

Stock Code: 8255

朋程科技股份有限公司
ACTRON TECHNOLOGY CORPORATION

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 version and the Chinese version, the Chinese version shall prevail.

Printed Date / March 31, 2025
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- V 、 Overseas trade places for listed negotiable securities
Name of the trade places: No oversea negotiable securities trade.
Look up method: None.
- VI、 Company Website: <http://www.actron.com.tw>

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I. Letter to Shareholders

Dear Shareholders,

I. Operating Results in 2024

A. Operational Performance

The Company's consolidated net operating income for 2024 was NT\$7,582,182,000, and net profit after tax attributable to the parent company's owners was NT\$836,184,000, with net profit per share after tax being NT\$8.24. The average gross profit margin of products is 30%, and the net profit margin after tax is 12%. Compared with the consolidated net operating income of RMB 5,648,694 thousand in 2023, the net profit after tax attributable to the parent company's owners was RMB 723,193 thousand, and the net profit per share after tax was RMB 7.68. The average gross profit margin of products was 25%, and the net profit margin after tax was 11%. The net operating income increased by approximately 34%, and the net profit after tax attributable to the parent company's owners increased by approximately 16%.

Currently, due to differences in economic and financial structures, countries have different economic and inflation performances. There are still risks and uncertainties in the economy and industrial risks are increasing. Mainland China's automakers are gradually replacing traditional car manufacturers and expanding their share in the global market. At the same time, European automakers are facing difficulties, with many launching large-scale layoffs, reflecting the challenges the industry faces amid economic headwinds, cost pressures and sluggish demand. Our company follows the development trend of electric vehicles. We attach importance to the continuous research and development of new products, and the ratio of research and development expenses to revenue in 2024 will be 10%.

B. Budget Implementation: The Company had not announced its financial forecast for 2024.

C. Analysis on Financial Revenue and Expense and Profitability (Consolidated Report)

Analysis Item (Note)		Year	2023	2024
Financial Structure	Debts Ratio		34.90	36.44
	Long Term Funds to Fixed Assets		282.04	295.30
Profitability	Return on Assets Ratio (%)		6.31	5.87
	Return on Equity (%)		9.14	8.38
	Pre-tax net profit to paid-in Capital ratio(%)		70.42	101.08
	Profit Margin (%)		12.80	11.03
	Earnings Per Share (dollar)		7.68	8.24

D. IV. Research and Development Status:

The Company will continue to invest in expenses for new product development. The research and development expense was 10% of the operating revenue in 2024. In terms of the developing progress, many new models have been officially produced and sold to customers. It is expected to expand the operating scale in 2025. The new product can be successfully developed, produced on schedule, and massively produced.

(Consolidated Report)		Unit: NT\$ thousand
Item	2023	2024
Research and Development Expense	566,441	761,428
Net Operating Revenue	5,648,694	7,582,182
Ratio to Net Operating Revenue	10%	10%

II. Business Guideline

A. Summary of the Business Plan for 2025

In 2025, the economy will still be affected by slowing inflation, easing labor market pressures and strong demand for goods related to artificial intelligence (AI). Some economies will also benefit from improved supply chains and increased demand for services. However, geopolitical risks, such as the continued war between Russia and Ukraine, the escalation of tensions in the Middle East, and the escalation of the US-China trade conflict, continue to weaken confidence in economic optimism. However, in response to the global trend of net zero carbon reduction and corporate sustainable operations, looking forward to 2025, the company will prudently plan its operating policies, continue to enhance its R&D and innovation capabilities, and accelerate the development of new technologies and high-end products through cooperative relationships after the integration of the industry. It will face the changes in the economic environment with a cautious mindset and attitude, provide customers with satisfactory product quality and services, so that the company can more actively expand its business and enhance product competitiveness, maintain stable growth, and create higher profits.

B. important production and sales policies for the same fiscal year.

According to data from international research institutions, the number of automobiles produced in the global market is approximately more than 90 million units. It is necessary to first deduct the number of electric vehicles and hybrid vehicles that do not use automotive alternators. Due to the different designs of automotive alternators, the number of rectifier diodes used is six, eight, ten, and twelve. The annual demand for generator rectifier diodes in the global automotive market is estimated to be more than 500 million.

The sales of our company's products are mainly focused on the OE new car

product market. Currently, the main suppliers in the product market are two Japanese companies and our company. It is an oligopolistic product market. Our company's products enjoy a high market share, and its shipments account for more than 50% of the world. The Company formulates production and marketing policies based on relevant information.

As the global trend towards net-zero carbon emissions continues, countries are actively promoting policies related to net-zero emissions by 2050. The Company continues to enhance its R&D and innovation capabilities and steadily plans its operational policies. Looking to the future, the Company's prudent operations and continued strategic expansion in its core business will consolidate a strong profit foundation for the Company's overall performance, and it is expected to continuously improve operating performance and create operational excellence.

Last but not least, we remain committed to you, our shareholders, and thank you for your continued support and confidence. Our management team will put forth more efforts and reward business results to each shareholder in the future. Wish you good health and everything goes well as you hope.

Actron Technology Corporation
Chairman Tan-Liang Yao
President Wu Chien Chung

II. A corporate governance report.

1.Information on the company's directors, supervisors, general manager, Deputy General Managers, associates, and the supervisors of all the company's divisions and branch units

(I) Directors' and supervisors' names, experience (education), numbers and natures of shareholding :

Date for suspension of share transfer: Mar 25, 2025

Title	Nationality/ Country of Origin	Name	Gender /Age	Date Elected	Term (Year s)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives or Directors who are spouses or within two degrees of kinship			Gender
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C	Yao Dang Liang	Male 61-70	2022/5/27	3 years	1998/11/9	42,700	0.04%	350,144	0.34%	6,435	0.01%	0	0%	Master of Management Research Institute of Tamkang University Hsu Shin Technology Corp. Associate Sino-American Silicon Products Inc. General Manager	Note 1	None	None	None	None
Director	R.O.C	Lu Min Kuang	Male 71-80	2022/5/27	3 years	1998/11/9	4,880,000	4.79%	4,880,000	4.79%	3,000,000	2.95%	0	0%	Honorary Doctor of Engineering, National Chiao Tung University Lite-on Semiconductor Corp. General Manager Hsu Shin Technology Corp. General Manager Hsu Li Corp. Deputy General Manager	Note 2	Director Representative	Yang Su Mei	Spouse	None
																	Associate	Lu Jian Chi	Son	
Director	R.O.C	Sino-American Silicon Products Inc. Representative :Feng Hao	Male 41-50	2022/5/27	3 years	2016/6/3 2010/6/4	20,807,346 0	20.44% 0.00%	25,933,299 0	25.48% 0%	0 0	0% 0%	0 0	0% 0%	Master of International Business Management, National Chengchi University Director of Taiwan Insulation Applied Technology Company	Note 3	None	None	None	None
Director	R.O.C	Sino-American Silicon Products Inc. Representative :Hsu Show Lan	Female 61-70	2022/5/27	3 years	1998/11/9 2019/5/29	20,807,346 172	20.44% 0.00%	25,933,299 172	25.48% 0%	0 0	0% 0%	0 0	0% 0%	Master of Computer Science, University of Illinois Creative Sensor Inc. General Manager Sino-American Silicon Products Inc. Deputy General Manager	Note 4	None	None	None	None
Director	R.O.C	Hsu Shin Investing Corp. Representative : Yang Su Mei	Female 71-80	2022/5/27	3 years	2016/6/3 2016/6/3	2,220,000 2,025,435	2.18% 1.99%	2,130,000 3,030,111	2.09% 2.95%	0 4,880,000	0% 4.79%	0 0	0% 0%	Ming Chuan University Accounting Department Sino-American Silicon Products Inc. Supervisor	Note 5	Chairman Associate	Lu Min Kuang Lu Jian Chi	Spouse Son	None
Director	R.O.C	Wu Xian Chung	Male 51-60	2022/5/27	3 years	2019/5/29	195,153	0.19%	282,158	0.26%	0	0%	0	0%	Master's Degree Program International Business Management Group, National Taiwan University Uniform Industrial Corp. Associate	Note 6	None	None	None	None
Independent Director	R.O.C	Liu Chung Xian	Male 61-70	2022/5/27	3 years	2019/5/29	0	0%	0	0%	0	0%	0	0%	Master of Management Science, Tamkang University Ruentex Development Co.,Ltd. Chairman	Note 7	None	None	None	None
Independent Director	R.O.C	Cheng Cheng Yuan	Male 61-70	2019/5/29	3 years	2013/5/29	0	0%	0	0%	0	0%	0	0%	Ph.D., Institute of Mechanical Engineering, University of Liverpool Dean of School of Engineering, National Taiwan University of Science and Technology Sino-American Silicon Products Creative Technology R&D Center Consultant Digital Service Innovation Institute Joint professor / consultant	Note 8	None	None	None	None

Title	Nationality/ Country of Origin	Name	Gender /Age	Date Elected	Term (Year s)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives or Directors who are spouses or within two degrees of kinship			Gender
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C	Shu-Mei-Chang	Female 51-60	2022/5/27	3 years	2022/5/27	0	0%	0	0%	0	0%	0	0%	Bachelor degree in law from of National Cheng Chi University Assistant vice president of TAIWAN COOPERATIVE BANK CFO of TATUNG CO.	Note 9	None	None	None	None
Independent Director	R.O.C	Chun-Chun Chang	Female 51-60	2023/5/26	3 years	2022/6/11	0	0%	0	0%	0	0%	0	0%	Department of accounting of Chung Yuan Christian University CPA of CHANG,CHUN-CHUN accounting firm	Note 10	None	None	None	None

Note 1: Mr. Yao is also Director of Actron Technology Corporation 、 Vice Chairman and President of Sino-American Silicon Products Inc. 、 The legal Board of Director representative of GlobalWafers Co.,Ltd. 、 Vice Chairman and Vice CEO of Actron Technology Corporation 、 The legal Board of Director representative of ADVANCED WIRELESS SEMICONDUCTOR COMPANY 、 The legal Board of Director representative of Taiwan Speciality Chemicals Corporation 、 The legal Board of Director representative of Sunrise PV Three Co., Ltd., 、 The legal Board of Director representative of SAS Capital Co., Ltd., 、 The legal Board of Director representative of GWC Capital Co., Ltd., 、 Director of Yuanhong (Shangdong) Photoelectric Material Co., Ltd., 、 The legal Board of Director representative of REC Technology Corporation. 、 The legal Board of Director representative of MOSEL VITELIC INC. 、 Chairperson of Kunshan Sino Silicon Technology Co., Ltd. 、 Director of GlobiTech Incorporated 、 Director of GlobalWafers Japan Co., Ltd. 、 Director of GlobalWafers Singapore Pte. Ltd. 、 Director of GlobalWafers America, LLC.

Note 2: Mr. Lu is also Director of Actron Technology Corporation 、 Director of Sino-American Silicon Products Inc 、 Director of GlobalWafers Co.,Ltd. 、 The legal Board of Director representative of SAS Capital Co., Ltd., 、 The legal Board of Director representative of GWC Capital Co., Ltd., 、 Chairman of Bigbest Corporation 、 Independent Director of LITE-ON Technology Corp. 、 The legal Board of Director representative of Formerica Optoelectronics Inc. 、 Chairman of REC Technology Corporation 、 Director of Hsu Shin Investing Corp. 、 Director of Actron Technology QingDao Corp.

Note 3: Mr. Feng is also The legal Board of Director representative of Actron Technology Corporation 、 The legal Board of Director representative of Sino-American Silicon Products Inc.

Note 4: Ms. Hsu is also The legal Board of Director representative of Actron Technology Corporation. 、 Chairman and CEO of Sino-American Silicon Products Inc. 、 Chairman and CEO of GlobalWafers Co., Ltd. 、 The legal Board of Director representative of Advanced Wireless Semiconductor Company. 、 Chairman of Taiwan Speciality Chemicals Corporation. 、 The legal Board of Director representative of SAS Sunrise Inc. 、 Director of SAS Sunrise Pte. Ltd. 、 Chairman of Sunrise PV Three Co., Ltd. 、 Chairman of Sunrise PV Four Co., Ltd. 、 Chairman of SAS Holding Co., Ltd. 、 Chairman of GlobalWafers Holding Co., Ltd. 、 Director of GlobalWafers Inc. 、 Director of GlobalSemiconductor Inc. 、 Chairman& CEO of GlobiTech Incorporated. 、 Chairman of GlobalWafers Japan Co., Ltd. 、 Vice Chairman of Kunshan Sino Silicon Technology Co., Ltd. 、 Chairman of Topsil GlobalWafers A/S. 、 Director of GlobalWafers Singapore Pte. Ltd. 、 Director of GlobalWafers B.V. 、 T Director of MEMC Korea Company. 、 Director of Crystalwise Technology (HK) Limited. 、 Director of GlobalWafers Capital Co., Ltd. 、 Independent Director of Delta Electronics, Inc.

Note 5: Ms. Yang is also Chairman of Hsu Shin Investing Corp..

Note 6: Mr. Wu is also President of ActronTechnology Corporation 、 The legal Board of Director representative of DING-WEI TECHNOLOGY CO.LTD 、 The legal Board of Director representative of Actron Technology (Qing Dao) Corporation 、 The legal Board of Director representative of Hong-Wang Investment Company 、 The legal Board of Director representative of Bigbest Corporation 、 The legal Board of Director representative of MOSEL VITELIC INC. 、 Director of Phoenix Pioneer technology Corporation 、 The legal Board of Director representative of Excelliance MOS Corporation

Note 7: Mr. Liu is also Independent Director of ActronTechnology Corporation 、 Chair Professor, Soochow University 、 Independent Director of Johnson Health Tech. Co., Ltd. 、 Independent Director of ADVANCED WIRELESS SEMICONDUCTOR COMPANY 、 Independent Director of Taiwan Speciality Chemicals Corporation.

Note 8: Mr. Cheng is also Independent Director of ActronTechnology Corporation 、 Distinguished Professor, Mechanical Engineering, National 、 Taiwan University of Science and Technology 、 Independent Director of ANT PRECISION INDUSTRY CO., LTD 、 Independent Director of BILLION ELECTRIC CO., LTD. 、 Independent Director of FORCERA MATERIALS CO., LTD.

Note 9: Shu-Mei- Chang is also Independent Director of ActronTechnology Corporation 、 President of of BILLION ELECTRIC CO., LTD. 、 The legal Board of Director representative of Billion Sun Energy Storage Technologies Inc. 、 Supervisor of Billion Electric Holding Co., LTD 、 Supervisor of Billion Power System Technologies INC 、 The legal Board of Director representative of Billion EVC Technologies Co.,Ltd 、 The legal Board of Director representative of Noonspare Energy Technology Co., Ltd

Note 10: Chun-Chun Chang is also Independent Director of ActronTechnology Corporation 、 Vice President of Administration Of Merdury Biopharmaceutical Corporation 、 CPA of CHANG,CHUN-CHUN accounting firm Independent Director of Bin Chuan Enterprise Co., Ltd. 、 Independent Director of JASON CO.,LTD 、 Supervisor of Solar System Investment Holdings Co., Ltd.

Note 11: When the general manager or a person with equivalent position (top manager) and the chairman of the board of directors are the same person, each other's spouse or first degree relative, relevant information on the reasons, rationality, necessity and countermeasures shall be disclosed.

The chairman of the company concurrently serves as the CEO. Considering the company's operating scale and in order to improve overall operating efficiency, the company also has the position of general manager. The division of responsibilities between the CEO and the general manager is different. The CEO is more focused on planning (the main responsibility is In order to formulate the company's operating policies, annual budget plans, maintain important customer relationships, strategic alliance planning, reinvestment layout planning, and track the actual achievement of annual plans, etc.), the general manager is responsible for the execution side (responsible for the execution and coordination of the company's business) and command and supervise subordinates to achieve operational goals, and at the same time implement the company's policies and the business strategies and related operational matters planned by the CEO), the two complement each other; the chairman of the company is also the CEO, and can effectively implement the company planned by the board of directors Implementing the development blueprint into planning and execution can also improve the board of directors' understanding of the company's operating conditions. More than half of the company's board of directors are not employees or managers, and the board of directors has 4 independent directors. Members of each functional committee are served by independent directors who can make recommendations to the board of directors after full discussions on various important issues. Strengthen the supervisory function of the board of directors and implement corporate governance.

(II) Major shareholders of the institutional shareholders

Mar 23, 2025

Name of Institutional Shareholder (Note 1)	Major Shareholders (Note 2)
Sino-American Silicon Products Inc. (Note 1)	Hongwang Investment Co., Ltd.(3.91%), HUA NAN COMMERCIAL BANK , LTD is entrusted to keep the Yuanta Taiwan Value High Interest ETF Securities Investment Trust Fund special account (3.57%),Taipei Fubon Commercial Bank Co., Ltd. is entrusted with the custody of Fuhua Taiwan Technology High Interest ETF Securities Investment Trust Fund Special Account (3.44%),Taiwan Cooperative Bank Co., Ltd. (2.41%), Nanshan Life Insurance Co., Ltd. (2.34%), Ching-Chao Chang(2.17%) , Taiwan Small and Medium Enterprise Bank Co., Ltd. (2.16%), entrusted to the custody of the UOB Taiwan Preferred Dividend High-Interest 30ETF Securities Investment Trust Fund Special Account,Weilian Technology Co., Ltd. (2.05%), KGI Life Insurance Co., Ltd. (1.76%),Ming-Kuang Lu (1.73%)
Hsu Shin Investing Corporation	Yang Su Mei (2%) Lu Min Kuang (2%) Lu Jian Chi (31.97%) Lu Yijun (31.97%)

Note 1: Sino-American Silicon Products Inc. base date is Mar 29., 2025.

(III) Major shareholders of the Company's major institutional shareholders :

Mar 23, 2025

Name of Institutional Shareholder (Note 1)	Major Shareholders (Note 2)
Hongwang Investment Co., Ltd.	Weilian Technology Co., Ltd. (39.02%) Actron Technology Corporation (30.00%) Globalwafers.Co.,Ltd. (30.98%)
Cooperative Bank of Japan Co., Ltd.	Cooperative Bank of Japan Financial Holdings Co., Ltd.: (100%)
Nanshan Life Insurance Co., Ltd. (Data was suspended on March 31, 2024)	Runcheng Investment Holding Co., Ltd.: (89.5498%), Runhua Dyeing and Weaving Factory Co., Ltd.: (1.3441%, Du Yingzong: (1.1576%), Runtaixing Co., Ltd.: (0.9722%),Ruentex Innovation International Co., Ltd.: 0.2319%), Ruentex Global Co., Ltd.: (0.2133%), Yuanxin Investment Co., Ltd.: (0.1563%), Ruentex Leasing Co., Ltd.: (0.1243%), Jipin Investment Co., Ltd.: (0.1069%), Pengcheng Co., Ltd.: (0.0945%)
Weilian Technology Co., Ltd.	Hung-mau Investment Company (30.46 %) , Wang Xuehong: (4.38%), Chen Wenqi: (4.38%), Ou Guangying: (4.38%), Chen Guangen: (4.38%)
KGI Life Insurance Co., Ltd.	KGI Financial Holding Co., Ltd. (100%)

(IV) Information of Directors and Supervisors

A. Disclosure of information as professional qualifications and independent status of directors and independent directors :

Qualification Name	Professional qualifications and experience (note 1)	Independent status (Note 2)	Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Yao Dang Liang	1. Master of Management Research Institute of Tamkang University 2. Possesses five or more years of work experience required for the Company's business 3. Vice Chairman and Vice CEO of Actron Technology Corporation	NA	0
Lu Min Kuan	1. Honorary Doctor of Engineering, National Chiao Tung University 2. Possesses five or more years of work experience required for the Company's business 3. Chairman and CEO of Actron Technology Corporation	NA	1
Feng Hao	1. Master of International Business Management, National 2. Possesses five or more years of work experience required for the Company's business	NA	0
Hsu Show Lan	1. Master of Computer Science, University of Illinois 2. Possesses five or more years of work experience required for the Company's business	NA	0
Yang Su Mei	1. Ming Chuan University Accounting Department 2. Possesses five or more years of work experience required for the Company's business	NA	0
Wu Xian Chung	1. Master's Degree Program International Business Management Group, National Taiwan University 2. Possesses five or more years of work experience required for the Company's business	NA	0
Liu Chung Xian	1. Master of Management Science, Tamkang University 2. Possesses five or more years of work experience required for the Company's business	1. Himself, spouse, or relative within the second degree of kinship not a director, supervisor, or employee of the company or any of its affiliates. 2. None of the Company's share is held by him/herself, spouse, or relative within the second degree of kinship (including held by the person under others' names) 3. Not a director, supervisor, or employee of the companies with certain relationships with the Company. 4. No compensation is received by providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the past 2 years.	3
Cheng Cheng Yuan	1. Ph.D., Institute of Mechanical Engineering, University of Liverpool 2. Possesses five or more years of work experience required for the Company's business		3
Shu-Mei- Chang	1. Bachelor degree in law from of National Cheng Chi University , Assistant vice president of TAIWAN COOPERATIVE BANK , CFO of TATUNG CO. 2. Possesses five or more years of work experience required for the Company's business		0
Chun-Chun Chang	1. Department of accounting of Chung Yuan Christian University , Deputy General Manager of Administration Department of Merdury Biopharmaceutical Corporation , CPA of CHANG,CHUN-CHUN accounting firm , Independent Director of Bin Chuan Enterprise Co., Ltd. 2. Possesses five or more years of work experience required for the Company's business		2

Note 1: All directors have not been a person of any conditions defined in Article 30 of the Company Law.

B. The Company has established a "Code of Practice for Corporate Governance" with the diversity of the members of the Board policy:

- 1 The composition of the board of directors should be considered in a diversified manner, and appropriate diversification policies should be formulated for its own operation, operational type and development needs, including but not limited to the following two standards:
 - (1) Basic requirements and values: gender, age, nationality and culture, etc.
 - (2) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

Board members should generally have the knowledge, skills and literacy necessary to perform their of corporate governance, the overall ability of the board of directors should be as follows:

- (1) Operation judgement II. Accounting and financial knowledge III. Business management knowledge VI. International market view VII. Leadership VIII. Decision-making

2 Implementation on diversity of the board of directors:

Directors	Diversified Core Item	Gender / Age	Part-time employees	Term (year)			I	II
				< 3	3-6	> 6		
Yao Dang Liang		Male/61-70	V	—	—	V	V	—
Lu Min Kuang		Male/71-80	—	—	—	V	V	—
Sino-American Silicon Products Inc. Representative: Hsu Show Lan		Female/61-70	—	—	V	—	V	—
Sino-American Silicon Products Inc. Representative: Feng Hao		Male/41-50	—	—	—	V	V	—
Hsu Shin Investing Corp. Representative: Yang Su Mei		Female/71-80	—	—	—	V	V	V
Wu Xian Chung		Male/51-60	V	—	V	—	V	—
Liu Chung Xian		Male/61-70	—	—	V	—	V	V
Cheng Cheng Yuan		Male/61-70	—	—	V	—	—	—
Shu-Mei- Chang		Female/51-60	—	V	—	—	V	V
Chun-Chun Chang		Female/51-60	—	V	—	—	V	V

3 The implementation of the board diversity policy :

1. More than 100% of independent directors have been in office for no more than three terms 2. The gender equality, with more than 33% female directors in the composition of the board of directors.3 company have been no more than 1/3 ° Diversity policy has been implemented in the composition of Company's Code of Corporate Governance.

