

Stock code:  
**2485**



# 2024 Annual Report

## Notice to readers

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

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**一、Spokesperson：Wen-Shun Ho**

**Title：Chief Financial Officer**

**Tel：(02) 2225—1929**

**E-mail：[spokesman@zinwell.com.tw](mailto:spokesman@zinwell.com.tw)**

**二、Corporate Headquarter、Branch office、Factory address and Tel：**

**Corporate Headquarter：**

**7F 512, Yuanshan Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.)**

**Tel：(02) 2225—1929**

**Hsinchu Plant：**

**2, Wen Hua Road, HsinChu Industrial Park, Hsinchu Hsien 303, Taiwan (R.O.C.)**

**Tel：(03) 597—9050**

**Jaitai Plant：**

**No.19, Zhongxing Road, Jiatai Industrial Park, Taibao City, Chiayi County 61252, Taiwan (R.O.C.)**

**Tel：(05) 238—2345**

**三、Stock Transfer Agent：**

**Name：Yuanta Securities**

**Address：B1F., No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106045, Taiwan (R.O.C.)**

**Tel：(02) 2586—5859**

**Website：<http://www.yuanta.com.tw>**

**四、Auditors**

**Accounting firm：PwC Taiwan.**

**Auditors：Yi-Chang, Liang, Ya-Fang, Wen**

**Address：27th Floor, No. 333, Section 1, Keelung Road, Taipei City**

**Tel：(02) 2729—6666**

**Website：<http://www.pwc.tw/>**

**五、Overseas Securities Exchange：None**

**六、Corporate Website：<http://www.zinwell.com.tw>**

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**Zinwell Corporation**  
**One. Letter to Shareholders**  
**Business report**

**I. Result of implementation of consolidated business plan**

Unit: Thousand in New Taiwan Dollars; Earned or Loss per Share in New Taiwan Dollars

Item	2024	2023	Increase (Decrease) %
Net Operating Revenue	2,610,480	5,816,835	(55.12)
Gross profit	(296,961)	580,624	(151.15)
Operating loss	(868,607)	(149,143)	482.40
Non-operating income and expenses	165,457	(120,235)	(237.61)
Net Loss after Tax	(729,946)	(287,315)	154.06
Earnings or Loss per share after tax	(2.26)	(0.23)	882.61

**II. Execution of Budget**

Not applicable, as in accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies", the Company is not required to disclose the financial forecast information for the fiscal year 2024.

**III. Analysis of Financial Income and Expenditure and Profitability**

The analysis of financial income and expenses and profitability are as follows:

Item		2024	2023
Net cash inflow from operating activities (NTD thousand)		559,756	1,353,566
Financial Structure	Debt to total assets ratio (%)	19.72	27.35
	Long-term capital to property, plant and	239.91	254.23
Liquidity Analysis	Liquidity ratio (%)	312.98	249.38
	Quick ratio (%)	203.77	164.11
	Times interest earned	(42.28)	(26.86)
Profitability	Return on Assets (%)	(9.16)	(3.13)
	Return on equity (%)	(12.27)	(4.50)
	Net profit margin (%)	(27.96)	(4.94)
	Earnings or Loss per share after tax (NT\$)	(2.26)	(0.23)

**IV. Research & Development**

The Company has invested the capital in R&D totaling NT\$251,467,000, i.e. 9.63% of the operating revenue, in 2024. The research and development results are also on track with the Company's scheduled progress.

**V. Summary of Business Plan for 2025**

(I) Operation Policies

- (1) Combine the external technology with the Company's R&D resources to develop products that are competitive and meet the demands of customers and the market.

- (2) Continue to promote business opportunities for derivative products by strengthening product development projects with the operators.
- (3) Enhance the management efficiency of the plant and continuously optimize the production process and production technology to reduce costs and increase the yield.
- (4) Introduce automation and labor saving in production operations to reduce labor demand.

(II) Sales Forecast and its Basis

Looking ahead to the business climate for the networking equipment manufacturing industry in 2025, from an operational environment perspective, the United Nations forecasts global economic growth to reach 2.8% in 2025, demonstrating stable growth performance. Although numerous global uncertainties remain, including geopolitical tensions and China's economic challenges, it is anticipated that with the completion of inventory destocking by European and American clients and the robust demand for network upgrades, various industries will continue to expand their deployment in emerging fields such as generative AI. This will help drive demand momentum for related networking equipment, propelling positive development in the operational environment of the networking industry.

In terms of industry trends, despite the high investment costs of 5G networks causing telecommunications operators to slow their 5G investments, which has weakened growth momentum in the networking equipment manufacturing sector, the industry continues to benefit from ongoing networking equipment upgrade trends. The generative AI business opportunity has accelerated cloud service providers' expansion of AI data centers, increasing demand for AI servers and related products. This has simultaneously boosted sales performance of mid-to-high-end switches. Additionally, emerging application markets such as low-orbit satellites, drones, electric vehicles, intelligent transportation and smart healthcare continue to expand. Furthermore, with the gradual volume production of new products like Wi-Fi 7 and DOCSIS 4.0, these factors collectively provide favorable momentum for the networking industry's development.

