year. The remuneration Committee is responsible for reviewing the procedures and proposing amendments, setting and reviewing the annual and long-term performance targets and salary remuneration policies, systems, standards and structures of the directors and managers of the Company and regularly assessing the individual salary remuneration.

Remark:

1. Director or supervisor, who is an institutional shareholder and its representative, should be revealed of the names.
2. (1) Supervisors resigning prior to the end of the year should be indicated in the notes column the date of resign. The actual attendance rate (%) is calculated based on the accumulation of attendance in Board meeting divided by the times of board meeting before his/her resigning.  
(2) For any re-election of director/supervisor, the old and the new one should be revealed with remarks and the actual attendance rate (%) based on the accumulation of attendance in board meeting divided by the times of board meeting after his/her election.

Note 1:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content	Evaluation result
Execute once a year	The performance of the board of directors from January 1, 2024 to December 31, 2024 was evaluated.	Including the performance evaluation of the entire Board of Directors, individual directors, and functional committees. (Functional committees include audit committee and remuneration committee)	Evaluate the Performance by Self-evaluation in the Board of Directors, Self-evaluation by the Members of the directors, or other appropriate way.	(1)Performance evaluation of Board of Directors: including the participation of company operation, upgrading the quality of Board of Director's decisions, the composition and structure of Board of Directors, directors selection and continuing education, and Internal Control, etc. (2)Performance evaluation of directors: including mastery of company goals and tasks, awareness of directors' responsibilities, participation in company operations, internal relationship management and communication, directors' professional and continuing education, internal control, etc. (3)Performance evaluation of functional committee: including the degree of participation in the company's operations, awareness of the responsibilities of the functional committee, improvement of the decision-making quality of the functional committee, the composition of the functional committee and the selection of members, internal control, etc.	The company has completed the performance evaluation of the board of directors in 2024, and the board of directors will report the evaluation results on February 17, 2025. The performance evaluation results of the board of directors are outstanding, the performance evaluation results of board members are excellent, and the evaluation results of functional committees (including the audit committee and remuneration committee) are outstanding. Overall, the board of directors and functional committees are operating well, and most of the evaluation indicators are positive. We will continue to strengthen the operational efficiency of the board of directors and functional committees to implement corporate governance.

Remark:

1. According to the Company's "Procedure for Board of Directors and Functional Committees Performance Evaluation", an external professional independent organization or team of external expert scholars should be appointed at least once every three years to conduct the performance evaluation of the board of directors.
2. In 2023, the Company engaged the external professional independent organization, Diwan International Management Consulting Inc. to conduct the performance evaluation of the board of directors for 2022. The evaluation report was issued on July 31, 2023, indicating excellent performance. The external performance evaluation report for the Board of Directors and Functional Committees was presented at the board meeting on January 29, 2024.

## (B) The state of operations of the Audit Committee

A total of 5 (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】 (Remark 1 and 2)	Note	
Independent director (Convener)	Lee, Ming-Yu	5	0	100%	Re-elected	The company has elected the eighth director of the board of directors at the annual general meeting of shareholders held on May 30, 2024, and the audit committee was composed by new independent directors.
Independent director	Chen, Liang-Ji	1	2	33%	New	
Independent director	Hocheng, Hong	3	0	100%	New	
Independent director (Convener)	Wu, Hui-Huang	2	0	100%	Old	
Independent director	Chen, Jin-Cai	2	0	100%	Old	

Other mentionable items:

- The date of board meeting, the term, the content of proposal in board meeting, contents of independent directors' objections, reservations or major proposals, and the Company's response or action to the independent directors' opinions shall be specified in the meeting minutes if one of the following situations is met:
  - The items listed in article #14-5 of Security Act. Refer to Note 1.
  - In addition to Item # (1) above, those resolutions accompanying with independent directors' written objection or qualification. (None)
- If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: NA
- Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the items, methods and results of audits of corporate finance or operations, etc.) The independent directors periodically meet with the internal auditors and CPAs for reviewing operational performance, financial statements, internal control, as well as internal audit plan and execution. In addition to internal auditors' reports, the independent directors also obtained auditors' review or audit reports. The communications were recorded in audit committee meeting minutes and reported the material items or resolutions to the board of directors periodically. It included:
  - The CPA will report the financial report audit or review results and the implementation of internal control, and fully communicate whether there is any major adjustment entry or whether the amendment of the law affects the accounting situation.
  - Regularly evaluate the independence and suitability of CPA every year.
  - For other communication matters required by relevant laws and regulations, the CPA will cooperate to provide necessary information and explanations.
  - The internal audit unit of the company sends the audit report to the independent directors for review every month, and discusses and revises the "internal control system" and "internal audit system" according to the practical operation.

Remark:

- Independent Director resigning before the end of the year should be indicated in the notes column date of release. The actual attendance rate (%) is calculated based on the accumulation of attendance in board meeting divided by the times of board meeting before his/her resigning.
- For any re-election of independent director, the old and the new one should be revealed with remarks and the actual attendance rate (%) based on the accumulation of attendance in board meeting divided by the times of board meeting after his/her election.

Note 1:

The date of Audit Committee (session)	The content of proposal	The opinions of all independent directors	The Company's response or action to the independent directors' opinions	Resolution result
2024/01/29 (The fourteenth time of the fourth)	1.2023 Business report, parent-company-only financial statements, and consolidated financial statements 2.2023 earnings distribution of cash dividends 3.Approve the 2023 Management's Reports on Internal Control 4.Recognition of the Company's asset acquisition 5.Issuance of new restrictes shares for employees in 2024	None	None	All members of the Audit Committee agreed to adopt
2024/04/29 (The fifteenth time of the fourth)	1.The 1st quarter 2024 consolidated financial report 2.Application for renewal of derivative ginancial instruments trading limit. 3.Amendment to the company's "Internal Control System", and "Internal Audit System" 4.Issuance of unsecured ordinary corporate bonds	None	None	All members of the Audit Committee agreed to adopt
2024/07/29 (The first time of the fifth)	1.The 2nd quarter 2024 consolidated financial report 2.Amendment to the company's "Method of new restrictes shares for employees in 2024" 3.Issuance of new restrictes shares for employees in 2024 4.Establishment of the company's "General Policy for Pre-approval of Non-Audit Services"	None	None	All members of the Audit Committee agreed to adopt
2024/10/28 (The second time of the fifth)	1.The 3rd quarter 2024 consolidated financial report 2.Approve the 2025 internal audit plan	None	None	All members of the Audit Committee agreed to adopt
2024/12/30 (The third time of the fifth)	1.The company's 2025 annual accountant independence assessment, accountant appointment and its compensation case 2.Amendment to the company's "Accounting System" 3.Amendment to the company's "Internal Control System", and "Internal Audit System" 4.Indirect disposal of mainland China reinvestment business Kinsus Interconnect Technology Suzhou Corp. and Piotek Computer (Suzhou) Co., Ltd.	None	None	All members of the Audit Committee agreed to adopt



- (2) The operation of the Audit Committee is to supervise the company's implementation of relevant accounting, internal control, expression of financial statements and compliance with laws and regulations, and its deliberations mainly include:
1. The amendment to internal control system and the effectiveness of the internal control system.
  2. The amendment to the procedure of significant transactions, such as acquisition/disposal of individual real estate, derivative instrument transactions or financing/endorsement/guarantee provided to others.
  3. Significant asset, derivative instrument transactions, or Financing/Endorsement/Guarantee provided to others.
  4. Issuance of securities with equity nature.
  5. Assess CPA's independency, approve the engagement of auditors and the audit fee.
  6. Appointment and dismissal of finance, accounting or internal audit supervisor.
  7. Financial Statements.
  8. Business report, earnings distribution or loss make-up proposal.

(C) The state of the Company's implementation of corporate governance, any departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such departure

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	Yes		“Code of practice for corporate governance” has been exposed on the Company Web site and public observatories.	No obvious deviation
2. Shareholding structure & shareholders’ rights				
(1) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	Yes		(1) The Company has established "Internal material information processing procedures," Spokesman system has been established according to regulations and they will handle related issues.	No obvious deviation
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	Yes		(2) The Company currently has a good relationship with major shareholders and can keep track of the list of major shareholders at any time.	No obvious deviation
(3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	Yes		(3) According to the Company “internal control system”, “internal audit system” and other related laws and regulations.	No obvious deviation
(4) Does the Company establish internal rules against insiders trading with undisclosed information?	Yes		(4) According to the Company “for possible insider trading, operating procedures”, “code of conduct” and other related laws and regulations.	No obvious deviation

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board develop and implement a diversified policy for the composition of its members?</p> <p>(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p> <p>(3) Does the Company establish a standard to measure the performance of the Board, and implement it annually, report the results of the performance evaluation to the board of directors and is also used as a reference for individual directors' remuneration and nomination renewal?</p>	Yes	No	<p>(1) Article 20 of Corporate Governance Best Practice Principles has established a policy of diversity of board members. Every director has Professional knowledge including law, accounting, industry, finance, marketing, technology, professional skills, and industry experience (please refer to page 13 for Diversity of Board Members ) to comply with member diversification.</p> <p>(2) Functional commissions will be created to meet the need of operating situation of the Company and other various.</p> <p>(3) The company has formulated the “Procedure for The Board of Directors and Functional Committees Performance Evaluation”. The performance evaluation will be carried out regularly every year according to the measures, and the results of the performance evaluation will be reported to the board of directors. The result of 2024 board performance evaluation has already</p>	<p>(1) No obvious deviation</p> <p>(2) Will aggressively assessing the need of functional commissions.</p> <p>(3) No obvious deviation</p>

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the Company regularly evaluate the independence of CPAs?	Yes		<p>reported to the board on February 17, 2025.</p> <p>(4) The board of directors evaluates the independence of accountants and approves the appointment of the accountants' law by referring to Article 47 of the Accountants Law, No. 10 of the Code of Professional Ethics of Accountants and Audit Quality Indicators(AQI). Please refer to Note 1 for assessment items. (The last evaluation date is on December 30, 2024)</p>	(4) No obvious deviation

<p>4. Has a listed company assigned a specific or other department to take in-charge of detailed matters of implementing corporate governance? (including, but not limited to, furnishing directors or supervisors with information needed, preparing the data for board meeting and shareholders' meeting, executing business registration, preparing the minutes of board and shareholders' meeting.)</p>	<p>Yes</p>	<p>1. The company passed the resolution of the board of directors on April 29, 2019 and appointed the senior director of the financial department Liu, Su-Zhen as the head of corporate governance to protect the rights of shareholders and strengthen the functions of the board of directors. Senior Director Liu Su-Zhen has more than three years of experience as a financial director in a public offering company. The main responsibilities of the corporate governance supervisor are to handle matters related to the meetings of the board of directors and shareholders' meetings in accordance with the law, to produce the minutes of the board of directors and shareholders' meetings, to assist the directors in taking office and continuing education, to provide the directors with information necessary for the execution of business, and to assist the directors to comply with laws and regulations.</p> <p>2. 2024 business execution situation is as follows:</p> <p>(1) Assist independent directors and general directors to perform their duties, provide necessary information and arrange directors' further training.</p> <p>(2) Assist the board of directors and</p>	<p>No obvious deviation</p>
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Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>shareholders in meeting procedures and resolutions.</p> <p>(3) Draft the agenda of the board of directors to notify the directors seven days ago, convene the meeting and provide meeting materials, and complete the minutes of the directors' meeting within 20 days.</p> <p>(4) Handle the pre-registration of the shareholders' meeting in accordance with the law, prepare the meeting notice, the discussion manual, and the minutes within the statutory time limit, and handle the change registration in the revised articles of association.</p> <p>3. Please refer to Note 2 for the training situation of the head of corporate governance.</p>	
5. Does the Company establish a communication channel and build a designated section on its website for stakeholders (Including, but not limited to, shareholders, employees, customers and suppliers, etc.), as well as handle all the issues they care for in terms of corporate social responsibilities?	Yes		The Company has established section on its website, providing e-mail, special channel and hotline for stakeholder complaint. Moreover, company has specialist handled and responded issues for stakeholders.	No obvious deviation
6. Does the Company appoint a professional shareholder	Yes		Companies entrust KGI stock agency to handle	No obvious deviation

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
service agency to deal with shareholder affairs?			the relevant Affairs of the Department.	
7. Information Disclosure				
(1)Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	Yes		(1)The Company has set up a Chinese/English website to disclose information regarding the Company’s financials, business and corporate governance status.	(1) No obvious deviation
(2)Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	Yes		(2)The Company's external information has relevant departments responsible for collecting and disclosing it in accordance with regulations. Company also has spokesman system, making public statements and respond to shareholders' opinions and reactions.	(2) No obvious deviation
(3)Does the company announce and declare the annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and 3rd quarter financial reports and the monthly operating situation within the prescribed time limit?	Yes		(3)The company has announced and declared the annual financial report within two months after the end of the fiscal year, and announced and declared the first, second, and 3rd quarter financial reports and the monthly operating conditions within the prescribed period.	(3) No obvious deviation
8. Is there any other important information to facilitate a better understanding of the Company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and	Yes		(1)The Company in accordance with the relevant statutes provide personnel regulations to protect employees’ rights. (2)Spokesman system and company website have been established to keep good	No obvious deviation

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?			relationship with the interests. (3)Directors decree training are held as regulated. (4)Company crisis management policy 、 crisis measurement standard and relevant customer policy have been stipulated and put into practice. (5)Company directors have been appropriated liability insurance.	
9. The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange. Achievements: The Sustainability Report prepared by the company has been submitted to the board of directors for review. To be enhanced in priority: Develop an energy management plan and disclose the implementation status on the company website, annual report or sustainability report.				



Note 1: Criteria for assessing the independence and fitness of accountants

Item	independence and fitness	Yes or No
1	As of the last audit, there has been no change in the past seven years.	Yes
2	There is no significant financial interest with the client.	Yes
3	Avoid any inappropriate relationship with the client.	Yes
4	Accountants shall maintain the honesty, impartiality and independence of their assistants.	Yes
5	The financial statements of the service organization within the two years prior to practicing shall not be subject to audit.	Yes
6	The name of the accountant shall not be used by others.	Yes
7	Shall not hold any shares of the company and its affiliated companies.	Yes
8	There is no financial loan with the company and its affiliated companies.	Yes
9	There is no joint investment or benefit-sharing relationship with the company or affiliated companies.	Yes
10	Not concurrently working in the company or affiliated companies and receiving fixed salary.	Yes
11	It does not involve the management function of the company or its affiliated companies to make decisions.	Yes
12	Not concurrently operating other businesses that may lose its independence.	Yes
13	There is no relationship between spouse, direct blood relatives, direct blood relatives, or collateral blood relatives within the second degree of relationship with the management personnel of the company.	Yes
14	No business-related commissions are charged.	Yes
15	So far, there has been no sanction or violation of the principle of independence.	Yes

AQI disclosure framework

Profession	Quality Management	Independence	Monitoring	Innovation
<ul style="list-style-type: none"> <li>• Audit Experience</li> <li>• Training Hours</li> <li>• Attrition Rate</li> <li>• Professional Support</li> </ul>	<ul style="list-style-type: none"> <li>• Workload</li> <li>• Involvement</li> <li>• EQCR</li> <li>• Quality Supporting Capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Non Audit Service (NAS)</li> <li>• Familiarity</li> </ul>	<ul style="list-style-type: none"> <li>• External Inspection Results &amp; Enforcement</li> <li>• Number of Official Improvement Letters Issuedby Authority</li> </ul>	<ul style="list-style-type: none"> <li>• Innovative Planning or Initiatives</li> </ul>

Note 2: Corporate governance executive training

Date of study		Organizer	Course Title	Hours of study
From	To			
2024/04/29	2024/04/29	Chinese Corporate Governance Association	The new era of artificial intelligence: Chatbot ChatGPT flips the new trend of the industry	3
2024/07/03	2024/07/03	Taiwan Stock Exchange	2024 Cathay Pacific Sustainable Finance and Climate Change Summit	6
2024/10/18	2024/10/18	Securities and Futures Market Development Foundation of the Republic of China	2024 Prevention of Insider Trading Promotion Conference	3
2024/10/28	2024/10/28	Independent Director Association Taiwan	AI is used in all industries: trends, implementation and challenges	3

(D) If the Company has a compensation committee or nomination committee in place, the composition and operation of the compensation committee shall be disclosed

a. Professional Qualifications and Independence Analysis of Remuneration Committee Members

As of March 30, 2025

Title	Criteria Name	Professional Qualification and Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent Director (Convener)	Lee, Ming-Yu	Please refer to pages 10 to 12 for professional qualifications and independence analysis of directors.		1
Independent Director	Chen, Liang-Ji			3
Independent Director	Hocheng, Hong			-

b. Attendance of Members at Remuneration Committee Meetings

(a) There are 3 members in the Remuneration Committee.

(b) A total of 3 (A) Remuneration Committee meetings were held in the previous period.

The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【B / A】	Note
Convener	Lee, Ming-Yu	3	0	100%	Re-elected
Committee Member	Chen, Liang-Ji	1	1	50%	New
Committee Member	Hocheng, Hong	2	0	100%	New
Convener	Wu, Hui-Huang	1	0	100%	Old
Committee Member	Chen, Jin-Cai	1	0	100%	Old

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g. the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): N/A
2. Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: N/A

Remark:

1. Remuneration committee member resign before the end of the year should be indicated in the notes column date of release, the actual attendance rate (%) based on the accumulation of attendance in board meeting.
2. If any Remuneration committee member re-election, the old and the new one should be revealed with remarks and the actual attendance rate (%) based on the accumulation of attendance in board meeting in the column.

c. Scope of the official powers of Remuneration Committee

The basis for the Remuneration Committee Charter, and present its recommendations to the board of directors for discussion, scope of the official powers of Remuneration Committee are:

1. Periodically reviewing this Charter and making recommendations for amendments.
2. Establishing and periodically reviewing the annual and long-term performance goals for the directors, supervisors, and managerial officers of this Corporation and the policies, systems, standards, and structure for their compensation.
3. Periodically assessing the individual compensation to which performance goals for the directors, and managerial officers of this Corporation.