4 Independence of the Board of Directors:

The current Board of Directors is composed of 10 directors, of which 4 are independent directors, all terms (independent directors shall account for 100% of all independent director seats for no more than three terms) have any of the circumstances specified in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act, or any of the circumstances in which there is a spouse or second degree of kinship relationship between directors and supervisors.

(V) Information on the company's general manager, Deputy General Managers, associates, and the supervisors of all the company's divisions and branch units: Date for suspension of share transfer: Mar 23, 2025

Title (Note 1)	Nationality	Name	Gender	Elected Date	Shareholding		Shareholding by Spouses & Minor		Current Shareholding in the name of others		Experience (Education) (Note 2)	Current Positions at Other Companies	Managers who are spouses or within two degrees of kinship			Remark (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
CEO	R.O.C	Yao Dang Liang	Male	2019/5/29	350,144	0.34%	6,435	0.01%	0	0.00%	Master of Management Research Institute of Tamkang University Hsu Shin Technology Corp. Associate Sino-American Silicon Products Inc. General Manager	Note 1	None	None	None	None
General Manager	R.O.C.	Wu Xian Chung	Male	2013/6/28	263,158	0.26%	0	0.00%	0	0%	Master's Degree Program International Business Management Group, National Taiwan University UIC Inc. Associate	Note 2	None	None	None	None
Deputy General Manage	R.O.C.	Chang Hui Chung	Male	2013/3/4	15,242	0.02%	0	0.00%	0	0%	Master of Business Administration for Senior Executive, National Central University Delta Electronics, Inc Factory Director	Shimusi Auto Parts (Qingdao) Co.,Ltd.institutional director representative & General Manager	None	None	None	None
Deputy General Manager	R.O.C.	Huang Xi Chin	Male	2013/7/10	30,230	0.03%	0	0.00%	0	0%	Australia UNSW, Chemistry Department, National Chengchi University Diodes Taiwan Ltd. Manager	None	None	None	None	None
Deputy General Manager	R.O.C.	Lu Jian Chi	Male	2017/8/9	1,891,746	1.86%	128,113	0.13%	0	0%	Institute of Electrophysics, National Chian Tung University Winbond Electronics Manufacturing Process R&D Assistant manager	Hsu Shin Investing Corp. director Mosel Vitelic Inc. director	None	None	None	None
Associate	R.O.C.	CHEN,CH IH-MING	Male	2021/5/10	12,000	0.01%	0	0.00%	0	0%	Kansas State University IE Master of Industrial Engineering, Tsinghua University Associate of nnolux Optoelectronics Co., Ltd Associate of Sipin Precision Industry Co., Ltd. Associate of Provo Technology (Stocks) Co., Ltd.	None	None	None	None	None
Associate	R.O.C.	TSAI,HSI N-CHAN G	Male	2017/9/4	93,000	0.09%	0	0.00%	0	0%	Tsinghua University, Department of Power Mechanical Engineering, PhD Program Deputy Manager of Design Engineering, Delta Electronics Corporation	None	None	None	None	None
Finance and Accounting Supervisor	R.O.C.	Chiu Mei ying	Female	2021/03/10	22,259	0.02 %	0	0.00%	0	0%	Master of Professional MBA, Feng Chia University College of Business. Senior Manager of Accounting Department of Sino-American Silicon Products Inc. Taiwan Styrene Monomer Corporation Finance and Accoounting Manager	Supervisor of AIWAN UNITED MEDICAL INC	None	None	None	None

Note 1: Mr. Yao is also Vice Chairman and President of Sino-American Silicon Products Inc. 、The legal Board of Director representative of GlobalWafers Co.,Ltd. 、Vice Chairman and Vice CEO of Actron Technology Corporation 、The legal Board of Director representative of ADVANCED WIRELESS SEMICONDUCTOR COMPANY 、The legal Board of Director representative of Taiwan Speciality Chemicals Corporation 、The legal Board of Director representative of Sunrise PV Three Co., Ltd., 、The legal Board of Director representative of SAS Capital Co., Ltd., 、The legal Board of Director representative of GWC Capital Co., Ltd., 、Director of Yuanhong (Shangdong) Photoelectric Material Co., Ltd., 、The legal Board of Director representative of REC Technology Corporation. 、The legal Board of Director representative of MOSEL VITELIC INC. 、Chairperson of Kunshan Sino Silicon Technology Co., Ltd. 、Director of GlobiTech Incorporated 、Director of GlobalWafers Japan Co., Ltd. 、Director of GlobalWafers Singapore Pte. Ltd. 、Director of GlobalWafers America, LLC.

Note2: Mr. Wu is also The legal Board of Director representative of DING-WEI TECHNOLOGY CO.LTD 、The legal Board of Director representative of Actron Technology (Qing Dao) Corporation 、The legal Board of Director representative of Hong-Wang Investment Company 、The legal Board of Director representative of Bigbest Corporation 、The legal Board of Director representative of MOSEL VITELIC INC. 、Director of Phoenix Pioneer technology Corporation 、The legal Board of Director

representative of Excelliance MOS Corporation

Note 3: When the general manager or a person with equivalent position (top manager) and the chairman of the board of directors are the same person, each other's spouse or first degree relative, relevant information on the reasons, rationality, necessity and countermeasures shall be disclosed.

The chairman of the company concurrently serves as the CEO. Considering the company's operating scale and in order to improve overall operating efficiency, the company also has the position of general manager. The division of responsibilities between the CEO and the general manager is different. The CEO is more focused on planning (the main responsibility is In order to formulate the company's operating policies, annual budget plans, maintain important customer relationships, strategic alliance planning, reinvestment layout planning, and track the actual achievement of annual plans, etc.), the general manager is responsible for the execution side (responsible for the execution and coordination of the company's business) and command and supervise subordinates to achieve operational goals, and at the same time implement the company's policies and the business strategies and related operational matters planned by the CEO), the two complement each other; the chairman of the company is also the CEO, and can effectively implement the company planned by the board of directors Implementing the development blueprint into planning and execution can also improve the board of directors' understanding of the company's operating conditions. More than half of the company's board of directors are not employees or managers, and the board of directors has 4 independent directors. Members of each functional committee are served by independent directors who can make recommendations to the board of directors after full discussions on various important issues. Strengthen the supervisory function of the board of directors and implement corporate governance.

(II) Remuneration paid to Directors, Independent Directors, Supervisors, General Manager, and Deputy General Manager

I. Remuneration paid to Directors and Independent Directors:

Unit: thousand shares; NT\$ thousand

Title	Name	Remunerations of Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant remuneration received by directors who are also employees								Ratio of total compensation (A+B+C+D+E+F+ G) to net income (%)		Compensation paid to directors from an invested company other than the company's subsidiary
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D)				Salary, Bonuses and Allowances(E)		Severance Pay (F)		Employee Compensation (G)						
		The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	Cash	Stock	Cash	Stock	The Company	All companies in the consolidated financial statement	
Director	Yao Dang Liang	10	10	0	0	27,685	27,685	150	414	27,845 3.33%	28,109 3.36%	8,129	9,538	0	0	20,500	0	20,500	0	56,474 6.75%	58,147 6.95%	49,620
	Lu Min Kuang																					
	Wu Xian Chung																					
	Sino-American Silicon Products Inc.Representative: Feng Hao																					
	Sino-American Silicon Products Inc.Representative: Hsu Show Lan																					
	Hsu Shin Investing Corp. epresentative: Yang Su Mei																					
Independent Director	Liu Chung Xian	3,990	3,990	0	0	0	0	100	100	4,090 0.49%	4,090 0.49%	0	0	0	0	0	0	0	0	4,090 0.49%	4,090 0.49%	NA
	Cheng Cheng Yuan																					
	Chun-Chun Chang																					
	Shu-Mei- Chang																					
1.Please describe the policy, system, standard and structure of the remuneration to independent directors, and their linkages to the responsibility, risk, and time of devotion: The responsibility of the Company's independent director is in compliance with the Company's "the responsibility scope of the independent director regulation" unless otherwise stated in related laws and regulations, and is also in compliance with the "Articles of Incorporation" and "remuneration to director and functional committee regulation". The remuneration to independent directors is fixed monthly remuneration. In order to maintain the independence of the independent directors, they will not participate in the surplus distribution. 2.In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company / any consolidated entities /invested enterprises):NA																						

Range of Remuneration

Range of remuneration	Names of Directors			
	First four categories of remuneration (A+B+C+D)		First four categories of remuneration (A+B+C+D+E+F+G)	
	The Company	All companies in the consolidated financial statement H	The Company	All companies in the consolidated financial statement I
Under NT\$1,000,000	Feng Hao 、Yang Su Mei 、Hsu Show Lan 、Chun-Chun Chang	Feng Hao 、Yang Su Mei 、Hsu Show Lan 、Chun-Chun Chang	Feng Hao 、Yang Su Mei 、Hsu Show Lan 、Chun-Chun Chang	Feng Hao 、Yang Su Mei 、Hsu Show Lan 、Chun-Chun Chang
NT\$1,000,000 (included)~NT\$2,000,000 (excluded)	Liu Chung Xian 、Cheng Cheng Yuan 、Shu-Mei- Chang	Liu Chung Xian 、Cheng Cheng Yuan 、Shu-Mei- Chang	Liu Chung Xian 、Cheng Cheng Yuan 、Shu-Mei- Chang	Liu Chung Xian 、Cheng Cheng Yuan 、Shu-Mei- Chang
NT\$2,000,000 (included)~NT\$3,500,000 (excluded)	—	—	—	—
NT\$3,500,000 (included)~NT\$5,000,000 (excluded)	Hsu Shin Investing Corp. 、Lu Min Kuang 、Yao Dang Liang 、Wu Xian Chung	Hsu Shin Investing Corp. 、Lu Min Kuang 、Yao Dang Liang 、Wu Xian Chung	Lu Min Kuang 、Hsu Shin Investing Corp.	Lu Min Kuang 、Hsu Shin Investing Corp.
NT\$5,000,000 (included)~NT\$10,000,000 (excluded)	Sino-American Silicon Products Inc. 、	Sino-American Silicon Products Inc. 、	Sino-American Silicon Products Inc. 、	Sino-American Silicon Products Inc. 、
NT\$10,000,000 (included)~NT\$15,000,000 (excluded)	—	—	Yao Dang Liang	Yao Dang Liang
NT\$15,000,000 (included)~NT\$30,000,000 (excluded)	—	—	Wu Xian Chung	Wu Xian Chung
NT\$30,000,000 (included)~NT\$50,000,000 (excluded)	—	—	—	—
NT\$50,000,000 (included)~NT\$100,000,000 (excluded)	—	—	—	—
Over NT\$100,000,000	—	—	—	—
Total	12	12	12	12

2. Remunerations of Supervisors: not applicable. The Company set up the Audit Committee on June 4, 2013

3. Remunerations paid to General Manager and Deputy General Manager

Title	Name	Salary (A)		Severance Pay (B)		Bonus and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income(%)		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's Subsidiary
		The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company		All companies in the consolidated financial statement		The Company	All companies in the consolidated financial statement	
								Cash	Stock	Cash	Stock			
CEO	Yao Dang Liang	12,156	15,697	0	0	3,328	4,405	29,200	0	29,300	0	44,684 5.34%	49,402 5.91%	23,727
General Manager	Wu Chien Chung													
Deputy General Manager	Chang Hui Chung													
Deputy General Manager	Huang Xi Chin													
Deputy General Manager	Lu Jian Chi													

Range of Remunerations

Range of remuneration paid to General Managers and Deputy General Managers	Names of General Managers and Deputy General Managers	
	The Company	All companies in the consolidated financial statement
Under NT\$1,000,000	—	—
NT\$1,000,000 (included)~NT\$2,000,000 (excluded)	—	—
NT\$2,000,000 (included)~NT\$3,500,000 (excluded)	—	—
NT\$3,500,000 (included)~NT\$5,000,000 (excluded)	Lu Jian Chi	Lu Jian Chi
NT\$5,000,000 (included)~NT\$10,000,000 (excluded)	Chang Hui Chung 、Huang Xi Chin	Chang Hui Chung 、Huang Xi Chin
NT\$10,000,000 (included)~NT\$15,000,000 (excluded)	Yao Dang Liang	Yao Dang Liang
NT\$15,000,000 (included)~NT\$30,000,000 (excluded)	Wu Chien Chung	Wu Chien Chung
NT\$30,000,000 (included)~NT\$50,000,000 (excluded)	—	—
NT\$50,000,000 (included)~NT\$100,000,000 (excluded)	—	—
Over NT\$100,000,000	—	—
Total	5	5

4. Remunerations of Managers and Range of Remuneration :

Unit: thousand shares; NT\$ thousand : 12/31/2023

	Title	Name	Stock	Cash	Total	Total remuneration to net income after tax(%) (Note 1)
Managers	CEO	Yao Dang Liang	0	33,500	33,500	4%
	General Manager	Wu Xian Chung				
	Deputy General Manager	Huang Xi Chin				
	Deputy General Manager	Chang Hui Chung				
	Deputy General Manager	Lu Jian Chi				
	Associate	Chen, Chih-Ming				
	Associate	TSAI, HSIN-CHANG				
	Associate	Chen Jun Ji				

Note1: Due to the adoption of international financial reporting standards, net profit after tax refers to the net profit after tax in the individual financial report of the most recent year (2024 year).

(VII) Analysis of the proportion of the total remuneration to net profit after tax:

Analysis of the proportion of the total remuneration of directors, general managers and deputy general managers of the Company paid by the Company and all companies in the consolidated financial statement to net profit after tax in individual financial statements of the recent two years. Explanation of remuneration policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. Analysis of the proportion of the total remuneration of directors, supervisors, general managers and deputy general managers of the Company paid by the Company and all companies in the consolidated financial statement to net profit after tax in individual financial statements of the recent two years: :

Unit: NT\$ thousand

Title	Ratio of total remuneration paid to net income (%)			
	2023		2024	
	The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement
Director	3.21%	3.24%	3.82%	3.85%
General Manager and Deputy General Manager	4.82%	5.18%	5.34%	5.91%

Note: The main difference between 2023 and 2022 are due to the changes in profits.

2. Explanation of remuneration to directors policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

The remuneration to directors can be classified into three types: surplus distribution, remuneration, and allowance. It is handled in accordance with the relevant regulations of the Articles of Incorporation and the "Remuneration to Directors Distribution Policy" that is approved by the Board of Directors. Surplus distribution is in accordance with the Article 18 in Articles of Incorporation. The remuneration to directors can't be higher than 3% of the annual profit. The Remuneration Committee will refer to the "board (functional committee) performance evaluation regulations" and consider the involvement and contribution to the company operation, the contribution to the company performance, the future risk, and the usual level of the same industry to provide reasonable compensation. The allowance is mainly cars and gasoline reimbursement. The issuance standard is based on the actual attendance to the meetings of the board of directors, Audit Committee, Remuneration Committee and other functional committees.

3. Explanation of remuneration to General Manager and Deputy General Manager policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

The remuneration structures to General Manager and Deputy General Manager can be classified into two types: fixed salaries and variable salaries. Fixed salaries are paid in accordance with the "employee salary management regulation" as monthly salary, bonus for three major holidays, and surplus bonus. The variable salaries are paid in accordance with the "manager salary and performance evaluation regulation" as compensations, bonus, and allowance. The result of the performance evaluation will be reviewed by the Remuneration Committee. In addition to considering the usual level of the same industry and the history operation performance of the company, the payment standards, structures, and systems will be adjusted anytime according to the actual operating conditions and changes in relevant laws and regulations. It is not recommended for managers to engage in any behavior that exceeds company risk for remuneration, and the advice will be reviewed by the Board of Directors. Bonuses and allowances are handled in accordance with the internal related regulations of the company as all kinds of bonus, incentive, allowance, reimbursement, dormitory, company car and other physical objects or remunerations.

III. The state of the company's implementation of corporate governance: :

- (i) The state of operations of the board of directors: numbers of the meeting held, attendance rate of every director, the objective of strengthening the functions of the board of directors and execution evaluation of the current and recent fiscal years, and other matters to be recorded.

5 meetings (A) were held by the Board of Directors in the most recent year with their attendance shown as follow:

Title	Name (Note 1)	In-person Attendance (B)	By proxy	In-person Attendance Rate (%) (B/ A) (Note 2)	Remarks
Chairman	Yao Dang Liang	5	0	100%	
Director	Lu Min Kuang	5	0	100%	
Director	Sino-American Silicon Products Inc. Representative: Feng Hao	5	0	100%	
Director	Hsu Shin Investing Corp. Representative: Yang Su Mei	5	0	100%	
Director	Sino-American Silicon Products Inc. Representative: Hsu Show Lan	5	0	100%	
Director	Wu Xian Chung	5	0	100%	
Independent Director	Liu Chung Xian	5	0	100%	
Independent Director	Cheng Cheng Yuan	5	0	100%	
Independent Director	Shu-Mei- Chang	5	0	100%	
Independent Director	Chun-Chun Chang	5	0	100%	
Other matters to be recorded:					
I. During operations of the Board of Directors, the meeting date, period, content, qualified opinion and resolution made by any independent director should be specified:					
(i) Matters specified in Article 14-3 of the Taiwan Securities and Exchange Act: not applicable. The Company has set up an Audit Committee and Article 14-5 shall apply.					
(ii) Unless otherwise stated, other Independent Directors who expressed opposition or qualified opinions that were recorded or declared in writing as: none. The independent directors did not express opposition or qualified opinions in the fiscal year.					
II. To avoid conflict of interest among directors, the Director’s name, meeting content, and reason for avoiding conflict of interest and participation in the voting process must be properly recorded:					
(I) On May 8, 2024, the Board is resolving the “2023 Manager of Employee profit-sharing compensation ” case. Chairman Yao Dang Liang, and director Wu Xian Chung are also managers of the Company. To avoid conflict of interest, they did not participate in the discussion and voting process.					
(II) On Aug, 2, 2024, the Board is resolving the “bonus and annual salary adjustment for managements” case. Chairman Yao Dang Liang, and director Wu Xian Chung are also managers of the Company. To avoid conflict of interest, they did not participate in the discussion and voting process.					
III. The state of self-evaluation of the Board of Directors:					
Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content	
once/year	2024/01/01 ~ 2024/12/31	Board of Directors	Internal self-evaluation	1. Compliance with the related laws and regulations. 2. The involvement of the company operation.	
once/year	2024/01/01 ~	Board of Directors	Internal self-eval	1. Understanding of company goals and missions	

		2024/12/31		uation	2. Director's understanding of their duties and responsibilities 3. Participation in the company's operation 4. Internal relation maintenance and communications 5. Election of directors and continued knowledge development 6. Internal control
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IV. Strengthening the functions of the board in the current and recent fiscal years (e.g. establishing the Audit Committee, promoting information transparency, etc.) and conducting performance assessment:

- Continuing education for directors:
The Company has arranged continuing courses for directors to learn new knowledge. The total continuing course hours have reached 105 hours for all directors in 2024.
- The performance and evaluation of the Board of Directors:
The Company has set up "the board (functional committee) performance evaluation regulations" and performed evaluation regularly every year. The result has been disclosed on the company website.
- The insurance for the directors' responsibilities:
Protect directors and managers from the risks assumed when performing their duties, the Company has purchased "the insurance for the directors' and managers' responsibilities" for them every year. The insurance policy is reported to the Board to make sure the insurance coverage and scope have met the needs.
- Improve the information transparency:
The financial information and significant resolutions of the Company have been disclosed on the Market Observation Post System and the company website in compliance with the laws and regulations. Investors can find the information immediately.

(ii) The state of operations of the Audit Committee

- 4 meetings (A) were held by the Audit Committee in the most recent year with their attendance shown as follow:

Title	Name	In-person Attendance (B)	By proxy	In-person Attendance Rate (%) (B/A)	Remarks
Convener	Liu Chung Xian	4	—	100%	
Member	Cheng Cheng Yuan	4	—	100%	
Member	Shu-Mei- Chang	4	—	100%	
Member	Chun-Chun Chang	4	—	100%	

Other matters to be recorded:

I. If one of the following situations occurs while carrying out its operations, the Audit Committee must report the meeting date of the Board of Directors, period, content, and results of the Audit Committee's resolutions.

- Matters specified in Article 14-5 of the Taiwan Securities and Exchange Act: please refer to 2.(2) operating status for the Audit Committee's opinions on the significant proposal or resolution result.
- Except for the matters stated above, there were no resolutions rejected by the Audit Committee; two thirds or more directors gave their approval: none. The independent directors did not express opposition or qualified opinions in the fiscal year.

II. To avoid conflict of interest among independent directors, the independent director's name, meeting content, and reason for avoiding conflict of interest and participation in the voting process must be properly recorded: There was no recusal by any independent director for

conflict of interest °

III. Communication between independent directors and internal auditors (which should include audit materials, methods, and results pertaining to corporate finances and/or operations, etc.):

- (i) All of the internal audit supervisors attend the meeting of the Audit Committee to communicate with the committee members, and regularly review the result of the audit reports and make a presentation of the internal audit report in the quarterly meeting. The audit supervisors will also report immediately on any special condition. There was no special condition in 2024. The Audit Committee and the internal audit supervisors are well communicated.
- (ii) The Company's certified accountants will report the review of the quarterly financial statements or the result of the review and any other matters that are requested by the laws and regulations. The accountants will also report immediately on any special condition. There was no special condition in 2024. The certified accountants and the internal audit supervisors are well communicated.

2. The annual focus and the implementing status of the Audit Committee

- (1) Assist the Board of Directors to supervise the following matters as the main purpose:

The proper expression of the Company's financial statement, the election and dismissal of the certified accountants and their independence and performance, effective implementation of the internal control, compliance of the related laws and regulations, and existing or potential risks control.

- (2) Review matters mainly involved with:

Set up or amend the internal control system, assess the effectiveness of the internal control system, set up or amend of obtaining or disposing assets, conduct derivatives trading, loan fund to others, handle significant financial business behaviors procedure such as endorsement or guarantee, matters that involve personal interest of the directors, conduct significant assets or derivatives trading, significant fund loaning, provide endorsement or guarantee, raise, issue or privately raise securities with equity nature, appoint or dismiss of certified accountants and supervisors of remuneration, finance, accounting, and internal audit, annual financial report, business report, proposal of surplus distribution or make up loss, and significant matters from other companies or authorities regulations.