In response to the improving overall business environment, with network upgrades and AI opportunities continuing to gain traction and robust demand for networking equipment in markets such as the United States and India, our company will actively focus on product development and value-added services, while continuing to collaborate with operators on new product development.

## **VI. The strategy and important production and sales policy of the Company for the future**

- (I) We specialize in the manufacturing of communication network equipments and are actively developing towards the digital convergence industry with the concept of digital home.
- (II) We are committed to the establish a perfect production mechanism; effectively reduce labor cost to increase the profitability.
- (III) Focus on product feature development to build product differentiation to avoid price competition in order to win business opportunities.
- (IV) Improve the cost control and shorten the product development cycle.

## **VII. Impact from External competition, regulations and overall business environment**

- (I) Impact from external competition: Product development in the networking industry is changing rapidly, but chip solutions are becoming more readily available, thus lowering the technology threshold; while product innovation is accelerating, if the company takes too long to develop products, it will miss the opportunity to enter the market. In recent years, the

industry's gross profit has been compressed, and the Company needs to continuously reduce costs and improve production efficiency in order to maintain its profitability.

- (II) Impact from the regulatory conditions: The Company complies with government policies and laws, and its finance, auditing and legal departments are well informed of important policy or legal changes in order to comply with regulations and global trends in order to ensure the smooth operation for the Company.
- (III) Impact from the overall business environment: Due to the increasing complexity of the overall business environment, the Company will consider the industry profile and observe the overall economic development when evaluating various resource investments and business strategies, and will integrate internal technology and development resources to seek the best business opportunities.

Thank you all, and we wish all shareholders

All the best!

Board Chairman:  
Chi-Ruei Huang

Manager:  
Ching-Hui Lin

Accounting Supervisor:  
Jing-Yuan Hou

## Two. Corporate governance

### I. Background information of Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and supervisors of various departments and branches

#### (I) Directors and Supervisors:

##### 1. Background of Directors and Supervisors

April 13, 2025																	Unit: Thousand Shares			
Job Title (Note 1)	Nationality or place of domicile	Name	Gender	Date elected / appointed	Term of office	Date first elected (Note 2)	Shareholding as of elected date (Note 6)		Current shareholding (Note 6)		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements (Note 3)	Current positions in the Company and other companies	Spouse or relatives with the second degree of kinship acting as a Director, Supervisor, or other managerial officer			Remarks (Note 4)
							Number of shares	% of Ownersh ip	Number of shares	% of Ownersh ip	Number of shares	% of Ownership	Number of shares	% of Ownersh hip			Job Title	Name	Relati onship	
Chairman	R.O.C.	Chi-Jui Huang	Male C	June 14, 2022	3 years	June 20, 1998	11,565	3.64%	11,565	3.64%	1,774	0.56%	0	0.00%	Department of Accounting, Soochow University President, Zinwell Corporation	Chairman of the Company Chairman of ZINWELL CORPORATION (H.K.) LIMITED Chairman of Shumu International Co., Ltd. (樹木國際(股)公司) Chairman of ZINWELL HOLDING (SAMOA) CORPORATION Director of ZINWELL ELECTRONIC (SHENZHEN) CO., LTD. Juristic-Person Chairman of AkiraNET Co.	(Note 5)	(Note 5)	(Note 5)	-
Vice Chairman	R.O.C.	Hung-Chi Hsiao	Male B	June 14, 2022	3 years	June 20, 1998	8,832	2.78%	8,832	2.78%	203	0.06%	0	0.00%	Graduated from Department of Computer Science, Tamsui Institute of Business Administration Vice President, Zinwell Corporation	Vice Chairman of the Company	—	—	—	-
Director	R.O.C.	Ching-Hui Lin	Male B	June 14, 2022	3 years	June 20, 1998	6,574	2.07%	6,574	2.07%	0	0.00%	0	0.00%	Graduated from Department of Electrical Engineering, Minghsin University of Science and Technology Manager of MTI, Inc.	President of the Company President of ZINWELL CORPORATION (H.K.) LIMITED Director of ZINWELL ELECTRONIC (SHENZHEN) CO., LTD.	—	—	—	-
Director	R.O.C.	Chi-Nan Huang	Male C	June 14, 2022	3 years	June 20, 1998	3,634	1.14%	3,634	1.14%	0	0.00%	0	0.00%	Graduated from National Chia-Yi Industrial Vocational High School R&D Deputy Manager of Yong Le Electronics Co., Ltd. (永樂電子(股)公司) R&D Section Manager of Wang Le Electronics Co., Ltd. (萬樂電子(股)公司)	Assistant Vice President, Chairman Office of the Company Director of B1-MEDIA CORP. (Note 8) Director of Shumu International Co., Ltd. (樹木國際(股)公司) Supervisor of AkiraNET Co.	(Note 6)	(Note 6)	(Note 6)	-
Director	R.O.C.	Chi-An Huang	Male B	June 14, 2022	3 years	June 20, 1998	3,064	0.96%	3,064	0.96%	0	0.00%	0	0.00%	Graduated from Sieh Chih Vocational High School Vice President, Zinwell Corporation	Vice President of Jiatai Plant of the Company Director of Shumu International Co., Ltd. (樹木國際(股)公司)	(Note 6)	(Note 6)	(Note 6)	-