The Remuneration Committee shall perform the duties under the preceding paragraph in accordance with the following principles:

1. Ensuring that the compensation arrangements of this Corporation comply with applicable laws and regulations and are sufficient to recruit outstanding talent.
2. Performance assessments and compensation levels of directors, and managerial officers shall consider the general pay levels in the industry, between the individual's performance and this Corporation's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of this Corporation.
3. There shall be no incentive for the directors or managerial officers to pursue compensation by engaging in activities that exceed the tolerable risk level of this Corporation.
4. For directors and senior managerial officers, the percentage of bonus to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of this Corporation's business.

d. The discussion of Remuneration Committee, the result of Remuneration Committee's resolution and the company processes which expressed by the Committee members

The The date of board meeting (session)	The Content of proposal	The opinions of independent directors	The Company's response or action to the independent directors' pinions	Resolution result
2024/01/29 (The tenth time of the fifth)	1.Approve 2023 compensation to employee	None	None	All members of the Committee agreed to adopt.
2024/7/29 (The First time of the sixth)	1. For the proposed 2023 amounts of employee comp SYSTEensation for managers 2. For the proposed 2024 adjustment on managers' compensations 3. Issuance of new restrictes shares for employees in 2024	None	None	All members of the Committee agreed to adopt.
2024/12/30 (The second time of the sixth)	1.Proposal on the number of months of year-end bonus distribution for managers of the company in 2024	None	None	All members of the Committee agreed to adopt.

(E)The state of the Company's performance of corporate social responsibilities

Promotion Item	Execution Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
1. Does the company set up a full-time (part-time) department that promotes sustainable development, and the board of directors authorizes the senior management to handle it, and supervised by the board of directors?	Yes		<p>The Company established the Sustainability Office on July 1, 2022, with ESG Committee composed of dedicated representatives from various departments. The aim is to practice sustainable business operations, establish long-term competitiveness, and fulfill corporate citizenship responsibilities. The focus lies in the three dimensions of Environmental, Social, and Corporate Governance (ESG) sustainability goals, including achieving net-zero carbon emissions, promoting renewable energy, developing green products, and fulfilling commitments to society, encompassing corporate governance, environmental protection, social welfare, and labor relations.</p> <p>The Chairman authorized the CEO to appoint a Vice President of Sustainability as the chairperson. The main responsibilities include facilitating vertical integration, horizontal coordination across departments, ensuring compliance with international trends and regulatory changes, analyzing the company's ESG strategies, communicating with stakeholders, and guiding the preparation of ESG sustainability reports. The Board of Directors evaluates the feasibility of sustainability development strategies proposed by the Sustainability Office, reviews strategy development, and, if necessary, oversees adjustments. A report on the implementation of</p>	No obvious deviation

Promotion Item	Execution Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			sustainability development is submitted to the Board of Directors on every quarter of 2024.( The last date is December 30, 2024.)	
2.Does the company conduct risk assessments on environmental, social and corporate governance issues related to the company's operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	Yes		<p>The company conducts risk assessments of important issues on the basis of the principle of sustainable development, and formulates relevant risk management policies based on the assessed risks:</p> <p>(1)Environment: Through the establishment of a management system, we can effectively manage energy consumption during operation, reduce carbon emissions and waste, and reduce the impact on the environment. Provide a safe workplace environment, and provide education, training and response drills according to risk categories to protect the personal safety of employees and reduce potential risks in the office and operating environment to ensure uninterrupted business activities.</p> <p>(2)Society: To establish a common ESG goal, through regular audit activities, management review and procedures, to ensure that the continuous management of operations is indeed effective, and to establish a strong competitive supply chain with suppliers. With the most advanced and high-quality products, it provides customers with new value, and promises to provide the necessary resources for continuous operation management to ensure that the operation of customers remains normal.</p>	No obvious deviation

Promotion Item	Execution Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			(3)Corporate Governance: Identify and analyze the risks that the company may face in advance, and then take pre-control measures and continuous monitoring and improvement procedures to minimize the possibility of potential risks and minimize the impact on company goals.	
3. Environmental issues				
(1)Does the company establish an appropriate environmental management system according to its industrial characteristics?	Yes		(1)The company has established a suitable environmental management system based on ISO14001 (environmental management system standard), passed the verification of a third-party organization. The certification has been disclosed on official website.	(1) No obvious deviation
(2)Is the company committed to improving the utilization efficiency of various resources and using recycled materials with low impact on environmental load?	Yes		(2)The company actively promotes energy-saving and power-saving actions, and carries out energy-saving projects in conjunction with the equipment of each plant, adjusts equipment automation management according to changes in production capacity demand, and achieves streamlining of various energy use, and promotes garbage classification and resource recovery to reduce the impact on environmental pollution.	(2) No obvious deviation
(3)Does the company assess the potential risks and opportunities of climate change for the company now and in the future, and take measures to address related issues?	Yes		(3)The company pursues sustainable business development and actively grasps and manages risks and uncertainties. In terms of environmental safety and health management, the risks of natural disasters caused by climate change continue to increase and	(3) No obvious deviation



Promotion Item	Execution Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(4) Does the company count greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for greenhouse gas reduction, water use reduction or other waste management?	Yes		<p>respond to the expansion of factories. The use of production line chemicals and equipment is increasingly important. Through the establishment of a management system, we can effectively manage energy consumption during operation, reduce carbon emissions and waste, and reduce the impact on the environment. Provide a safe workplace environment, provide education and training and response drills according to the risk category, protect the personal safety of employees, reduce potential risks in the office and operating environment to ensure uninterrupted business activities.</p> <p>(4) The company has disclosed greenhouse gas emissions, used of water, weight of industrial waste and its reduction plan in the sustainability report every year. The information in of 2024 will be updated in FY 2024 sustainability report.</p> <p>Greenhouse gas emissions (t-CO<sub>2</sub>e) (scope 1 and scope 2) in the past two years: 270,495.5834 (2022), 237,839.9934 (2023)</p> <p>Water consumption in the past two years (tons): 5,700,988 (2022), 5,454,149 (2023)</p> <p>Total weight of waste in the past two years (tons): 13,603.89 (2022), 11,618.12 (2023)</p> <p>The company will carry out energy saving and carbon reduction, greenhouse gas reduction, water reduction and waste disposal. Implement relevant</p>	(4) No obvious deviation

Promotion Item	Execution Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>activities in accordance with relevant management guidelines.</p> <ol style="list-style-type: none"> <li>1.Reduce resource and energy consumption of products and services.</li> <li>2.Reduce the discharge of pollutants, toxic substances and waste, and properly dispose of waste.</li> <li>3.Use energy-saving and environmentally friendly raw materials.</li> <li>4.Extend the durability of products and increase the performance of products and services.</li> <li>5.Promote energy-saving and power-saving actions in each factory. Execute energy-saving projects in combination with the equipment of each factory, and adjust equipment automation management in response to changes in production capacity requirements.</li> <li>6.Promote various water-saving measures to improve the efficiency of water resource utilization.</li> <li>7.Promote industrial effluent reuse. The company strictly controls waste liquid and waste water discharge.</li> <li>8.Implement waste-to-reuse, and actively promote the transformation of waste from incineration into auxiliary fuel rods.</li> </ol>	

Promotion Item	Execution Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>9.Set recycling targets and track the achievement year by year.</p> <p>10.After sorting and counting the waste, review the waste reduction under the output efficiency.</p>	
<p>4. Social issues</p> <p>(1)Has the company formulated relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?</p> <p>(2)Does the company formulate and implement reasonable employee welfare measures (including compensation, vacations and other benefits), and appropriately reflect operating performance or results in employee compensation?</p>	<p>Yes</p> <p>Yes</p>		<p>(1) The company abides by labor regulations and refers to the "Universal Declaration of Human Rights" established by the United Nations, and the various conventions issued by the ILO, including Convention No. 29 of 1930, Convention No. 100 of 1951, Convention No. 111 of 1958, and others. Management procedures are established based on these standards to safeguard the human rights of labor. The content includes free choice of occupation, young labor, working hours, wages and benefits, non-discrimination, freedom Associate suppliers' social responsibility, etc. For details, please refer to the company's sustainable report.</p> <p>(2) The company's articles of association stipulate that if the company makes a profit in the year, no less than 10% should be allocated for employee compensation. In addition to the basic salary and bonuses, the salary policy is also based on the company's operating conditions. Flexible salary changes are provided to encourage morale and retain outstanding employees in a timely manner. The annual salary adjustments are based on the</p>	<p>(1) No obvious deviation</p> <p>(2) No obvious deviation</p>

Promotion Item	Execution Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(3) Does the company provide a safe and healthy work environment for employees, and regularly implement safety and health education for employees?	Yes		<p>employee's grade and performance appraisal.</p> <p>(3) The company complies with the requirements of ISO 14001 and ISO 45001 international standards, that is, the systemization of environmental safety and health management activities, and in order to establish, implement, maintain and improve the environmental safety and health management system, to ensure compliance with the company's declared environmental safety and health policy, and clear Formulate relevant management activities procedures; in addition, formulate labor safety management plans, hold labor safety meetings, implement automatic inspection and occupational safety and health education and training every year. The company has established an occupational safety and health system in accordance with the law, which includes safety and health management systems and training, voluntary inspections of production equipment, environmental measurements in the workplace, internal safety and health audits, health examinations and medical care, emergency response and drills, occupational accident management and statutory reporting, as well as contractor management and construction inspections related to safety and health work.</p> <p>The occupational safety and health voluntary management measures include pre-employment</p>	(3) No obvious deviation

Promotion Item	Execution Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>training for new employees, on-the-job training, and certification training. Potential hazards are identified and classified for control. Safety operation standards for machinery and equipment are established to reduce the risk of employee operations. Necessary protective measures or personal protective equipment are provided, along with environmental measurements, emergency response and evacuation drills, regular health examinations, and graded proactive care. In the event of accidents, timely medical care, occupational accident management, and internal safety and health audits are provided to prevent internal disasters and reduce risks, continuously improving safety and health work. The disablement injury frequency rate for 2024 was 2.8, meeting the target of disablement injury frequency rate <math>\leq 3</math>. No fire accidents occurred in 2024.</p> <p>In 2024, internal training focused primarily on occupational safety and health education for new employees and ongoing training for existing employees. A total of 3,709 employees received training, completing a combined total of 12,144 hours of internal training. External training mainly targeted the statutory periodic retraining requirements for personnel engaged in special operations such as organic and specialized operations, as well as those operating hazardous</p>	

Promotion Item	Execution Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(4) Does the company establish an effective career development training program for employees?	Yes		<p>machinery and equipment. A total of 298 employees received external training, completing 4,222 hours. We will continue to organize occupational safety and health education training relevant to the company to ensure compliance with legal requirements in the future."</p> <p>(4) The company regularly organizes employee education and training, covering development projects that enhance employees' career capabilities. The training plan is as follows:</p> <p>a. Demand survey: An annual training demand survey is conducted every year as a reference for compiling the training plan for the next year.</p> <p>b. Plan: Each department evaluates the professional training needs within the department, and refers to the part to be strengthened and the part that needs to be re-arranged in the annual training plan questionnaire for employees, and formulates in line with the company's overall development goals and serves as the basis for implementation.</p>	(4) No obvious deviation
(5) With regard to customer health and safety, customer privacy, marketing and labeling of products and services and other issues, has the company followed relevant regulations and international standards, and formulated relevant consumer protection policies and appeal procedures?	Yes		<p>(5) The company does not directly supply products or labor services to consumers but has dedicated business personnel responsible for product follow-up services to company customers, and the company's products are clearly marked according to laws and regulations.</p>	(5) No obvious deviation

Promotion Item	Execution Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(6) Does the company formulate supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights, and their implementation?	Yes		(6) The company implements green thinking through procurement strength, and the procurement of raw materials. In addition to prohibiting harmful substances, the procurement of raw materials also expands the procurement of environmental protection products and the use of products in conflict mineral areas The environmental impact of materials. According to the Responsible Business Alliance (RBA), the supplier's social responsibility code of conduct, labor, health and safety, environmental standards, business ethics and management systems are formulated to ensure that suppliers have a safe working environment, employees are respected and dignified, and business operations are environmentally friendly and abide by ethical conduct. The company has incorporated conflict-free-minerals into its supplier management policy, based on the RBA specification, and excludes the use of raw materials for production: Democratic Republic of Congo, requires it to sign the supplier's statement on the prohibition of conflict minerals, and promises and supports not to buy Conflict Metal. Appropriate and complete evaluation before cooperation with suppliers.	(6) No obvious deviation
5. Does the company refer to the internationally prepared reporting standards or guidelines for preparing sustainable development reports and other	Yes		The 2023 sustainability report was verified externally by DNV, and a verification statement was obtained.The verification results met the requirements of the core	No obvious deviation

English Translation of The Annual Report Originally Issued in Chinese

Promotion Item	Execution Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
reports that disclose non-financial information? Did the pre-report report obtain the confidence or assurance opinion of the third-party verification unit?			standards of the GRI Standards (GRI Standards) and the spirit of the AA1000 Guarantee Standard Type 1. 2024 sustainability report hasn’t been published before the completion of the annual report.	
6. If the Company has established the sustainable development principles based on “the sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancy between the Principles and their implementation: No obvious deviation				
7. Other important information to facilitate better understanding of the Company’s sustainable development practices: None				



Climate-related information for TWSE/TPEX Listed Companies

1. The execution status of climate-related information

Item	Execution Status
1. Please specify the supervision and governance by the board of directors and management regarding climate-related risks and opportunities.	1. The Board of Directors serves as the highest authority overseeing climate risks and opportunities, while the Sustainability Office is responsible for executing risk management. Regular meetings are convened, where representatives from various departments of the ESG Committee identify risks and develop response strategies. Additionally, at least annually, reports are submitted to the Board of Directors
2. Please specify how identified climate risks and opportunities will impact the business, strategy, and finances of the enterprise (short-term, medium-term, long-term).	2. The ESG Committee, in accordance with the Task Force on Climate-related Financial Disclosures Recommendation (TCFD) established by the International Financial Stability Board, identifies climate risks through reports from international institutions, industry analysis, regulatory updates, and issues concerning key internal and external stakeholders. The committee assesses the significance of climate risks, determining their impact intensity and likelihood using financial or strategic influence weights. Based on this assessment, the committee prioritizes risk issues and establishes governance, strategy, risk management, and indicator objectives for the company, categorized into short, medium, and long term. Short-term objectives are defined as within 2 years, medium-term as 3 to 6 years, and long-term as 7 years or more. Strategies are developed to mitigate the financial impact of these risks. For further details, please refer to our company's sustainability report.
3. Please specify the financial impact of extreme weather events and transition actions.	3. Extreme weather events can impact production lines and supply chains, leading to decreased demand and reduced orders as customers may be affected by production disruptions. Based on discussions in our company's ESG Committee meetings, nine significant extreme weather events have been identified, including earthquakes, floods, typhoons, wastewater discharge incidents, droughts or dry spells, power outages, water shortages, blackouts, and temperature increases. In response to each type of disaster, apart from devising specific strategies, we are committed to diversifying production bases to enhance flexibility in order transfer.

Item	Execution Status
<p>4. Please specify how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.</p> <p>5. When using scenario analysis to assess resilience to climate change risks, the context, parameters, assumptions, analysis factors, and key financial impacts should be explained.</p> <p>6. If there is a transformation plan in place to address and manage climate-related risks, describe the contents of that plan, as well as the indicators and objectives used to identify and manage physical and transition risks.</p>	<p>Additionally, we are progressively engaging with insurance companies to extend coverage, thereby reducing losses. Furthermore, we are actively investing in energy-saving and carbon-reduction initiatives as well as green procurement. Although these transformational actions require increased manpower, investment in equipment, and additional financial burdens, proactive planning is essential to mitigate and reduce the impact of extreme weather events on the company. This proactive approach is deemed necessary for the future direction of our company's operations.</p> <p>4. The ESG Committee of the Company, in accordance with our risk management policy, organizes relevant internal departments to jointly review potential internal and external risks, including those related to suppliers, partners, operations, finance, and natural disasters. We assess the likelihood and severity of these risks, define the levels of risk items, and formulate risk management policies for significant risk issues. Through regular review meetings, we monitor changes in risk and ensure the effectiveness of risk management plans and related operations. Additionally, we identify various business opportunities associated with risk and formulate development strategies for the company. A report is submitted to the Board of Directors at least annually.</p> <p>5. The Company conducts risk and opportunity analyses for different scenarios, including potential policy, regulatory, market, and technological changes, as well as reputational and substantive risks. We assess relevant parameters, assumptions, analysis factors, and primary financial impacts."</p> <p>6. Based on the management entity risks and transformation risks, the Company has developed a low-carbon transformation plan for the supply chain. We aim to reduce greenhouse gas emissions intensity per million dollars of revenue by 20% from 2030 to 2022 and achieve net-zero carbon emissions by the year 2050. Various energy-saving and carbon-reduction activities and measures are being implemented, including greenhouse gas inventories and the implementation of energy management systems. These efforts are aimed at enhancing energy productivity and efficiency. For more detailed information, please refer to our company's sustainability report</p>

Item	Execution Status
7. If internal carbon pricing is utilized as a planning tool, the basis for price determination should be explained.	7. The Company has not yet implemented internal carbon pricing.
8. If climate-related goals are set, the activities covered, greenhouse gas emission scopes, planning timelines, annual progress towards achievement, etc., should be explained. If carbon offsetting with Renewable Energy Certification(RECs) is used to achieve these goals, the sources and quantities of offset carbon credits or the number of RECs should be detailed.	8. The Company's carbon reduction targets include reducing greenhouse gas emissions intensity per million dollars of revenue by 20% from 2022 to 2030, and achieving net-zero carbon emissions by the year 2050. In 2022, we signed contracts for purchasing green electricity, with a generating capacity reaching 4.3 million kilowatt-hours per year. Additionally, in 2023, we completed the installation of obligatory capacity ahead of regulatory requirements, aligning with our policy to use renewable energy by 2050. As part of our transition, our energy structure is shifting towards increasing the proportion of renewable energy sources. Green electricity generation will be increased to 4.6 million kWh/year from 2025.
9. Greenhouse gas inventory and assurance status, along with reduction targets, strategies, and specific action plans.	9. For detailed information, please refer to 1-1 and 1-2.