- (3) Implementing status:

Audit Committee Meeting Date	Content and Follow Up	Matters specified in Article 14-5 of the Taiwan Securities and Exchange Act:	Except for the matters stated above, there were no resolution rejected by the Audit Committee; two thirds or more directors gave their approval:
2024/2/23 2024 1st meeting	1. Approval of the 2023 business report and financial statements.	V	None
	2. Annual surplus distribution of 2023	V	None
	3. 2023 annual statement of internal control system.	V	None
	4. Evaluation on the competency and independence of the certified accountants.	V	None
	Audit Committee Results:	Approved by all attendees with no objection, and reported to the Board of Directors in compliance with Paragraph 1 in Article 14-5 of the Taiwan Securities and Exchange Act.	
	Resolutions:	Approved by all attendees from the Board of Directors with no objection.	
2024/5/8 2024 2nd	1. Recognition of the 2024 consolidated financial statement of the first quarter.	V	None

Audit Committee Meeting Date	Content and Follow Up	Matters specified in Article 14-5 of the Taiwan Securities and Exchange Act:	Except for the matters stated above, there were no resolution rejected by the Audit Committee; two thirds or more directors gave their approval:
meeting	Audit Committee Results	Approved by all attendees with no objection, and reported to the Board of Directors in compliance with Paragraph 1 in Article 14-5 of the Taiwan Securities and Exchange Act.	
	Resolutions:	Approved by all attendees from the Board of Directors with no objection.	
2024/8/2 2024 3rd meeting	1. Recognition of the 2024 consolidated financial statement of the second quarter.	V	None
	Audit Committee Results	Approved by all attendees with no objection, and reported to the Board of Directors in compliance with Paragraph 1 in Article 14-5 of the Taiwan Securities and Exchange Act.	
	Resolutions:	Approved by all attendees from the Board of Directors with no objection.	
2024/11/6 2024 4th meeting	1.Recognition of the 2024 consolidated financial statement of the third quarter.	V	None
	2.The Company's annual audit plan of 2025.	V	None
	Audit Committee Results	Approved by all attendees with no objection, and reported to the Board of Directors in compliance with Paragraph 1 in Article 14-5 of the Taiwan Securities and Exchange Act.	
	Resolutions:	Approved by all attendees from the Board of Directors with no objection.	
2025/2/21 2025 1st meeting	1. Approval of the 2024 business report and financial statements..	V	None
	2. Annual surplus distribution of 2024	V	None
	3. 2024 annual statement of internal control system.	V	None
	4. Evaluation on the competency and independence of the certified accountants.	V	None
	Audit Committee Results:	Approved by all attendees with no objection, and reported to the Board of Directors in compliance with Paragraph 1 in Article 14-5 of the Taiwan Securities and Exchange Act.	
	Resolutions:	Approved by all attendees from the Board of Directors with no objection.	

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

Assessment Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
I. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has set up the “Corporate Governance Best-Practice Principles” and disclosed on the Market Observation Post System and the company website.	No significant difference
II. Shareholding structure & shareholders’ rights (i) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure? (ii) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (iii) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (iv) Does the company establish internal rules against insiders trading with undisclosed information?	✓ ✓ ✓ ✓		(i) The Company has a spokesperson and associated person assigned to effectively handle shareholder’s suggestions or disputes. (ii) The Company has information on the shareholding status of the directors, managers, and major shareholders with 10% or more shareholding rate, and declares related information as required. (iii) The Company has set up “supervising and managing the subsidiary regulation” and “finance and business regulations between affiliates” as regulation and control mechanism. (iv) The Company has established an “Integrity management operating procedures” and “Insider Trading Policy and Internal Significant Information Handling Procedure” to prohibit directors or employees to be involved in insider trading on marketable securities. Related regulation has been disclosed on the company website. The Company sends emails to remind insiders to prevent insider trading when filing insider declarations each month. It also sends notices of board meetings to remind directors, managers and related employees to keep confidentiality of confidential information of meeting materials. The Company also provides relevant education and training to insiders (directors and managers) on June 24, 2024 and July 1, 2024. The courses include regulations, responsibilities, litigation and case explanations for	No significant difference

Assessment Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>prohibiting insider trading. A total of 28 participants participated in the 6-hour education and training, and the course materials were sent to the mailboxes of each insider for reference.</p> <p>The Company has notified the directors of the dates of the 4th board meetings in 2025 and the closed period for the announcement of each quarterly financial report by email on January 3, 2025 (directors are not allowed to trade their shares during the closed period of thirty days before the announcement of the annual financial report and fifteen days before the announcement of each quarterly financial report.)</p>	
<p>III. Composition and Responsibilities of the Board of Directors</p> <p>(i) Does the Board develop and implement a diversified policy for the composition of its members?</p> <p>(ii) Does the company voluntarily establish other functional committees in the Remuneration Committee</p> <p>(iii) Does the company establish a board (functional committee) performance evaluation regulations and its method to implement it annually? Does it report the result to the Board of Directors and take it as reference on the remuneration and succession of individual directors?</p> <p>(iv) Does the company regularly evaluate the independence of CPAs</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(i) The Company has established qualifications for directors and independent directors in Article 20 and 24 of the “Corporate Governance Best-Practice Principles” respectively, and also “Rules and Procedures of Board of Directors Meetings” to follow. The policy about the diversity of the Board members can be found on page 12 or on the company website.</p> <p>(ii) The Company has set up a “Nominee Committee” that is attached to the Board of Directors on May 29, 2019, to help in searching, reviewing, and nominating for the director candidates under the authority of the Board of Directors. Building and developing the organizational structures of the committees that are attached to the Board of Directors, and the succession of the top management. The Board of Directors will review the development and execution of the plan on a regular basis to make sure it is well composed.</p> <p>(iii) The Company has established a board (functional committee) performance evaluation regulations. The Board members will perform a self-evaluation and overall performance of the Board of Directors by questionnaires at the end of every fiscal year as a reference for selecting or nominating directors. The evaluation</p>	No significant difference

Assessment Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>result and improvement suggestion were reported to the Board of Directors on February 21 ,2024 and disclosed on the company website.</p> <p>(iv) The Company has established the “assessment of the independence of the accountants” to review the independence of the certified accountants by the Board of Directors once a year. The evaluation results were reviewed by the Audit Committee and approved by the Board of Directors on February 21,2025. The certified accountants Tsai Cheng Cai and Chiu Meng Jie from Deloitte & Touche have both met the standard of the independence of accountants of the Company (note 1) to be the Company’s accountants.</p>	
IV. As a TWSE/TPEX listed company, does the Company have set qualified and appropriate number of corporate governance personnel and appoint governance supervisor in responsible for the concerned affairs (including but not limited to offering necessary materials for the directors and supervisors, assisting directors and supervisors to comply with the laws and regulations, executing matters pursuant to board of directors' resolutions, proceedings for the Board of Directors and shareholder meetings and so on)	✓		<p>The Special assistant general manager of General manager ‘s office : a Chung,Hsiao-Ying is responsible for the corporate governance affairs. With three years of experience in financial management in a listed company, he is in charge of integrating the governance regulations and systems while promoting corporate governance related matters including: 1. Executing the corporate registration and change of registration. 2. Arranging Board of Directors, functional committee, and shareholder meetings and assisting the Company to comply with the laws and regulation accordingly. 3. Producing proceedings for the Board of Directors, functional committee, and shareholder meetings. 4. Offering necessary materials for the directors and the latest update on the regulations related to the Company for compliance. 5. Matters related to investors. 6. Other matters in Articles of Incorporation or contracts.</p>	No significant difference
V. Does the Company establish communication channels and dedicate sections for stakeholder (including but not limited to the shareholders,			<p>There is a subsection of “stakeholders” under the “Corporate Social Responsibility” section on the company website. In respect of the stakeholders’ rights, the Company regularly identifies the stakeholder</p>	No significant difference

Assessment Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
employees, clients and suppliers) on its website to respond to important issues of corporate social responsibility concerns?	✓		category and sets up contact windows and communication channels to understand their reasonable expectation and demand through proper communication and response to their concern about significant corporate social responsibility. The communication and the handling of major disputes with the stakeholders were reported on the Board of Directors meetings on May 8, 2024, and December 11, 2024.	
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company designates the professional Yuanta Securities Co., Ltd. to deal with shareholder affairs.	No significant difference
VII. Disclosure of information (i) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (ii) 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)? (iii) Does the Company publicly announce and file the annual financial reports within two months after the close of each fiscal year, and publicly announce within the deadline and file the financial reports of the first, second, and third quarter and monthly operation status?	✓ ✓	 ✓	(i) There are “investor relation” and “corporate governance” sections on the company website that is regularly or instantly updated to disclose information about finance, business, and corporate governance. ° (ii) The Company has set up a designated personnel to gather information and disclose it in accordance with regulations and timing. 1. The Company has designated a spokesperson and deputy spokesperson. Their names and contact information are disclosed on the company website. 2. The Company has disclosed information about the inventor conference on the company website. 3. The Company has set up an English website for foreign investors to learn about the Company’s finance and business information. ° (iii) The Company has publicly announced and filed the financial reports of the first, second, and third quarter and monthly operation status. However, it cannot publicly announce and file the annual financial reports within two months after the close of each fiscal year considering the operation time at this stage. It will make adjustments based on the governance status and comply with the law and regulation in the future.	No significant difference except for (iii).
VIII. Is there any other important information to	✓		1. Rights and Caring of employees:	No significant

Assessment Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
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 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)?			<p>The Company has set up work regulation to take care of employee rights, and holds equal opportunity for whoever is talented when recruiting regardless of the race, gender, age, religion, and nationality. Any discrimination, unfair, or sexual harassment behavior are strictly forbidden. Regulations and complaint channels are set up to keep a safe and healthy working environment. The purpose for establishing Employee Welfare Committee is to maintain a communication channel between labor and management. It promotes and executes multiple employee welfare policies to create a harmonious working environment and brighten up employee’s life.</p> <p>2. Investor relations, supplier relationship, and stakeholder’s rights: disclose finance and business information in accordance with regulations and timing and set up contact windows for feedbacks on investor relations, supplier relationship, and stakeholder’s rights. In order to strengthen corporate governance, in addition to public disclosure on finance and business information, there is a corporate governance section on the company website that provides more diversified information to protect investors' rights.</p> <p>3. Continuing education opportunities for directors and supervisors: 1. Please refer to (9) the status of the continuing education for directors. 2. Disclosure on “Corporate Governance Section on Market Observation Post System” (http://mops.twse.com.tw).</p> <p>4. Implementation of risk management policy and risk measurement standards: The Company has set up many internal regulations in accordance with the law to conduct risk management and assessment.</p> <p>5. Implementation of customer policies: The Company maintains a good relationship with the customers to make profit.</p>	difference

Assessment Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>6. The company has purchased liability insurance for directors and supervisors: The company has purchased liability insurance for the directors and managers of the board of directors. The insurance period is from March 15, 2025 to September 15, 2026. It is expected to submit a board report on May 7, 2025.</p> <p>7. Succession planning for board members and key management: The Company established a Nomination Committee in 2019. The board of directors adopts a "candidate nomination system". All director candidates are nominated and qualified by the Nomination Committee. After the resolution of the Board of Directors is approved, the shareholders' meeting will select them from the list of director candidates. There are currently 10 directors (including 4 independent directors). All of them have the professional knowledge and skills required in financial accounting, business management or company industry. During their tenure, they are arranged to take at least 6 hours of advanced studies each year to help directors continue to enrich their knowledge and maintain their core values and professional advantages and capabilities. The company's chairman succession plan is for the current directors to deepen their understanding of the directors of each investment business, so that they are familiar with the operations of each investment business and then become candidates for future chairman. The annual "Board of Directors Performance Evaluation Results" will be provided to the Nomination Committee for future planning of Chairman candidates. In the board re-election on May 27, 2023, the company's former director Tan-Liang Yao took over as chairman. According to the company's development goals, we will review and select potential successors. For the training of important</p>	

Assessment Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>management-level successors, in addition to considering the organizational adaptability, the values must be consistent with the company, and the current capabilities, strengths and weaknesses of potential successors will be considered to provide differentiated training. The succession planning activities include: 1. Using job rotation to expand work horizons and cross-functional department experience 2. Participating in EMBA or mid-to-senior executive training courses to expand the network and learn other industry experience 3. Studying in doctoral programs to improve technical cooperation and expand network resources and vision 4. Enriching personal experience and improving personal leadership through participating in projects or special task assignments 5. Participating in the company's systematic management training to improve the comprehensive leadership and management capabilities of successors 6. Representatives participate in major external conferences and speeches to expand their visibility and influence in the industry; continue to care for the development of capabilities, and continuously revise and adjust the training methods for successors in a timely manner. On March 6, 2019, the company's board of directors approved the "Manager Position Rotation Plan" to cultivate cross-functional organizational operational capabilities through cross-departmental job rotation; at the same time, through individual differences and in the design of training mechanisms, potential successors are arranged to intern on the boards of directors of related companies to respond to the company's future development and talent layout. At the same time, in order to balance the needs of organizational and corporate development, the training mechanism is to assign senior managers to subsidiaries to serve as general managers to strengthen their actual management</p>	

Assessment Items	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			capabilities. The current general manager, Mr. Hsien-Chung Wu, served as assistant manager in 2004, deputy general manager in 2009, and took over the position of general manager in 2013. Through the above diversified training activities and mechanisms, we can help improve the succession capabilities and meet the management talents required for the company's development goals. 8. The company attaches great importance to intellectual property and has obtained the certification of the Taiwan Intellectual Property Management System (TIPS) to show that the company has achieved remarkable results in the promotion of the intellectual property management system. The board of directors has reported the annual implementation results on December 11, 2024.	
IX. Does the Company have a corporate governance self-assessment report prepared or a corporate governance assessment report issued by the commissioned professional institutions: The Company has followed up on related matters and measures in accordance with the internal Corporate Governance Best-Practice Principles based on the Corporate Governance Evaluation result.				

Note 1: Standards of CPA's Independence Assessment:

1. Certified accountants' term is less than seven years in a row. 2. Do the audit team members, other certified accountants or shareholders of institutional accountancy firms, accountancy firms and their affiliates and alliances maintain independence of the Company? 3. Certified accountants and audit team members do not participate as the Company's directors, managers or other positions which have significant influences on the audited matters currently or within two years. 4. Certified accountants and audit team members' family members are not the company's directors, managers or employees who have significant influences on the audited matters. 5. Formerly engaged certified accountants do participate as the company's directors, managers, or other positions which have significant influences to the audit matters within one year from the date of termination of the engagement. 6. Certified accountants do not have direct or significant relationships in regards to financial interest with the company. 7. Certified accountancy firms do not overly depend on one source of remuneration from one single client (the Company). 8. Certified accountants do not have close business relationships with the company. 9. Certified accountants do not have the potential employment with the company. 10. Certified accountants are not related to the company's check-ups or have public funds. 11. Certified accountants do not provide any non-audit services, which may directly affect the auditing procedure, to the company? 12. Certified accountants do not act as the company's defender, or represent the company to settle conflicts with the third party. 13. Certified accountants do not promote or perform broking for the stocks or other securities issued by the company. 14. Certified accountants do not receive significant monetary value of presents or gifts from the company itself, the directors of the company, or the managers of the company. 15. Certified accountants and audit team members do not keep money or valuables for the Company.

(iv) If the company has a compensation committee in place, the composition, duties, and operation of the compensation committee shall be disclosed

1. Information on members of the Compensation Committee:

Conditions Identity Name	Professional qualifications and experience (note 1)	Independent status (Note 2)	Number of Other Public Issuing Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent Director (Convener) Shu-Mei-Chang	1. Bachelor degree in law from of National Cheng Chi University · Assistant vice president of TAIWAN COOPERATIVE BANK · CFO of TATUNG CO. 2. Possesses five or more years of work experience required for the Company's business	1. Himself, spouse, or relative within the second degree of kinship not a director, supervisor, or employee of the company or any of its affiliates. 2. None of the Company's share is held by him/herself, spouse, or relative within the second degree of kinship (including held by the person under others' names)	0
Independent Director Cheng Cheng Yuan	1. Ph.D., Institute of Mechanical Engineering, University of Liverpool 2. Possesses five or more years of work experience required for the Company's business	3. Not a director, supervisor, or employee of the companies with certain relationships with the Company.	2
Independent Director Liu Chung Xian	1. Master of Management Science, Tamkang University 2. Possesses five or more years of work experience required for the Company's business	4. No compensation is received by providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company in the past 2 years.	3

Note 1: All directors have not been a person of any conditions defined in Article 30 of the Company Law.

2. Operation status of the Remuneration Committee

(1) There are 3 members in the Company's Remuneration Committee.

(2) Current term: May 27, 2022 to May 26, 2025. Remuneration Committee held

3 (A) meetings in the recent year, and the attendance is shown as follow:

Title	Name	In-person Attendance (B)	By proxy	In-person Attendance Rate (%) (B/A)	Remarks
Convener	Shu-Mei- Chang	3	0	100%	NA
Member	Cheng Cheng Yuan	3	0	100%	NA
Member	Liu Chung Xian	3	0	100%	NA

Other mentionable items:

I. 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 (eg., 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): None.

II. Resolutions of the Remuneration Committee objected to by members or expressed reservations 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: None.

(3) Operation status:

Date/Number of Meetings	Content	Resolution/Result
2024/2/23 2024 1st meeting	1. Annual distribution of the remuneration for employee and directors of 2023.	Approved by all committee members/ Approved by all attendees from the Board of Directors with no objection.
2024/5/8 2024 2nd meeting	1. Remuneration distribution for directors of 2023. 2. Remuneration distribution for Managerial Officers of 2023.	Approved by all committee members/ Approved by all attendees from the Board of Directors with no objection.
2024/8/2 2024 3th meeting	1. Salary and compensation for newly promoted managers 2. Manager salary increase case for 2024.	Approved by all committee members/ Approved by all attendees from the Board of Directors with no objection.

3. Information on Nomination Committee Members and Operations

(1) A description of the qualifications and duties of the members of the company's nomination committee.

A. Qualifications: The Committee shall be composed of at least three directors appointed by the Board of Directors (hereinafter referred to as "Committee Members"), of whom more than half shall be independent directors.

B. Responsibilities: To identify, review and nominate directors and senior managers, establish and develop the organizational structure of the Board and various committees, conduct performance evaluations of the Board, various committees, directors and senior managers, and evaluate the independence of independent directors.

(2) Professional qualifications and experience of nomination committee members and their operation:

A. The Nomination Committee of the Company consists of four members (three of whom are independent directors).

B. Term of office of this committee: May 27, 2022 to May 26, 2025. The Nomination Committee met once in the most recent year (A). The Chairman and Convener Liu Zhongxian, Independent Director, and the committee members have the following professional qualifications and experience, attendance records, and discussion items:

Conditions Identity Name	Professional qualifications and experience	Actual attendance Number of times (B)	Number of times the delegate attended	Actual attendance rate (%) (B / A)	Remark
Chairman and Convener Liu Chung Xian	1. Master of Management Science, Tamkang University 2. Possesses five or more years of work experience required for the Company's business	1	0	100%	NA
Member Ming-Kuang Lu	1. Honorary Doctor of Engineering, National Chiao Tung University 2. Possesses five or more years of work experience required for the Company's business Chairman and CEO of Actron Technology Corporation	1	0	100%	NA
Member Cheng Cheng Yuan	1. Ph.D., Institute of Mechanical Engineering, University of Liverpool 2. Possesses five or more years of work experience required for the Company's business	1	0	100%	NA
Member Shu-Mei-Chang	1. Bachelor degree in law from of National Cheng Chi University · Assistant vice president of TAIWAN COOPERATIVE BANK · CFO of TATUNG CO. 3. Possesses five or more years of work experience required for the Company's business	1	0	100%	NA
<p>Other matters that should be recorded:</p> <p>State the meeting date, period, content of the main proposals of the Nomination Committee, the content of the proposals, the content of the suggestions or objections of the Nomination Committee members, the resolution of the Nomination Committee, and the company's handling of the opinions of the Nomination Committee:</p> <p>1. The first Nomination Committee meeting of 2024 was held on February 23, 2024. The proposals were the review and nomination of senior managers, the review results of the performance evaluation of the Board of Directors (Functional Committees), the review results and recommendations of the organizational structure of the Board of Directors (Functional Committees) and the diversity policy of directors, and the performance evaluation and review of the succession plan of senior managers. All the members present unanimously passed without objection, and there were no objections.</p>					

(v) The state of the company's performance of social responsibilities, any variance from the Corporate Principles for TWSE/TPEX Listed Companies, and the reason for any such variance:

Implementation Item	Implementation Status				
	Yes	No	Summary		
I. Does the Company establish a dedicated (ad-hoc) governance structure that is authorized and supervised by the board of directors to promote sustainable development?	V		The Company has set up a sustainable development committee with chairman and department heads as ex-officio members. It reviews sustainability implementation and formulate improvement plans, and reports to the Board of Directors every six months on the implementation results and the work plan for the next year. The sustainable development committee carry out actions and integrate sustainable development into daily operations after the evaluation by Board of Directors. The sustainable development committee consists of six working groups, including Sustainable Governance, Sustainable Supply, Environmental Safety and Health, Sustainable Labor Responsibility, Employee Care and Development, and Social Participation. The committee also includes representatives from each functional group serving as members to be responsible for the ESG project.		
II. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?	V		The Company has established a risk management policy and defined risk categories in accordance with the Company's business. The risk categories include operational risk, strategic risk, contractual risk, financial risk, climate risk, etc. Each department is responsible for establishing a risk management system and defining its authority and responsibility. The Company also follows the principles of stakeholder inclusiveness, sustainability, and transparency to formulate relevant strategies for each major issue. For more details on the identification and evaluation of major issues, please refer to the management guidelines in the year 2024 ESG Report.		
			Major Issues Aspects	Risk Assessment Item	Policy or Strategy
			Governance	Product Innovation and Development	Actively investing in research and development resources and collaborating with industry.

Implementation Item	Implementation Status					Non-implementation and Its Reason(s)
	Yes	No	Summary			
					government, and academia to develop high-performance, energy-efficient products to enhance market competitiveness. Additionally, adhering to intellectual property management policies and goals, protecting technological innovations through patent applications, accumulating intangible assets, and strengthening market leadership.	② rate of 216%. Re-evaluation rate was 20%.
				Financial performance	With the core values of "Integrity, Innovation, Customer Satisfaction, and Commitment", the company actively invests in technology research and development,	The revenue of 2024 was 7.582 billion NTD, and the EPS was 8.24 NTD.

Implementation Item	Implementation Status					Non-implementation and Its Reason(s)	
	Yes	No	Summary				
					and cooperates with industry, government, and academia in order to create good business results in the future.		
				Corporate Governance	We have established a corporate governance code of practice and set up independent professional committees, such as the Audit and Remuneration Committees, to ensure fair and transparent decision-making. The Board of Directors regularly reviews internal control and risk management mechanisms to strengthen compliance oversight and ensure business operations align	Continuously ranked in the top 5% of corporate governance evaluations.	