Job Title (Note 1)	Nationality or place of domicile	Name	Gender	Date elected / appointed	Term of office	Date first elected (Note 2)	Shareholding as of elected date (Note 6)		Current shareholding (Note 6)		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements (Note 3)	Current positions in the Company and other companies	Spouse or relatives with the second degree of kinship acting as a Director, Supervisor, or other managerial officer			Remarks (Note 4)
							Number of shares	% of Ownersh ip	Number of shares	% of Ownersh ip	Number of shares	% of Ownership	Numb er of shares	% of Ownersh ip			Job Title	Name	Relati onship	
Director	R.O.C.	I-Chuan Lin	Male B	June 14, 2022	3 years	June 20, 1998	946	0.30%	946	0.30%	0	0.00%	0	0.00%	Undergraduate, Department of Industrial and Information Management, National Cheng Kung University Chairman of TOPDEK INC.	Chairman of TOPDEK INC.	—	—	—	-
Director	R.O.C.	Yu-Hsing Liang (Note 7)	Male B	June 14, 2022	3 years	June 20, 1998	553	0.17%	384	0.12%	18	0.01%	0	0.00%	Graduated from Department of Electrical Engineering Lead Engineer of MTI, Inc. Senior Engineer of BEHAVIOR TECH COMPUTER CORP.	Vice President of 1st R&D Division of the Company	—	—	—	-
Director	R.O.C.	Wen-Hsieng Chiang	Male B	June 14, 2022	3 years	May 2, 2001	487	0.15%	487	0.15%	0	0.00%	0	0.00%	Graduated from Department of Electrical Engineering, Minghsin University of Science and Technology Sales Engineer of MTI, Inc.	Vice President of 1st Business Division of the Company	—	—	—	-
Director	R.O.C.	Wen-Shun Ho	Male A	June 14, 2022	3 years	June 17, 2010	50	0.02%	50	0.02%	0	0.00%	0	0.00%	Graduated from Department of Business Administration, Feng Chia University Financial Dept., NANKANG RUBBER TIRE CORP., LTD.	Special Assistant of Chairman's Office Juristic-Person Director of AkiraNET Co.	—	—	—	-
Director	R.O.C.	Chien-Cheng Wu (Note 7)	Male A	June 14, 2022	3 years	June 14, 2016	498	0.16%	248	0.08%	0	0.00%	0	0.00%	DREXEL U.MBA Sales Engineer of MTI, Inc.	Vice President of 2nd Business Division of the Company	—	—	—	-
Independent Director	R.O.C.	Ming-Yo Huang	Male C	June 14, 2022	3 years	June 14, 2016	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Graduated from Department of Accounting, Soochow University Vice President and CPA of PwC Taiwan Vice Chairman of PRICEWATERHOUSECOOPERS MANAGEMENT CONSULTING COMPANY LTD. Director of 2nd Term and Supervisor of 2nd Term of 1st Taiwan CPA Association, ROC	Chairman of Chuan Cheng Investment Consulting Co., Ltd. (傳誠投資顧問(股)公司) Chairman of Chuan Cheng Wang Wang Investment Limited Company (傳誠旺旺投資有限公司) Independent Director of Hotai Finance Corporation Independent Director of Taroko Co., Ltd. Independent Director of Solomon Technology Corporation Director of ASCENT DEVELOPMENT CO., LTD. Director of JOLLIFY4EVER LTD. Director of Jollify Creative, Ltd.. Director of Bole Film	—	—	—	-

Job Title (Note 1)	Nationality or place of domicile	Name	Gender	Date elected / appointed	Term of office	Date first elected (Note 2)	Shareholding as of elected date (Note 6)		Current shareholding (Note 6)		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements (Note 3)	Current positions in the Company and other companies	Spouse or relatives with the second degree of kinship acting as a Director, Supervisor, or other managerial officer			Remarks (Note 4)
							Number of shares	% of Ownersh ip	Number of shares	% of Ownersh ip	Number of shares	% of Ownership	Numb er of shares	% of Owners hip			Job Title	Name	Relati onship	
Independe nt Director	R.O.C.	Chien-Te Liu	Male B	June 14, 2022	3 years	June 14, 2016	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Graduated from Department of Mechanical Engineering, National Cheng Kung University Guangzhou Synerchip Technology Co, Ltd. Chairman of Greater China	Guangzhou Synerchip Technology Co, Ltd. Chairman of Greater China	—	—	—	-
Independ ent Director	R.O.C.	Jun-Cheng Chen	Male A	June 14, 2022	3 years	June 14, 2016	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Graduated from Accounting department, Feng Chia University Graduated from graduate school, department of history, Tamkang University Deputy general manager of The CID Group Supervisor of Flexium Interconnect, Inc. Director of Taiwan Taxi Co., LTD.	Independent director of Asia vital components Co., Ltd The representative of juridical person of Bosssdom Digiinnovation Co., Ltd. Supervisor of Han Yi Investment Co., Ltd. Chairman of TFAT AUDIO LTD. Chairman of WSapc Ltd.	-	-	-	-

Note 1: Where are representatives of corporate shareholders, the names of corporate shareholders are displayed, and please complete the following form: N/A.