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

Parent Company		Total Emissions (Tonnes CO <sub>2</sub> e)	Intensity (Tonnes CO <sub>2</sub> e/in millions)	Verification agency	Explanation of Verification Status
Scope 1	2023	10,388.8835	0.3872	BSI	ISO 14064-1 issued by the International Organization for Standard-ization, ISO ※In accordance with the schedule of the verification agency, the disclosed greenhouse gas emissions for 2024 is based on inventory but have not yet been verified. The complete verification information will be disclosed in the sustainability report.
	2024	22,406.1413	0.7338	DNV	
Scope 2	2023	273,372.6600	10.1882	BSI	
	2024	252,843.6742	8.2805	DNV	
Scope 3	2023	172,810.3961	6.4404	BSI	
	2024	114,319.0033	3.7439	DNV	

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

### 1. The greenhouse gas reduction target

The Company established a Sustainability Management Office on July 1, 2022. The ESG Implementation Committee is composed of dedicated representatives from various departments and formulates net-zero actions and goals:

(1) The greenhouse gas reduction target for the company is to reduce greenhouse gas emissions intensity per million dollars of revenue by 20% from the base year (2022) to the year 2030.

(2) Aims to achieve net-zero carbon emissions by 2050.

Remark: Greenhouse gas emission intensity = Scope 1 + Scope 2 greenhouse gas emissions (metric tons CO<sub>2</sub>e) / million revenue

### 2. Carbon reduction strategy and specific action plan

#### (1) Improve energy efficiency:

1. Introduce energy-saving equipment, replace old equipment and plan to purchase equipment with better energy-saving effect.

2. Planning of automation systems, automation development, smart manufacturing related businesses, introduction of smart manufacturing factory EAP platform, etc.

#### (2) Low-carbon/green energy transformation:

1. Develop renewable energy and set up solar energy.

2. The proportion of green electricity purchased from renewable energy will account for more than 10%.

#### (3) Green Supply Chain:

1. Increase the proportion of local procurement, introduce low-carbon materials, and reduce energy consumption.

2. Conduct supplier quality assessment and RBA social responsibility audits to implement environmental protection.

3. Water recycling, water diversion and pollution prevention maximize water resource efficiency.

4. Promote the transformation of product waste from incineration to auxiliary fuel rods, and continuously convert waste into renewable energy, so as to do our part for the earth.

### 3. Monitoring and Evaluation

(1) Establish ISO management system for production, quality, environment and other issues. The relevant ISO certifications that have been passed so far include: ISO 9001 quality management system, ISO 14001 environmental management system, ISO 45001 occupational safety and health management system certification, as well as ISO 14064 greenhouse gas inventory and ISO 14067 carbon footprint third-party certification.

(2) Participate in CDP carbon disclosure.

(3) Establish an internal control audit system and conduct regular audits of its implementation status.

(4) Regularly publish ESG sustainability reports to respond to stakeholders' concerns and explain the status of sustainability implementation.

(F)The state of the Company’s performance in good faith management and the adoption of related measures

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1.Establishment of ethical corporate management policies and programs				
(1)Does the company formulate the ethical corporate management policies and procedures approved by the board of directors, and stated in the guidelines and external documents the policies and practices of ethical corporate management, as well as the commitment of the board of directors and senior management to actively implement the management policy?	Yes		(1) The “Code of conduct for Integrity” approved at board meeting are revealed on its website and the Market Observation Post System (MOPS)	(1) No obvious deviation
(2) Does the Company establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?	Yes		(2) The “Code of conduct for Integrity” stipulates the scope in the prohibition of any dishonest behavior and prevention programs.	(2) No obvious deviation
(3) Does the Company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?	Yes		(3) The “Code of conduct for Integrity” prohibits any dishonest behavior and prevention programs.	(3) No obvious deviation

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
2.Fulfill operations integrity policy				
(1) Does the Company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	Yes		(1) The Company evaluates business partners’ ethical records and include ethics-related clauses in business contracts.	(1) No obvious deviation
(2) Does the Company establish an exclusively (or concurrently) dedicated unit supervised by the Board to oversee corporate integrity and regularly (at least once a year) report to the board of directors on its integrity management policies and plans to prevent dishonest behaviors and supervision and implementation?	Yes		(2) In order to improve the management of integrity management, HR is responsible for the formulation and supervision of the integrity management policy and prevention plan, and reported to the board of directors on December 30, 2024.	(2) No obvious deviation
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	Yes		(3) The” Code of Conduct for Integrity” is made as the business standard for the employees, contractors, suppliers, and business partners.	(3) No obvious deviation
(4) Has the Company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	Yes		(4) Sound corporate accounting and internal control system, and audit plan is made and exercised by internal auditors every year.	(4) No obvious deviation
(5) Does the Company regularly hold internal and external educational trainings on operational integrity?	Yes		(5) Company regularly conducts employee education and training, including for business ethical business courses.	(5) No obvious deviation

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>3.Operation of the integrity channel</p> <p>(1) Does the Company establish both a reward or punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>(2) Does the Company establish standard operating procedures for confidential reporting on investigating accusation cases?</p> <p>(3) Does the Company provide proper whistleblower protection?</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>		<p>(1) “Employee reporting and complaint handling procedures” is made for the protection of supplier and employee reporting and complaint rights.</p> <p>(2) “Employee reporting and complaint handling procedures” is clearly stipulated the relevant procedure and confidentiality.</p> <p>(3) “Employee reporting and complaint handling procedures” render protection to the petitioner from any possible revenge.</p>	<p>(1) No obvious deviation</p> <p>(2) No obvious deviation</p> <p>(3) No obvious deviation</p>
<p>4.Strengthening information disclosure</p> <p>Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company’s website and MOPS?</p>	Yes		<p>The” Code of Conduct for Integrity” has been revealed on corporate website. (<a href="http://www.kinsus.com.tw">http://www.kinsus.com.tw</a>)</p>	No obvious deviation
<p>5.If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: No obvious deviation</p>				
<p>6.Other important information to facilitate a better understanding of the Company’s ethical corporate management policies: None</p>				

(G) Other significant information that will provide a better understanding of the state of the Company's implementation of corporate governance: None

(H) The state of implementation of the Company's internal control system

a. For a Statement on Internal Control: Please refer to the Chinese version of Market Observation Post System (MOPS). The access path and URL is as follows:  
Market Observation Post System (MOPS) > Individual Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement  
<https://mops.twse.com.tw/mops/#/web/t06sg20>

b. A CPA has been hired to carry out a special audit of the internal control system: None

(I) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report.

a. Material resolutions of 2024 shareholders meeting (at May 30, 2024)

Item	Date	Major resolutions
Shareholders' meeting	May 30, 2024	<p>A. Approval of the 2023 business report, financial statements and consolidated financial statements:</p> <p>Attending votes: 296,580,150 (Of which the exercise of the voting rights by electronic means: 296,109,854)</p> <p>Favorable votes: 269,197,821 (Of which the exercise of the voting rights by electronic means: 268,783,525)</p> <p>Unfavorable votes: 126,642 (Of which the exercise of the voting rights by electronic means: 126,642)</p> <p>Invalid votes: 0</p> <p>Abstention and Not votes: 27,255,687 (Of which the exercise of the voting rights by electronic means: 27,199,687)</p> <p><u>Implementation of the situation:</u></p> <p>The resolution was adopted.</p>
		<p>B. Approval of the distribution of 2023 retained earnings:</p> <p>Attending votes: 296,580,150 (Of which the exercise of the voting rights by electronic means: 296,109,854)</p> <p>Favorable votes: 269,474,711 (Of which the exercise of the voting rights by electronic means: 269,060,415)</p> <p>Unfavorable votes: 132,852 (Of which the exercise of the voting rights by electronic means: 132,852)</p> <p>Invalid votes: 0</p> <p>Abstention and Not votes: 26,972,587 (Of which the exercise of the</p>



		<p>voting rights by electronic means: 26,916,587)</p> <p><u>Implementation of the situation:</u> The resolution was adopted and the dividends have been distributed on July 29, 2024 accordingly.</p>																														
		<p>C. Issuance of new restricted shares for employees:</p> <p>Attending votes: 296,580,150 (Of which the exercise of the voting rights by electronic means: 296,109,854)</p> <p>Favorable votes: 246,595,790 (Of which the exercise of the voting rights by electronic means: 246,181,494)</p> <p>Unfavorable votes: 20,116,713 (Of which the exercise of the voting rights by electronic means: 20,116,713)</p> <p>Invalid votes: 0</p> <p>Abstention and Not votes: 29,867,647 (Of which the exercise of the voting rights by electronic means: 29,811,647)</p> <p><u>Implementation of the situation:</u> The resolution was adopted and issued of new shares with restricted employee rights.</p>																														
		<p>D. Re-election of all directors.</p> <p>Election results: According to the attending shareholders' votes, the chairman announced the elected directors are as following:</p> <table border="1"> <thead> <tr> <th>Title</th><th>Name</th><th>Election Votes</th></tr> </thead> <tbody> <tr> <td>Director</td><td>Tong, Zi-Xian</td><td>271,234,293 Votes</td></tr> <tr> <td>Director</td><td>Liao, Sih-Jheng</td><td>258,375,445 Votes</td></tr> <tr> <td>Director</td><td>Guo, Ming-Dong</td><td>244,434,407 Votes</td></tr> <tr> <td>Director</td><td>Chen, He-Xu</td><td>243,510,768 Votes</td></tr> <tr> <td>Director</td><td>Asuspover Investment Co. Ltd.: Zhang, Qian-Wei</td><td>242,207,841 Votes</td></tr> <tr> <td>Director</td><td>Asustek Investment Co. Ltd.: Wu, Xiang-Xiang</td><td>223,407,429 Votes</td></tr> <tr> <td>Independent Director</td><td>Lee, Ming-Yu</td><td>223,755,963 Votes</td></tr> <tr> <td>Independent Director</td><td>Chen, Liang-Ji</td><td>218,389,180 Votes</td></tr> <tr> <td>Independent Director</td><td>Hocheng, Hong</td><td>218,266,489 Votes</td></tr> </tbody> </table>	Title	Name	Election Votes	Director	Tong, Zi-Xian	271,234,293 Votes	Director	Liao, Sih-Jheng	258,375,445 Votes	Director	Guo, Ming-Dong	244,434,407 Votes	Director	Chen, He-Xu	243,510,768 Votes	Director	Asuspover Investment Co. Ltd.: Zhang, Qian-Wei	242,207,841 Votes	Director	Asustek Investment Co. Ltd.: Wu, Xiang-Xiang	223,407,429 Votes	Independent Director	Lee, Ming-Yu	223,755,963 Votes	Independent Director	Chen, Liang-Ji	218,389,180 Votes	Independent Director	Hocheng, Hong	218,266,489 Votes
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		<p><u>Implementation of the situation:</u> The resolution was adopted and has been change registration.</p> <p>E. Releasing the newly by-elected director from prohibition of non-compete.  Attending votes: 296,580,150 (Of which the exercise of the voting rights by electronic means: 296,109,854)  Favorable votes: 265,167,396 (Of which the exercise of the voting rights by electronic means: 264,723,100)  Unfavorable votes: 1,662,956(Of which the exercise of the voting rights by electronic means: 1,662,956)  Invalid votes: 0  Abstention and Not votes: 29,749,798(Of which the exercise of the voting rights by electronic means: 29,723,798)</p> <p><u>Implementation of the situation:</u> The resolution was adopted and has been implemented in accordance with the revised charter.</p>
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## b. Material resolutions from the meetings of board of directors

Date of board meeting	Major resolutions	The opinions of independent directors	The Company's response or action to the independent directors' opinions
2024.01.29 (The fifteenth time of the eighth)	1. To report the 2023 employees' and directors' compensation. 2. 2023 Business report, parent-company-only financial statements, and consolidated financial statements. 3. 2023 earnings distribution of dividends. 4. Approve the 2023 Management's Reports on Internal Control. 5. Ratification of individual real estates acquisition. 6. Application for bank credit line approval. 7. The cancellation of restricted shares to employees 8. The issuance of restricted stock to employees for 2024. 9. Re-election of all directors. 10. Nominate and review the list of candidates for directors. (including independent directors) 11. To release the newly by-elected directors from prohibition of non-compete. 12. The 2024 annual shareholders' meeting convened and related matters.	None	None
2024.04.29 (The sixteenth time of the eighth)	1. Financial Report for the first quarter of 2024 2. Application for bank credit line approval. 3. Application for renewal of derivative financial instruments trading limit. 4. Issuance of unsecured ordinary corporate bonds. 5. Amend the "Internal Control System" and the "Internal Audit System" 6. Earnings repatriation of subsidiary Kinsus Interconnect Technology Suzhou Corp.	None	None
2024.05.30 (The first time of the ninth)	1. Election for the ninth chairman. 2. Appointment of the sixth member of Remuneration Committee. 3. Appointment of the fifth member of Audit Committee.	None	None

Date of board meeting	Major resolutions	The opinions of independent directors	The Company's response or action to the independent directors' opinions
2024.07.29 (The second time of the ninth)	<ol style="list-style-type: none"> <li>1. Financial Report for the second quarter of 2024.</li> <li>2. Application for bank credit line approval.</li> <li>3. Suggested Proposal for managers eemuneration disbursement for 2023 of the company.</li> <li>4. Suggested proposal for annual salary adjustment for managers for 2024.</li> <li>5. To facilitate the registration process for the cancellation of new restricted shares for employees as part of the company's acquisition.</li> <li>6. Amendment to the company's "Method of new restrictes shares for employees in 2024"</li> <li>7. Issuance of new restrictes shares for employees in 2024.</li> <li>8. Sustainability Report of 2024.</li> <li>9. Amendment to the company's "General Policy on Pre-approval of Non-Confirmed Services"</li> <li>10. Amendment to the company's "Corporate Governance Code of Practice"</li> </ol>	None	None
2024.10.28 (The third time of the ninth)	<ol style="list-style-type: none"> <li>1. Financial Report for the third quarter of 2024.</li> <li>2. Approve the audit plan for 2024.</li> <li>3. Application for bank credit line approval.</li> <li>4. To facilitate the registration process for the cancellation of new restricted shares for employees as part of the company's acquisition.</li> </ol>	None	None
2024.12.30 (The fourth time of the ninth)	<ol style="list-style-type: none"> <li>1. Operating plan and annual budget for 2025.</li> <li>2. Independent assessment of CPA's independence, appointment of auditors, and compensation proposal for 2025 of the company.</li> <li>3. Amendment to the company's "Accounting System", "Rules of Procedure for Board Meetings" and "Audit Committee Organizational Charter"</li> <li>4. Amendment to the company's "Internal Control System", and "Internal Audit System"</li> <li>5. Amendment to the company's "Sustainable Development Code of Practice"</li> <li>6. Indirect disposal of mainland China reinvestment business Kinsus Interconnect Technology Suzhou Corp. and Piotek Computer (Suzhou) Co., Ltd.</li> </ol>	None	None

Date of board meeting	Major resolutions	The opinions of independent directors	The Company's response or action to the independent directors' opinions
	7. Suggested proposal for the number of months for disbursement of managers year-end bonuses for 2024 of the company.		
2025.02.17 (The fifth time of the ninth)	1. Allocation of 2024 employee compensation and director compensation. 2. 2024 business report, parent-company-only financial statements, and consolidated financial statements. 3. 2024 earnings distribution of dividends. 4. Amend the "Articles of Incorporation" 5. Proposed definition of the scope of the company's grassroots employees and amendment to the company's "Internal Control System", and "Internal Audit System" 6. Statement of Internal Control System for 2024. 7. To facilitate the cancellation registration process for the new restricted shares for employees to be acquired by the company. 8. Change of the Company's managers 9. Relevant matters to the convening of the shareholders' meeting for 2025 of the Company °	None	NoneF

(L)Where, during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof:  
None

## (3) Information on CPA professional fees

Unit: NT\$'000

Name of Accounting Firm	Name of CPA	Audit Period	Fees	Non-audit fees (Remark 1)	Total	Note
Ernst & Young	Chang,Chih-Ming	2024/01/01~	3,790	1,337	5,127	
	Chen,Kuo-Shuai	2024/12/31				

Remark:

1. Non-audit fees include tax service, transfer pricing, group master reporting and change registration.

(A) Change of the accounting firm with a decrease in the audit fees paid in the year of change compared to the year before the change. The amount of fees before and after the replacement and the reasons should be disclosed: None

(B) The audit fees reduced by 10% or more compared to the previous year. The amount of fees before and after the change, proportion and the reasons should be disclosed: None

(4) Information on replacement of certified public accountant: No applicable

(5) Where the Company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held: None °

(6) Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report.