Implementation Item	Implementation Status						Non-implementation and Its Reason(s)
	Yes	No	Summary				
					with sustainable development goals.		
			Environment	Carbon Management	The company has established an environmental, safety and health energy policy, and set goals and specific implementation plans, which are regularly reviewed by the Environmental Safety and Health Energy Management Committee to reduce carbon emissions and mitigate global warming.	The total amount of GHG emission has decreased by 19.95% compared to the baseline year of 2021.	
				GHG Emission			
				Energy management	The company has established an environmental, safety and health energy policy, and set goals and specific implementation plans, which are	The unit electricity consumption has decreased by 7.92% compared to the baseline year of 2020.	

Implementation Item	Implementation Status					Non-implementation and Its Reason(s)
	Yes	No	Summary			
					regularly reviewed by the Environmental Safety and Health Energy Management Committee. The company promotes energy conservation and reduces electricity consumption per unit of product through energy saving, and has also introduced energy storage and energy creation systems to achieve energy autonomy.	
			Social	Talent Development and Training	We have established an education and training procedure and built a comprehensive competency training system, importing a digital learning platform. We provide diverse learning opportunities through online, offline, and blended learning methods. ① The average annual learning hours per employee was ≥34 hours. ② The course participation rate was ≥95%.	

Implementation Item	Implementation Status					Non-implementation and Its Reason(s)	
	Yes	No	Summary				
					Furthermore, we also enhance employee adaptability and competitiveness through leadership development programs and job rotation, ensuring corporate innovation and sustainable development.		
				Talent attraction and retention	The Company's recruitment and compensation policies comply with local regulations and international labor human rights standards to protect labor rights and interests, so as to create a friendly workplace and implement work-family balance.	① 11.5% of net profit before tax was contributed to employee bonus. ② The average salary was 28.91% higher than the national average salary. ③ The retention rate of new employees(IDL) was 84.62%.	
III. Environmental Issues (i) Has the company set an environmental management system designed to industry characteristics?	V		The company has obtained environmental management system (ISO 14001:2015) and green house gas inventory (ISO 14064:2018) certifications. The environment, health, and safety energy management committee was set up for quarterly discussion on the implementation progress and related performance to reduce environmental impact and continuous improvement. The company is also dedicated to developing production mode that is				No difference

Implementation Item	Implementation Status			Non-implementation and Its Reason(s)				
	Yes	No	Summary					
			productive and also environment friendly. It set up the environment, health, safety, and energy policy to include measures such as energy saving and carbon reduction, pollution prevention, waste reduction, and so on in daily operation to implement environmental protection in the production process. The company was honored with the "Silver Award" in the 3rd National Enterprise Environmental Protection Award by the Environmental Protection Administration and obtained the "Green Factory Label" (Certificate No. GF0084) from the Industrial Development Bureau.					
(ii) Is the company committed to improving energy efficiency and using recycled materials with low impact on the environment?	V		1.Improving energy efficiency ① The unit electricity consumption for products increased by 2.2% in 2024 compared to 2023. ② In line with the global trend of CO ₂ emission reduction in automobiles, the company launched a new product "high efficiency rectifier diode" and "ultra high efficiency rectifier diode", which can be applied to automobiles to increase the efficiency of generators to 78% and 84% and reduce CO ₂ emission 2.Using environmentally friendly recycled materials ① Recycling and reusing: the company recycled cyanide-containing wastewater, resulting in the recovery of 744 kg of gold plating solution in 2024, from which 0.243 kg of gold were extracted. ② Raw material reduction: CF ₄ , N ₂ O are not used in the new process; both of them decreased 11.1% respectively in 2024.	No difference				
(iii) Does the company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	V		<div>In response to the impact of climate change on corporate operation, the Company has set up an effective risk management mechanism for climate change and introduced Task Force on Climate-related Financial Disclosures (TCFD) structure to reduce the risk and seize the business opportunity. The responding measures of risk and opportunity of climate change are as follows:</div> <table><tr><th>Risk Type</th><th>Responding Measures</th></tr><tr><td>Transformation risks</td><td>①Reduce greenhouse gas<ul style="list-style-type: none">Clean production: CF₄、N₂O、IPA are not used in the new process to achieve the greenhouse gas reduction target.Green products: High efficiency diodes (LLD), which can improve the efficiency of generators to 70~78% and reduce</td></tr></table>	Risk Type	Responding Measures	Transformation risks	①Reduce greenhouse gas <ul style="list-style-type: none">Clean production: CF₄、N₂O、IPA are not used in the new process to achieve the greenhouse gas reduction target.Green products: High efficiency diodes (LLD), which can improve the efficiency of generators to 70~78% and reduce	No difference
Risk Type	Responding Measures							
Transformation risks	①Reduce greenhouse gas <ul style="list-style-type: none">Clean production: CF₄、N₂O、IPA are not used in the new process to achieve the greenhouse gas reduction target.Green products: High efficiency diodes (LLD), which can improve the efficiency of generators to 70~78% and reduce							

Implementation Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary	
			<p>CO2 emissions, replaces standard diodes.</p> <p>②Electricity saving and carbon reduction</p> <ul style="list-style-type: none"> ● Energy saving : Adjust the reasonable power consumption of production equipment, utility equipment, and design energy-saving factory system. ● Energy storage : Using smart meters to shift peak electricity consumption to off-peak hours and participating in Taipower's demand response activity. The actual capacity was reduced by 6,438kW in 2024. ● Energy creation : 343kW of solar modules were installed, and the solar power generation is 366,408 kWh/year in 2024. ● Green energy : The company is committed to using 50% green electricity in 2030, and purchasing 7.5MW of wind power for 20 years.(2030-2049) <p>③Water conservation and carbon reduction</p> <ul style="list-style-type: none"> ● Daily water saving and weight reduction: Water saving equipment replacement, water monitoring equipment installment, water saving promotion. ● Water shortage adjustment: Install wastewater recycling system and vacuum evaporator year by year to achieve the goal of wastewater reduction. 	
			<p>Physical risks</p> <p>In line with the trend of CO2 emission reduction, the company has gradually launched green products (LLD→ULLD→48V power module 100KW IGBT power module 180KW IGBT power module), which can make the product energy saving from 60% to 99%, and make the product carbon reduction from 125g/Km to 0g/Km, in order to comply with the trend of energy saving and emission reduction.</p>	
(iv) Does the company collect the data of the past two years on GHG emission, water consumption and the weight of waste as well as set up related environmental impact reduction	V		The company has set up environmental, safety, health and energy policy and sets targets and specific implementation plans in the areas of climate change, energy management, water management, waste management and air pollution prevention in accordance with the policy requirements. The Environmental, Safety, Health and Energy Management Committee	No difference

Implementation Item	Implementation Status			Non-implementation and Its Reason(s)																												
	Yes	No	Summary																													
policy?			<p>regularly reviews and tracks actions on a quarterly basis in order to reduce the impact on the environment. The goals of 2025 and goals of 2024 and its achievement status are shown in the following table.</p> <table><tr><th>Item</th><th>Goal for 2025</th><th>Goal for 2024</th><th>Achievements for 2024</th></tr><tr><td>GHG reduction</td><td>5%</td><td>GHG emission per unit of production decreased 5%</td><td>Decreased 8.3%</td></tr><tr><td>Water resource reduction</td><td>1%</td><td>Water consumption per unit of production 1%</td><td>Increased 0.2%</td></tr><tr><td>Waste reduction</td><td>1%</td><td>Waste per unit of production decreased 1%</td><td>Increased 33.7%</td></tr><tr><td>Electricity reduction</td><td>1%</td><td>Electricity consumption per unit of production decreased 1%</td><td>Decreased 2.2%</td></tr></table> <p>The company promotes various energy-saving improvement measures by introducing the environmental management system and energy management system. In addition, the Company also follows the standard of ISO 14064-1 to conduct greenhouse gas inventory and self-disclosure; according to the results of the inventory, the Company's greenhouse gas emissions for year 2023-2024 are shown in the following table.</p> <p style="text-align: center;">Unit : ton CO2e/year</p> <table><tr><th>Year</th><th>2023</th><th>2024</th></tr><tr><td>Emissions</td><td>88,660</td><td>81,282</td></tr></table> <p>For water resource management, the Company improves the utilization and reduce waste through the following actions:</p> <table><tr><th>Item</th><th>Actions</th></tr></table>	Item	Goal for 2025	Goal for 2024	Achievements for 2024	GHG reduction	5%	GHG emission per unit of production decreased 5%	Decreased 8.3%	Water resource reduction	1%	Water consumption per unit of production 1%	Increased 0.2%	Waste reduction	1%	Waste per unit of production decreased 1%	Increased 33.7%	Electricity reduction	1%	Electricity consumption per unit of production decreased 1%	Decreased 2.2%	Year	2023	2024	Emissions	88,660	81,282	Item	Actions	
Item	Goal for 2025	Goal for 2024	Achievements for 2024																													
GHG reduction	5%	GHG emission per unit of production decreased 5%	Decreased 8.3%																													
Water resource reduction	1%	Water consumption per unit of production 1%	Increased 0.2%																													
Waste reduction	1%	Waste per unit of production decreased 1%	Increased 33.7%																													
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Implementation Item	Implementation Status			Non-implementation and Its Reason(s)																		
	Yes	No	Summary																			
			<div><div>Water saving measure</div><div><div>① Daily water saving and reduction: Promote water saving concept to reduce the water consumption per unit product, such as water-saving equipment replacement, water-use monitoring equipment installment, the reasonable water consumption of process equipment adjustment, recycle water for refrigeration and air-conditioning, recycle pure water manufacturing system.</div><div>② Water shortage adjustment: The waste water recovery system and vacuum evaporator are installed year by year to achieve the goal of waste water reduction.</div></div></div> <div>The water consumption of the company for the years 2023-2024 is shown in the table below, and the total water savings for the year 2024 amounted to -2,899 metric tons, which is less -1.2% than 2023.</div> <div>Unit : meter/year</div> <table><tr><td>Year</td><td>2023</td><td>2024</td></tr><tr><td>Water consumption</td><td>241,092</td><td>243,991</td></tr></table> <div>For waste management, the company is completely outsourced with no violation. The waste reduction strategies include resource reduction, classifying and recycling, etc. The total weight of waste and the amount of recycling for the years 2023-2024 are shown in the table below:</div> <div>Unit : Kg/year</div> <table><tr><td>Year</td><td>2023</td><td>2024</td></tr><tr><td>General industrial waste</td><td>395,296</td><td>633,683</td></tr><tr><td>Hazardous industrial waste</td><td>198,576</td><td>16,160</td></tr><tr><td>Total weight of waste recycling</td><td>383,836</td><td>506,207</td></tr></table>	Year	2023	2024	Water consumption	241,092	243,991	Year	2023	2024	General industrial waste	395,296	633,683	Hazardous industrial waste	198,576	16,160	Total weight of waste recycling	383,836	506,207	
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Hazardous industrial waste	198,576	16,160																				
Total weight of waste recycling	383,836	506,207																				
IV. Social Issues (i) Does the company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	V		The company follows Labor Standard Act and other regulations and international recognized human rights standards when making human rights policy and related procedure, so the employees can be treated with fairness and dignity. We have set up regulations to prevent sexual harassment and illegal violation to ensure rights in gender equality and	No difference																		

Implementation Item	Implementation Status			Non-implementation and Its Reason(s)						
	Yes	No	Summary							
			prohibited discrimination, as well as regulations on recruitment, transposition and resignation. Strictly prohibit any illegal discrimination treat all employees equally. In order to protect employee rights and encourage employee feedback, various communication channels are set up including: employee feedback mailbox, stakeholders' complaint and feedback mailbox for the Audit Committee, sexual harassment complaint channel, dishonest behavior complaint channel, etc, for two-way interaction to reduce infringement of employee rights. In addition, employee meetings are regularly held for General Manager and top level supervisors to report annual operation performance, major strategy, and encouragement, so the employees would have a better understanding of the operating status and changes. Labor management meetings are also held on a quarterly basis for communication between representatives from management level and employees. Supervisors in every department conduct routine communication meetings with employees regularly to distribute administration and management orders and listen to employees' needs.							
(ii) Does the company establish appropriately employees welfare measures (including salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	V		<div>The company offers various benefits and competitive remunerations for employees. In addition to legal requirements, there are many benefits that are superior to the regulations and meet employees” needs such as: three-day volunteer leaves, maternity allowance and child care allowance, etc. When employees need to take a longer period leave in conditions of parental leave, army service leave and major injuries leave, and so on, they can apply for leave without pay to take care of family needs and reinstate afterwards. Also, the company provides pension allocation and payment in accordance with “Labor Standards Act” and “Labor Pension Act”. For the old labor pension system, the Company will allocate 2% of the monthly salary to a special account in the Bank of Taiwan under the name of the Supervisory Committee of Labor Pension Preparation Fund. For the new labor pension system, 6% of the monthly salary as pension will be allocated to a personal account in the Labor Insurance Bureau. The company has set up an Employee Welfare Committee to handle all welfare matters.</div> <table><tr><th>Benefits</th><th>Items</th></tr><tr><td>Work benefit</td><td>Surplus bonus, mid-year bonus, meal allowance</td></tr><tr><td>Holiday bonus</td><td>Dragon Boat Festival bonus, Mid-Autumn Festival bonus, Labor Day voucher, CNY bonus</td></tr></table>	Benefits	Items	Work benefit	Surplus bonus, mid-year bonus, meal allowance	Holiday bonus	Dragon Boat Festival bonus, Mid-Autumn Festival bonus, Labor Day voucher, CNY bonus	No difference
Benefits	Items									
Work benefit	Surplus bonus, mid-year bonus, meal allowance									
Holiday bonus	Dragon Boat Festival bonus, Mid-Autumn Festival bonus, Labor Day voucher, CNY bonus									

Implementation Item	Implementation Status			Non-implementation and Its Reason(s)						
	Yes	No	Summary							
			<table><tr><td>Family support</td><td>Maternity allowance, child care allowance, birthday monetary gift, wedding monetary gift, funeral allowance</td></tr><tr><td>Healthy benefit</td><td>Group insurance, annual employee health checkup, on-site doctor health consultation</td></tr><tr><td>Feature bonus</td><td>Employee travel, annual senior employee celebration, project recognition (best patent, invention), club activity</td></tr></table> <p>Employee remuneration includes salary, allowances, bonuses, and employee dividends, and there is no difference for factors such as gender, religion, race, nationality, and political party in remuneration standard, but depends on the employee's education, experience, professionalism, and work performance. In addition, the Company evaluates the salary level in the market and overall economy index when planning for salary adjustment policy. The company's overall salary adjustment rate in 2024 was 6.01%. The Articles of Incorporation also states that if the Company is profitable at the annual year end calculation, it should allocate no less than 5% for employee remuneration. The allocated amount for each employee depends on his or her job title, contribution, and performance.</p> <p>Detailed information on the company's employee welfare measures has been disclosed in the ESG report and published on the company's official website as well as the MOPS.</p>	Family support	Maternity allowance, child care allowance, birthday monetary gift, wedding monetary gift, funeral allowance	Healthy benefit	Group insurance, annual employee health checkup, on-site doctor health consultation	Feature bonus	Employee travel, annual senior employee celebration, project recognition (best patent, invention), club activity	
Family support	Maternity allowance, child care allowance, birthday monetary gift, wedding monetary gift, funeral allowance									
Healthy benefit	Group insurance, annual employee health checkup, on-site doctor health consultation									
Feature bonus	Employee travel, annual senior employee celebration, project recognition (best patent, invention), club activity									
(iii) Does the company provide employees with a safe and healthy working environment, and implement regularly safety and health training?	V		<p>1. There is an equipment maintenance system for all equipment in the factory. Apart from regular daily inspections, environmental health and safety personnel conduct monthly sampling. If deficiencies are identified during inspections, relevant departments are notified to make improvements to ensure a safe working environment.</p> <p>① Industrial safety inspection: 36 potential safety and health deficiencies were found in the factory. Among them, general safety accounted for 36%, followed by chemical management at 30%. All deficiencies have been improved.</p> <p>② Occupational health and safety training: The company has implemented occupational safety and health training, surpassing legal requirements by organizing numerous drills independently. In 2024, a total of 2,088 training hours were conducted, with an average of 2.65 training hours per person.</p> <p>2. The company obtained ISO 45001:2018 and TOSHMS certification. The company also</p>	No difference						

Implementation Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary	
			<p>passed the "Occupational Safety and Health Management System Performance Review" in 2021. The company was honored by the Department of Labor's Occupational Safety and Health Administration, as a "Core Enterprise Promoting Safety and Health Family for a Term of 3 Years."</p> <p>3. The company has established an "Accident Handling Procedure" and conducts analysis of accident causes, implementing appropriate preventive measures. In 2024, there were a total of 7 occupational accidents, with 5 incidents related to traffic accidents and 2 incidents classified as other accidents, representing a small percentage of the total workforce. Safety and health education and training totaled 2,088 hours in 2024, with an average of 2.65 training hours per person. The Actron total injury index for 2024 was 0.06, lower than the industry average in the automotive sector. Additionally, the accumulated accident-free hours in 2024 amounted to 6,195,803 hours.</p> <p>4. In 2024, there were no fire accidents or work-related fatalities. To mitigate the risk of electrical equipment fires, professional personnel were commissioned to conduct infrared imaging inspections of the electrical equipment. In 2024, a total of 371 equipment points were inspected, with 16 abnormal points identified, resulting in an abnormality rate of 4.3%. All identified issues have been improved.</p> <p>The detailed description of our company's work environment regarding employee safety and health has been disclosed in our ESG report.</p>	
(iv) Does the company establish effective career development training plans for employees?	V		The company has established a comprehensive training mechanism based on the core functions of the three-track system (management, technical, and administrative positions) in order to strengthen the professional ability of our employees. The company held more than 197 courses, and the total annual training hours reached 27,941 hours in 2024.	No difference
(v) Does the company comply with relevant laws and international standards, and establish a policy and complaint procedure to protect the rights of consumers or customers with regard to customer health and safety, customer privacy, marketing and labeling of products and services?	V		The company develops our products in accordance with the 3R principles of Reduce, Reuse, and Recycle from product design, raw material procurement, and production to green design. The company obtained the IATF 16949 and has strictly followed the relevant laws and regulations and international standards for the health and safety of customers, customer privacy, marketing and labeling of products and services. The company has a number of customer complaint channels and standard operating procedures for handling customer complaints, which are continuously tracked and improved to ensure that the quality of products at all stages meets customer requirements and relevant regulations. For customer	No difference

Implementation Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary	
			complaints and appeals, the company will establish product and process customer complaint risk profiles to formulate corresponding prevention and improvement activities to achieve higher customer satisfaction.	
(vi) Does the company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	V		<p>The company has established a procurement policy and a code of conduct for suppliers to require suppliers to abide by and jointly practice sustainable development. In selecting suppliers, suppliers need to provide certificate, such as IATF16949, ISO 9001. The company needs to assist suppliers to set up relevant systems and obtain certificate if suppliers haven't received certificate of ISO 9001. The company not only evaluates the quality, cost, delivery time and technical capability of the delivered goods, but also extends the environmental protection, occupational safety and health, and social impact. The company has also set up procurement environmental safety and health management procedures to ensure that raw materials, technical products, and technical services comply with national laws and organizational environmental safety and health requirements, and to fulfill green supply chain management and corporate social responsibility. 100% of the company's raw materials and products comply with RoHS, and suppliers do not use minerals from conflict areas. The company may cancel or terminate the contract at any time if suppliers violate their commitments and have significant impact on the environment and society.</p> <p>The company conducts an annual audit of major suppliers every year, and completes audits of all major suppliers every three years. A total of 17 major suppliers were selected for audits in the categories of raw materials, all improvements have been made, and no supplier has been removed from the qualified list in 2024.</p>	No difference
V. Does the Company refer to international reporting rules or guidelines to publish CSR Report to disclose non-financial information of the Company? Does the company obtain third party assurance or certification for the reports above?	V		The 2024 ESG Report was in accordance with the GRI Standards core option published by Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board(SASB Principle), and verified by SGS Taiwan to assure that the contents of the report comply with the GRI Standards core option and the AA1000 Type 1 medium assurance level.	No difference

Implementation Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary	
VI. 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 difference				
VII. Other important information to facilitate better understanding of the company’s implementation of sustainable development:				
(i) Environmental protection: Actron enhances garbage sorting, recycles reusable resources and reuses relevant packaging materials. The company also appoints qualified manufacturers approved by the Environmental Protection Administration to carry out waste recycling and disposal operations.				
(ii) Community participation, social contribution, social service, social charity: Actron adheres to the spirit of “taken from society, give back to society”, the company participates in community development and charitable organizations through various channels from time to time to help disadvantaged group.				
(1) Sep 2024- Purchased 49 packs of 3kg rice for 8,281 NTD in replacement of the burning joss money on the Ghost Festival, and donated the rice to Department of Social Welfare, Taoyuan after worship.				
(2) Sep 2024- Purchased charity Mid-Autumn Festival gift boxes totaling 4,680 NTD for suppliers.				
(3) Oct 2024- Held up beach cleaning activity in Chuwei beach, Taoyuan. Actron Volunteers removed a total of 166 kilograms of trash which is equal to reduced 342kg CO2 emission.				
(4) Dec 2024- Held a seminar to share the concept of sustainability in enterprises and colleges in Chung Yuan Christian University of Pharmacy and Science, a total of 30 graduate students participated.				
(5) Collected 539 invoices in 2024 and donated to “Syin-lu Social Welfare Foundation Taoyuan” to support disadvantaged group. In addition, the company also echoed the battery recycle event from the Environmental Protection and donated 40kg batteries which is equal to reduce 320 m2 soil pollution to “PareParents’ Association of the Intellectual Disable Persons of Taoyuan City”.				
(6) The total number of volunteer hours is 1,002 hours. The volunteer activities are held as follows: remedial teaching at Luchu Elementary School, beach cleanup at Chuwei beach, river patrol at Nankan Creek, invoices donation and battery recycling.				
(iii) Awards :				
(1) May 2024- Received the honor of “Top 5% in the listed company” in the 10th Corporate Governance Evaluation.				
(2) Jun 2024- Obtained the 1.5°C Electronic Label.				
(3) Sep 2024- Ranked the 3 rd place in the “CommonWealth Magazine Corporate Sustainability Award”.				
(4) Sep 2024- Received the Common Wealth Talent Sustainability Award for two consecutive years.				
(5) Oct 2024- Received the honor of Valeo Best Performance Award.				
(6) Dec 2024- Received the Taiwan Top 100 Sustainable Exemplar Enterprise Award from TCSA for two consecutive years.				
(7) Dec 2024- Received the Corporate Sustainability Award from TCSA for nine consecutive years.				
(8) Dec 2024- Received Taoyuan City Corporate River Adoption Special Merit Award.				
(iv) Others:				
A detailed explanation of our company's sustainability practices has been disclosed in our ESG report. The ESG report has been uploaded to the company's official website and the MOPS.				