Note 2: Actual age is expressed in intervals, A: 51 to 60, B: 61 to 70, C: 71 to 80.

Note 3: The Company elected the directors of 13th Board and also established the Audit Committee to replace supervisors on June 14, 2016. The supervisors were discharged after the new directors take office.

Note 4: Previous work experiences relating to their current roles; if the person worked in an auditor's firm or in an affiliated company during the aforementioned time period, the job title and responsibilities must be provided.

Note 5: Whether the Chairman and President or equivalent (the supreme management) of the Company are the same person, spouses, or relatives within the first degree of kinship: None.

Note 6: Chairman Chi-Ruei Huang, Director Chi-Ruei Huang and Director Chi-An Huang are brothers.

Note 7: Director – Yu-Hsing Liang resigned on March 31st, 2024. Director Chien-Cheng Wu was naturally discharged from office on August 2, 2024.

2. Major shareholders of corporate shareholders :

April 13, 2025

Name of corporate shareholder	Major shareholders of corporate shareholders
None	

3. The major shareholders of any major shareholder that is a juristic person

April 13, 2025

Name of the juristic person	Major shareholders of the juristic person
None	

4. Professional qualifications of directors and information on independence of independent directors

Conditions Name	Professional qualifications and experiences (Note 1)	Independence situation (Note 2)	Number of other public companies that one also serves as an independent director
Chairman Chi-Jui Huang	With more than five years of work experience required by the Company's business, currently serves as the chairman of the Company, the chairman of Zinwell Corporation (H.K.) Limited, the chairman of Shumu international corporation limited, the chairman of ZINWELL HOLDING (SAMOA) CORPORATION, the director of ZINWELL HOLDING (Shenzhen) CORPORATION, the chairman of juridical person of AkiraNET Company, and not in contravention of Article 30 of the Company Act.	Not an independent director, not applicable.	None
Director Hung-Chi Hsiao	With more than five years of work experience required by the Company's business, currently serves as the vice chairman of the Company, and not in contravention of Article 30 of the Company Act.	Not an independent director, not applicable.	None
Director Ching-Hui Lin	With more than five years of work experience required by the Company's business, currently serves as the general manager of the Company, the general manager of Zinwell Corporation (H.K.) Limited, and the director of Zinwell Holding (Shenzhen) Corporation, and not in contravention of Article 30 of the Company Act.	Not an independent director, not applicable.	None
Director Chi-Nan Huang	With more than five years of work experience required by the Company's business, currently serves as the senior manager in the chairman's office of the Company, the director of Shumu international corporation limited, the supervisor of AkiraNET Company, and not in contravention of Article 30 of the	Not an independent director, not applicable.	None



	Company Act.		
Director Chi-An Huang	With more than five years of work experience required by the Company's business, currently serves as the deputy general manager of Jiatai plant of the Company, the director of Shumu international corporation limited, and not in contravention of Article 30 of the Company Act.	Not an independent director, not applicable.	None
Director I-Chuan Lin	With more than five years of work experience required by the Company's business, currently serves as the chairman of TOPDEK INC, and not in contravention of Article 30 of the Company Act.	Not an independent director, not applicable.	None
Director Yu-Hsing Liang	With more than five years of work experience required by the Company's business, currently serves as the deputy general manager of the first research and development department of the Company, and not in contravention of Article 30 of the Company Act.	Not an independent director, not applicable.	None
Director Wen-Hsieng Chiang	With more than five years of work experience required by the Company's business, currently serves as the deputy general manager of the first business department of the Company, and not in contravention of Article 30 of the Company Act.	Not an independent director, not applicable.	None
Director Wen-Shun Ho	With more than five years of work experience required by the Company's business, currently serves as the special assistant of chairman's office of the Company. The juridical person director of AkiraNET Company, and not in contravention of Article 30 of the Company Act.	Not an independent director, not applicable.	None
Director Chien-Cheng Wu	With more than five years of work experience required by the Company's business, currently serves as the deputy general manager of the second business department of the Company, and not in contravention of Article 30 of the Company Act.	Not an independent director, not applicable.	None