(A) Changes in equity due to transfer and pledge by directors, supervisors, officers, and greater-than-10-percent shareholders

a. Changes in shareholdings of Directors, Officers, and Major Shareholders

Unit: Shares

Title (Remark 1)	Name	2024		As of March 30, 2025	
		Increase (Decrease) in # of Shares Held	Increase (Decrease) in # of Shares Pledged	Increase (Decrease) in # of Shares Held	Increase (Decrease) in # of Shares Pledged
Chairman & Vice CSO	Liao, Sih-Jheng	73,000	-	-	-
Director & CSO	Tong, Zi-Xian	41,200	-	-	-
Director	Guo, Ming-Dong	-	-	-	-
Director, CEO & GM	Chen, He-Xu	81,000	-	(57,000)	-
Director (major shareholder)	Asuspower Investment Co., Ltd. Corporate, rep: Zhang, Qian-Wei	-	-	-	-
Technical Director	Zhang, Qian-Wei	27,000	-	-	-
Director (major shareholder)	Asustek Investment Co., Ltd. Wu, Xiang-Xiang	-	-	-	-
	Wu, Xiang-Xiang	-	-	-	-
Independent Director	Lee, Ming-Yu	-	-	-	-
Independent Director	Chen, Liang-Ji	-	-	-	-
Independent Director	Hocheng, Hong	-	-	-	-
Major Shareholder	Asus Investment Co., Ltd.	-	-	-	-
Senior assistant GM	Huang, Geng-Fang	23,000	-	-	-
Senior assistant GM	Huang, Sheng-Chuan	18,800	-	-	-
Assistant GM	Lin, Zhi-Wei	14,200	-	-	-
Assistant GM	Wu, Wei-Wen(Remark 2)	(5,400)	-	(Remark 2)	-
Assistant GM	Zhuang, Da-Zhong	34,600	-	-	-
Assistant GM	Lee, An-Tang	35,000	-	-	-
Chief FIN/ACC manager	Liu, Su-Zhen	15,600	-	-	-

Remark

1. The directors were re-elected on May 30, 2024.
2. The Assistant General Manager, Wu, Wei-Wen, resigned on January 25, 2025.

(B) Where the counterparty in any transfer or pledge of equity is a related party, disclose the counterparty's name, its relationship with the Company as well as the Company's directors, supervisors, and greater-than-10-percent shareholders, and the number of shares acquired or pledged: None

(7) Relationship information, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another:

Name	Shares Held		Shares Held by Spouse or Minor Children		Total Shares Held in the Name of Others		Title or Name of Its Related Party, Spouse, or Relative Within the Second Degree of Kinship That Is Among Ten Largest Shareholders and Their Relationship		Note
	# of Shares	Shareholding Percentage	# of Shares	Shareholding Percentage	# of Shares	Shareholding Percentage	Title (or Name)	Relationship	
Asus Investment Co., Ltd. (Representative: Tong, Zi-Xian)	60,128,417	13.17%	-	-	-	-	Asustek Investment Co., Ltd., Asuspowers Investment Co., Ltd.	All are 100% owned by Pegatron Corp.	-
Asustek Investment Co., Ltd. (Representative: Tong, Zi-Xian)	58,233,091	12.75%	-	-	-	-	Asus Investment Co., Ltd., Asuspowers Investment Co., Ltd.	All are 100% owned by Pegatron Corp.	-
Asuspowers Investment Co., Ltd. (Representative: Tong, Zi-Xian)	55,556,221	12.17%	-	-	-	-	Asus Investment Co., Ltd., Asustek Investment Co., Ltd.	All are 100% owned by Pegatron Corp.	-
NanShan Life Insurance Co., Ltd. (Representative: Yin, Chung-Yao)	13,901,000	3.04%	-	-	-	-	-	-	-
Fubon Life Insurance Co., Ltd. (Representative: Lin, Fuxing)	9,519,000	2.08%	-	-	-	-	-	-	-
Cathay Life Insurance Co., Ltd. (Representative: Xiong, Minghe)	4,860,000	1.06%	-	-	-	-	-	-	-
Chase Bank in custody for Templeton Asia Smaller Companies Fund	3,924,100	0.86%	-	-	-	-	-	-	-
Chase Bank in custody for Series of Vanguard Star Funds	3,820,758	0.84%	-	-	-	-	-	-	-
JPMorgan Bank Taipei Branch in custody for Vanguard International Equity Index Funds	3,390,530	0.74%	-	-	-	-	-	-	-
Citibank custody for Investment account of Norges Bank	3,076,571	0.67%	-	-	-	-	-	-	-



(8)The total number of shares and total equity stake held in any single enterprise by the Company, its directors and supervisors, managers, and any companies controlled either directly or indirectly by the Company

### Consolidated Shareholding Percentage

Measurement date: Dec. 31, 2024; Unit: Shares; %

Invested Enterprise	Investment by the Company		Investment by Directors, Supervisors, Officers, and Directly or Indirectly Controlled Companies		Consolidated Investment	
	# of Shares	Shareholding Percentage	# of Shares	Shareholding Percentage	# of Shares	Shareholding Percentage
KINSUS CORP.(USA)	500,000	100%	-	-	500,000	100%
KINSUS HOLDING (SAMOA) LIMITED	109,239,940	100%	-	-	109,239,940	100%
KINSUS HOLDING (CAYMAN) LIMITED	-	-	70,000,000	100%	70,000,000	100%
Kinsus Interconnect Technology (Suzhou) Corp.	-	-	-	100%	-	100%
KINSUS INVESTMENT CO., LTD.	172,000,000	100%	-	-	172,000,000	100%
PEGAVISION CORP.	1,820,034	2.33%	35,144,956	45.06%	36,964,990	47.39%
PIOTEK HOLDINGS LTD.(CAYMAN)	-	-	40,686,220	100%	40,686,220	100%
PIOTEK HOLDINGS LIMITED	-	-	31,862,790	100%	31,862,790	100%
PIOTEK (H.K.) TRADING LIMITED.	-	-	200,000	100%	200,000	100%
Piotek Computer (Suzhou) Co. Ltd.	-	-	-	91.70%	-	91.70%
Pegavision Contact Lenses (Shanghai) Corporation	-	-	-	100%	-	100%
Pegavision Japan Inc.	-	-	198	100%	198	100%
Gemvision Technology (Zhejiang) Limited	-	-	-	100%	-	100%
Pegavision (Jiangsu) Limited	-	-	-	100%	-	100%
Beauty Tech Platform Corporation	-	-	8,500,000	85%	8,500,000	85%
Mayin Investment Co., Ltd.	-	-	21,000,000	100%	21,000,000	100%
Facial Beau International Corporation	-	-	2,750,000	55%	2,750,000	55%
Aquamax Vision Corporation	-	-	11,000,000	100%	11,000,000	100%
Beauty Tech Platform (Shanghai) Corporation	-	-	-	100%	-	100%
Pegavision (Jiangsu) Limited	-	-	-	100%	-	100%
IKIDO Inc.	-	-	198	100%	198	100%
RODNA Co., Ltd.	-	-	-	100%	-	100%
Beautytech Platform (Singapore) Pte. Ltd.	-	-	200,000	100%	200,000	100%
PEGAVISION VIETNAM COMPANY LIMITED	-	-	-	100%	-	100%
FORIMART Corporation	-	-	1,500,000	100%	1,500,000	100%
Pegavision (Shanghai) Corporation	-	-	-	100%	-	100%
BEAUTYTECH PLATFORM (VIETNAM) LIMITED LIABILITY COMPANY	-	-	-	70%	-	70%

### 3. Information on Capital Raising Activities

#### (1) Capital and Shares

##### (A) Sources of Capital Stock

##### a. Types of Shares

As of March 30, 2025 Unit: Shares

Type of Shares	Authorized Capital Stock			Remark
	Outstanding Shares (Note)	Unissued Shares	Total	
common stock	454,423,060	145,576,940	600,000,000	Note

Note: The Company has gone public since Nov. 1, 2004. The shares outstanding are all listed.

##### b. Formation of Capital Stock

As of March 30, 2025

Month & Year	Issue Price (\$)	Authorized Capital Stock		Paid-Up Capital Stock		Note		
		# of Shares (Thousand Shares)	Amount (Thousand Dollars)	# of Shares (Thousand Shares)	Amount (Thousand Dollars)	Source of Capital Stock	Offsetting Payment of Shares with Properties Other Than Cash	Others
Sep. 2000	10	250,000	2,500,000	120,000	1,200,000	Startup capital 1,200,000	None	-
Dec. 2000	10	250,000	2,500,000	130,000	1,300,000	Cash addition 100,000	None	Note 1
April 2001	10	250,000	2,500,000	190,000	1,900,000	Cash addition 600,000	None	Note 2
Nov. 2002	10	250,000	2,500,000	200,000	2,000,000	Cash addition 100,000	None	Note 3
July 2004	10	288,000	2,880,000	222,000	2,220,000	Capitalization of earnings 220,000	None	Note 4
Aug. 2005	10	370,000	3,700,000	259,800	2,598,000	Capitalization of earnings 378,000	None	Note 5
Sep. 2005	10	370,000	3,700,000	289,800	2,898,000	Cash addition 300,000	None	Note 6
June 2006	10	550,000	3,700,000	339,800	3,398,000	Cash addition 500,000	None	Note 7
Sep. 2006	10	550,000	5,500,000	389,000	3,890,000	Capitalization of earnings 492,000	None	Note 8
Sep. 2007	10	550,000	5,500,000	435,400	4,354,000	Capitalization of earnings 464,000	None	Note 9
Sep. 2008	10	550,000	5,500,000	446,000	4,460,000	Capitalization of earnings 106,000	None	Note 10
Aug. 2018	10	550,000	5,500,000	450,841	4,508,410	Issuance 48,410 thousand shares of restricted stocks to employees.	None	Note 11

English Translation of The Annual Report Originally Issued in Chinese

Month & Year	Issue Price (\$)	Authorized Capital Stock		Paid-Up Capital Stock		Note		
		# of Shares (Thousand Shares)	Amount (Thousand Dollars)	# of Shares (Thousand Shares)	Amount (Thousand Dollars)	Source of Capital Stock	Offsetting Payment of Shares with Properties Other Than Cash	Others
Mar. 2019	10	550,000	5,500,000	451,361	4,513,609	Cancellation of 786 thousand shares and Issuance 5,985 thousand shares of restricted stocks to employees.	None	Note 12
May 2019	10	550,000	5,500,000	451,301	4,513,009	Cancellation of 600 thousand shares	None	Note 13
Aug. 2019	10	600,000	6,000,000	451,161	4,511,614	Cancellation of 1,395 thousand shares	None	Note 14
Oct. 2019	10	600,000	6,000,000	451,074	4,510,738	Cancellation of 876 thousand shares	None	Note 15
Feb. 2020	10	600,000	6,000,000	451,039	4,510,390	Cancellation of 348 thousand shares	None	Note 16
April 2020	10	600,000	6,000,000	450,915	4,509,152	Cancellation of 1,238 thousand shares	None	Note 17
July 2020	10	600,000	6,000,000	450,875	4,508,753	Cancellation of 399 thousand shares	None	Note 18
Oct. 2020	10	600,000	6,000,000	450,863	4,508,625	Cancellation of 128 thousand shares	None	Note 19
Feb. 2021	10	600,000	6,000,000	450,847	4,508,474	Cancellation of 151 thousand shares	None	Note 20
April 2021	10	600,000	6,000,000	450,844	4,508,441	Cancellation of 33 thousand shares	None	Note 21
Aug. 2022	10	600,000	6,000,000	452,776	4,527,761	Cancellation of 19,320 thousand shares	None	Note 22
Mar. 2023	10	600,000	6,000,000	454,219	4,542,191	Cancellation of 50 thousand shares and issuance 14,480 thousand shares of restricted stocks to employees	None	Note 23
May 2023	10	600,000	6,000,000	454,499	4,544,991	Cancellation of 2,800 thousand shares	None	Note 24
Aug. 2023	10	600,000	6,000,000	454,475	4,544,746	Cancellation of 245 thousand shares	None	Note 25
Nov.2023	10	600,000	6,000,000	454,467	4,544,671	Cancellation of 75 thousand shares	None	Note 26
Jan. 2024	10	600,000	6,000,000	454,423	4,544,231	Cancellation of 440 thousand shares	None	Note 27
Aug. 2024	10	600,000	6,000,000	456,671	4,566,711	Cancellation of 490 thousand shares and issuance 22,970 thousand shares of restricted stocks to employees	None	Note 28
Oct. 2024	10	600,000	6,000,000	456,659	4,566,591	Cancellation of 120 thousand shares	None	Note 29
Feb. 2025	10	600,000	6,000,000	456,649	4,566,494	Cancellation of 97 thousand shares	None	Note 30

- Note 1: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 09001013780 dated January 15, 2001.
- Note 2: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 09001129300 dated April 17, 2001.
- Note 3: Letter of (91)-Tai-Cai-Zheng-(Yi)-Zi No. 0910149830 issued by the Securities and Futures Commission, Ministry of Finance on September 11, 2002.
- Note 4: Letter of (93)-Tai-Cai-Zheng-(Yi)-Zi No. 0930124569 issued by the Securities and Futures Commission, Ministry of Finance on June 2, 2004.
- Note 5: Letter of Jin-Guan-Zheng-Yi-Zi No. 0940126584 issued by the Financial Supervisory Commission, Executive Yuan on July 1, 2005.
- Note 6: Letter of Jin-Guan-Zheng-Yi-Zi No. 0940130374 issued by the Financial Supervisory Commission, Executive Yuan on August 2, 2005.
- Note 7: Letter of Jin-Guan-Zheng-Yi-Zi No. 0950108623 issued by the Financial Supervisory Commission, Executive Yuan on March 24, 2006.
- Note 8: Letter of Jin-Guan-Zheng-Yi-Zi No. 0950128559 issued by the Financial Supervisory Commission, Executive Yuan on July 5, 2006.
- Note 9: Letter of Jin-Guan-Zheng-Yi-Zi No. 0960031093 issued by the Financial Supervisory Commission, Executive Yuan on June 21, 2007.
- Note 10: Letter of Jin-Guan-Zheng-Yi-Zi No. 0970030373 issued by the Financial Supervisory Commission, Executive Yuan on June 18, 2008.
- Note 11: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No.10701117040 dated September 10, 2018.
- Note 12: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 10801033770 dated March 29, 2019.
- Note 13: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 10801054730 dated May 20, 2019.
- Note 14: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 10801112260 dated August 14, 2019.
- Note 15: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 10801157790 dated November 12, 2019.
- Note 16: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 10901028100 dated February 27, 2020.
- Note 17: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 10901076340 dated May 21, 2020.
- Note 18: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 10901152510 dated August 19, 2020.
- Note 19: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 10901210150 dated November 11, 2020.
- Note 20: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 11001026260 dated February 9, 2021.
- Note 21: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 11001080350 dated May 24, 2021.

- Note 22: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 11101167630 dated September 2, 2022.
- Note 23: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 11230052230 dated March 30, 2023.
- Note 24: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 11230093150 dated June 2, 2023
- Note 25: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 11230155350 dated August 16, 2023
- Note 26: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 11230215620 dated December 04, 2023
- Note 27: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 11330022700 dated March 11, 2024
- Note 28: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 11330164180 dated September 06, 2024
- Note 29: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 11330197840 dated November 20, 2024
- Note 30: Approved by the Ministry of Economic Affairs with the Letter of Jing-(090)-Shang No. 11430026680 dated March 10, 2025

(B) List of principal shareholders

The names, numbers of owned shares, and shareholding percentages of those who own 5% or more of the total issued shares or whose shareholding percentage is among the top ten.

As of March 30, 2025; Unit: Shares

Shares Name of Major Shareholders	# of Shares Held	Shareholding Percentage
Asus Investment Co., Ltd.	60,128,417	13.17%
Asustek Investment Co., Ltd.	58,233,091	12.75%
Asuspower Investment Co., Ltd.	55,556,221	12.17%
NanShan Life Insurance Co., Ltd.	13,901,000	3.04%
Fubon Life Insurance Co.,Ltd.	9,519,000	2.08%
Cathay Life Insurance Co.,Ltd.	4,860,000	1.06%
Chase Bank in custody for Templeton Asia Smaller Companies Fund	3,924,100	0.86%
Chase Bank in custody for Series of Vanguard Star Funds	3,820,758	0.84%
JPMorgan Bank Taipei Branch in custody for Vanguard International Equity Index Funds	3,390,530	0.74%
Citibank custody for Investment account of Norges Bank	3,076,571	0.67%

(C)The Company's dividend policy and implementation

a.The Company's Dividend Policy

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

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

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

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

b. Dividend Distributions to Be Proposed at the Shareholders' Meeting

The Articles of Incorporation 24-1: To authorize the distributable dividends and bonuses in whole may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; a in addition, there to a report of such distribution shall be submitted to the shareholders' meeting. The following distribution:

Kinsus Interconnect Technology Corp.  
Earnings Distribution Schedule  
For The Year Ended December 31, 2024

	Unit: NT\$
Item	Amount
Beginning retained earnings	\$14,765,243,956
Add: Other comprehensive income (loss) in 2024	
-Actuarial gain/loss of defined benefit	17,813,320
Add: New restricted employee shares adjustments	295,456
Add: Net income after tax in 2024	48,889,239
Less: 10% legal reserve	(6,699,802)
Add: Reversal of Special reserve	150,091,479
Distributable earnings	14,975,633,648
Distributions	
Less: Cash dividend to shareholders (NT\$1 per share)	(456,649,360)
Unappropriated retained earnings	<u>\$14,518,984,288</u>

c. Explanation of Expected Material Changes in the Dividend Policy: None

(D) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting

Regarding the distribution of earnings of the Company for 2024, the board of directors approved the proposal on February 17, 2025, to distribute shareholder bonuses totaling NT\$456,649 thousand in the form of cash only. Thus, it is not applicable.

(E) Compensation of employees, directors, and supervisors

a. The percentages or ranges with respect to employee, director, and supervisor compensation, as set forth in the Company's articles of incorporation:

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

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

Employee and directors' compensation is to report in the shareholders' meeting.