(vi) The state of the company's performance of ethical corporate management and any deviation of such implementation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation:

Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
<p>I. Formation of ethical management policies and methods</p> <p>(i) Does the Company have the ethical management policy and method declared explicitly in the Articles of Incorporation and external documents; also, the commitment of the board of directors and the management to actively implement the operating policies? ?</p> <p>(ii) Does the Company set up a disintegrated behavior risk assessment to analyze and evaluate any highly dishonest behavior in its operation scope regularly while at least cover the prevent measures under Article 7 (2) in Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p> <p>(iii) Does the Company have the prevention program for any fraud stipulated; also, have the respective operating procedures, guidelines for conduct, disciplinary actions, and complaints system declared explicitly; also have it implemented substantively?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(i) With the approval from the Board of Directors, the Company has established “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines” and “Codes of Ethical Conduct” and disclose on the company website for employee query.</p> <p>(ii) To ensure the information of finance, management, and operation is correct, reliable, and updated, the Company reviews the operation objectives, identifies and evaluates risks while making audit plan for internal audit, then draws up corresponding audit plan based on the result of risk evaluation and decides the audit frequency and scope by the level of risks to focus on major business. The audit result and follow up improvement plan are reported regularly to the Board of Directors and management level and prevent business activity with highly dishonest behavior.</p> <p>The Company’s Procedures for Ethical Management and Guidelines clearly states that the Company, corporate group, and organization’s director, manager, employer, appointer, and any person with substantial control are not allowed to offer and accept bribes when conducting business.</p> <p>(iii) The Company has set up operating procedure in preventing dishonest behavior and disclose on the company website for employee query.</p> <p>The assessment of regulations this year complies with suitability and effectiveness. No amendment is required.</p>	No difference
<p>II. Fulfill operations integrity policy</p> <p>(iv) Does the company evaluate business partners’</p>			<p>(i) Before the Company conducts any business behavior with supplier, customer, and other business partners, an evaluation</p>	No difference

Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
<p>ethical records and include ethics-related clauses in business contracts?</p> <p>(v) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board of Directors to be in charge of corporate integrity, and regularly (at least once a year) report to the Board of Directors of the monitoring and executing status on the ethical management policy and prevention plan for dishonest behavior?</p> <p>(vi) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p> <p>(vii) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by internal auditors to draw up corresponding audit plan based on the result of risk evaluation of dishonest behavior and check the compliance status of preventing dishonest behavior, or are they audited by appointed CPAs on a regular basis?</p> <p>(viii) Does the company regularly hold internal and external educational trainings on operational integrity</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>on their legal status and dishonest records will be performed. Those without dishonest record after reviewing can be the Company’s supplier. The Company also requests suppliers to add ethical management clause in the contract. If any dishonest behavior is involved, the contract may be cancelled or terminated at any time and the supplier will be blocked.</p> <p>(ii) The Company has set up corporate governance committee to be in charge of amendment of operational procedure and behavior guideline and execution and education training operation. It regularly reports to the Board of Directors on the compliance of related regulations and education training every year. The implementation status of 2024:</p> <p>(1) Review if the internal regulation complies with the newly amended regulation.</p> <p>(2) Report system: set up internal mailbox and audit committee mailbox and encourage internal employee and external customer and supplier to feedback any comment or report any dishonest behavior. If there is any illegal issue, the audit unit will report to the Board of Directors. There is no violation related to ethical behavior in 2024.</p> <p>(iii) The Company’s “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines” clearly state to avoid conflicts of interest and provide appropriate communication channel. If there is any conflicts of interest issue in the Board of Directors meeting, the corresponding persons shall be recusal in participation of discussion and voting and shall be dismissed.</p> <p>(iv) The Company has established internal audit plan. Internal audit unit draws up corresponding audit plan to execute verification process based on the result of dishonest behavior</p>	

Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>risk evaluation. A project verification will be arranged for any special condition.</p> <p>(v) The company arranges 8.5 hours of education and training courses for new employees every year. In 2024, a total of 188 people received integrity education, so that colleagues can fully understand and recognize the company's specific actions and internalize the core value of integrity. We also publish policy documents related to integrity management and ethics on the company website for colleagues to check at any time. In addition, in order to strengthen employees' emphasis on integrity, we also promote integrity management policies through employee meetings so that employees can clearly understand its integrity management philosophy and standards and implement them in their daily work, thereby improving the behavioral quality and professional ethics of all colleagues. In 2024, a total of 427 internal and external education and training sessions related to integrity management issues (including courses on legal compliance, corporate social responsibility, accounting systems and internal controls) were held, totaling 594 man-hours.</p>	
<p>III. Operation of the integrity channel</p> <p>(i) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>(ii) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases and the follow-up measures after the investigation?</p> <p>(iii) Does the company provide proper whistleblower</p>	✓	✓	<p>(i) The Company has set up “Stakeholders’ comments for Audit Committee and complaint procedure” with an email of audit_committee@actron.com.tw. Employees can also provide feedback through internal employees’ comment mailbox, General Manager, Chairman’s mailbox, or contact the Audit Room. Code of Conduct and the award and punishment regulations are clearly stated while disclosing the punishment cases as a reminder for employees. If the report case is verified, the handling unit shall report to the Company and award the whistleblower considering the contribution and the economic</p>	No difference

Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
protection?			effect of the case. (ii)~(iii) The Company’s Procedures for Ethical Management and Guidelines has stated the SOP for handling reported issue and related confidential mechanism and whistleblower protection procedure.	
IV. Strengthening information disclosure Does the company disclose its Ethical Corporate Management Best Practice Principles and the results of its implementation on the company’s website and MOPS?	✓		The Company has set up “Ethical Corporate Management Best Practice Principles” and disclose its implementation on the company website. Please refer to “investor section” on the company website. http://www.actron.com.tw	No difference
V. If the company has established Ethical Corporate Management Best Practice Principles based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX listed Companies, please describe any discrepancy between the policies and their implementation: The Company has established Ethical Corporate Management Best Practice Principles based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX listed Companies. There is no difference between the implementation and policies.				
VI. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (such as review and revision of Ethical Corporate Management Best Practice Principles): The Company strictly abides by its rules, the Securities Exchange Act, the Business Entity Accounting Act, laws pertaining to publicly traded companies, and other relevant regulations that help implement and maintain business integrity.				

- (VII) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed:

To reinforce the corporate governance, the Company has set up an Audit Committee with 3 independent directors. In addition, the Company has completed the establishment or amendment of "Rules of Procedure for Board of Directors Meetings", "Rules for Election of Directors", "Rules of Procedure for Shareholders Meetings", "Procedure for Acquisition and Disposal of Assets", "Regulations for Funds Loaning and Making Endorsements and Guarantees", "Audit Committee Charter" in compliance with the authorities setting or amending on relevant regulations and the consideration of the actual operation needs of the Company. These are disclosed on the company website for download and reference.

(VIII) Internal Control System Execution Status:

1. Statement of Internal Control System

Actron Technology Corporation
Statement of Internal Control System

Date: February 21, 2025

Based on the findings of a self-assessment, Actron Technology Corporation states the following with regard to its internal control system during the year 2022:

- I. The Company's Board of Directors and management team understand their responsibilities of developing, implementing and maintaining the Company's internal control system, and such a system has been established. The purpose of establishing the internal control system is to reasonably assure the following objectives: The effectiveness and efficiency of business operation (including earnings, operation performance and the safeguard of company assets); Achieve the reliability, timeliness, transparency, and compliance objectives according to the relevant laws and regulations in order to provide reasonable assurances.
- II. Due to the innate limitation in designing a faultless internal control system, this system can only assure the reasonableness of the above three objectives have been fairly achieved. In addition, the effectiveness of internal control system could alter over time due to the change of business environment or situation. Since the Company's internal control system has included self-examination capability, the Company will make immediate corrections when errors are detected.
- III. The evaluation of effectiveness of the internal control system design and implementation is made in accordance with the "Guidelines for the Establishment of Internal Control Systems by Public Companies" (the Guidelines). The Guidelines are made to examine the following five factors during the management and control process: (1) control environment, (2) risk assessment and response, (3) control activities, (4) information and communication, and (5) supervision. Each factor also includes several items. Details of each factor can be found in the Guidelines.
- IV. The Company has examined the effectiveness of each respected area in the internal control system based on the Guidelines.
- V. The examination result indicated that the Company's internal control system (including subsidiary governance) dated December 31, 2024 has effectively assured that the following objectives have been reasonably achieved during the assessing period: (a) The degree that effectiveness and efficiency of business operation; (b) The reliability of the financial and related reports; (c) The compliance of the relevant laws/regulations and company policies.
- VI. This Statement is a significant part of the Company's annual report and prospectus available to the general public. If it contains false information or omits any material content, the Company is in violation of Article 20, Article 32, Article 171 and Article 174 set forth in the Taiwan's Security and Exchange Act.
- VII. This statement was passed by the board of directors in their meeting held on February 21, 2025, with none of the 10 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Actron Technology Corporation
Chairman: Tan-Liang Yao
General Manager: Wu Chien Chung

2. If CPA was engaged to conduct a Special Audit of Internal Control System, Provide Its Audit Report.

Not applicable.

(IX) 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 publication of the annual report

1. Important resolutions made by the Shareholders Meeting on May 24, 2024 and its implementation.

(1) Approved 2023 annual business report and financial statement.

(2) Adoption of the Proposal for Appropriation of 2023 Earnings
Implementation status: The distribution base date was Jul 15, 2024, and the distribution date was Aug 4, 2024 (cash dividend was NT5.00 per share).

(3) Approval of the amendment to the "Director Election Rules"

2. Important resolutions made by the Board of Directors:

Date	Important Resolutions
2024/2/23 2024 1 th Board Meeting	1. Approval of the 2023 business report and financial statements.
	2. Annual distribution of the remuneration for employee and directors of 2023.
	3. 2023 surplus distribution.
	4. proposal for the 2023 earnings distribution of cash dividends.
	5. 2021 annual statement of internal control system.
	6. Evaluation on the competency and independence of the certified accountants.
	7. Convene the 2024 shareholders meeting.
2024/5/8 2024 2 nd Board Meeting	1. Recognition of the 2024Q1 consolidated financial statements.
2024/8/2 2024 3 rd Board Meeting	1. Recognition of the 2024 consolidated financial statement of the second quarter.
2024/11/6 2024 4 th Board Meeting	1. Recognition of the 2024 consolidated financial statement of the third quarter.
	2. Amendment of "The Company's annual audit plan of 2025"
2024/12/13 2024 5 th Board Meeting	1. The Company's business plan of 2025
2025/2/21 2025 1 th Board Meeting	1. Approval of the 2024 business report and financial statements.
	2. Annual distribution of the remuneration for employee and directors of 2024.
	3. 2024 surplus distribution.
	4. 2024 annual statement of internal control system.
	5. Evaluation on the competency and independence of the certified accountants.
	6. Convene the 2025 shareholders meeting.

(X) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication 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.

IV. Information on CPA professional fees:

(i) Information on CPA professional fees (please tick the range or fill in the amount)

CPA Firm	Name of Accountant		Period Covered by CPA's Audit	Audit Fee	Audit Fee (Note 1)	Total	Remarks
Deloitte & Touche	MING XIAN LIU	Chiu Meng Jie	2024/01/01-2024/12/31	3,900	195	4,075	-
Note 1 : Non-audit fees include transportation and printing fees							

(ii) When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

(iii) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

V. Information on replacement of certified public accountant:

1. Information regarding the former CPAs

Date of replacement	2025/2/21		
Reason for replacement and explanation	Internal Adjustment of Accounting Firms		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	<div>Parties</div> <div>Circumstances</div>	CPAs	The Company
	Terminated the engagement	not applicable	
	No longer accepted (discontinued) the engagement		
If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons	2023: Unqualified opinion plus other matters paragraph 2024; Unqualified opinion plus other matters paragraph		
Disagreement with the Company?	NA		
Other disclosures (Any matters required to be disclosed under sub-items d to g of Article 10.6.A)	NA		

2. Information Regarding the Successor CPAs

Name of accounting firm	Deloitte Taiwan
Names of CPAs	LIU,MING-HSIEN、CHEN,CHIEN-WEI
Date of engagement	2025/2/21
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	N/A
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	N/A

VI. Information on Service of the Company's Chairman, President, and Financial or Accounting Managers at the Accounting Firm or Its Affiliates: None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests 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 publication of the annual report.

(i) Changes in equity of directors, supervisors, managers and major shareholders.

Title (Note 1)	Name	2024		As of Mar 31 of the current year	
		Increase (decrease) of shareholding	Increase (decrease) of shares pledged	Increase (decrease) of shareholding	Increase (decrease) of shares pledged
Chairman	Yao Dang Liang	0	0	0	0
Director	Lu Min Kuang	0	0	0	0
Director	Sino-American Silicon Products Inc. Representative: Feng Hao	998,000 0	0 0	0 0	0 0
Director	Sino-American Silicon Products Inc. Representative: Hsu Show Lan	998,000 0	0 0	0 0	0 0
Director	Hsu Shin Investing Corp. Representative: Yang Su Mei	0 969,889	0 0	0 0	0 0
Director & General Manager	Wu Xian Chung	(19,000)	0	0	263,000
Independent Director	Liu Chung Xian	0	0	0	0
Independent Director	Cheng Cheng Yuan	0	0	0	0
Independent Director	Shu-Mei- Chang	0	0	0	0
Independent Director	Chun-Chun Chang	0	0	0	0
Deputy General Manager	Jason Huang	(36,000)	0	20,000	0
Deputy General Manager	CHANG,HUI-CHUNG	(47,000)	0	0	0
Deputy General Manag	LU,CHIEN-CHIH	0	0	0	0
Associate	CHEN,CHIH-MING	(2,000)	0	12,000	0
Associate	TSAI,HSIN-CHANG	30,000	0	0	0
CFO	CHIU,MEI-YING	0	0	0	0
Corporate Governance Officer	CHUNG,HSIAO-YING	(1,000)	0	0	0

(ii) Information on equity transfer of directors, supervisors, managers and major shareholders: None.

(iii) Information on equity pledge of directors, supervisors, managers and major shareholders: None.

VIII. 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:

Date for suspension of share transfer: Mar 23, 2025

Name	Shareholding		Shareholding by Spouses & Minor		Current Shareholding in the name of others		relationships among the top ten shareholders, anyone who is a related party, spouse, or second-degree kinship of another: Name and relation		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
Sino-American Silicon Products Inc.	24,933,299	25.48%	0	0%	0	0%	Lu Min Kuang	Chairman	NA
Sino-American Silicon Products Inc. Representative: Hsu Show Lan	172	0%	0	0%	0	0%	None	None	
CHANG,CHING-CHAO	4,992,317	4.90%	0	0%	0	0%			
Lu Min Kuang	4,880,000	4.79%	3,000,000	2.95%	0	0%	Sino-American Silicon Products Inc. Hsu Shin Investing Corp.. Yang Su Mei Lu Jian Chi	Director Director Spouse Father and son	
Yang Su Mei	3,000,00	2.95%	4,880,000	4.79%	0	0%	Hsu Shin Investing Corp. Lu Min Kuang Lu Jian Chi	Chairman Spouse Mother and son	
Yuanta Commercial Bank is entrusted with the custody of the special investment account of Luxembourg-Shangdal International Co., Ltd.	2,994,785	2.94%	0	0%	0	0%	None	None	
Hsu Shin Investing Corp.	2,130,000	2.09%	0	0%	0	0%	Lu Min Kuang Yang Su Mei LU,CHIEN-CHIH	Director Chairman Director	
Hsu Shin Investing Corp. Representative: Yang Su Mei	3,000,00	2.95%	4,880,000	4.79%	0	0%	Hsu Shin Investing Corp. Lu Min Kuang Lu Jian Chi	Chairman Spouse Mother and son	
TransGlobe Life Insurance Inc.	2,008,906	1.97%	0	0%	0	0%	None	None	
TransGlobe Life Insurance Inc. Representative: PENG,TENG-DE	0	0%	0	0%	0	0%	None	None	
LU,CHIEN-CHIH	1,891,746	1.86%	128,113	0.13%	0	0%	Hsu Shin Investing Corp. Lu Min Kuang Yang Su Mei	Director Father and son Mother and son	
Taishin Life Insurance Company Limited Stock Investment Account Phase II	1,500,000	1.47%	0	0%	0	0%	None	None	
Standard Chartered International Commercial Bank Business Department is entrusted with the custody of the Advanced Starlight Fund Company's series of funds, the Advanced Comprehensive International Stock Index Fund Investment Account	871,577	0.86%	0	0%	0	0%	None	None	

IX. 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:

Unit: thousand; %

Affiliated Companies (Note)	Ownership by the Company		Ownership by Directors, Supervisors, Managers and Entities Directly or Indirectly Controlled by the Company		Total Ownership	
	Shares	%	Shares	%	Shares	%
Wei Ding Technology Corp	15,000	100%	-	-	15,000	100%
Smooth International Limited Corporation	12,000	100%	-	-	12,000	100%
Rec Technology Co., Ltd.	8,488	49%	-	-	8,488	49%
Big Best Technology Corp.	19,314	28%	-	-	19,314	28%
Mosel Vitelic Inc.	46,925	30%	-	-	46,925	30%

Note: Long-term investment of the Company

III. Capital Raising Activities

I. Capital and Shares

(i) Source of capital stock:

Unit: thousand shares

Type of Stock	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total	
Common Stock (OTC)	101,793	198,207	300,000	None

Year/Month	Par Value (Dollars)	Authorized Capital Stock		Paid-In Capital		Remarks		
		Shares (thousand)	Amount (thousand)	Shares (thousand)	Amount (thousand)	Source of Capital	Capital Increased by Assets Other Than Cash	Others
1998/11	10	19,600	196,000	19,600	196,000	Established 196,000 thousand dollars	3,920 thousand shares by technique	None
2000/06	15	25,000	250,000	25,000	250,000	Capital increase 54,00 thousand dollars by cash	None	(Note 1)
2001/06	15	45,000	450,000	30,000	300,000	Capital increase 50,000 thousand dollars by cash	None	(Note2)
2004/08	20	45,000	450,000	34,999	349,990	Capital increase 49,990 thousand dollars by cash	None	(Note 3)
2005/07	10	45,000	450,000	38,901	389,012	Capital increase 34,999 thousand dollars by earnings. Capital increase 4,023 thousand dollars by employee bonus	None	(Note 4)
2006/03	80	45,000	450,000	43,400	434,000	Capital increase 44,988 thousand dollars by cash	None	(Note 5)
2006/07	10	68,000	680,000	45,972	459,720	Capital increase 21,700 thousand dollars by earnings. Capital increase 4,020 thousand dollars by employee bonus	None	(Note 6)
2007/07	10	68,000	680,000	48,673	486,726	Capital increase 22,986 thousand dollars by earnings. Capital increase 4,020 thousand dollars by employee bonus	None	(Note 7)
2008/06	10	68,000	680,000	51,509	515,090	Capital increase 24,336 thousand dollars by earnings. Capital increase	None	(Note 8)

Year/Month	Par Value (Dollars)	Authorized Capital Stock		Paid-In Capital		Remarks		
		Shares (thousand)	Amount (thousand)	Shares (thousand)	Amount (thousand)	Source of Capital	Capital Increased by Assets Other Than Cash	Others
						4,028 thousand dollars by employee bonus		
2008/07	70	68,000	680,000	54,009	540,090	Capital increase 25,000 thousand dollars by cash	None	(Note 9)
2010/07	10	68,000	680,000	59,410	594,099	Capital increase 54,009 thousand dollars by earnings.	None	(Note 10)
2011/7	10	100,000	1,000,000	65,351	653,509	Capital increase 59,410 thousand dollars by earnings.	None	(Note 11)
2011/7	70	100,000	1,000,000	71,300	713,000	Capital increase 59,491 thousand dollars by cash	None	(Note 12)
2012/7	10	100,000	1,000,000	74,865	748,650	Capital increase 35,650 thousand dollars by earnings.	None	(Note 13)
2019/10	87.5	300,000	3,000,000	90,865	908,650	Capital increase 160,000 thousand dollars by cash	None	(Note 14)
2019/11	50	300,000	3,000,000	91,513	915,130	Capital increase 6,480 thousand dollars by new restricted shares for employees	None	-
2020/12	50	300,000	3,000,000	91,483	914,830	Capital decrease 300 thousand dollars by new restricted shares for employees	None	-
2021/7	50	300,000	3,000,000	91,457	914,570	Capital decrease 260 thousand dollars by new restricted shares for employees	None	-
2022/12	50	300,000	3,000,000	91,447	914,470	Capital decrease 100 thousand dollars by new restricted shares for employees	None	-
2023/9	155	300,000	3,000,000	101,447	1,014,470	Capital increase 100,000 thousand dollars by cash	None	-
2024/3	10	300,000	3,000,000	101,447	1,014,470	Conversion of corporate bonds into common stock (4.8 thousand yuan)	None	480 shares added, totaling 101,447,480 shares.
2025/03	10	300,000	3,000,000	101,733	1,017,330	Employee stock option	None	-

Year/Month	Par Value (Dollars)	Authorized Capital Stock		Paid-In Capital		Remarks		
		Shares (thousand)	Amount (thousand)	Shares (thousand)	Amount (thousand)	Source of Capital	Capital Increased by Assets Other Than Cash	Others
						certificates converted into common stock (NT\$2,860,000)		
2025Q1	10	300,000	3,000,000	101,793	1,017,930	Employee stock option certificates converted into common stock (NT\$60,000)	無	-

+

- Note: 1. The effective (approval) date for the 1st capital increase: Jun 30, 2000. Order number: (89) Taiwan-Finance-Securities (I) 54780.
1. The effective (approval) date for the 2nd capital increase: May 16, 2001. Order number: (90) Taiwan-Finance-Securities (I) 130239.
 2. The effective (approval) date for the 3rd capital increase: May 17, 2004. Order number: (93) Taiwan-Finance-Securities (I) 0930121679.
 3. The effective (approval) date for the 4th capital increase: Jun 23, 2005. Order number: Financial-Supervisory-Securities (I) 0940125189.
 4. The effective (approval) date for the 5th capital increase: Mar 16, 2006. Order number: Financial-Supervisory-Securities (I) 0950108552.
 5. The effective (approval) date for the 6th capital increase: Jul 5, 2006. Order number: Financial-Supervisory-Securities (I) 0950128515.
 6. The effective (approval) date for the 7th capital increase: Jul 12, 2007. Order number: Financial-Supervisory-Securities (I) 0960036059.
 7. The effective (approval) date for the 8th capital increase: Jun 13, 2008. Order number: Financial-Supervisory-Securities (I) 0970029479.
 8. The effective (approval) date for the 9th capital increase: Jul 1, 2008. Order number: Financial-Supervisory-Securities (I) 0970031473.
 9. The effective (approval) date for the 10th capital increase: Jul 1, 2010. Order number: Financial-Supervisory-Securities-Corporate 0990034074.
 10. The effective (approval) date for the 11th capital increase: Jul 4, 2011. Order number: Financial-Supervisory-Securities-Corporate 1000030760
 11. The effective (approval) date for the 12th capital increase: Jul 8, 2011. Order number: Financial-Supervisory-Securities-Corporate 1000030583.
 12. The effective (approval) date for the 13th capital increase: Jul 5, 2012. Order number: Financial-Supervisory-Securities-Corporate 1010029775.
 13. The effective (approval) date for the 14th capital increase: Oct 30, 2019. Order number: Financial-Supervisory-Securities-Corporate 10801152810.
 14. The effective (approval) date for the 15th capital increase: Nov 11, 2019. Order number: Financial-Supervisory-Securities-Corporate 10801157050.