Independent Director Ming-Yo Huang	With more than five years of work experience required by the Company's business, graduated from the accounting department, Soochow University, was the deputy chairman and the certified public accountant of PricewaterhouseCoopers Taiwan, the deputy chairman of PricewaterhouseCoopers Management Consulting Company Ltd., the director of the first and the second CPA Associations of R.O.C. Taiwan, and the supervisor of the second CPA Associations of R.O.C. Taiwan, and not in contravention of Article 30 of the Company Act.	Meet the independence status: 1. The person, the spouse, or relatives within the second degree of kinship do not serve as directors, supervisors or employees of the Company or any of its affiliated companies. 2. The person, the spouse, relatives within the second degree of kinship (or by the person under others' names) do not hold the number and proportion of the Company's shares. 3. Not serving as a director, supervisor or an employee of a company that has a specific relationship with the Company (which meets Subparagraphs 5 to 8 of Paragraph 1 of Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. Have not been receiving the amount of remuneration from the Company or its affiliates for the last 2 years for providing services such as business, legal, financial, accounting.	3
Independent director Chien-Te Liu	With more than five years of work experience required by the Company's business, graduated from the mechanical engineering department of Cheng Kung University, currently serves as the chairman of greater China of Guangzhou Synerchip Electronic Technology Co., Ltd., and not in contravention of Article 30 of the Company Act.		None
Independent director Jun-Cheng, Chen	With more than five years of work experience required by the Company's business, graduated from the accounting department, Feng Chia University, and graduate school, department of history, Tamkang University, was the deputy general manager of The CID Group, and the supervisor of Flexium Interconnect, Inc., and not in contravention of Article 30 of the Company Act.		1

Note 1: Professional Qualification and Experience: State the professional qualifications and experience of individual directors and supervisors. If they are members of the audit committee and have accounting or financial expertise, they should state their accounting or financial background and work experience, and also state whether they meet conditions in Article 30 of the Company Act or not.

Note 2: Independent directors shall state their independence status, including but not limited to whether they, their spouse, or relatives within the second degree of kinship are the directors, supervisors or employees of the Company or its affiliated companies; the number and proportion of the company's shares held in the name of another person; the number and proportion of the Company's shares held by themselves, their spouse, relatives within the second degree of kinship (or by the person under others' names); whether to serve as a director, supervisor or an employee of a company that has a specific relationship with the Company (which meets Subparagraphs 5 to 8 of Paragraph 1 of Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.

5. The diversification and the independence of the board of directors:

(1) The diversification of the board of directors:

Based on the div to strengthen t evaluatThe composition of the board of directors, shall formulate an appropriate diversity policy for its operation, operation type and development needs, including but not limited to the following:

1. Basic conditions and values: gender, age, nationality and culture.
2. Professional knowledge and skills: operational judgment ability, accounting and financial analysis ability, business management ability, crisis management ability, industry knowledge, leadership and decision-making ability. The current board of directors of the Company consists of 11 directors. The specific management objectives of the diversification policy of the composition of the board of directors are as follows:

The core of diversification		Basic Composition					Professional Background					Professional knowledge and skill					
		Nationality	Gender	Also serve as an employee of the Company	Age			Accounting	Industry	Finance	Technology	Operation judgement ability	Operation management ability	leadership and decision-making ability	Crisis management ability	Industry knowledge	The view of international market
					Age from 51 to 60	Age from 61 to 70	Age from 71 to 80										
Name																	
Director	Chi-Jui Huang	Republic of China	Male	v		v	v	v	v	v	v	v	v	v	v	v	v
	Hung-Chi Hsiao		Male	v		v		v		v	v	v	v	v	v	v	
	Ching-Hui Lin		Male	v		v		v		v	v	v	v	v	v	v	
	Chi-Nan Huang		Male	v		v		v		v	v	v	v	v	v	v	
	Chi-An Huang		Male	v		v		v		v	v	v	v	v	v	v	
	I-Chuan Lin		Male			v		v		v	v	v	v	v	v	v	
	Yu-Hsing Liang (Note 1)		Male	v		v				v	v	v	v	v	v	v	
	Wen-Hsieng Chiang		Male	v		v				v	v	v	v	v	v	v	
	Wen-Shun Ho		Male	v	v			v	v	v	v	v	v	v	v	v	
	Chien-Cheng Wu (Note 1)		Male	v	v					v	v	v	v	v	v	v	
Independent Director	Ming-Yo Huang	Male			v	v	v	v	v	v	v	v	v	v	v	v	
	Chien-Te Liu	Male			v			v		v	v	v	v	v	v	v	
	Jun-Cheng, Chen	Male		v			v	v	v	v	v	v	v	v	v	v	

Note 1: Director – Yu-Hsing Liang resigned on March 31st, 2024. Director Chien-Cheng Wu was naturally discharged from office on August 2, 2024.

The Company values gender equality in the composition of the Board of Directors and aims to increase the proportion of female directors to above one-third (33%). Currently, all 11 members of the Board are male, accounting for 100%, while there are no female members, accounting for 0%. The Company will make every effort to increase female representation on the Board to achieve this goal.

- (2) Independence of the Board of Directors: There are eleven members on the current board of directors (including three independent directors) of the Company. As of the end of 2024, the independent directors were all in compliance with the regulations of the Securities and Futures Bureau of the Financial Supervisory Commission on independent directors. There are no conditions of items 3 and 4 of Article 26-3 of the Securities and Exchange Act between the directors and independent directors. The board of directors of the Company is independent (please refer to page 8 to 10 of this annual report – information disclosure on the professional qualifications of the directors and the independence of independent directors). Directors' educational background, gender and work experience (please refer to page 4 to 6 of this annual report – information of the directors).