- b. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: None
- c. Information on any approval by the board of directors of distribution of compensation:
  - (a) Regarding the distribution of remuneration to employees and remuneration to directors in 2024 resolved by the Annual Shareholders Meeting on February 17, 2025 to distribute remuneration to employees and remuneration distribution is 6,251 thousand and 0 thousand respectively, which is no different from the estimated annual amount of recognized expenses.
  - (b) The proposed amount of employee stock bonuses to be distributed, and the size of such an amount as a percentage of the sum of the after-tax net income stated in the separate or individual financial reports for the current period and total employee bonuses: N/A
- d. The actual distribution of employee, director, and supervisor compensation for the previous fiscal 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, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated.

The Company's actual distribution of employee, director, and supervisor compensation in 2023 is as below:

Item	Earnings Distribution for 2023			Cause and Explanation of Discrepancy
	Adopted at Shareholders' Meeting on January 29, 2024	Actual Distribution	Discrepancy	
Director Remuneration	NT\$- thousand	NT\$- thousand	-	-
Employee Compensation	NT\$6,480 thousand	NT\$6,480 thousand	-	-

(F)Share repurchases: None



(2) Issuance of corporate bonds: None

(3) Issuance of preferred shares: None

(4) Issuance of global depository receipts: None

(5) Issuance of employee share subscription warrants: None

## (6) Issuance of new restricted employee shares:

(a) Any new shares with restricted employee rights that have not fully met the vested conditions shall disclose the status of the transaction as of the date of publication of the annual report and the impact on shareholders' rights and interests:

March 30, 2025

Type of Restricted Stock Awards	First issuance, 2022 Restricted Stock Awards	Second issuance, 2022 Restricted Stock Awards	Third issuance, 2022 Restricted Stock Awards	First issuance, 2024 Restricted Stock Awards
Date of Effective Registration	June 23, 2022, total 5,400,000 shares			July 3, 2024, total 2,700,000 shares
Issue Date	August 19, 2022	March 20, 2023	May 19, 2023	August 23, 2024
Number of Restricted Stock Awards Issued	1,932,000 shares	1,448,000 shares	280,000 shares	2,297,000 shares
Number of Restricted Stock Awards Unissued	0 shares			403,000 shares
Issued Price	NT \$85.6 /thousand shares			NT \$59.5 /thousand shares
Ratio of Unreleased Restricted Stock Awards to Total Issued Shares	0.42%	0.32%	0.06%	0.50%
Vesting conditions of Restricted Stock Awards	<p>I. The vested interest is listed below for the qualified employees who above employee at level 8 of the RSA plan in the condition of remaining on job from the grant date to the respective vested dates and no breach on laws and regulations, service agreements, commitments of integrity and confidentiality, ethic of conduct, etc.</p> <p>A. 30% upon one month from the grant date (Unconditional round up to thousand shares);</p> <p>B. 20% upon eight months from the grant date (Unconditional round up to thousand shares);</p> <p>C. 20% upon thirteen months from the grant date (Unconditional round down to thousand shares);</p>			<p>I. The vested interest is listed below for the qualified employees who above employee at level 8 of the RSA plan in the condition of remaining on job from the grant date to the respective vested dates and no breach on laws and regulations, service agreements, commitments of integrity and confidentiality, ethic of conduct, etc.</p> <p>A. 40% upon one month from the grant date;</p> <p>B. 30% upon thirteen months from the grant date;</p>

Type of Restricted Stock Awards	First issuance, 2022 Restricted Stock Awards	Second issuance, 2022 Restricted Stock Awards	Third issuance, 2022 Restricted Stock Awards	First issuance, 2024 Restricted Stock Awards
	<p>D. 10% upon twenty months from the grant date (Unconditional round up to thousand shares);</p> <p>E. 10% upon twenty-five months from the grant date (Unconditional round up to thousand shares);</p> <p>F. remaining shares upon thirty-two months from the grant date.</p> <p>II. The vested interest is listed below for the qualified employees who at level 6 through level 7 of the RSA plan in the condition of remaining on job from the grant date to the respective vested dates and no breach on laws and regulations, service agreements, commitments of integrity and confidentiality, ethic of conduct, etc.</p> <p>A. 30% upon one month from the grant date (Unconditional round up to thousand shares);</p> <p>B. 50% upon thirteen months from the grant date (Unconditional round down to thousand shares);</p> <p>C. remaining shares upon twenty-five months from the grant date.</p>			<p>C. remaining shares upon twenty-five months from the grant date.</p> <p>II. The vested interest is listed below for the qualified employees who at level 6 through level 7 and other excellent performance of the RSA plan in the condition of remaining on job from the grant date to the respective vested dates and no breach on laws and regulations, service agreements, commitments of integrity and confidentiality, ethic of conduct, etc.</p> <p>A. 40% upon one month from the grant date;</p> <p>B. 30% upon thirteen months from the grant date;</p> <p>C. remaining shares upon twenty-five months from the grant date.</p>
Restricted Rights of Restricted Stock Awards	<p>(a) The granted employee commit to the custodian institution, and shall not sell, pledge, transfer, donate, or dispose in any other ways, the right of restricted stocks before achieving the vesting conditions.</p> <p>(b) After new shares of restricted stock are issued, the granted employee should immediately commit to the custodian institution, and not to ask the trustee to return the restricted stock in any other reasons or ways before achieving the vesting conditions.</p> <p>(c) The restricted stock for employees can participate in receiving dividends during the vesting period.</p> <p>(d) The right to vote and elect in a shareholders' meeting shall be executed by custodian institution in accordance with related regulations.</p>			<p>(a) The granted employee commit to the custodian institution, and shall not sell, pledge, transfer, donate, or dispose in any other ways, the right of restricted stocks before achieving the vesting conditions.</p> <p>(b) After new shares of restricted stock are issued, the granted employee should immediately commit to the custodian institution, and not to ask the trustee to return the restricted stock in any other reasons or ways before achieving the vesting conditions.</p> <p>(c) The restricted stock for employees can participate in receiving dividends during the vesting period.</p>

Type of Restricted Stock Awards	First issuance, 2022 Restricted Stock Awards	Second issuance, 2022 Restricted Stock Awards	Third issuance, 2022 Restricted Stock Awards	First issuance, 2024 Restricted Stock Awards
				<p>(d) During the vested period, if the Company conducts a capital reduction for cash return or other non-statutory capital reduction, the unvested RSAs shall be cancelled proportionally by the ration of such capital reduction. If the Company conducts a cash capital reduction for cash return, the returned cash shall be deposited in a trust/custody account and shall not be delivered to the employees until the vesting conditions are fulfilled; otherwise, the cash will be returned to the Company.</p> <p>(e) Mergers and Acquisitions: Unvested RSAs may be changed by the relevant agreements or plans for the mergers and acquisitions.</p> <p>(f) The right to vote and elect in a shareholders' meeting shall be executed by custodian institution in accordance with related regulations.</p> <p>(g) Other important terms and conditions: During the period when the granted RSAs are deposited in a trust/custody account, each executive must enter into an agreement authorizing the Company to, among others, negotiate, execute, modify, extend, rescind, and terminate the trust/custody agreement with the trustee/custodian, and give instructions to deliver, use, and dispose of any of the properties under the trust/custody, on their behalf, with full power and authority.</p>

Type of Restricted Stock Awards	First issuance, 2022 Restricted Stock Awards	Second issuance, 2022 Restricted Stock Awards	Third issuance, 2022 Restricted Stock Awards	First issuance, 2024 Restricted Stock Awards
Custody Status of Restricted Stock Awards	Deposited in a trust/custody account 100,500 shares	Deposited in a trust/custody account 243,000 shares	Deposited in a trust/custody account 47,000 shares	Deposited in a trust/custody account 1,339,800 shares
Measures to be Taken Where Employees Fail to Meet the Vesting Conditions	The Company will reclaim and cancel the unvested RSAs in original issuance price.			The Company will reclaim and cancel the unvested RSAs in original issuance price.
Number of Restricted Stock Awards Which Have Been Reclaimed	49,500 shares	63,000 shares	43,000 shares	38,400 shares
Number of Released Restricted Stock Awards	1,782,000 shares	1,142,000 shares	190,000 shares	918,800 shares
Number of Unreleased Restricted Stock Awards	100,500 shares	243,000 shares	47,000 shares	1,339,800 shares
Ratio of Unreleased Restricted Stock Awards to Total Issued Shares	0.02%	0.05%	0.01%	0.29%

Type of Restricted Stock Awards	First issuance, 2022 Restricted Stock Awards	Second issuance, 2022 Restricted Stock Awards	Third issuance, 2022 Restricted Stock Awards	First issuance, 2024 Restricted Stock Awards
Impact on Shareholders' Equity	<p>(a) Calculated expense amount: The expenses, calculated by using the closing unit trade price of NT\$202.50 at 2022/02/07, to be recorded in 2022, 2023, 2024 and 2025 would be NT\$164,099 thousand, NT\$307,053 thousand, NT\$113,299 thousand and NT\$24,715 thousand, respectively.</p> <p>(b) Diluted EPS and other factors affecting shareholder's equity: The dilution effect on EPS, based on the vesting conditions and currently issued and outstanding shares, would be NT\$0.36, NT\$0.68, NT\$0.25 and NT\$0.06 for 2022, 2023, 2024 and 2025, respectively.</p>			<p>(a) Calculated expense amount: The expenses, calculated by using the closing unit trade price of NT\$98.4 at 2024/01/19, to be recorded in 2024, 2025 and 2026 would be NT\$72,641 thousand, NT\$42,421 thousand and NT\$13,129 thousand, respectively.</p> <p>(b) Diluted EPS and other factors affecting shareholder's equity: The dilution effect on EPS, based on the vesting conditions and currently issued and outstanding shares, would be NT\$0.16, NT\$0.09 and NT\$0.03 for 2024, 2025 and 2026, respectively.</p>

## (b) Information on Name of Managers and Top 10 Employees obtaining Employee Restricted Stocks

As of March 30, 2025

	Title	Name	Number of Employee Restricted Shares	Number of Employee Restricted Stocks to Outstanding Common Shares	Free from Trust (Note 1)				Under the Trust			
					Number of Employee Restricted Stocks Free from Custody	Price of Issuance (thousand shares)	Total Amount of Issuance	Number of Employee Restricted Stocks Free From Custody To Outstanding Common Shares	Number of Employee Restricted Stocks Under Custody	Price of Issuance	Total Amount of Issuance	Number of Employee Restricted Stocks Under Custody To Outstanding Common Shares
Management	CSO	Tong, Zi-Xian	1,548,500	0.34%	1,169,900	85.6 59.5	95,669,900	0.26%	378,600	85.6 59.5	26,441,700	0.08%
	Vice CSO	Liao, Sih-Jheng										
	CEO and GM	Chen, He-Xu										
	CTO	Zhang, Qian-Wei										
	Senior Vice President	Huang, Geng-Fang										
	Senior Vice President	Huang, Sheng-Chuan										
	Vice President	Lin, Zhi-Wei										
	Vice President	Wu, Wei-Wen (resigned)										
	Vice President	Zhuang, Da-Zhong										
	Vice President	Lee, An-Tang										
	Chief Financial officer	Liu, Su-Zhen										

	Title	Name	Number of Employee Restricted Shares	Number of Employee Restricted Stocks to Outstanding Common Shares	Free from Trust (Note 1)				Under the Trust			
					Number of Employee Restricted Stocks Free from Custody	Price of Issuance (thousand shares)	Total Amount of Issuance	Number of Employee Restricted Stocks Free From Custody To Outstanding Common Shares	Number of Employee Restricted Stocks Under Custody	Price of Issuance	Total Amount of Issuance	Number of Employee Restricted Stocks Under Custody To Outstanding Common Shares
Employee (Note)	Senior Associate President	Lin, Pin-Zhong	719,000	0.16%	485,600	85.6 59.5	38,915,600	0.11%	233,400	85.6 59.5	16,001,400	0.05%
	Senior Associate President	Ma, Zhen-Guo										
	Senior Associate President	Wu, Chang-Long										
	Senior Associate President	He, Qi-Ye										
	Senior Associate President	Lin, Ding-Hao										
	Senior Associate President	Li, Bing-Ze										
	Senior Associate President	Chen, Kun-Di										
	Senior Project Associate President	Peng, Dian-Zhong										
	Associate President	Fan, Wen-Long										
	Associate President	Liao, Shu-Yun										
	Project Associate President	Yang, Da-Wen										
	Project Associate President	Zhang, Shuo-Xun										

Note: All the top 10 employees obtaining Employee Restricted Stocks, including those granted the same number of options, are disclosed here.

Note 1: Including the number of repurchased or acquired new restricted employee shares.



(7) Mergers, acquisitions, and issuance of new shares due to acquisition of shares of other companies

(A) Where the Company completed a merger, acquisition, or issuance of new shares due to acquisition of shares of other companies in the most recent year and during the current period up to the date of printing of the annual report, the following matters shall be disclosed: None

(B) Where, in the most recent year and during the current period up to the date of printing of the annual report, the board of directors adopted a resolution approving a merger, acquisition, or issuance of new shares due to acquisition of shares of other companies, the state of the plan's implementation together with the basic information of the Company (or companies) to be merged, acquired, or purchased through acquisition of shares shall be disclosed. Where a merger, acquisition, or issuance of new shares due to acquisition of shares of other companies is currently in progress, the state of the plan's implementation and its effect on shareholders' equity shall be disclosed: None

(8) Implementation of the Company's capital allocation plans

(A) Description of the plans: Each uncompleted public issue or private placement of securities, and issues or placements that were completed in the most recent three years but have not yet fully yielded the planned benefits: N/A

(B) Status of implementation: N/A

## **4. An Overview of Operations**

### (1) A description of the business

#### (A) Scope of Business

##### a. Primary Business Areas

- (a) CC01080 Manufacturing of electronic components.
- (b) CC01990 Manufacturing of other electrical and electronic mechanical equipment.
- (c) CB01990 Manufacturing of other machinery.
- (d) CQ01010 Manufacturing of dies.
- (e) F401010 International trade.

##### b. Sale Percentages of Primary Products

Unit: NT\$'000

Primary product \ Percentage	2024	
	Sales	Percentage
Division of substrates	23,718,364	77.68%
Division of optics	6,816,615	22.32%
Total	30,534,979	100.00%

##### c. Current Products

- (a) Manufacturing & sales of PBGA (Plastic Ball Grid Array) substrates.
- (b) Manufacturing & sales of MCM (Multi-Chip-Module) BGA substrates.
- (c) Manufacturing & sales of CSP (Chip Scale Package) mini-BGA substrates.
- (d) Manufacturing & sales of High Dissipation Cavity Down substrates and TEBGA (Thermal Enhanced-BGA) substrates.
- (e) Manufacturing & sales of Flip Chip substrates and Flip Chip CSP substrates.
- (f) Manufacturing & sales of Flip Chip Film COF (Chip on Flex).
- (g) Manufacturing & sales of Core-less substrates.
- (h) Manufacturing & sales of All Layer Build Up substrates.
- (i) Manufacturing & sales of Embedded Pattern substrates.
- (j) Manufacturing & sales of Embedded Passive substrates.
- (k) Manufacturing & sales of High-Density Copper Bump substrates.
- (l) Manufacturing & sales of High Band Width Package-On-Package substrates.
- (m) Manufacturing & sales of Core-less Embedded Passive substrates.

#### d. New Products to Be Developed

Since the founding of the Company, we have always maintained the principle of “Satisfy customers; pursue excellence”. Furthermore, we also positioned our R&D to achieve technology leadership and satisfy market demands. We always strive to increase the profitability of our products by entering the market early, as well as plan future investments of engineering resources by fully grasping the requirements of new generation products. Listed below are new products that we plan to develop in the future:

- (a) Introduction of Ultra-low Expansion/Shrinkage, High Tg, High Young's Modulus base materials.
- (b) Development of Fine Pitch Copper Pillar and Solder Bump substrate technology.
- (c) Development of High Layer Count Core-less substrate manufacturing technology.
- (d) Development of Embedded Passive substrate technology.
- (e) Cooperative project of 20~14 nanometer chip packaging.
- (f) Development of automatic production technology for ultra-thin boards.
- (g) Development of integration technology of Embedded Active and Embedded Passive components.
- (h) Development of ultra-fine circuit ( $<8\mu\text{m}$ ), and high contact density products ( $<30\mu\text{m}$  pitch).
- (i) Development of ultra-micropore (diameter $\leq 30\mu\text{m}$ ) technology.
- (j) Development of low-cost fine circuit ( $\leq 20\mu\text{m}$ ) technology.
- (k) Development of Via Filling technology.

#### (B) Overview of the Industry

##### a. Overview and Development of the Industry

The semiconductor industry will undergo dramatic changes in 2024. One year before the U.S. presidential election, all presidential candidates have adopted tough restrictive measures against China as the main axis of their election campaign policies. Presidential candidate Trump has even expanded this to economic partners around the world, and will significantly increase tariffs as an important solution to save the U.S. economy. The development of the global economy is linked to the development of the electronic technology industry, which is completely affected by the geopolitical sector. Future economic growth is full of variables, inflationary pressure is gradually increasing, and the momentum of economic growth is clearly becoming conservative.

Amidst the multiple negative factors of political turmoil, the inability to end the war in the short term, and the cooling of the wave of globalization, AI artificial intelligence issues and business opportunities have emerged in mid-2024. The related technology and electronics industries seem to have caught a piece of driftwood for rapid development and growth in the medium term. AI-related industries are full of imagination and expectations. It seems that all AI learning, inference, and edge computing can be commercialized overnight. Nvidia and other IC design companies have successively launched high-computing power CPUs, GPUs, ASICs and other

chips. The four major Internet service companies have also significantly increased capital expenditures for building data centers. It seems that the development direction of global technology products and the sluggish demand market conditions are about to be reversed.

Even if we look back today at the beginning of 2025, this expectation has been partially revised, but in the development map of the technology industry, AI artificial intelligence is still the main trend, and related electronics, semiconductor products, and terminal applications will still be the driving direction for the future.