(ii) General information about the reporting system: Not applicable.

II.. Major Shareholders:

Date for suspension of share transfer: Mar 25, 2025

Name of Major Shareholders	Shares	Shareholding(number)	Percentage (%)
Sino-American Silicon Products Inc.		25,933,299	25.48%
CHANG,CHING-CHAO		4,992,317	4.90%
Lu Min Kuang		4,880,000	4.79%
Yang Su Mei		3,000,000	2.95%
Yuanta Commercial Bank is entrusted with the custody of the special investment account of Luxembourg-Shangdal International Co., Ltd.		2,994,785	2.94%
Hsu Shin Investing Corp.		2,130,000	2.09%
TransGlobe Life Insurance Inc.		2,008,906	1.97%
LU,CHIEN-CHIH		1,891,746	1.86%
Taishin Life Insurance Company Limited Stock Investment Account Phase II		1,500,000	1.47%
Standard Chartered International Commercial Bank Business Department is entrusted with the custody of the Advanced Starlight Fund Company's series of funds, the Advanced Comprehensive International Stock Index Fund Investment Account		871,577	0.86%

III. Company's dividend policy and implementation thereof:

(i) The Company's dividend policy:

If there is a surplus in the final accounts of the Company, the tax shall be paid to make up for the accumulated losses first, and second, 10 percent shall be reserved as statutory surplus reserve, but this is no longer necessary when the statutory surplus reserve has reached the total amount of actual capital of the Company, and in accordance with the law and the competent authorities, the special surplus reserve shall be increased or rotated. If there is a surplus still, the Board of Directors shall prepare the Surplus distribution case with the previous annual accumulation of undistributed surplus to present in the shareholders' meeting for resolution.

The Company will consider the surplus, future demand of funds, and the impact of tax system on the Company and shareholders while maintaining sustainable operation and steady growth of the earnings per share to distribute annual shareholder dividend for no less than 50% of the net income of the year with cash or stock dividend, and cash dividend shall be no less than 50% of the total dividend.

(ii) Implementation :

Distribution of stock dividends at the Shareholders' Meeting. During the board of directors meeting dated February 21, 2025, the board resolved to pay 2024 net profit after tax NT\$836,184,090 and cash dividends NT\$426,079,416 (NT\$4.20 per share) and propose to the shareholders meeting of 2025.

IV. Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:

There is no stock dividend in the 2024 earning distribution; therefore, no effect upon business performance and earnings per share.

V. Compensation of employees, directors, and supervisors:

- (i) Ratio or scope of compensation for employees, directors, and supervisors, as set forth in the Company's Articles of Incorporation:

If there is a surplus in the final accounts of the Company, it shall be reserved for compensation for employees and directors as follow. However, if there is accumulated losses, a reserve is allotted to be used for making up for the accumulated losses first. The surplus refers to pre-tax benefits that deduct the compensation for employees and directors.

1. Employee remuneration shall be no less than 5%, which the board of directors may decide to distribute in cash or in shares. Employees who meet certain criteria are entitled to receive remuneration.
2. Directors remuneration shall be no more than 3%.

The distribution case of employees and directors remunerations shall be proposed at the shareholders meeting.

This year's distribution for employees remuneration is NT\$127,354,423 and directors remuneration is NT\$27,685,746.

- (ii) The estimated amount of compensation for employees, directors, and supervisors for the current period shall be calculated based on number of employee shares of stock considering any accounting discrepancy between the actual distributed amount of employee stock dividend and estimated figure: It will be considered as the change in accounting estimation, and accounted as net income or loss for the current year.

- (iii) Information on the amount of compensation for distribution approved by the Board of Directors

Unit: NT Dollar

Item	2023	2024
	Approved by the Board of Directors	Approved by the Board of Directors
Allocation for directors remuneration	19,200,000	27,685,746
Employees' remuneration	78,182,323	127,354,432
The difference with the distribution case approved by the Board of Directors.	No difference	No difference

1. The compensation of employees, directors and supervisors is distributed in the form of cash dividend or stock dividend. If there is any discrepancy between the actual distributed amount and figure, the difference, reason and response should be disclosed: None.
2. The amount of stock dividend and ratio of the total net profit after-tax and individual employee compensation or separate financial report for the current period: None.

- (iv) The actual distribution of compensation for employees, directors, and supervisors in the previous fiscal year (including number of shares, monetary amount, stock price, shares distributed) and any discrepancy between the actual distributed amount and amount of compensation for employees, directors, or supervisors. The discrepancy, cause, and response should be stated:

Unit: NT Dollar

Item	Financial statement amount	Actual distributed amount	Difference	Reason
Directors Remuneration	19,200,000	19,200,000	-	-
Employees Remuneration	78,182,323	78,182,323	-	-

VI. Share repurchased by the Company: None.

VII. Corporate Bonds (including overseas corporate bond):

Type of corporate bonds	The 1st domestic unsecured conversion of corporate bonds	
Issue (transaction) date	August 9, 2023	
Face value	NT\$100,000	
Place of issue and trading	not applicable	
Issue price	NT\$100.5	
Issue amount	NT\$800,000,000	
Coupon rate	0%	
Term	3 years, from August 9, 2013 to August 9, 2016	
Guarantor	NA	
Trustee	Yuanta commercial bank	
Underwriter	Yuanta Securities Co., Ltd	
Attesting lawyer	CHIU, YA-WEN	
Attesting CPA	CHIU, MENG-CHIEH · LIU, MING-HSIEN	
Redemption method	one-time repayment upon maturity	
Unredeemed balance	As of March 31, 2025 Outstanding principal amount: NT\$799,900,000	
Conditions for redemption or early redemption	Detailed issuance and conversion methods	
Restrictive covenants	not applicable	
Name of rating agency, date and result of rating	NA	
Other rights	The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report	As of March 31, 2025, the amount of converted common stock is NT\$100,000,000

	publication date	
	The issuance and conversion, exchange, or subscription rules	Detailed issuance and conversion methods
The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.		The total par value of the convertible corporate bonds issued this time is RMB 800 million. Since the issuance period of the company's bonds is 5 years, the creditors' conversion requests are made at different times, which will delay the earnings per share results and will not cause significant impact on the equity of existing shareholders.
Name of the custodian institution of the exchangeable underlyings		not applicable

Type of corporate bonds		The 1st domestic unsecured conversion of corporate bonds	
Fiscal year Item		2024 Year	As of 2025/3/31 in the current fiscal year
Market price of convertible corporate bonds	Maximum	NT\$132.50	NT\$109.00
	Minimum	NT\$103.15	NT\$103.55
	Average	NT\$116.46	NT\$106.87
Conversion price		2024/1/1~2024/7/14: NT\$208.0 2024/7/15~2024/12/31: NT\$203.4 yuan 203.4	NT\$203.4
Issue (transaction) date and conversion price at issuance		Release date: August 9, 2023 Conversion price at time of issuance: 210 yuan	
Method for performance of conversion obligations		Issue new shares	

VIII. Preferred Shares: None.

IX. Global Depositary Receipts (GDR): None.

X. Employee Stock Warrants:

- I. The annual report shall disclose unexpired employee subscription warrants issued by the company in existence as of the date of publication of the annual report, and shall explain the effect of such warrants upon shareholders' equity.

Type of employee share subscription warrants	The 1st of employee share subscription warrants
Effective registration date and total number of units	2022.7.28 3,000,000 Shares
Issue (handling) date	2022.12.8
Number of units issued	3,000,000 Shares
Number of units still available for issuance	0 Shares
Ratio of the number of issued subscribable shares to the total number of issued shares	2.9%
Duration	6 yesrs
Exercise method	Issuance of new shares
Vesting period and percentage (%)	2 yesrs 20% 3 yesrs 40% 4 yesrs 70% 5 yesrs 100%
Number of shares subscribed through exercise of the warrants	346,000 Shares
Amount of the shares subscribed through exercise of the warrants	NT\$38,025,400
Number of unexercised shares	2,654,000 Shares
Subscription price per share of the unexercised shares	NT\$ 109.90 per share
Ratio of the number of unexercised shares to the total number of issued shares (%)	2.6%
The effect on shareholders' equity	Not cause a significant impact on shareholders' equity.

XI. The annual report shall disclose the names of top-level company executives holding employee share subscription warrants and the cumulative number of such warrants exercised by said executives as of the date of publication of the annual report.

Unit: thousand Yuan; thousand Shares

Item	Job title	Name	Number of shares subscrib - able from exercise of warrants granted	Ratio o f the number o f shares subscrib - able from the exercise o f warrants granted to the total numb er of issued shares	Exercised				Unexercised			
					Number of shares	Exercise price	Total exercise price	Ratio of the number of exercised shares to the total number o f issued shares	Number of shares	Exercise price	Total exercise price	Ratio of the number of unexercised shares to the total numb er of issued shares
Managerial officers	General Manager	Wu Xian Chung	810	0.65%	62	109.9	6,813.8	0.06%	748	109.9	82,205	0.73%
	Deputy General Manager	Huang Xi Chin										
	Deputy General Manager	Chang Hui Chung										
	Deputy General Manager	Lu Jian Chi										
	Associate	CHEN,CHIH-MING										
	Associate	TSALHSIN-CHANG										
Employees	Associate	Chiu Mei ying	380	0.52%	40	109.9	4,396	0.04%	340	109.9	37,366	0.33%
	Director	LANJUNG-HSIEN										
	Technical Manager	SUNG,KUAN-CHOU										
	Deputy Director	CHANG,HUNG-CHUN										
	Deputy Director	CHEN,WEI-CHUNG										
	Manager	HUANG,CHEN-HSIUNG										
	Manager	CHEN,TING-LIN										

XII. New Restricted Employee Shares:None.

XIII.Status of New Share Issuance in Connection with Mergers and Acquisitions:
None.

XIV.The Status of Implementation of Capital Allocation Plans:

The Company's increase capital plan by cash in 2019 was completed. The increase capital plan in 2024 is still on going.

Unit: NT\$ thousand

Plan	2019 Increase Capital by Cash			
Amount	Issued 16,000 thousand new share by increase in capital by cash. The denomination was NT\$10 per share, with a total of NT\$160,000 thousand dollar. It was issued at a premium of NT\$87.5 per share, with a total of NT\$1,400,000 thousand dollar fund was raised.			
Fund Purpose	Building factory office building and purchase equipment			
Implementation status up to the publication of the annual report	Implementation Status		2023	Total
	Accumulated Amount in Expense	Estimated	0	1,631,138
		Actual	0	1,631,138
	Accumulated Implementation Status	Estimated	0.00 %	98.63%
		Actual	0.00 %	99.00%
Date of Entering the MOPS	Jan 10, 2025.			
Analysis on Benefits and Financial Structure	This fundraising plan is for building factory and purchasing equipment to produce the Company's new product IGBT Module(Insulated Gate Bipolar Transistor Module). It is ongoing as planned.			

IV. Operational Highlights

I. Business Activities

(i) Scopes of the business:

1. The main operational categories of the company:

- (1) Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
- (2) Wholesale of Electronic Materials
- (3) Retail Sale of Electronic Materials
- (4) Manufacture export
- (5) International Trade
- (6) Electronic Parts and Components Manufacturing

2. The sales proportion of the main products of the business:






















Unit: NT\$ thousand

Item \ Year	2023		2024	
	Sales Amount	Sales Percentage %	Sales Amount	Sales Percentage %
Automobile rectifier diode	4,425,903	78.35	6,070,775	80.07
Voltage regulator	697,981	12.36	921,487	12.15
Electromagnetic valve	199,225	3.53	221,242	2.92
Others	325,585	5.76	368,678	4.86
Total	5,648,694	100.00	7,582,182	100.00

3. The company's current product collections:

The main products of the Company are the key components in automotive powertrain, as shown in Fig. 1. For conventional internal combustion engine vehicles, the company provides rectifying bridge and voltage regulator, which converts the alternating current (AC) to direct current (DC) and regulates the output voltage level to supply the electric loads on vehicle, such as air condition, radio and wipers; For hybrid vehicles and pure electric vehicles, the company provides inverter power module and driver/controller for generating the alternating current to drive the traction motor in electric vehicle. The inverter power module is one of the key component in electric vehicle, which affects the reliability and durability of the electric vehicle significantly. Since car is a mobile asset that should not be limited by regions like mountain, seaside, dessert, and city, etc, it has to withstand the requirements of various environments for a long time. The powertrain system needs to operate in above-mentioned harsh environment; therefore, the electronic parts in powertrain system have to be durable under high temperature, low temperature and high humidity environments. In addition, the product is installed in vehicles that concern passenger safety, hence the safety regulation and quality requirement are extremely strict. The company's products are sold to world-renowned automobile original equipment manufacturer (OE), so they have to pass the extremely strict safety test and obtain the approval from the manufacturer before the order can be placed massively.

Picture I. Diagram of car engine and generator.

Type	Power	CO ₂ Reduction	Machines	ATC Solutions
EV/FCV	50 – 150kW	100%	 OBC	
PHEV	50 – 120kW	50 – 75%	 DC/DC: HV-LV	
HEV	20 – 50 kW	20 – 30%	 Traction Motor	
MHEV	10 – 20 kW	13 – 22%	 TM Inverter	
SSV	< 5 kW	3 – 4%	 1/BSG	
ICE	<3 kW	0%	 DC/DC: 48V-12V	
			 Alternator	
			 Starter	
			 S.S. Relay	
			 Alternator	
			 Starter	
			 Relay	
				 Power Rectifier

4. New product development projects:

- (1) MOSFET Module for mild hybrid vehicles.
- (2) IGBT Modules, SiC Modules and GaN Modules for hybrid vehicles and electric vehicles.
- (3) Automotive small motors and related MOSFET modules for automotive small motors.

(ii) Industry Overview

1. Industry status and development:

Automobile industry is changing from mechanical oriented system to electric oriented system, which is called transportation electrification. In order to satisfy the stream of transportation electrification, electronic products have extended from a single product to a systematic product. Automotive electronic control device is a combination of machinery and electronics, which involves a wide range of technologies. It takes a long development time because the process has to coordinate with the automobile mechanical system and compliant with other sub-systems in vehicles. Furthermore, the verification requires relatively longer time due to the close connection with driving safety.

In the stream of transportation electrification, power semiconductors, controllers and power module are the most important components in automotive electrical system. Since automobile is composed of many components, and most of them are provided by the satellite factory, the automobile center and hundreds of satellite factories are closely connected in supply and production system. Under the circumstance of automobile center must constantly satisfy customer with convenience and comfort, it combines with semiconductor and IC integrated circuit for developments towards thin and light, complex function, and environmental protection and energy saving, which makes the percentage and amount of automotive electronic components increased rapidly for the past few years, as shown in Fig. 2.

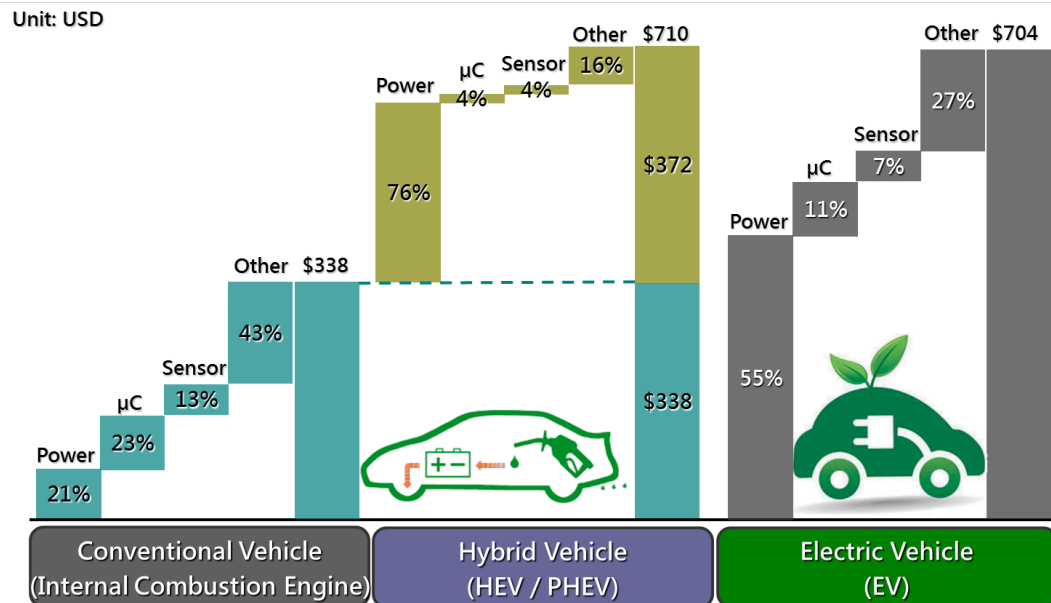


Fig. 2: Cost Analysis of electronic components in vehicle

From the perspective of the sales channels of components, car components can be classified into four types: OEM (Original Equipment Manufacturing), ODM (Original Design Manufacturing), OES (Original Equipment Service), AM (After Market). AM is for after-sales maintenance and modified cars that use aftermarket parts. The automobile industry and components industry have formed a typical corporate synergy system. The automobile center outsources the components to a 1st tier satellite factory, and the 1st tier satellite factory outsources the detail parts to a 2nd tier and 3rd tier satellite factories that creates a multi-layers pyramid structure. 90% of the products produced by the Company are exported to foreign manufacturers, while the rest are sold to customers of AM market. The technology of the original equipment manufacturer has improved over the years with the introduction of semiconductor technology, which has widened the gap between the technology of the aftermarket parts manufacturer. With the continuous growth in the global automobile industry, the future of the industry is promising.

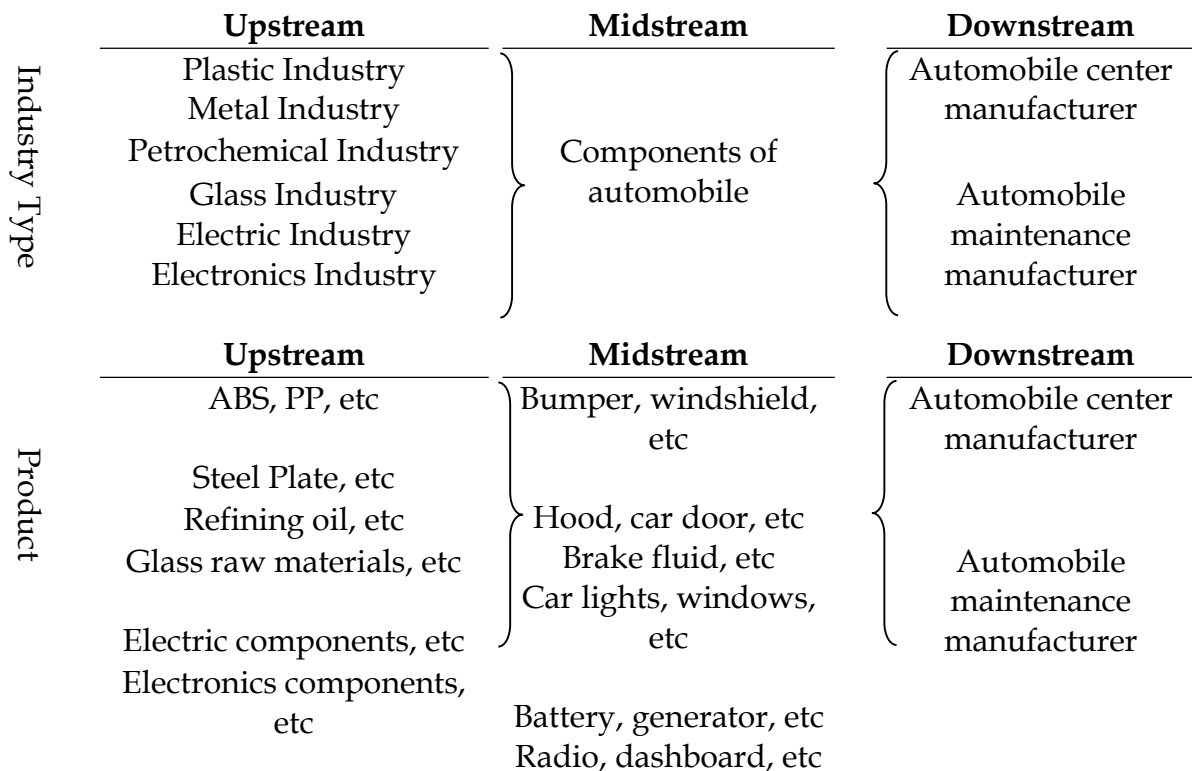
From the perspective of the global OEM market, even though automobile is already a mature industry with a complete industry chain structure, the global OEM market is gradually changing due to the profit and cost pressure over the years. When the major automobile manufacturers are expanding their production scale, they no longer adopt the consistent production process in the past. The self manufacturing rate of the components keeps decreasing, whereas the dependence of external component manufacturers is gradually increasing. These component manufacturers have evolved from producing components to the major developing partners of the automobile manufacturers. The net profit margin of the global major component manufacturers is decreasing over the years. To reduce the cost pressure, these manufacturers start to set up factories by joint venture or outsourcing the process. It opens up the market of Taiwanese automobile component manufacturers to the global supply chain because of the advantages of quality and price.