## (II) Background Information of the President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branch Offices

Unit: shares

April 13, 2025

Title (Note 1)	Nationality	Name	Gender	Date elected / appointed	Shareholding Under Own Name		Shares held by spouse and underage children		Shares held in the names of others		Major academic and work experience (Note 2)	Concurrent positions in other companies	Spouse or relatives within the second degree of kinship acting as managers			Remarks (Note 3)
					Number of shares	% of Ownership	Number of shares	% of Ownership	Number of shares	% of Ownership			Title	Name	Relationship	
President	R.O.C.	Ching-Hui Lin	Male	November 1, 1998	6,574,132	2.07%	0	0.00%	0	0.00%	Graduated from Department of Electrical Engineering, Minghsin University of Science and Technology Manager of MTI, Inc. President, Zinwell Corporation	President of ZINWELL CORPORATION (H.K.) LIMITED Director of ZINWELL ELECTRONIC (SHENZHEN) CO., LTD.	-	-	-	-
Vice President of Chiayi Plant	R.O.C.	Chi-An Huang	Male	March 27, 2003	3,064,161	0.96%	0	0.00%	0	0.00%	Graduated from Sieh Chih Vocational High School Vice President, Zinwell Corporation	Director of Shumu International Co., Ltd. (樹木國際(股)公司)	Assistant Vice President of Chairman Office	Chi-Nan Huang	Brothers	-
Vice President of 1st R&D Division	R.O.C.	Yu-Hsing Liang (Note 4)	Male	March 27, 2003	384,352	0.12%	18,249	0.01%	0	0.00%	Graduated from Department of Electrical Engineering Senior Engineer of BEHAVIOR TECH COMPUTER CORP. Lead Engineer of MTI, Inc. Vice President of 1st R&D Division, Zinwell Corporation	None	-	-	-	-
Assistant Vice President of Chairman Office	R.O.C.	Chi-Nan Huang	Male	March 27, 2003	3,634,019	1.14%	0	0.00%	0	0.00%	Graduated from National Chia-Yi Industrial Vocational High School R&D Deputy Manager of Yong Le Electronics Co., Ltd. (永樂電 子(股)公司) R&D Section Manager of Wang Le Electronics Co., Ltd. (萬樂電 子(股)公司) Assistant Vice President, Chairman Office of Zinwell Corporation	Director of Shumu International Co., Ltd. (樹木國際(股)公司) Supervisor of AkiraNET Co.	Vice President of Chiayi Plant	Chi-An Huang	Brothers	—
Vice President of 1st Business Division	R.O.C.	Wen-Hsien Chiang	Male	March 27, 2003	487,295	0.15%	0	0.00%	0	0.00%	Graduated from Department of Electrical Engineering, Minghsin University of Science and Technology Sales Engineer of MTI, Inc. Vice President of 1st Business Division, Zinwell Corporation	None	-	-	-	-

Title (Note 1)	Nationality	Name	Gender	Date elected / appointed	Shareholding Under Own Name		Shares held by spouse and underage children		Shares held in the names of others		Major academic and work experience (Note 2)	Concurrent positions in other companies	Spouse or relatives within the second degree of kinship acting as managers			Remarks (Note 3)
					Number of shares	% of Ownership	Number of shares	% of Ownership	Number of shares	% of Ownership			Title	Name	Relationship	
Assistant Vice President of Operations Management Center	R.O.C.	Cheng-Yi Cheng	Male	March 27, 2003	21,533	0.01%	0	0.00%	0	0.00%	Graduated with a Master's degree in Computer Science and Information Engineering from Asia University. QA Section Head of Ya Qing Electronics Co. Ltd. (雅慶電子 公司) Biotech Section Head of Everspring Industry Co., Ltd. Assistant Vice President, Operations Management Center of Zinwell Corporation	None	-	-	-	-
Vice President, 2nd Business Division	R.O.C.	Chien-Cheng Wu	Male	March 27, 2003	248,079	0.08%	5	0.00%	0	0.00%	DREXEL U.MBA Sales Engineer of MTI, Inc. 2nd Business Division of Zinwell Corporation Vice President	None	-	-	-	-
Vice President, 3rd Business Division	R.O.C.	Hsin-Chou Wu	Male	April 1, 2014	20,281	0.01%	0	0.00%	0	0.00%	Graduated with a Master of Business Administration from National Taiwan University Assistant Vice President, 3rd Business Division of Zinwell Corporation	None	-	-	-	-
Assistant Vice President of Procurement Division	Republic of China	Yin-lin Lo	Male	April 1, 2022	0	0.00%	0	0.00%	0	0.00%	Graduate school of the chemistry application department, Tunghai University Assistant manager of production management department of Universal scientific industrial Co., Ltd. Manager of electronic material department of Fupuo electronics corporation Production supervisor engineering plastics plant of Nan Ya Plastics Corporation Assistant Vice President of Procurement Division of Zinwell corporation	None	-	-	-	-
Assistant Vice President of President Office	R.O.C.	Chuang-Jun Qiu	Male	August 1, 2021	50,955	0.02%	0	0.00%	0	0.00%	Graduated from Department of Electrical Engineering, Minghsin University of Science and Technology Assistant Vice President, President Office of Zinwell Corporation	GENERAL MANAGER OF ZINWELL ELECTRONIC (SHENZHEN) CO., LTD.	-	-	-	-