Long-term observations and forecasts, as shown in Table 1, show that various types of technology and electronic products have different growth trends.

\$USD Bn		2023	'24F/23	2024F	25F/24F	2025F	2028F	CAAGR 23-28
Computers	PC	226	5.9%	239	3.9%	249	264	3.1%
	Server/Data Storage	200	41.5%	283	27.9%	362	465	18.4%
	Other Computer	147	-2.5%	143	3.1%	148	168	2.7%
Communication	Mobile Phones	390	6.4%	415	4.6%	434	515	5.7%
	Wired Infrastructure	161	-3.1%	156	6.4%	166	202	4.6%
	Wireless Infrastructure	81	-10.1%	73	5.2%	77	92	2.5%
Consumer	TV	87	0.8%	87	-3.3%	84	81	-1.3%
	Audio Video/Personal	143	1.3%	145	3.6%	150	171	3.7%
	Other Consumer	99	-0.9%	98	3.4%	102	116	3.2%
Automotive		282	-5.1%	268	3.5%	277	339	3.8%
Industrial		307	-0.1%	306	5.2%	322	399	5.4%
Medical		138	4.5%	144	5.2%	151	170	4.3%
Military/Aerospace		172	8.1%	186	6.5%	198	230	6.0%
Total		\$2,431	4.6%	\$2,543	6.9%	\$2,719	\$3,212	5.7%

Table 1: Growth Trends of Electronic Technology Products Market

Source: Prismark 2024 Dec

Observing the compound growth rate from 2023 to 2028, server/data storage is as high as 18.4%, which is the largest growth segment in the next few years. This coincides with the wave of AI artificial intelligence in 2024. Various language models and application scenarios, with the launch of various high-computing chips, will be widely used within one or two years. The application of semiconductor chips includes CPU, GPU, ASIC, memory, controller, etc.

In contrast, mobile phone applications, another major area in Table 1, showed a relatively neutral growth (5.7%). This is mainly because the functions of smartphones have been developed to the extreme. If the functions and computing power are to be increased, they will be severely limited by battery power. The direction of industrial technology development has shifted to reducing energy consumption. Without reducing battery life, some edge computing AI functions are added in the hope of stimulating further growth in smartphone sales. However, it will take a long time, and

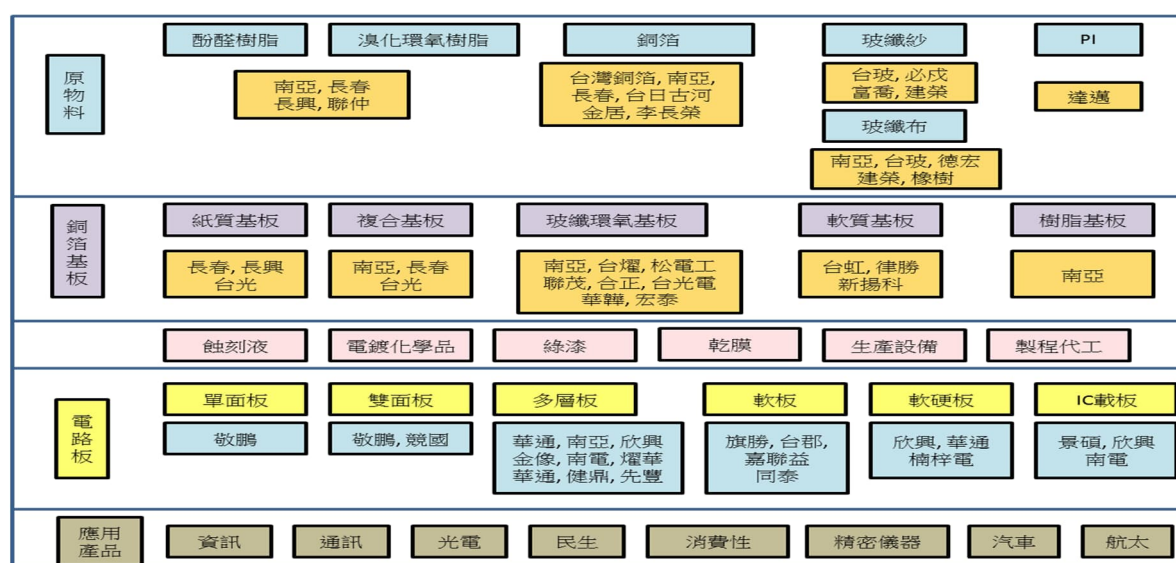
before battery technology is significantly improved, development will be relatively slow. We can only hope that other wearable devices can slightly increase consumers' willingness to buy.

The table shows that the compound growth rate of consumer electronics products is also relatively slow, reflecting the current situation of slowing global economic growth and rising inflation risks. The US plan to raise tariffs on major global trading partners may make the situation worse. China, one of the leading countries in consumer electronics consumption, is unable to drive global economic growth in the short term due to many restrictions imposed by the United States. Isolationism and increased geopolitical risks have added many variables to the growth trend of the electronics/semiconductor product market.

Under this situation, the company needs to follow the market development direction, grasp the launch of new products for customers among the customer base of AI-related applications, and successfully adapt to market trends.

#### b. Interrelationships between the Upstream, Midstream and Downstream of the Industry

The relative relationships between the upstream and downstream sectors of the industrial chain of PCB and IC substrate are shown in the figure below. Our company is positioned in the sector of "Circuit board". Upstream suppliers include Epoxy CCL (Copper Clad Laminate), copper foil, and various specialty chemicals suppliers. Downstream clients include IC packaging industry, and electronic product assembly EMS companies. Before the alleviation of the COVID-19 in 2023, there was an imbalance in the supply of some raw materials (copper foil, Copper Clad Laminate, etc.). After the pandemic, the overall industry chain has adjusted to a more balanced situation of supply-demand, with costs and prices remaining relatively stable.



Source: IEK

## c. Various Product Development Trends

As shown in Table 2, the market size of IC package substrates by type is US\$12,829 million, and is estimated to grow to US\$18,065 million by 2028, with a compound annual growth rate of approximately 7.6%.

(Value US\$M)	2023	2024F	2028F	2023/ 2028	2023-2028 CAAGR
FC PGA/LGA/BGA	\$6,716	\$6,445	\$10,282	-27.5%	8.9%
FCCSP/FC-DRAM	\$1,998	\$2,285	\$2,947	-27.8%	8.1%
WB PBGA/CSP	\$2,287	\$2,414	\$2,726	-29.6%	3.6%
Module	\$1,497	\$1,685	\$2,110	-29.8%	7.1%
Total	\$12,498	\$12,829	\$18,065	-28.2%	7.6%

Figure 1: The Market Size of IC Package Substrates by Type

Source: Prismark 2024 Dec

Among them, FCBGA (commonly known as ABF substrate) had the highest growth rate, reaching 8.9%. If we combine it with the transition chart shown in Figure 1, we can also see that the proportion of FCBGA has increased year by year. This is the result of the growth of the AI artificial intelligence industry. The new semiconductor platform required by AI, along with the advancement of advanced packaging, has led to an increasing demand for large-area, high-layer-count ABF substrates year by year. The memory required by servers/data centers has also grown significantly, as reflected in the FC-DRAM product category. Its compound annual growth rate is as high as 8.1%.

In contrast, the WB PBGA substrates used in traditional PCs showed a lower CAGR of approximately 3.6%. The growth opportunities for this type of substrate products depend on the overall global economic recovery. When the risk of geopolitical conflicts decreases and inflation can be effectively controlled, the demand for consumer electronics products will increase.

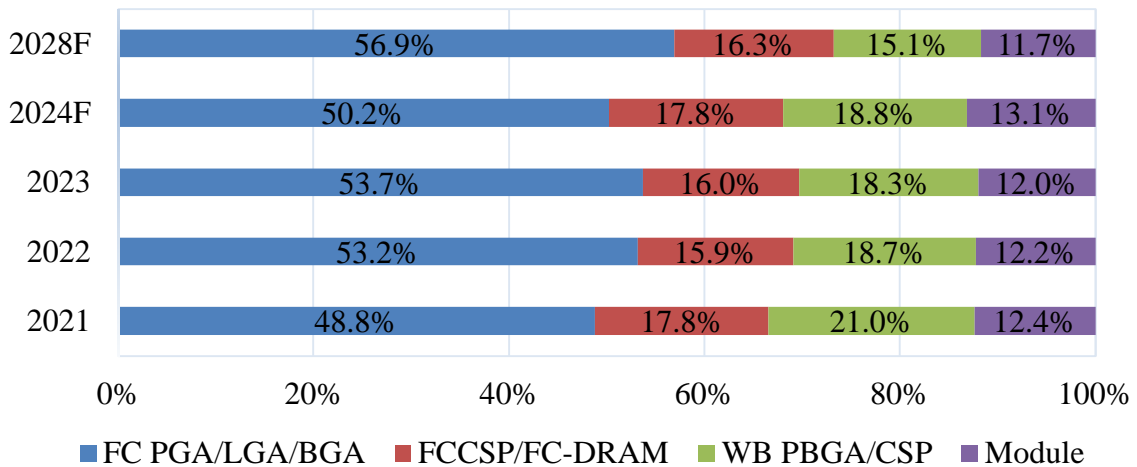


Figure 1: Changes in the Proportion of Packaging Substrate Applications Source: Prismark 2024 Dec

## d. Product Competitions

There are several trends in the competition of packaged substrate products:

- (a) In more than Moore, there is a new trend for high-level ABF substrate used in advanced packaging is a suitable substrate for multiple small chip packages (chipsets)
- (b) Integrated RF, substrate, baseband, and other band module substrate board (module) continuously develop to support foundational revenue
- (c) The glass core/substrate utilized in optical modules continuously develops, with partial commercialization within the next three to five years, and the substrates are applied to RF modules, optical modules, or partially replace the application of interposers
- (d) The demand for ABF substrates in Co-Packaged-Optics (CPO) is positive, but it will still take several years of development to demonstrate its advantages of increasing speed and reducing signal loss.

## (C) Overview of Technology and R&amp;D

- a. R&D expenses during recent years and up to the publication date of this annual report

Unit: NT\$'000

Year \ Item	2024	As of March 31, 2025
R&D expenses	2,611,654	685,978
Net income	30,534,979	8,619,744
Percentage of R&D expenses (%)	8.55%	7.96%

- b. Successfully developed technology or products

- (a) Manufacturing technology and products of PBGA (Plastic Ball Grid Array) substrates.
- (b) Manufacturing technology and products of MCM (Multi-chip-Module) BGA substrates.
- (c) Manufacturing technology and products of CSP (Chip Scale Package) substrates.
- (d) Manufacturing technology and products of High Dissipation Cavity Down substrates, and TEBGA (TEBGA-Thermal Enhanced BGA) substrates.
- (e) Manufacturing technology and products of Flip Chip substrates, and Flip Chip CSP substrates.
- (f) Manufacturing technology and products of Flip Chip film COF (Chip on Flex).
- (g) Manufacturing technology and products of Core-less substrates.
- (h) Peripheral and array wire type Copper Bump Packaging substrates.
- (i) Miniature Heatsink Packaging substrates.
- (j) Manufacturing technology and products of Embedded Pattern substrates.
- (k) Technology and design specifications of Embedded Thin capacitors.
- (l) Technology of No-wiring Bump Ni/Au electroplating.
- (m) Manufacturing technology of Copper Bump.
- (n) Anisotropic Etching technology.

- (o) Asymmetric structural board technology and odd-numbered-layer board technology.
- (p) High Band Width Package-On-Package substrates technology.
- (q) Electroless Nickel/Electroless Palladium/Immersion Gold (EPIG) surface treatment technology.
- (r) Embedded Thermal Bar technology.

#### (D) Long & Short-Term Business Development Plans

##### a. Short Term Plan

##### (a) Marketing Strategies

- ① Maintain close cooperation with key clients; stay up to date with the new products updates and customer needs.
- ② Multi-directional product development strategy; be attentive to the development of small and mid-sized clients, as well as product changes.
- ③ Develop business opportunities in new application fields; introduce different product design concepts and achieve technology-preparedness early.
- ④ Establish rapid prototyping unit and enhance new product development services.
- ⑤ Increase R&D capacity and shorten design time; provide timely introduction of new products to satisfy customer demands.
- ⑥ Continue to promote the TS16949 quality assurance certification system; ensure product quality; establish worldwide quality reputation by receiving certifications from major international manufacturers.

##### (b) Production Strategy

In response to the continuously expanding business scale, we will strive to simplify the technologies, improve manufacturing processes, implement automation & unattended operations, and conduct enhancements & maintenance, to increase productivity, reduce defective ratio, and lower costs.

##### (c) Directions of Product Development

- ① Increase R&D capabilities; actively invest in product R&D, design, and improvements; shorten product development time and try to lower costs; continue to simplify and accelerate processes, as well as improve quality.
- ② Reinforce product development and communication with potential customers, to fully grasp the market trends and maintain technical leadership.

##### (d) Operation Scale and Finance

- ① Continue to expand facility, invest in technologies, and increase utilization rate to expand the scale of operation.
- ② Establish sound, complete fundraising channels; establish close cooperative and mutually beneficial relationships with financial institutions; identify long-term low-interest loans, to supply the capitals needed for expanding the operation of the Company.



b. Long Term Plan

(a)Marketing Strategies

- ①Train marketing professionals on a long-term basis; gather information about other companies in the same industry as well as future development trends; stay informed about the status of current and new competitors; gain insights into market opportunities and establish operational bases widely; adjust individual product strategies immediately following changes in the market; increase market share.
- ②Maintain partnership relations with advanced chip develop and design companies; always be in possession of first-hand information; achieve process technology and production capacity preparedness, to maintain the Company's long-term competitiveness.

(b)Production Strategies

- ①Continue to increase production quality, technical strength, product yield, and lower production cost.
- ②Actively invest in automatic production equipment; bring in professional talents and advanced production technology; and improve process efficiency, to achieve the goal of increase the Company's profitability.
- ③Increase flexibility in production, to be able to respond to rapid market changes and unexpected urgent demands.

(c)Directions of Product Development

- ①Bring together related manufacturers in the nation to form R&D alliance, to actively and collaboratively develop and integrate advanced products, to create high added-value and head-start opportunities.
- ②In fields of high technical difficulties, adopt the strategies of technology transfer and authorization, as well as international cooperation; or commission domestic or foreign research institutes to conduct R&D projects, to lower the risks, shorten development time, exert the combined results of R&D, and increase R&D strength.

(d)Operation Scale and Finance

- ①Cultivate operational strength; expand quickly the operational scale; move towards the goal of diversified product development.
- ②As the Company continues to expand its business, in the future, we will establish marketing and production bases around the world, and actively build worldwide operation management and R&D centers.
- ③Raise long/mid-term funds and build up long-term development strength, to expand the operation scale of the Company.

## (2) An analysis of the market as well as the production and marketing situation

## (A) Analysis of the Market

## a. Sales (available) areas of primary products (services)

Unit: NT\$'000

Sales area	2024 Sales Value	Percentage
Taiwan	8,498,809	27.83%
Mainland China	6,652,127	21.79%
United States	5,388,402	17.65%
Japan	3,982,580	13.04%
Others	6,013,061	19.69%
Total	30,534,979	100.00%

Our company's primary product is the spherical array (BGA) substrates for IC. It is used as the chip carrier for semi-conductor packaging and acts as the connecting channel to external circuit. It is categorized as a raw material for the packaging industry or a carrier component. Its main sales targets are domestic and foreign IC packaging, design and system businesses.

## b. Market Share

The global IC substrate market is dominated by Japan, Taiwan, and South Korea, which share the market equally. Based on the end product application, Japanese companies such as Ibiden and Shinko have a higher market share in high-layer ABF substrates for server applications. Japanese companies also have a longer history of industry participation, which means a larger production capacity. However, their global participation and market share are showing a downward trend. Korean companies such as SEMCO and LGI have certain competitive advantages in the mobile phone chip field thanks to the support of their group company Samsung. In addition, in the memory industry, Korean peers such as SIMM tech also have a high global market share in the memory chip field with the help of its group company HK Hynix. Taiwanese companies such as Kinsus, Unimicron, and Nanya PCB are striving hard to win the business of American server and mobile phone customers, and are also able to gain more than 35% market share in the global substrate industry.

It is worth noting that the Chinese market, under the blockade of the United States, has actively supported the formation of China's local semiconductor industry chain in recent years. Even though it is still not competitive in terms of technology level and quality, we must pay attention to the future competition among related companies in the mid- and low-end IC substrates and pay attention to its interference with the market order.

#### c.Future Demand and Supply Condition, and Growth Potential of the Market

IC substrates account for about 45% of the vehicles used in the global packaging market, and most of them are used in packaging applications of medium and high pin chips. According to Prismark's December 2024 report, the IC substrate market will grow at a compound annual growth rate of 7.6% between 2024 and 2028, with strong growth, which is the main driving force for the growth of the FCBGA (commonly known as ABF substrate) and FC-DRAM driven by high-performance computing (HPC). With annual compound growth rates of output value of 8.9% and 8.1% respectively from 2024 to 2028.

In the next three to five years, the main development trend of electronic products comes from the server and data center and other multi-chip package IC platforms brought by HPC high-efficiency computing, as well as the demand for FCCSP, AiP/SiP substrates required for AR/VR/MR and other immersive wearable devices, these new needs cannot be replaced by other technologies in the next few years, and the substrate still has the advantages of the best cost structure and the most complete industrial chain structure, which is enough to support the growth of the company and the industry in the next few years.

#### d.Competitive Niche

Over the past 20 years of operation, our company has established an excellent reputation among IC design customers. Over the years, we have established barriers to entry for competitors in the industry in terms of the quantity and quality of new product certifications with our customers.