The sales channels of the automobile components:

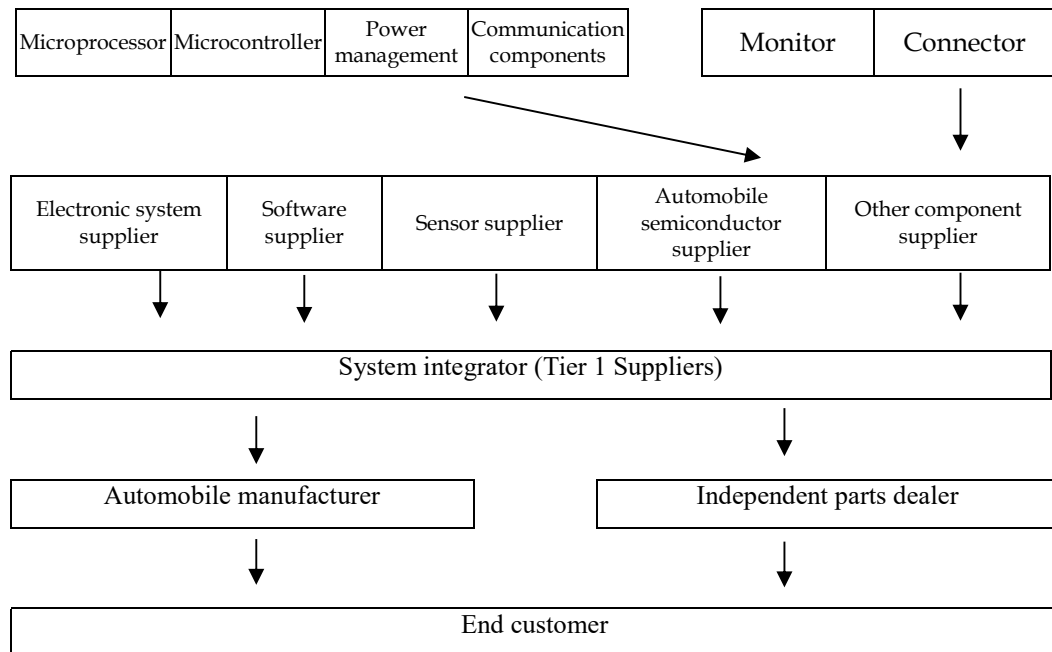
Sales Channels		Description
For OEM	OEM market	Appointed by OEM to manufacture for center factory.
	ODM market	Appointed by OEM to design and manufacture for center factory.
For after-sales market	AM market	After-sales maintenance with aftermarket parts
	OES market	After-sales maintenance with OEM parts.

2. Industry relevance of upstream, midstream and downstream companies

Automobile industry is a comprehensive industry that requires highly precision, technical, and high integration. The production and manufacturing process are very complex and involve a wide range. There are hundreds of satellite factories and requires cooperation of many industries. There are quite many automobile components in a car, which is between 8,000 and 15,000. The materials of these components consist of metal, non-ferrous metal, rubber, glass, asbestos, ceramics, fibers, etc, and the manufacturing methods include casting, stamping, forging, power metallurgy, machining, and heat treatment, etc. Once the completed components are inspected and qualified, they are delivered to the automobile center to assemble. Therefore, the automobile component industry can drive a country's development in basic industry and supporting industry. The inter-relationship diagram of the upstream, midstream, and downstream in the automobile industry is shown below:



From the value activities of the automotive electronics manufacturing process, the composing factors of the industry can be classified to electronic system supplier, software supplier, sensor supplier, automobile semiconductor supplier, other component supplier, system integrator, automobile manufacturer, and independent parts dealer, etc. Their relations are as follow:

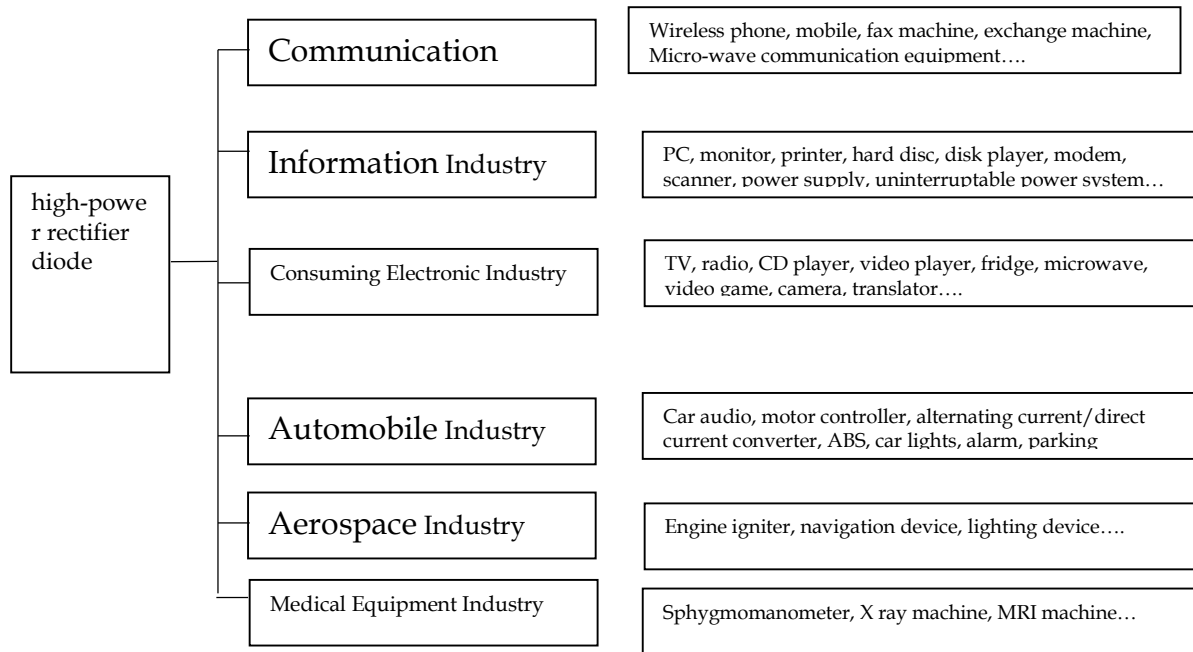


Resource: Industrial Technology Research Institute Project IEK-IT IS

The main products of the Company are automobile rectifier diode and voltage regulator, etc, particularly automobile rectifier diode in terms of product sales proportion. They are mainly for automobile generator. When the car is running, it uses the engine running to transfer parts of the kinetic energy into electricity for electronics products in the car. However, the electricity from the car generator is alternating current, and the device for storing electricity in the car is a battery, which is direct current. In order to transfer the alternating current into direct current, or be directly used by the electronics products, a rectifier diode has to be installed on the generator. The main purpose of the voltage regulator is to block out-of-specification current and pick up operation instruction from the generator.

The automobile rectifier diode produced by the Company is slightly different from the rectifier diode for general consumer electronics. Here is the comparison:

Item	Automobile rectifier diode	Consumer electronics rectifier diode
Current	25A – 80A	Under 3 – 5A
Working environment	Consistently at 215°C or above	Room temperature
Circuit forming	Gravity die casting with 600kg on average	Soldering



Picture IV.

Applications of high-power rectifier diode.

3. Various product development trends

The development of OE system product depends on the finished car. With the gasoline price soaring and environmental protection awareness increasing, the application and development of the products tend to be more concerned about energy saving and carbon reduction.

4. Product competition

The upstream and downstream of the automotive industry are closed markets for a few manufacturers. All automobile parts have to go through strict and time consuming test and verification before it could be used by automobile manufacturer. But first, the supplier has to be recognized with developing potential, so the manufacturer would provide all the specification of quality, reliability, product life, etc, for product developing and testing. The time and cost of this long process cannot be underestimated; therefore, the supplier without much interest would have retreated.

Currently, the global automobile industry is controlled by six major groups. The development of the automobile component industry is usually driven by the automobile industry. However, because the small scale of the Taiwan automobile industry and the developing technology is mostly owned by the parent manufacturer overseas, the development of automobile center is not as well as the component manufacturer. From the perspective of global competitiveness, due to the small scale of the Taiwan automobile market, the component manufacturer has to be competitive in technology and cost to survive and develop overseas to reach a certain economic scale. Benefiting from the consistent OEM order from international manufacturer for cost concern, increasing usage of aftermarket (AM) product in North America insurance company, and fast development in China automobile market, the component manufacturer in Taiwan can constantly expanding the overseas market. The future operation looks quite promising.

The reason that domestic manufacturer cannot invest in long-term development in the industry is because of the obstacles of substantial

technology and patent. The Company's products have received recognition from automobile original equipment manufacturers over years of hard work., and currently receiving orders on a steady, regular basis. With the competitive advantages of price and service, the Company is expecting a considerable growth in the future.

5. Obstacles for new competitor

Base on the driving safety concern, all electronic parts from the original equipment manufacturers need to pass an extremely rigorous safety standard certification. The research and developing time of a general product is around six month, but the verification time takes from three months to one year. Moreover, if it is the first time cooperating with Tier 1 manufacturer, it might take up to 3 years or even longer time for reviewing qualification, verification, and sample delivering. Generally speaking, the verification process is very time consuming and expensive; therefore, it is not easy for new competitor to enter and divide the market.

The rigorous requirements on quality of automotive electronic parts from Tier 1 manufacturer are not comparable to general consumer electronic products, which are much higher. In addition to various levels of verification before the parts can be adopted, Tier 1 manufacturer will send out personnel to supervise and audit the operation status of the production line from time to time after the parts are officially adopted to make sure the consistency of the raw material and end product. Hence, the overall supply system of the upstream and downstream component manufacturers are very close. As the result, the same component parts can only be provided by two or three suppliers at most. For Tier 1 manufacturer, it takes quite some time and cost to maintain and supervise the existing suppliers. However, it would take more time and cost to give up the existing supplier and adopt the new supplier. In addition to invest more time and cost for the verification process, the impact of the new parts on the end product (the generator) cannot be estimated. Therefore, based on a conservative mind and considerations of both cost and risk, Tier 1 manufacturer doesn't usually change the component supplier. As the result, there is a low possibility for supplier being replaced.

The automobile industry is very demanding on quality system and yield rate. ISO-9001, QS-9000, and TS-16949 are basic requirements. In fact, there is hardly a defect and the acceptance for defective rate is extremely low. When in a massive production of 10 million pieces per month, it is quite difficult to keep every single piece with high reliability. The outcome cannot be comparable to the general electronics industry.

Our main customers are major corporates with annual revenue over 10 billion US dollars in Europe, America, and Japan. We must have excellent engineering, language, and sales abilities and keep frequent visits and phone calls for discussion. In this way, we can consistently receive OE order.

Having a strong logistics system and global shipping capacity, the requirement for goods supply in automobile industry is just in time (JIT). Basically, it ships out weekly and even daily at the end of the month. Medium to small corporates are not often equipped with this logistics capacity. The diode manufacturers are in small scale in general, it is difficult for them to ship out JIT.

In conclusion, the Company is safe from threat of new competitors in the short term.

(iii) Technology and R & D Overview

1. The technology level and research and development of the business:

Rectifier diode used on general electronic product is with small current between 1-15A, whereas the automobile rectifier diode is with large current over 25A. The Company's products are important parts in the automobile power system. Automobile is an all environmental product, so in addition to the parts need to meet the requirements of various extreme environments, the length of product life is one of the crucial factors (the product life of general electronic product is 3 to 5 years, but the automobile has to be durable for over 10 years). Product with bad quality or short product life could endanger the safety of the passengers. Automobile manufacturer has a strict quality verification and testing when selecting any component parts. Therefore, the Company is very cautious on product development and design to satisfy manufacturer's requirement and certification with durable, precise, professional and safe product.

In general, electronic parts are soldered on the circuit board. But because the car generator is installed next to the engine in a high temperature environment of 215°C or above, solder can be easily oxidized and reduce the product life of the generator if automobile rectifier diode is soldered on the base plate. Therefore, the new rectifier diode for car generator is no longer soldered but directly embed with gravity die casting of 600kg on average to complete the function of soldering. There cannot be any damage on product structure and electronic characteristics of the rectifier diode.

Moreover, the electricity demand is increasing and more important due to the rapid growth in automobile electronics. The passenger cabin is getting bigger in design which causes smaller space for generator. As the result of the increased current and decreased space, the environmental temperature resistance is tougher. The temperature specification is 215°C in the OE market. There is also a demand for 225°C now. The temperature resistance in general AM market products is only 200°C. There is a considerable gap in between. In other words, 225°C is a major breakthrough that involves with various material science and manufacturing technology which general AM product is incomparable. Moreover, in order to save space, the Company published 80A model on Pressfit Diodes with 13mm diameter, which is a new creation with extreme difficulty. So far, only Actron Technology can produce products with this high specification.

In summary, the Company's rectifier diode has the following characteristics:

- (1) Rectifier diode with large current.
- (2) Extremely high demand in product quality.
- (3) Durable in high temperature.
- (4) Not soldering in a traditional way, but same production quality with gravity die casting in metal plate.

The production technology and product structure of the Company product are self-developed. So far the products have received multiple patents in many countries as follow:

Item	USA	Japan	EU	ROC	China	Korea
Number of Patents	18	14	8	22	8	1

Also, there are many product patents pending for application in many countries.

We are also applying for several product patents in various countries as follows:

Item	USA	Japan	EU	ROC	China	Korea
Number of Patents	7	3	19	5	4	1

2. The annual research and development expense in the most recent fiscal year:

Unit: NT\$ thousand

Item	2023	2024
R&D expense	566,441	761,428
Net Operating Revenue	5,648,694	7,582,182
% in Net Operating Revenue	10%	10%

The Company is always paying extra attention to development of new products and related technologies, and will keep investing in cultivate talents to respond to the constantly changing market trend.

3. Successfully developed technology or product:

- (1) Develop various model of automobile rectifier diodes and voltage regulator.
- (2) Cross in application fields and customize special structure product for customer.
- (3) Apply derivation of research and development technology in producing voltage regulator chassis for car generator and ABS brake system – design and manufacture of the electromagnetic valve.

- (iv) Long and short-term business development plans:

1. Short-term: develop, produce, and sell rectifier diodes for car generator and voltage regulator related product at this stage. In terms of short-term business development, it will focus on developing the market of the existing product.
2. Long-term: In terms of long-term business development, the goal is to develop various automobile electronic parts and integrate the upstream and downstream products of the existing product.

II. Market and Sales Overview

(i) Market Analysis

1. Sales (provide) areas of main product (service):

Unit: NT\$ thousand

Sales Area \ Year		2023		2024	
		Amount	%	Amount	%
Domestic Sales		930,348	16.47	1,418,751	18.71
Export Sales	America	1,710,466	30.28	1,629,127	21.48
	Europe	831,695	14.72	1,888,366	24.91
	Asia	2,176,185	38.53	2,645,938	34.90
	Subtotal	4,718,346	83.53	6,163,431	81.29
Total		5,648,694	100.00	7,582,182	100.00

The global automobile market is mostly located in Europe, America, and Japan, which are also the leaders of the global automotive industry and market. Almost every automobile component manufacturer's products are made in the specifications of these markets.

2. Market share

According to data from international research institutions, the global automobile market produces approximately 90 million units. It is necessary to first deduct the number of electric vehicles and hybrid vehicles that do not use automotive alternators. Due to the different designs of automotive alternators, the number of rectifier diodes used is six, ten, or twelve. The annual demand for alternator rectifier diodes in the global automobile market is estimated to be more than 500 million.

The sales of our company's products are mainly focused on the OE new car product market. Currently, the main suppliers in the product market are two Japanese companies and our company. It is an oligopolistic product market. Our company's products enjoy a high market share, and its shipments account for more than 50% of the world.

3. Market supply and demand situation and future growth

The relation of the automotive semiconductor market

Type	Assembly System	Subsystem	Function
Electronic control system	Power System	Drive system, engine system, throttle system, cruise control system, alternator, etc.	Eco-friendly, dynamic performance, safety, and driving comfort.
	Chassis System	Suspension system, brake system, steering system, etc.	Controllability, acceleration, and stability.
	Body System	Airbag, collision warning and preventing system, BAWS system, night vision system, lighting system, auto-wiper system, etc.	Driving safety.
		Auto-Start-Stop system, anti-theft system with chip, alarm, etc.	Anti-theft.
		Smart rearview mirror, power door, window, seat, climate control systems, etc.	Comfort and convenience.
Car electronics	Information Communication System	Navigation system, car mobile communication, etc.	External contact.
		Electronic control unit, electronic dashboard, etc.	Monitor car condition.

Source: sorted by Topology Research Institute

Almost every new functions on automobile reply on electronic devices. Its application has applied in all systems. Generally there are two types of automobile electronic products: Electronical Control Systems and Electronical Devices. Electronical Control Systems are used with mechanical system on cars, which is an electronic device of “electromechanical combination”. Electronical Devices can be used independently on cars.

Automobile market grows with the country’s economy, hence the demand for automobile generator will increase as well. According to the report from WARD’S, the demand is still increasing in the next ten years for automobile industry whether it is domestic or international market. It has a very positive impact on the Company’s future development.

4. Competitive niche

- (1) Received international certification, product quality is highly recognized:
The Company’s product is quite special in the industry. It is not easy to break into the market, and requires strict and long testing certification in order to be adopted by the automobile manufacturers. Therefore, there is not many new competitors in the market. We’ve been through years of hard work to receive certifications and recognition in product quality from customers for a long-term cooperation.

(2) Excellent operation team:

- ① Strong ability in research and development, world class solid technology.
- ② Excellent technology and outstanding quality.
- ③ Possess various core technologies and received multiple patents in many countries.
- ④ Employees have strong coherence and low turnover rate on average. Leading productivity in the industry.

(3) Rich development resources:

The Company has developed good relationships with the upstream suppliers and downstream generator manufacturers over the years. It helps with the internal human resources, research and develop technology, production technology, equipment and management skills for more competitiveness in the future market.

The automobile industry is a conservative and concentrative technology-intensive industry. The parts are supplied by few global manufacturers. We are the new generation in the automobile industry. We have self-developed in everything about automobile rectifier diodes from product design, material application, to research and develop production technology, even the production equipment is a result of a co-development with equipment supplier.

(4) Favorable development prospects, unfavorable factors and countermeasures:

Favorable factors:

- ① Fewer competitors in the market. It is not easy to break into the market, hence there is not many new competitors.
- ② The Company's products is pending for patents in many countries.
- ③ Good relationships with upstream and downstream manufacturers.
- ④ Advanced automated production equipment can reduce unit production costs.

Unfavorable factors and countermeasures:

- ① The establishing period of the Company is not very long, and need to strengthen systems and scale.
Countermeasures: actively establish systems and scales that match the automobile industry.
- ② Some new products are not in massive production stage yet.
Countermeasures: actively develop new customers to promote new products to reach the massive production scale.
- ③ Strict and long period for quality verification for automobile components.
Countermeasures: it is the special condition in automobile industry, and other manufacturers can not easily break into the market either. We have to improve the product design to pass customer's quality verification.

(ii) Main products' important functions and production process

1. Important uses of main products:

The rectifier diode of the Company is mainly for automobile. When the car is running, it uses the engine running to transfer parts of the energy into

electricity for generator to supply electronics products in the car. However, the electricity from the car generator is alternating current, and the device for storing electricity in the car is a battery, which is direct current. In order to transfer the alternating current into direct current, a rectifier diode has to be installed on the generator.

2. Manufacturing process

1. Install brass screw, solder, chip, solder, brass nut



2. Into the welding furnace



3. Etching and cleaning



4. Apply insulating glue



5. Into the drying furnace for condensation



6. Testing and printing

(iii) Supply status of main raw materials

Main raw materials	Domestic External Suppliers	Supply Status
Chip	Huan * Co., Ltd	Good
Brass screw	Wei * Co., Ltd	Good
Brass nut	Ding * Co., Ltd	Good
Epoxy	H-H-K Limited.	Good
Polyimide	F-A-T Co., Ltd.	Good
Solder	Hung * Co., Ltd	Good

(iv) Based on the number of customers and their purchase (sales) amount and ratio that accounted for more than 10% of the total purchase (sales) in the past two years

(1) Information of major suppliers for the recent two years

Unit: NT\$ thousand

Unit: RMB thousand												
	2023				2024				As of the end of previous quarter in 2025 (Note 2)			
Item	Name (Note 1)	Amount	Annual Net Purchase [%]	Relationship with Issuer	Name	Amount	Annual Net Purchase [%]	Relationship with Issuer	Name	Amount	Annual Net Purchase as of the End of Previous Quarter of the Year [%]	Relationship with Issuer
1	A	273,247	11	None	A	283,357	8	subsidiary of the Company's directors	Note 2			
3	Others	2,210,817	89		Others	3,522,451	92	-				
	Net Purchase	2,484,064	100		Net Purchase	3,805,808	100	-				
Note 1: The name and purchasing amount of suppliers whose proportion of purchasing is higher than 10% of the total purchases in the last two years should be listed. However, if the contract stipulates that the name of the supplier or the object of the transaction is an individual and non-related person, it can be coded.												
Note 2: Up to the date of publication of the annual report, companies listed or whose stocks have been bought and sold in the securities firm's business premises should disclose the latest financial information which has been audited and verified by the accountant												

(2) Information of major customers for the recent two years

Unit: NT\$ thousand

Unit: RMB thousand												
	2023				2024				As of the end of previous quarter in 2025 (Note 2)			
Item	Name (Note 1)	Amount	Annual Net Sales [%]	Relationship with Issuer	Name	Amount	Annual Net Sales [%]	Relationship with Issuer	Name	Amount	Annual Net Sales as of the End of Previous Quarter of the Year [%]	Relationship with Issuer
	Others	5,648,694	100		Others	7,582,182	100	-				
	Net Sales	5,648,694	100		Net Sales	7,582,182	100	-				
Note 1: The name and selling amount of customers whose proportion of selling is higher than 10% of the total sales in the last two years should be listed. However, if the contract stipulates that the name of the customer or the object of the transaction is an individual and non-related person, it can be coded.												
Note 2: Up to the date of publication of the annual report, companies listed or whose stocks have been bought and sold in the securities firm's business premises should disclose the latest financial information which has been audited and verified by the accountant.												

III. The number of employees employed in recent two years

Year		End of 2023	End of 2024	Mar 31, 2025
Number of employees	DL	926	993	1,029
	IDL	724	740	739
	Total	1,650	1,733	1,768
Average age		42	41	41
Average length of service		7	7	7
Education level distribution ratio	PhD.	0.4	0.5	0.6
	Master	14.1	14.5	13.7
	University	53.8	54.6	53.3
	High school (including the following)	31.7	30.4	32.4
Note: MOSEL VITELIC INC. has been merged since June 2023.				

IV. Disbursements for environmental protection

- (i) Losses (including remedial measures), total amount of penalties (including remedies) and total expenditures (including the estimated amount of compensation, fines or penalties) due to failure in taking responsive action in the recent years or ending the publication date of this report. If it is not feasible to make a reasonable estimate, it should be clearly indicated as such: Not applicable.

V. Labor Relations

- (i) Various aspects of employee welfare measures, continuing education, job training, retirement system and its implementation, as well as labor agreements, labor rights and employment protection measures:
1. Employee benefits and implementation:
 - (1) All employees are covered with labor and health insurance. Maternity, sickness, and medical benefits and compensation are in accordance with labor and health insurance regulations. Employees can receive NT\$20,000 maternity allowance when give birth during the job tenure.
 - (2) Regularly held employee travel tour, birthday allowance, wedding and funeral subsidies, three major holidays gifts, etc.
In accordance with our customer's holiday, the Company has arranged a week off in August and provide allowance for employee travel. Birthday allowance of NT\$500 per person, wedding and funeral subsidies of NT\$3,000, and a total of 2 month salaries for three major holidays bonus.
 - (3) Additional bonus depends on operation result.
 2. Continuing education and training and implementation:
"Annual education training plan" is arranged every year. Implement many trainings with plans for all employees to have capability to perform their jobs. The Company holds training for new and current employees while training internal instructors. With the training system and employees' continuous education, we hope to cultivate many professionals within the

company and improve employee quality for the goals of fast talents training, skill improving, and experience inheriting.