Title (Note 1)	Nationality	Name	Gender	Date elected / appointed	Shareholding Under Own Name		Shares held by spouse and underage children		Shares held in the names of others		Major academic and work experience (Note 2)	Concurrent positions in other companies	Spouse or relatives within the second degree of kinship acting as managers			Remarks (Note 3)
					Number of shares	% of Ownership	Number of shares	% of Ownership	Number of shares	% of Ownership			Title	Name	Relationship	
Assistant Vice President of 2nd R&D Division	R.O.C.	Shu-Chi Wang	Male	April 1, 2013	109,682	0.03%	0	0.00%	0	0.00%	Graduated from Department of Electrical Engineering, National Taiwan University of Science and Technology Assistant Vice President, 2nd R&D Division of Zinwell Corporation	None	-	-	-	-
Vice President of 3rd R&D Division	R.O.C.	Yu-Kung Tsai	Male	October 3, 2022	42,000	0.01%	0	0.00%	0	0.00%	Department of Electrical and Computer Engineering, Tamkang University Manager of Kai Liang Co., Ltd. (鎔聯(股)) Vice President of 3st R&D Division, Zinwell Corporation	None	-	-	-	-
Assistant Vice President of Operations Management Center	R.O.C.	Pei-Hung Tsai	Male	September 1, 2015	43,383	0.01%	0	0.00%	0	0.00%	Graduated from Department of Mechanical Engineering, National Chin-Yi University of Technology Assistant Vice President, Operations Management Center of Zinwell Corporation	None	-	-	-	-
Assistant Vice President of 1st R&D Division	R.O.C.	Shang-Jun Zhao (Note 4)	Male	April 1, 2024	0	0.00%	0	0.00%	0	0.00%	Graduate school of Department of optical sciences, National Central University Assistant Vice President, 1st R&D Division of Zinwell Corporation	None	-	-	-	-

Note 1: Include background information of the President, Vice Presidents, Assistant Vice Presidents, heads of various departments and branches, and anyone of equivalent authority to the above, regardless of their job titles.  
Note 2: Previous work experiences relating to their current roles; if the person worked in an auditor's firm or in an affiliated company during the aforementioned time period, the job title and responsibilities must be provided.  
Note 3: If the Chairman and President or equivalent (the supreme management) of the Company are the same person, spouses or relatives within 1st degree of kinship, disclosed the reason, rationality, necessity and responsive measures (e.g. Increasing the seats of independent director, and a majority of directors prohibited from serving as employees or managers concurrently).  
Note 4: Vice President – Yu-Hsing Liang retired on March 31st, 2024. Assistant Vice President – Shang-Jun Zhao took office on April 1st, 2024.

## II. Remuneration paid to directors, supervisors, President, and Vice Presidents in the most recent year

### 1. Director

(1) Remuneration to Directors and Independent Directors(disclosure of individual director's name and remuneration)

April 13, 2025

Unit: NT\$ Thousand

Title	Name (Note 1)	Remuneration to directors								Sum of A, B, C, and D as percentage of net income (Note 10)		Employee remuneration received by directors								The sum of A, B, C, D, E, F, and G as a percentage of net income (Note 10)		Remuneration from investees other than subsidiaries, or parent company (Note 11)
		Remuneration (A) (Note 2)		Retirement Pension (B)		Director remuneration (C) (Note 3)		Fees for services rendered (D) (Note 4)				Salaries, bonuses, special allowances etc (E) (Note 5)		Retirement pension (F)		Employee remuneration (G)(Note 6)						
		The Company	All companies included in the consolidated statements (Note 7)	The Company	All companies included in the consolidated statements (Note 7)	The Company	All companies included in the consolidated statements (Note 7)	The Company	All companies included in the consolidated statements (Note 7)	The Company	All companies included in the consolidated statements (Note 7)	The Company	All companies included in the consolidated statements (Note 7)	The Company	All companies included in the consolidated statements (Note 7)	Cash	Stock	Cash	Stock	The Company	All companies included in the consolidated statements (Note 7)	
Director	Chi-Jui Huang	600	600	0	0	0	0	0	0	0	0	2,676	2,676	36	36	0	0	0	0	0	0	None
Director	Hung-Chi Hsiao	600	600	0	0	0	0	0	0	0	0	2,016	2016	28	28	0	0	0	0	0	0	None
Director	Ching-Hui Lin	600	600	0	0	0	0	0	0	0	0	3,208	3208	142	142	0	0	0	0	0	0	None
Director	Chi-An Huang	600	600	0	0	0	0	0	0	0	0	2,347	2347	27	27	0	0	0	0	0	0	None
Director	Chi-Nan Huang	600	600	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
Director	I-Chuan Lin	600	600	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
Director	Yu-Hsing Liang (Note A)	150	150	0	0	0	0	0	0	0	0	351	351	30	30	0	0	0	0	0	0	None
Director	Wen-Hsieng Chiang	600	600	0	0	0	0	0	0	0	0	1,912	1912	113	113	0	0	0	0	0	0	None
Director	Wen-Shun Ho	600	600	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
Director	Chien-Cheng Wu (Note A)	350	350	0	0	0	0	0	0	0	0	1,962	1962	110	110	0	0	0	0	0	0	None
Independent Director	Ming-Yu Huang	600	600	0	0	0	0	14	14	0	0	0	0	0	0	0	0	0	0	0	0	None
Independent Director	Chien-Te Liu	600	600	0	0	0	0	14	14	0	0	0	0	0	0	0	0	0	0	0	0	None
Independent Director	Jun-Cheng Chen	600	600	0	0	0	0	14	14	0	0	0	0	0	0	0	0	0	0	0	0	None