The company must continue to provide customers with satisfactory services in terms of new technologies and fast delivery in terms of new product development and certification, simultaneous expansion and upgrading of production capacity, and introduction of process AI technology, so that customers can feel the value and maintain its competitive niche.

e. Favorable and Unfavorable Factors for Development Perspectives, and the Responding Measures.

(a) Favorable factors

- ① The US blockade of China has led high-end US server customers to prefer supply chains outside of China. Coupled with the fact that the demand for HPC high-efficiency computing has become the mainstream driving force for growth, Taiwan's supply chain will benefit.
- ② The AI system introduced by the company provides higher global competitiveness in terms of improving quality while reducing costs.
- ③ Professional Full Process Workshop that provides one-stop comprehensive services for both ABF and BT substrates is a strength that other peers do not have.

(b) Unfavorable factors

- ① Faced with the trend of global semiconductor supply chain taking sides, Chinese companies may boost mid- and low-end products through domestic demand, causing chaos in the market competition for these commodities.

Responding measures:

Build a new layout of new production capacity in Southeast Asia, differentiate between Chinese customers and non-Chinese customers, and at the same time respond to pressure from the United States.

- ② The demand for high-layer ABF substrates is growing too fast, and Japanese film and fiberglass cloth suppliers may face a shortage of supply.

Responding measures:

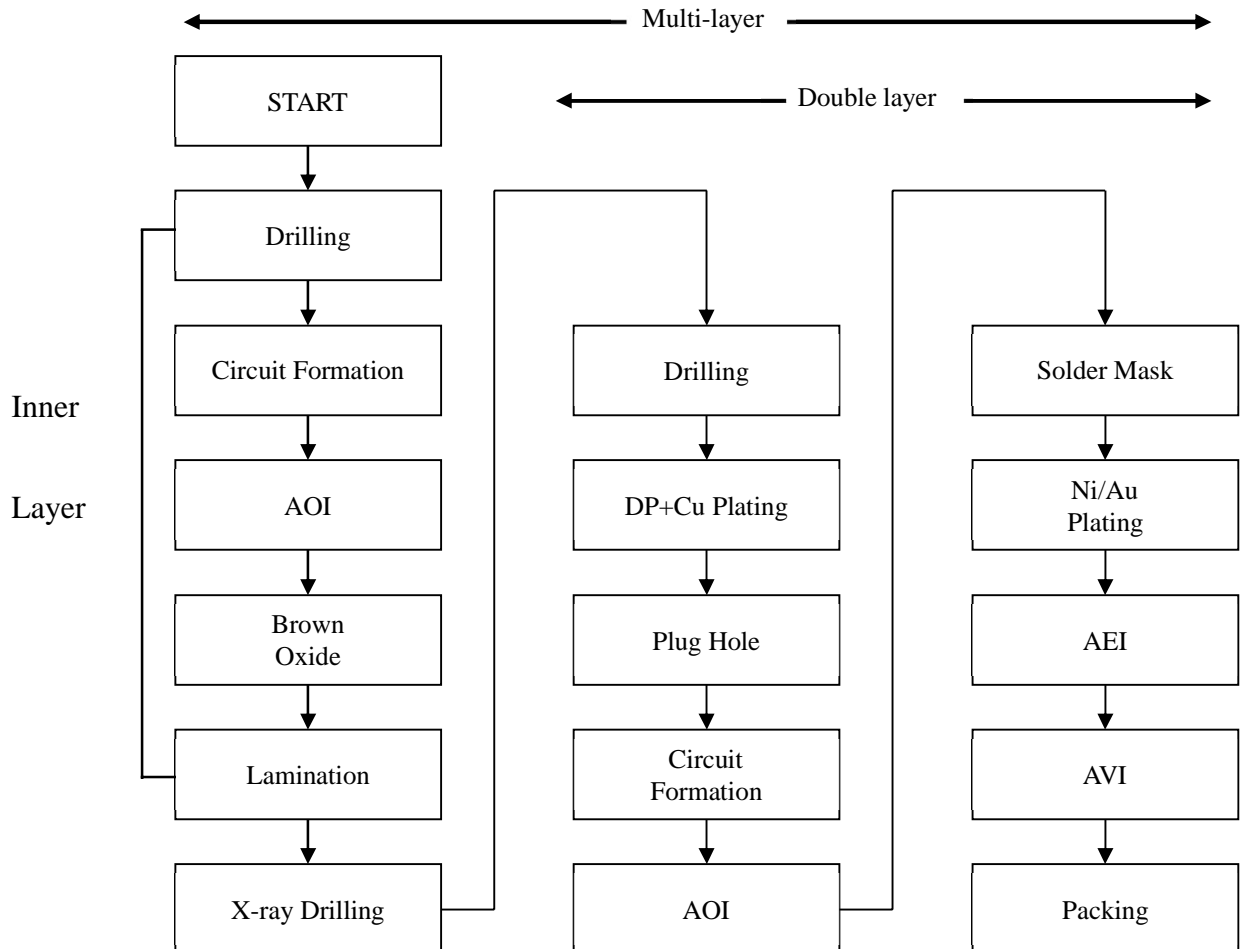
Collaborate with customers to certify products from Taiwanese material suppliers and prepare for future growth.

(B) Major Applications and Manufacturing Processes of the Primary Products

a. Major applications of the primary products

Primary Product	Major Application
PBGA Substrates	BGA packaging; application products include chipsets and graphics chips.
MCM (Multi chip Module) Substrates	MCM packaging; application products include IC that combines analog, digital, power control circuit, as well as memory and logical IC control.
CSP Substrates	CSP packaging; application products include Flash, high-speed DRAM, and logical chips.
Flip chip	Application products include chipsets, graphics chips, Flash memory, and logical IC.
FC CSP	High-end hand-held devices' system chips, communication chips, and chipsets.
Embedded substrate	Embedded substrates can shorten spacing between components, to improve products' electrical properties.

b. Manufacturing Process of the Primary Products



## (C) Supply Condition of the Primary Raw Materials

The Company's primary materials include BT substrates, gold potassium cyanide, films, copper sheets, etc. Among them, BT substrates and films are purchased from major foreign manufacturers. To ensure a stable supply of the materials and their quality, the Company does not easily change suppliers once they have been rated and gone through the trial production. In addition, we actively seek to maintain good long-term relationships with our suppliers. Through the long-term cooperative relationships, lowered costs, fast and flexible delivery schedules, we strive to increase the competitive power of our products and create the maximum profits.

## (D) Major Suppliers in the Last Two Calendar Years

## a. Major Clients in the Last Two Calendar Years

Unit: NT\$'000

Item	2023				2024			
	Client name	Amount	% to annual net sale [ % ]	Relation with issuer	Client name	Amount	% to annual net sale [ % ]	Relation with issuer
1	B	2,317,328	8.64	None	A	3,273,117	10.72	None
2	C	1,781,748	6.64	None	B	2,989,583	9.79	None
3	A	1,199,482	4.47	None	C	1,758,514	5.76	None
	Others	21,533,629	80.25		Others	22,513,765	73.73	
	Net sale	26,832,187	100		Net sale	30,534,979	100	

Reason for increase or decrease: Meet customer order requirements.

## b. Major Suppliers in the Last Two Calendar Years

Unit: NT\$'000

Item	2023				2024			
	Supplier	Amount	% to annual purchase [ % ]	Relation with issuer	Supplier	Amount	% to annual purchase [ % ]	Relation with issuer
1	A	909,684	11.45	None	A	1,379,503	12.76	None
2	C	801,996	10.09	None	B	1,098,276	10.16	None
3	B	784,389	9.87	None	C	940,074	8.69	None
	Others	5,450,470	68.59		Others	7,394,852	68.39	
	Net purchase	7,946,539	100		Net purchase	10,812,705	100	

Reason for increase or decrease: Match products needs.

- (3) The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of printing of the annual report, their average years of service, average age, and education levels (including the percentage of employees at each level)

Year		2023	2024	Data as of in 2025/03/31
Number of Employees	Management	405	431	433
	R&D/Technician	981	1,023	1,037
	Operating personnel	4,060	4,787	4,943
	Total	5,446	6,241	6,413
Average Age		36	35	35
Average Years of Service		6.63	6.21	6.18
Education	Ph.D.	0.02%	0.01%	0.03%
	Masters	9.13%	9.53%	9.03%
	Bachelor's Degree	63.35%	67.51%	68.91%
	Senior High School	25.32%	21.12%	20.25%
	Below Senior High School	2.18%	1.83%	1.78%

## (4) Disbursements for environmental protection

The loss or penalty caused by environmental pollution during the latest year and up to the printing date of this annual report and disclose the current and future estimated amounts and corresponding measures, if it is impossible to reasonably estimate, it should explain the fact that it cannot be reasonably estimated:

Lately, due to high awareness of environmental protection, requirements of environmental quality are growing continuously. Concurrently with the discharge standard of pollutants are gradually improving, we spent hundreds of millions of dollars investment in pollution prevention equipment to make effort to prevent pollution since September in 2000 for twenty-three years. As of the date of annual report published, due to the violation of relevant environmental regulations, the summary description is as follows:

Unit: NT\$'000

Punishment date	Punishment number	Violation of the regulations	Content of the violation	Punishment content	Reveals the estimated amount and corresponding measures that may occur at present and in the future
2024/01/12	Fu-Huan-Ji-Zi No.1130009106	Water Pollution Control Act Article 7 Item 1	The Taoyuan City's Department Environmental Protection inspected the factory and found the inspection of effluent sampling, and the copper in the effluent did not meet the standards.	NT\$324	a. Enhance on-site operational management of wastewater treatment process. b. In relation to the operation of dosing units for prevention facilities, measures to optimize by adding automatic monitoring facilities are proposed to facilitate the swift handling of system abnormalities.
2024/01/30	Tuo-Huan-Ji-Zi No.1130048046	Waste Disposal Act Article 28 Item 1	The Taoyuan City's Environmental Protection inspected the factory and found that the factory had not entrusted a treatment agency approved by the competent authority to handle industrial waste.	NT\$60	Change the waste code and entrust legal operators to remove it.
2024/02/21	Fu-Huan-Ji-Zi No.1140042082	Water Pollution Control Act Article 7 Item 1	The Taoyuan City's Environmental Protection inspected the factory and found that the combined collection of wastewater and rainwater did not comply with regulations.	NT\$40	Replacement style of manhole cover to avoid overflow.



(5) Labor relations

(A) Companies of various welfare measures, further education, training, retirement systems and their implementation status, as well as the agreement between labor and employee rights protection measures.

(a) Benefits and their implementation

- a. Employee Bonus
- b. Group Insurance
- c. Bonus
- d. Year-End Bonus
- e. SSA benefits: marriages, births, deaths, serious injuries, disasters, major accidents
- f. On-the-Job Training
- g. Employee benefits Committee provides:
  - i) Travelling
  - ii) Club
  - iii) Birthday Voucher
  - iv) Children's education subsidy

(b) Continuing education and training and its implementation status

To enhancing staff quality and job skills, we stipulate “Administrative Measures on Education and Training” in orientation training, and for all employees to implement general training and professional training on schedule to become outstanding professionals and improve the operating performance and effective utilization of human resources.

(c) Situation of Retirement System and Its Implementation

The Company established Retirement Oversight Committee in 2001 under the approval of House of labor of Taoyuan County Government letter of No 126197. Total monthly salaries to be made 2% of the labor pension fund to the Central Trust Bureau Accounts in the same year. Exercising Labor Pension Act on 2005/07/01. After practice, employees can either adopt in “Labor Standards Law” provisions relating to pension or adopt new Act to the pension system and retain the application of the regulations before the length. To those who apply the Act, the employee pension contribution will be made monthly, which shall not be less than 6% of monthly salary.

(d) Agreement between labor and employee rights protection measures

We have always been treasured the spirit of labor integration, coexistence and common prosperity dealing with the labor relations. We take precious of employee comments and employees' comments are welcomed at any time through the Company's formal and informal channels of communication to reflect their problems of life and work. Through the opportunities for two-way communication between the Company and employees, we can have greater mutual understanding and awareness to build consensus and success in the long run.

a. Labor Meeting

Labor coordination meetings held on a regular basis, pushed by the employers represented, promoted mainly focus on the Company's system of communication with employees on the Company's orders, work environment, safety and health issues for two-way communication. The communication through this consultation between employers and business owner enhances not only the mutual trust but also the mutual understanding.

b. Employee benefit Committee

Members of the Employee benefit Committee are elected by employees directly and openly who are good at communication. At the Welfare Committee meeting, both employers and employees can reach adequate communication to the Company's various welfare measures.

(B) Losses due to labor disputes, and current and future estimated amount of responses may occur as of the date of annual report published:

Unit: NT\$'000

Punishment date	Punishment number	Violation of the regulations	Content of the violation	Punishment content	Reveals the estimated amount and corresponding measures that may occur at present and in the future
2024/05/08	Fu-Lao-Jian-Zi No.1130120848	Labor Standards Act Article 24 Item 1	Extended working hours were not paid in accordance with regulations.	NT\$100	Strengthen education and training and report any overtime work to avoid recurrence of incidents.
2024/05/08	Fu-Lao-Jian-Zi No.11301208481	Labor Standards Act Article 32 Item 2	Extending working hours beyond the legal limit.	NT\$50	Strengthen education and training and and system jamming control to avoid recurrence of incidents.
2024/05/08	Fu-Lao-Jian-Zi No.11301208482	Labor Standards Act Article 38 Item 2	Special vacation dates are not scheduled by the employee.	NT\$20	Supervisor education and training should be strengthened, and special breaks should be arranged by workers themselves to avoid recurrence of incidents.
2024/05/08	Fu-Lao-Jian-Zi No.11301208483	Labor Standards Act Article 43	The employer fails to grant the worker marriage leave, bereavement leave, work-related injury leave, sick leave, personal leave, etc., or the wages that should be paid during the leave.	NT\$20	Supervisor education and training should be strengthened. Sick leave should be granted as long as there is a symptom to avoid recurrence of incidents.
2024/08/15	Fu-Lao-Jian-Zi No.1130215346	Labor Pension Act Article 12 Item 2	The employer failed to pay new wages and severance pay within 30 days after the labor contract was terminated as required.	NT\$300	Strengthen internal education and training to prevent recurrence of incidents.

(6) Information security management:

(A) Describe the security risk management framework, security policies, specific management plans and resources invested in security management:

(a) Information security risk management architecture

Kinsus interconnect technology establishes an information security management system in accordance with the concerns of internal and external stakeholders and refer to the international information security management operation, personal data protection and other standards and laws and regulations. Ensure that the company's information and communication infrastructure and information systems meet the requirements of confidentiality, integrity, availability and legality. And by continuously improving the PDCA (Plan-Do-Check-Act) cycle process management model, integrating and strengthening the information security management system. The implementation of information security management in 2024 has been reported to the board of directors by the convener of the management committee on December 30, 2024.

(b) Information Security Management Overall Policy

The CEO appoints the information security management representative to establish the information security management committee within the company, responsible for drafting the company's information security management policy. And set up a dedicated information security management unit, supervisors, and personnel to be responsible for promoting and managing information security.

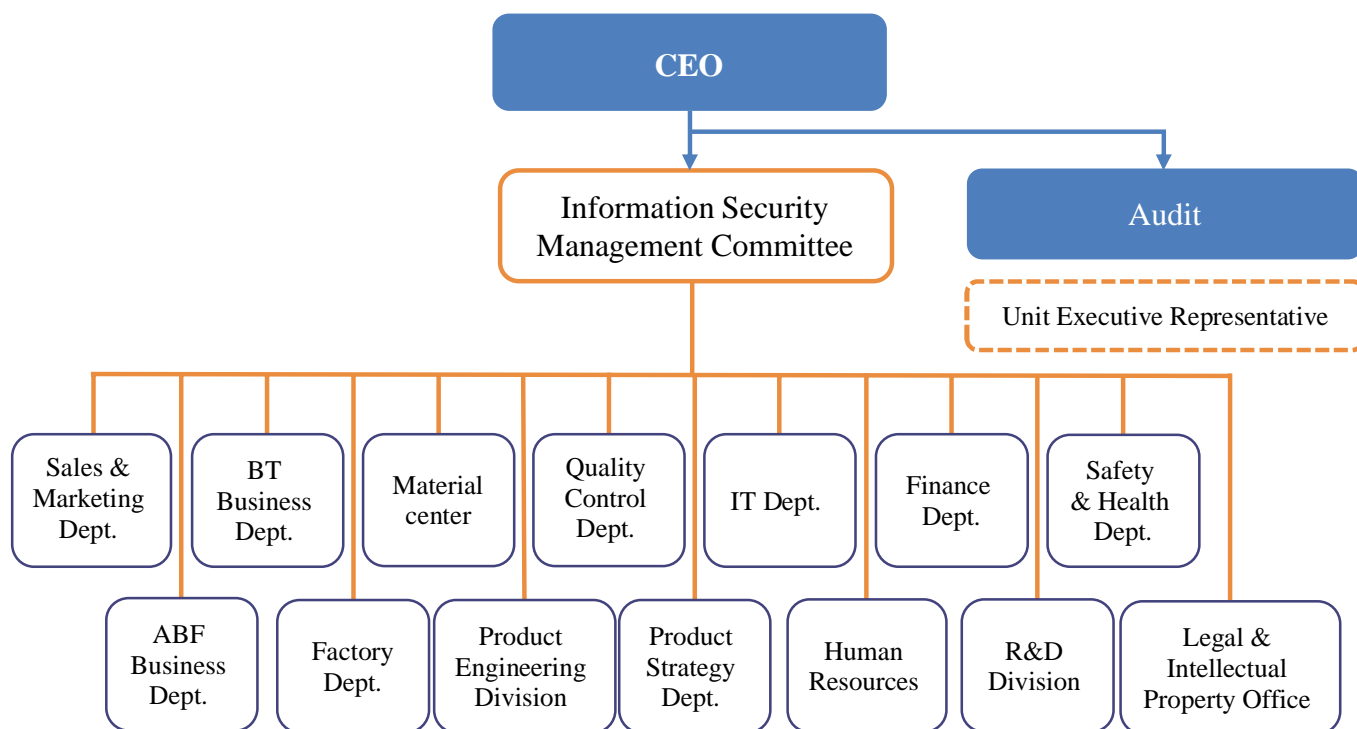


Figure 1: Information Security Management Committee

The company's information security management policy is "To provide a reliable information security management operating environment, to ensure the continuous normal operation of the company's business, and to achieve the company's information security management goals." Released for implementation after review and approval by the CEO.

a. Purpose

- i) Implement the information security management policy of the company.
- ii) Import information security management system.
- iii) Improve the quality of information security management of the company.
- iv) Strengthen the company's information security management response capabilities.
- v) Reach the measurement indicators of information security management policy.

b. Scope of application

- Shih-Lei Factory (Headquarters)
- Tsing-Hua Factory
- Xin-Feng Factory
- Youth Factory

## c. Goal

The company's information security management goal is "To ensure the confidentiality, integrity and availability of the organization's business-related information and communication systems, and to provide continuously available services." In order to ensure that the implementation of the company's information security management system can meet the needs of the company's operations. Each operation process should be based on the company's information security management goals, and should be regularly inspected, evaluated and corrected.