The actual employee training implementation in 2024 is as follow:

Item	Total number of participants	Total hours	Expense
Annual profession	585	1,237	270,801
Regulations and certification	24	266	180,329
Quality management	144	733	32,600
General function	1,886	4,866	0
Management	142	996	672,500
Total	2,781	8,098	1,156,230

3. Retirement system and implementation:

- (1) In other to take care of employees' retirement life and improve the labor relation, and improve work efficiency, the Company has set up Labor Retirement Reserve Supervision Committee on February 22, 2000. The Company allocates 4% of the total salary as pension to a special account in the Central Trust Bureau. For employees who chose retirement pension system since Jul 1, 2005, 6% of the monthly salary will be allocated to a personal pension account in the Labor Insurance Bureau.
- (2) Staff retirement scheme is set up in accordance with the provisions of the Labor Standards Act.

4. Labor agreements:

The labor relation has always been good with smooth communication channels since the company establishment. With discussion through labor management meetings and Staff Welfare Committee on mutual benefits between labor and employer to further understand the needs and expectation on both sides, all employees work hard in a growth and prosperity business philosophy for a better future. The Company also set up employee mailbox. All employees can provide comment or suggestion anytime through the communication channel to solve their problem timely and effectively. The Company is good in labor relation and has never suffered from any loss due to labor disputes, and expect none in the future as well.

5. Maintenance of employee rights and interests:

In addition to set up work regulations to clearly specific all labor condition to product employees' rights in accordance with the regulations, the Company also set up labor management meetings, Staff Welfare Committee, and employee complaint mailbox, etc. Employees' rights can receive fair treatment through the channels mentioned above. There is no incidents of affecting employees' rights so far.

- (ii) List any loss sustained as a result of labor disputes in the most recent fiscal year, and during the current fiscal year up to the date of publication of the annual report, disclose an estimate of losses incurred to date or likely to be incurred in the future, and indicate mitigation measures being or to be taken. If the loss cannot be reasonably estimated, make a statement to that effect: No major disputes occurred.

VI. Information and communication security management:

- (I) A description of the information and communications security risk management framework, information and communications security policies, specific management plans, and resources invested in information and communications security management.

1. Information and communications security risk management framework

The Information Office under the General Manager's Office is responsible for information security management. The company established a corporate information security organization on November 8, 2023, with one Chief Information Security Officer, one Information Security Supervisor, and one Information Security Officer.

2. Information and communications security policy

- (1) All information operation-related measures should ensure the confidentiality, integrity and availability of data and prevent the leakage and loss of sensitive and confidential data.
- (2) Information security incidents or suspected security vulnerabilities should be reported promptly in accordance with procedures and appropriately investigated and handled.
- (3) Information assets should be properly protected and appropriate recovery measures and operations should be implemented to prevent unauthorized or negligent damage to assets. The backup and recovery operation should confirm the integrity and consistency of the data.
- (4) This policy should be regularly evaluated and reviewed to reflect government regulations, information technology developments and the company's related business needs in a timely manner in order to implement information security operations.

3. Specific management plans and resources invested in information security management

- (1) The Information Security Department shall formulate relevant internal control procedures and conduct regular internal audits, and report the audit results to the Audit Committee and the Board of Directors on a regular basis to ensure the implementation of the Company's information security-related policies and operations.
- (2) The Company has introduced an instant notification and regular reporting mechanism to provide instant notification of major threat events, weekly medium and high risk notifications, and monthly asset risk reports; implemented endpoint protection and endpoint detection and response solutions to strengthen endpoint device security management; upgraded its self-built email protection system to a cloud-based email protection service; and introduced a number of information security technologies such as network detection and response, managed detection and response, and extended detection and response to strengthen overall information security protection capabilities.

- (3) We implement "ICT security-related education training and promotion" for employees every year. In fiscal 2014, each employee completed at least 2 hours of ICT security-related education training and promotion.
 - (4) The Information and Communications Security Committee shall hold at least two meetings each year. In fiscal year 2014, the Committee shall hold one meeting each in the first half of the year and the second half of the year. The Committee shall report to the Board of Directors at least twice a year.
 - (5) In 2025, we plan to introduce the Vehicle Information Security Certification (TISAX) to ensure compliance with automotive industry information security standards. New information security professionals are required to complete at least 40 hours of information security-related education and training courses each year.
- (II) List the losses, possible impacts and response measures incurred due to major information and communication security incidents in the most recent year and up to the date of publication of the annual report. If it is impossible to reasonably estimate, the fact that it is impossible to reasonably estimate should be explained: None

VII. Important contracts

Type of contract	Party	Contract Duration	Content	Restrictions
loan contract	Yuanta Commercial Bank	2023/1/18~ 2026/1/18	Long term loan	None

V. A Review and Analysis of the Company's Financial Position and Financial Performance, and a Listing of Risks

I. Financial Position

Consolidated Financial Position Comparison Chart

Unit: NT\$ thousand

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	5, 211, 771	5, 121, 345	-90, 426	-2
Fixed assets	4, 302, 105	4, 288, 918	-13, 187	0
Other assets	5, 899, 760	6, 219, 520	319, 760	5
Total assets	15, 413, 636	15, 629, 783	216, 147	1
Current liabilities	3, 279, 653	2, 964, 508	-315, 145	-10
Non-current liabilities	2, 099, 733	2, 730, 965	631, 232	30
Total liabilities	5, 379, 386	5, 695, 473	316, 087	6
Share capital	1, 014, 475	1, 017, 335	2, 860	0
Capital surplus	3, 317, 903	3, 395, 507	77, 604	2
Retained earnings	2, 665, 245	2, 997, 023	331, 778	12
Total amount of shareholders' equity	8, 103, 775	7, 937, 394	-166, 381	-2
<p>Analysis of significant changes in assets, liabilities and in shareholders' equity in the last two years (over 20% of the previous period and the change amounted to NT \$ 10 million) and its impact and future responding plan:</p> <p>I. Analysis of significant changes in assets, liabilities and in shareholders' equity in the last two years (over 20% of the previous period and the change amounted to NT \$ 10 million)</p> <p>The increase in non-current liabilities in this period was mainly due to the increase in long-term loans, part of which was due to the conversion of short-term loans into long-term loans due to structural improvement, and part of which was due to increased capital expenditure to meet future operating needs.</p> <p>II. Future responding plan: Not applicable.</p>				

II. Financial performance

Consolidated Financial Performance Comparison Chart

Unit: NT\$ thousand

Item \ Year	2023	2024	Increased (Decreased) Amount	% change
Net operating revenues	5,648,694	7,582,182	1,933,488	34
Operating cost	4,270,676	5,336,555	1,065,879	25
Gross profit	1,378,018	2,245,627	867,609	63
Operating expenses	1,070,477	1,464,451	393,974	37
Net operating interest	307,541	781,176	473,635	154
Non-operating revenue and expenses	406,846	247,158	-159,688	-39
Income from Continuing Operation before Income Tax	714,387	1,028,334	313,947	44
Income tax expense	102,625	130,905	28,280	28
Income from Continuing Operation after Income Tax	611,762	897,429	285,667	47
Analysis in changes over 20% in the last two years:				
1. 1. Due to the addition of a new merged entity in mid-2023 and the continued growth of the company's business, the related revenue, costs and expenses have all increased significantly.				
2. 2. The decrease in non-operating income in this period was mainly due to the benefits generated from the newly added consolidated subsidiaries in 2023, which were not the case in this period.				

- (i) Reason for the change of the company's main business content. If there is or will be significant changes in the operating policies, market situation, economic environment, or other internal and external factors, the facts and impact of the changes and possible impact on the Company's future financial business and the responding plan: None.
- (ii) The expected sale amount and its basis, and the company's future financial performance and the plan for any possible impact: None.

III. Cash flow

- (i) Cash flow analysis for 2024:
thousand

Unit: NT\$

Beginning Cash Balance (1)	Annual Cash Flow from Operating Activities (2)	Annual Cash Outflow (3)	Net Cash Flow Balance (1) + (2) + (3)	Cash shortage contingency plan	
				Investment plan	Financing plan
1,920,457	944,531	495,019	1,425,438	-	-

- (1) Operating activities: Net cash inflow is NT944,531 thousand dollars, mainly from the company profit.
- (2) Investment activities: Net cash outflow is NT1,186,302 thousand dollars, mainly from the acquisition of financial assets measured at fair value through other comprehensive profit and loss and fixed asset purchases.
- (3) Financing activities : Net cash inflow is NT256,877 thousand dollars,

Mainly due to cash inflow from dividend payment.

(ii) Insufficient Capital liquidity improvement plan:

1. Cash flow analysis: (consolidated)

Item \ Year	2023	2024	Increase (decrease) %
Cash Flow Ratio (%)	32.03	31.86	-1
Cash Flow Adequacy Ratio (%)	48.40	49.33	2
Cash Re-Investment Ratio (%)	2.20	1.39	-37
Increase (decrease) % analysis:			
1. Cash Re-Investment Ratio decrease was mainly due to the net cash outflow from financing activities.			

(iii) Cash flow forecast analysis for 2025:

Unit: NT\$ thousand

Beginning Cash Balance (1)	Annual Cash Flow from Operating Activities (2)	Annual Cash Outflow (3)	Net Cash Flow Balance (1) + (2) -(3)	Cash shortage contingency plan	
				Investment plan	Investment plan
1, 425, 438	967, 195	512, 805	912, 633	-	-
Analysis of changes in cash flow over the next year:					
1. Operating activities: Net cash inflow of RMB967,195,000, mainly due to net cash inflow from operating activities.					
2. Investing activities: Net cash outflow of RMB 1,200,000,000, mainly due to the addition of plant equipment and the purchase of machinery and equipment.					
3. Financing activities: Net cash inflow of RMB280,000,000, mainly due to cash dividend payments.					
4. Cash shortage contingency plan forecast and liquidity analysis: Not applicable.					

IV. Major capital expenditures during the most recent fiscal year: NA

V. Investment policy for the most recent fiscal year, the main reasons for the profits or losses, improvement plans, and investment plans for the coming year

Unit: thousand shares; %

Re-Investment Business (Note)	Investment income (loss) recognized	main reasons for the profits or losses	Improvement Plan	investment plans for the coming year
Ding-Wei Technology Co., Ltd.	50,368	Operations and profits are stable	Not applicable	NA
Smooth International Limited Corporation	8,299	Operations and profits are stable	Not applicable	NA
Rec Technology Corp.	10,486	Operations and profits are stable	Not applicable	NA
Big best Solutions, Inc.	1,295	Market demand declines	Not applicable	NA
Mosel Vitelic Inc.	19,870	Market demand declines	Not applicable	NA

The Company's re-investment strategy policy is to maintain the stability of the raw material supply from the upper stream and expanding new business development while managing all invested companies for maximum profit.

VI. Analysis and evaluation of risks:

- (i) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

1. Change in interest rate:

The Company's interest income for 2023 and 2024 is NT49,225,000 and NT50,694,000 respectively. The interest expenses for 2023 and 2024 were NT\$93,549,000 and NT\$94,478,000, respectively, mainly due to long-term loans from financial institutions to finance the strategic integration of industry funds. The company is financially sound and requires only a small amount of bank loans for operating capital, so the increase in interest rates has little impact on the company's profit and loss. Change in exchange rate:

2. For the assets and liabilities holding in foreign currency, the Company hedges risk by performing spot exchange, forward exchange, or derivative timely in accordance with the exchange rate trend. It will review and carefully evaluate the exchange rate fluctuations regularly to avoid risk. Because the Company only focuses on hedging risks and does not perform any foreign exchange operation that is irrelevant with the company business or for trading purpose, the fluctuations in exchange rate do not have significant impact on profit or loss.

The Company's exchange gains (losses) in 2023 and 2024 were NT(5,166) thousand and NT115,706 thousand, respectively, accounting for 0.09% and 1.53% of the net operating income in each period, indicating that the Company's exchange rate operation strategy

should be appropriate.

3. Effect on inflation:

Inflation does not have significant impact on the purchasing cost of the Company in recent year. Therefore, there is no significant impact of inflation for the cost of 2024. The company will continue to pay attention to inflation and make response measures and adjustment if necessary.

(ii) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

1. In accordance with the policy concern, the Company does not conduct any high-risk or highly leveraged investments.
2. The merged company conducts fund loaning to others, endorsement guarantees and derivative transactions in accordance with the regulations governing loaning of funds and making of endorsements and guarantees, derivative transactions processing procedures and regulations of the authority while auditing regularly and making announcement. The executing unit will also conduct internal audit and monitoring with related regulations as not to cause operational risk.

(iii) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

1. R&D projects for the recent year

Product	Description
Rectifier diode for automobile generator	Design for various products with high current (high power)
Components for electromechanical system of the electric vehicle	Develop related parts to meet the changes in industry trends.

2. Current status on the incomplete R&D projects

Product development of new applications that are customized with design and specifications from customer end. Products are smoothly produced and under customer certification.

3. R&D expenses to be invested

(1) There are production equipment and tools for related products, so it does not require more investment in equipment and tools but just minor improvement costs, salary for researchers, and lab experiment expense.

4. Product development of new applications that are customized with design and specifications from customer end.

5. Estimated time for massive production:

Products of various modules are actively developing. Parts of the module structures or parts products are expected to be certified and

shipped in 2025.

6. Major factors for successful development in the future:

The product is a critical component for automobile that requires strict quality. There are not many domestic manufacturers in producing automobile electronic parts; therefore, not many R&D personnels resources available. It requires more time and R&D expenses to develop new products and personnel training.

(iv) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The Company pays close attention to domestic and international political and economic trends and changes in laws and regulations while maintaining good corresponding capability. The domestic and international significant political and legal changes has no major impact on the financial business of the Company in the recent fiscal year and up to the date of publication of the annual report.

(v) Effect on the company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response:

1. The product of the merged company is electronic component installed in the automobile generator, which is still required to supply the power for all the electronic products in the car as for the automobile design. Unless there is new energy development and mature for application that changes the designs of automobile power and its power systems, there are no obvious changes in technology or the industry at this stage.
2. In information security risk control, the information room under the jurisdiction of the General Manager's Office is in charge of the information security management. Audit room will plan the internal control procedure management and conduct internal audit regularly, and report the audit result to the Audit Committee and the Board of Directors to ensure full implementation of the information security policy and operation.

(1) Information security policy

- ① All measures related to information operation shall ensure the confidentiality, integrity and availability to prevent breach and loss of sensitive and confidential information.
- ② Information security event or suspicious security weakness shall be reported immediately for proper investigation and treatment.
- ③ Information assets shall be properly protected and have suitable backup measure and operation to prevent damage on assets due to unauthorized operation or neglect. Backup recovering operation shall ensure the integrity and consistency of data.
- ④ The policy shall be evaluated and reviewed regularly to

timely reflect on the government regulations, information technology development, and business needs for implementation of information security.

(2) Information network structure

① Next-generation firewall copes with webpage security prevent system to defeat external network attack. Mandatorily deply anti-virus software and endpoint behavior identification to black malware attacks such as virus and ransomware.

② The Company has installed the virtual desktop structure to centralize control of endpoints, simplify the complexity of management, and enhance data storage safety while conducting documentation audit of endpoints protection and mail archive systems.

③ Regularly promote information security and education training to enhance employees' safety awareness.

(3) Continuous operation of information system

With various backup mechanism through internet equipment, it establishes a virtual server and storage for offsite synchronization and backup. It works with the disaster prevention of information system and conducts drills for recovery plan to ensure the continuous operation of information system.

Information room complies with all regulations to ensure the confidentiality, integrity and availability of data. The risk evaluation result is good. Information security insurance is a new type of insurance. Until the claim conditions, scope, and relevant support can be fully evaluated, the complete information security regulations and strengthen information security prevention mechanism will be adopted.

- (vi) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

The Company aims for steady and integrity for business principles and maintains good corporate image. We plan to enter the capital market to get more talents for the Company and bring up the capability of the operating team, and give back to shareholders and publics with our operating result to fulfill the corporate social responsibility. There is nothing that would endanger the company image.

The Company will fulfill the corporate social responsibility while pursuing the maximum benefit for the shareholders in the future.

- (vii) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.

- (viii) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

To cope with the industrial changes and customer needs, the merged

company has actively developed the IGBT Module (Insulated Gate Bipolar Transistor) for new energy automobile and planning for factory building and equipment purchasing for production. For the estimated profit of expanding the factory, please refer to “V. A Review and Analysis of the Company’s Financial Position and Financial Performance, and a Listing of Risks”.

- (ix) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

- 1. Risks for centralized purchase:

The major sales target of the merged company product is Original Equipment (OE) system manufacturer. All automobile parts and components have to go through an extremely strict procedure for quality certification by the automobile manufacturer. Once the product has been certified, there cannot be any change in the manufacturing process of the raw material supplier and related product. It will have to be re-certified for any changes; therefore, it creates a very close supply chain between the upstream and downstream manufacturers and inevitably centralized the purchase. We have a good and close relationship with the merged company due to its stable growth in revenue.

- 2. Risks for centralized sales :

The major sales target of the merged company product is Original Equipment (OE) system manufacturer. In the automobile industry, there are limits brands around the world. There are tens of thousands of component parts in one vehicle. Most of the components are supplied by a few Original Equipment (OE) manufacturers for quality assurance. The global automobile brands are most likely to have the same component suppliers. Therefore, the sales of the merged company are centralized due to the industrial characteristic.

Because of the special characteristic, the merged company seems like to dominate the product market. There is not much risk for centralized sales.

- (x) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None °
- (xi) Effects of, Risks Relating to and Response to the Changes in Management Rights: None °
- (xii) Litigation or Non-litigation Matters in Recent Years: major litigation, non-litigation or administrative litigation matters in which the Company and its directors, supervisors, Presidents, substantive responsible persons, major shareholders with over 10% shareholdings and affiliated companies which have been judged or are still in attribution should be listed. If the results may have a significant impact on shareholders' rights and interests or securities prices, the facts of the dispute, the amount of the subject matter, the date of commencement of the litigation, the principal parties involved and the handling of the case up to the date of publication of the annual

report should be disclosed: None °

(xiii) Other potential risks and corresponding measure:

1. Risk management policy

The Company's risk management policy is to prevent any possible loss under the bearable risk exposure scope in according to our operating policy. Under the premise of risk and remuneration balance, it increases shareholders' wealth and optimizes the capital allocation principle.

2. Risk management organizational structure and responsibility

The Company's responsible units for promoting various business risk managements

Responsible Unit	Business Risk Management
Board of Directors	The Board of Directors is the highest unit for risk management. The goals are to promote and implement the overall risk management in accordance with the regulations. It clearly understands the risks in the operation to ensure the effectiveness of risk management, and take the ultimate responsibility of it.
Auditing Office	The Auditing Office is an independent department under the Board of Directors. It is responsible for internal control and internal audit while supervising and providing methods and procedures to ensure effective risk management.
Environmental, Health, and Safety Office	<ol style="list-style-type: none"> 1. Safe production management and supervision. 2. Prevent occupational hazard. 3. Labor safety and hygiene management education and implementation plan.
IT Office	Plan and construct the Company's IT management system. Responsible for internet and system information security control and prevention, and provide correct and proper operating management information to the management to reduce the risk for operation and information security.
Financial Department	<ol style="list-style-type: none"> 1. Evaluation of financial risk. 2. Public relations of media and external contact.
Sales and Marketing Department	Control the possible changes of the business volume in the future.
Quality Assurance Department	Review the evaluation result of product quality, shipping quality inspection and review, plan and promote the quality assurance system of the Company to meet and maintain the standard and customer request, response to the customer's inquiry for quality system, and track and control the abnormal feedback from customer.
Management Department	<ol style="list-style-type: none"> 1. Allocation and adaptability of human resources. 2. Relevant storage and transportation management. 3. Contingency plan for suppliers and raw material purchase. 4. Alternative plan for equipment purchase.
Manufacturing Department	<ol style="list-style-type: none"> 1. Contingency measures for production environment. 2. Regulations for production contingency plan. 3. Allocation plan for human resources. 4. Contingency plan for onsite environmental safety.
Development	<ol style="list-style-type: none"> 1. Control of the research and development progress.

Responsible Unit	Business Risk Management
Department	2. Contingency measure for research and development environment. 3. Risk evaluation for new product research and development.

Subsidiary: the subsidiaries shall follow the "risk management policy" of the parent company to conduct risk evaluation and monitoring procedure, and timely feedback to the CEO of the parent company on the status of risk management.

2. Intellectual property rights management and risk response measures

(1) Intellectual Property Management Plan

In order to enhance Pengcheng's competitive advantage, we protect the company's R&D results and intellectual property by strengthening patents and trade secrets. Pengcheng has established an intellectual property management procedure based on TIPS (Taiwan Intellectual Property Management System), with the company's intellectual property management policy of "encouraging R&D innovation, strengthening patent layout, implementing confidentiality management, protecting customer rights, utilizing intellectual property assets, and deepening competitive strength". At the same time, a TIPS team was established to establish a complete intellectual property specification through the PDCA management cycle and pass the TIPS full-factory certification. The intellectual property management targets cover patents, trademarks and trade secrets.

(2) Execution Circumstances

The Company regularly reports the results of the implementation of intellectual property management to the Board of Directors at the end of each year. The latest submission date is December 11, 2024. The Company has introduced TIPS since 2014. The main implementation status in recent years is as follows:

In 2014, the R&D department introduced TIPS and established intellectual property management policies and procedures.

In 2015, TIPS was introduced throughout the company and a comprehensive management system was established.

From 2016 to now, continuous education and training, implementation and continuous audit improvement.

The results are as follows:

As of December 31, 2024, Pengcheng's global patent layout has applied for 294 patents, and 198 patents have been approved. Among the 71 patents that have been approved and are within the protection period, there are 65 invention patents, 3 new patents, and 3 design patents. The company actively obtains patents and maintains them to achieve the expansion of the patent map and create effective guarantees for future performance growth.

(3) Obtain verification

Our company has been implementing TIPS since 2014 and is still in the process of obtaining verification. The latest TIPS verification date is December 31, 2024, and we have obtained the TIPS (Grade A) 2016 version certificate, which is valid until December 31, 2025.

VII. Other important matters:

(i) Targets and methods for derivative hedging tools:

1. The Company's financial hedging strategy is to hedge most of the changes in fair value or cash flow risk. In 2023, the Company avoided the exchange rate fluctuation risk by exchange and forward exchange, but did not meet the requirement for hedge accounting. Therefore, it is classified as financial product of profit and loss at fair valued changes.
2. The Company's foreign exchange derivative transaction details from Jan 1, 2024 to Dec 31, 2024 are as follows:NA.

VI. Special Disclosure

I. Information related to the company's affiliates:

Please visit the Market Observation Post System (<https://mopsov.twse.com.tw>) and click on the "E-book/Related Enterprise Three Book List Area" for a single company.

II. Private Placement Securities in the Most Recent Years: None.

III. Other Necessary Supplement: None.

IV. Any Events And as of the Date of this Annual Report that Had Significant Impacts on Shareholders' Rights or Security Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan: No.