## (c) Information security management implementation scenarios

## a. Management essentials: system/method education and publicity

Operation scope	<ol style="list-style-type: none"> <li>1. Optimize information security policies and security operation specifications.</li> <li>2. Security Policy/Normative Advocacy and Education Training.</li> </ol>
Implement measures	<ol style="list-style-type: none"> <li>1. The Information Security Management System (ISMS) has been implemented and enforced, and ISO 27001 ISMS certification has been obtained.</li> <li>2. Continue to optimize the ISO27001 information security management system and further enhance control measures such as cloud service information security and configuration management.</li> <li>3. Continuously implement security training for new employees and promote themed security awareness promotion through the EIP portal web pages and screen savers.</li> <li>4. Conduct social engineering drills to enhance colleagues' awareness of information security.</li> </ol>
Execution scenarios	<ol style="list-style-type: none"> <li>1. Approved the annual review of the effectiveness of ISO 27001 international certification.</li> <li>2. More than 1,600 new employees completed the information security promotion, achieving a 100% pass rate in the tests.</li> <li>3. Advocate 4 times such as security policies, threat identification, mobile working, and other awareness of security defenses.</li> <li>4. Rehearse the social engineering drill 2 times.</li> </ol>

b. Management essentials: Cyber security protection

Operation scope	<ol style="list-style-type: none"> <li>1. Keep the network running smoothly.</li> <li>2. Protect against hacking intrusions.</li> </ol>
Implement measures	<ol style="list-style-type: none"> <li>1. Established a multi-tiered security defense and detection monitoring system, continue to improve network protection equipment management strategies and optimize control operation processes.</li> <li>2. Strengthen supplier collaboration information security protection and build a project development environment monitoring system and cloud firewall.</li> <li>3. Strengthen the information security protection of internal operating systems and complete the construction of core system firewalls.</li> </ol>
Execution scenarios	<ol style="list-style-type: none"> <li>1. Through the intrusion prevention system to block external intrusion threats, the effective blocking defense rate reached 100%.</li> <li>2. The number of times the production machine was interrupted due to information security threats was 0.</li> <li>3. There have been 0 incidents of manufacturer security violations.</li> <li>4. There have been 0 incidents of system intrusion into information security.</li> </ol>

c. Management essentials: Mail safety control

Operation scope	<ol style="list-style-type: none"> <li>1. Reduce external security risks E-mails enter the mailbox of colleagues.</li> <li>2. Protect the company's intellectual asset and sensitive data from leakage.</li> </ol>
Implement measures	<ol style="list-style-type: none"> <li>1. Implement an advanced email defense management system.</li> <li>2. Import AI technology for outbound email audit management.</li> <li>3. Continuous optimization review mechanism for outbound mail.</li> <li>4. Improvements to the AI review model improve accuracy and efficiency.</li> </ol>
Execution scenarios	<ol style="list-style-type: none"> <li>1. Automatically block 190 suspicious fraud emails per month.</li> <li>2. There have been 0 risk emails reported into the company.</li> <li>3. There have been 0 cases of illegal use detected.</li> </ol>

d. Management essentials: Device safety protection

Operation scope	<ol style="list-style-type: none"> <li>1. Protect the company's internal information equipment from virus attack or malicious intrusion.</li> <li>2. Protect the company's confidential and sensitive information from being leaked.</li> </ol>
Implement measures	<ol style="list-style-type: none"> <li>1. Antivirus software has been established to protect endpoint devices (PC/NB, machine computers).</li> <li>2. The NB/PC device display content is embedded with a watermark function to warn of the traceability of the source of information leaks.</li> <li>3. Strengthen host system information security protection and establish a file storage and anti-ransomware system.</li> <li>4. Execute security weakness assessment and continuously improve system information security weakness control projects.</li> </ol>
Execution scenarios	<ol style="list-style-type: none"> <li>1. The installation rate of PC/NB endpoint protection software is 100%, and the installation rate of information service mainframe is 100%.</li> <li>2. There are no cases of virus infection or intrusion on IT/OA equipment, and machine virus incidents continue to improve by 0 case per quarter.</li> <li>3. Manage information system hosts and network management equipment login permissions, and there are no exception account login events, 0 file ransomware encryption incidents.</li> <li>4. The system weaken improvement rate reached 98.9%.</li> </ol>

e. Management essentials: Disaster preparedness

Operation scope	<ol style="list-style-type: none"> <li>1. Data backup integrity and compliance.</li> <li>2. System redundancy start-up capability.</li> </ol>
Implement measures	<ol style="list-style-type: none"> <li>1. Establish a cloud backup system to improve the ability to respond to abnormalities.</li> <li>2. Execute Disaster Preparedness System and data recovery drill operations, continuously optimize the efficiency of backup system switching operations and shorten emergency activation operation time.</li> <li>3. Established a disaster recovery system for the Youth Factory's smart manufacturing execution system.</li> <li>4. Build cross-plant redundant optical fibers and optimize the architecture.</li> </ol>
Execution scenarios	<ol style="list-style-type: none"> <li>1. Conducted three data center service failure scenario drills and core system backup switch drills, increasing the RTO by 50%.</li> <li>2. Conducted one failure scenario drill of the smart manufacturing execution system at the new plant of Youth Factory, and the results were in line with expectations.</li> <li>3. There was one cross-plant optical fiber anomaly, and the service was automatically switched to the backup line without interruption, and operations were not affected.</li> </ol>



- (B) A list of the losses, possible impacts (e.g. impact on operations or goodwill) and countermeasures suffered by major security incidents in the most recent year and as of the date of publication of the annual newspaper, and if it is not possible to reasonably estimate them, the facts that they cannot reasonably estimate should be stated: None.

(7) Important contracts: None.

## **5. A Review and Analysis of the Company's Financial Position and Financial Performance and a Listing of Risks**

### (1) Financial position

#### Financial Status Review and Analysis Chart

Unit: NT\$'000

Item \ Year	2024	2023	Differences		Note
			Amount	%	
Current Assets	29,676,727	29,368,923	307,804	1.05	
Property, Plant and Equipment	36,408,840	31,623,152	4,785,688	15.13	
Prepayment for Equip.	12,629,816	15,811,883	(3,182,067)	(20.12)	Note 1
Other Assets	719,914	1,263,081	(543,167)	(43.00)	Note 2
Total Assets	79,435,297	78,067,039	1,368,258	1.75	
Current Liabilities	16,990,377	14,258,875	2,731,502	19.16	
Non-Current Liabilities	22,566,687	24,649,038	(2,082,351)	(8.45)	
Total Liabilities	39,557,064	38,907,913	649,151	1.67	
Capital	4,566,494	4,544,231	22,263	0.49	
Capital Surplus	7,357,577	7,153,073	204,504	2.86	
Retained Earning	19,820,012	20,207,438	(387,426)	(1.92)	
Other Shareholder Equity	8,134,150	7,254,384	879,766	12.13	
Total Shareholder Equity	39,878,233	39,159,126	719,107	1.84	
Analysis on ratio changes:					
Note 1: Due to the acceptance of equipment.					
Note 2: Due to decreases in investment accounted for using equity method.					

## (2) Financial performance

## Financial Performance Comparison Analysis

Unit: NT\$'000

Item \ Year	2024	2023	plus(minus) Amount	plus (minus)	Note
				Variation ratio (%)	
Operating Revenues	30,534,979	26,832,187	3,702,792	13.80	
Cost of Goods Sold	21,867,254	20,074,681	1,792,573	8.93	
Gross Profit	8,667,725	6,757,506	1,910,219	28.27	Note 1
Operating Expenses	7,572,306	5,715,259	1,857,047	32.49	Note 2
Operating Income	1,095,419	1,042,247	53,172	5.10	
Other Non-Operate Inc. and exp.	507,769	383,838	123,931	32.29	Note 3
Pre-Tax Income	1,603,188	1,426,085	177,103	12.42	
Income Tax Expense	272,138	255,683	16,455	6.44	
Net Income	1,331,050	1,170,402	160,648	13.73	
Other comprehensive income (loss)	201,406	(98,057)	299,463	(305.40)	Note 4
Total comprehensive income	1,532,456	1,072,345	460,111	42.91	Note 5
<p>Analysis on ratio changes:</p> <p>Note 1, 2, 5: Due to the increase in revenue and profit, operating expenses also increased accordingly.</p> <p>Note 3: Due to increase in gains from disposal of property, plant and equipment and foreign currency exchange gains.</p> <p>Note 4: Due to exchange differences on translation of foreign operating.</p> <p>Expected sales and its basis, possible impact on the company's future financial business and the corresponding plan:</p> <p>In the next few years, the main driving force of the IC substrate market will be AI artificial intelligence applications. The company's business plan is also based on these industry development forecasts, and takes into account the customer's product launch and certification schedule, and forms sales revenue based on comprehensive considerations.</p>					

## (3) Cash flow

## (A) Analysis and explanation of cash flow changes in recent years:

Unit: NT\$'000

Year Item	2024	2023	plus(minus) Amount	plus (minus) Variation ratio (%)
Net cash provided by operating activities	7,705,101	6,256,067	1,449,034	23.16
Net cash provided by investing activities	(9,107,203)	(12,486,482)	3,379,279	(27.06)
Net cash provided by financing activities	995,997	5,335,272	(4,339,275)	(81.33)
Analysis on cash flow changes:				
1. Net cash provided by operating activities: Due to decreases in financial assets at fair value through profit or loss.				
2. Net cash provided by investing activities: Due to decreases in financial assets measured at amortized cost.				
3. Net cash provided by financing activities: Due to decreases in loan.				

(B) Improvement plan for insufficient liquidity: None.

(C) Cash Flow Analysis for the Coming Year: Not applicable.

## (4) The effect upon financial operations of any major capital expenditures during the most recent fiscal year:

The company has purchase Youth Factory in 2021, and successively build more factory buildings and purchase equipment for production. This facility will be the production base for high end products in the coming years.

## (5) The Company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year:

The Company's main investments are all long-term strategic investments. In year 2024, the parent company annual investment income was NT\$549,954 thousand, decreased from NT\$655,034 thousand in 2023. The decrease in profits is due to decline in customer orders. If deemed necessary, to sustain the long-term investment strategy and to continuously generate the value for the Company to a maximum extent.

(6) The matters that the risks section shall analyze and assess during the most recent fiscal year and as they stood on the date of printing of the annual report

(A) Impacts on Company's Income and Future Counter Measures for Interest rate, Exchange rate Fluctuation and Inflation. Our company's 2024 interest rate and exchange gain or loss in 2024 is list as below:

Unit: NT\$'000

Item	Year	2024
Net Exchange Gain (loss)		83,022
Net Sales		30,534,979
Income before Tax		1,603,188
Net Exchange Gain (loss)		0.27%
Net Exchange Gain (Loss) to Net Pre-Tax Profit Ratio		5.18%
Interest Revenue		530,300
Interest Revenue to Net Sales Income		1.74%
Interest Income to Pre-Tax Net Profit Ratio		33.08%
Interest Expense		394,341
Interest Expense to Net Sales Interest Ratio		1.29%
Interest Expense to Net Pre-Tax Profit Ratio		24.60%
Interest Income (Expense) to Net Pre-Tax Profit Ratio		8.48%

a. Impacts on Interest Rate Fluctuation

Our company always has been in a financial health status. We have assigned financial specialty personnel to cooperate with banks closely and obtain preferred mid to long term fund for our automatic equipment. Recently, annual interests gain (loss) only was accounted for 8.48% of our company's pre-tax profit. Mostly choose low-risk bank deposits as their investment target to safeguard their principal and reduce risk. Thus, interest fluctuation doesn't impose serious effects on our company.

b. Impacts of Exchange Rate Fluctuation

(a) We use US dollars as main quotation currency for exporting business. Our long term borrowing and major importing items are also denominated in US dollars currency. For these reasons, impact of exchange rate change between the New Taiwan Dollar (NTD) vs. US. Dollars (USD) is minimal to our company. In 2024, annual foreign exchange gain (loss) was only accounted for 0.27% of net sales.

(b)Counter-Measures for Exchange Rate Fluctuation

- i. The Company opens foreign currency accounts in banks for collecting the money from sales. To exchange USD into NTD will be depending on the actual capital needs or the fluctuation of exchange rate. Payment for importing raw materials depends on the exchange rate. We can choose to use foreign currency acquired from exporting or to buy foreign currency in advance to reduce the effect of exchange rate fluctuation.
- ii. Most of the company's procurement items are negotiated in the same currency as the sales, and the natural risk avoidance method is mainly adopted to reduce the impact resulted from exchange rate fluctuation.

(c)Impacts of Inflation

We keep close look on market price fluctuation and maintain good interaction with suppliers and clients. Thus, in 2024, there is no serious incident caused by inflation.

(B) Reasons for company policy, gain or loss and future counter measures for engaging in high risk, highly leveraged investments, loans to others, endorsement, and financial derivatives.

Latest years our company has not engaged in high risk, highly leveraged investments, loans to others and endorsement. Endorsement guarantee transaction is a customs duty endorsement guarantee and shall be handled in accordance with relevant regulations. Moreover, our company established rules to regulate financial derivatives transaction and loan with others, endorsement risk management. For these reasons, those activities will not induce serious impacts on our company.

(C) Future R&D plans and Fund Estimated to Invest

Our company benefit from expertise in R&D and production experiences that accumulated for many years which allows us to meet product safety and diversity by launching “Modularized Product Design” production method to promote R&D capabilities, speed up new product development to satisfy variety product specifications that requested by different customers.

In the latest years, we have purchased new machines and equipment to reach the best production practice and to rejuvenate current products. We expect to invest about NT\$1,938,000 thousand in R&D related field in 2025.

- (D) Changes in domestic and foreign policy and legal impact on the Company's financial operations and counter measures

Lately, our company's financial operations haven't affected by critical policy or legal changes in domestic and oversea because our main target market is in domestic, legal and critical policies are relatively stable also there is no military or political risks in the short term in the domestic. Conclude above reasons, we estimate our company will not suffer from negative effects due to major policy and legal changes in domestic and oversea.

- (E) Influence and Counter-Measures for Technology (include information security risk) and Industry Shift Company's Financial Operation

We pay attention on technology shifting in the industry and assigned specialist to evaluate and research certain changes might influence company's financial operation and found its counter-measures. In addition, with the development of science and technology, the company's security risks are increasing. In response to this change, the company conducts information security control, including physical security, system security, and electronic document preservation. In recent years, there is no critical technology shifting that will impose threat on company's financial operation.

- (F) Crisis Management and Counter Measures Result from Company's Image Change Impact  
Our company's image is always being good; in the recent years there is no significant incidents that would require corporation crisis management.

- (G) Expected income from merger and potential risk counter-measures: Not Applicable.

- (H) Expected income from production facilities expansion and potential risk counter-measures: please refer to this report section "5" point (4).

- (I) Potential risk and counter-measures derived from buying and selling products:

The major raw materials that our company purchased are potassium gold, substrate, transparent film, copper sheet and chemical substances. Once those materials were approved, changing materials is less likely. Thus, we only maintain 2~3 suppliers. Meanwhile, we keep good cooperation with other supplies to spread risk. Besides, for one of our key product- IC substrate, mostly we sell it to leading IC design companies in domestic and oversea. Their applications ranges are broad and therefore we are free from centralized sales risk.

- (J) Risk counter-measures for directors, supervisors, shareholders own more ten percent of company's shares, bulk share transfer or redemption: Our company's directors and shareholders owning more than 10% of company's share do not engage bulk share transfer.

(K) The impact of the change on the Company's right to operate, risks and counter-measures: None.

(L) Litigation or non-litigation case, should list the Company and its directors, supervisors, general manager, the sustainable person in charge of, shareholders own more than ten percent of company's shares and the Company has the judgment or the slave system is still in the case of significant litigation non-litigation or administrative contentious event, the results could affect shareholders' equity or securities, should disclose its disputed fact, the subject of money, lawsuits start date, the major parties and deal with the case of the suit before the published this annual report: None.

(M) Other Risk and Counter-Measure: None.

(7) Other important matters: None.



## **6. Other Items Deserving Special Mention**

- (1) Information related to the Company's affiliates: Please refer to the Chinese version of Market Observation Post System (MOPS). The access path and URL is as follows:

Market Observation Post System > Single Company > Electronic Document Download > Related Party Transactions Section

[https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

- (2) The status of the Company carrying out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report: None.
- (3) Other matters that require additional description: None.
- (4) Any of the situations listed in Article 36, paragraph 2, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, occurring during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report: None.