1. Please state the policies, systems, standards and structure of remuneration to independent directors, and the relations between the remuneration and the job responsibility, risk and engagement hours borne by the independent directors:
2. Compensation received by Directors for providing service to any company included in the Consolidated Financial Statements (e.g. consultancy service without the title of an employee) in the last year except those disclosed in the above table: None.

Note A : Director – Yu-Hsing Liang resigned on March 31st, 2024. Director Chien-Cheng Wu was naturally discharged from office on August 2, 2024.

Remuneration scale table

Breakdown of remuneration to directors (NT\$)	Directors			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies included in the consolidated statements (Note 9) H	The Company (Note 8)	All companies included in the consolidated statements (Note 9) I
Below 1,000,000	Chi-Jui Huang, Hung-Chi Hsiao, Chi-An Huang, Chi-Nan Huang, Yu-Hsing Liang, Wen-Hsien Chiang, Wen-Shun Ho, I-Chuan Lin, Ching-Hui Lin, Chien-Cheng Wu, Ming-YU Huang, Chien-Te Liu and Jun-Cheng Chen 13 persons	Chi-Jui Huang, Hung-Chi Hsiao, Chi-An Huang, Chi-Nan Huang, Yu-Hsing Liang, Wen-Hsien Chiang, Wen-Shun Ho, I-Chuan Lin, Ching-Hui Lin, Chien-Cheng Wu, Ming-YU Huang, Chien-Te Liu and Jun-Cheng Chen 13 persons	I-Chuan Lin, Yu-Hsing Liang, Ming-Yu Huang, Chien-Te Liu, Jun-Cheng Chen 5 persons	I-Chuan Lin, Yu-Hsing Liang, Ming-Yu Huang, Chien-Te Liu, Jun-Cheng Chen 5 persons
1,000,000 (inclusive) ~ 2,000,000 (exclusive)	0 person	0 person	0 person	0 person
2,000,000 (inclusive) ~ 3,500,000 (exclusive)	0 person	0 person	Chi-Jui Huang, Hung-Chi Hsiao, Chi-An Huang, Chi-Nan Huang, Wen-Hsien Chiang, Wen-Shun Ho, Chien-Cheng Wu 7 persons	Chi-Jui Huang, Hung-Chi Hsiao, Chi-An Huang, Chi-Nan Huang, Wen-Hsien Chiang, Wen-Shun Ho, Chien-Cheng Wu 7 persons
3,500,000 (inclusive) ~ 5,000,000 (exclusive)	0 person	0 person	Ching-Hui Lin, 1 person	Ching-Hui Lin, 1 person
5,000,000 (inclusive) ~ 10,000,000 (exclusive)	0 person	0 person	0 person	0 person
10,000,000 (inclusive) ~ 15,000,000 (exclusive)	0 person	0 person	0 person	0 person
15,000,000 (inclusive) ~ 30,000,000 (exclusive)	0 person	0 person	0 person	0 person
30,000,000 (inclusive) ~ 50,000,000 (exclusive)	0 person	0 person	0 person	0 person
50,000,000 (inclusive) ~ 100,000,000 (exclusive)	0 person	0 person	0 person	0 person
Over 100,000,000	0 person	0 person	0 person	0 person
Total	13 persons	13 person	13 person	13 persons

Note 1: Directors' names are presented separately (for corporate shareholders, the name of the corporate shareholder and its representatives are stated separately), whereas the amount of benefits and allowances are presented in aggregate sums. Any Directors who co-headed the President or Vice President positions are disclosed in this table and

in Table (3-1) or (3-2) below.

Note 2: Refers to Director's remuneration in the last year (including salaries, allowances, severance pay, various bonuses and incentives, etc.).

Note 3: Represents the amount of directors' remuneration that the board has approved as part of the latest earnings appropriation.

Note 4: Refers to compensations for services rendered (including travel, special allowances, various subsidies, accommodation, corporate vehicle and other in-kind benefits). Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the remuneration paid to the above beneficiaries.

Note 5: Refers to any salaries, allowances, severance pay, bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, vehicles and in-kind benefits that the director received in the last year for assuming the role of a company employee (such as President, Vice President, manager or other employee). Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the remuneration paid to the above beneficiaries. Part of the salary expense was recognized according to IFRS2 - "Share-based Payment." Amounts including employee stock options, RSAs and subscription to cash issues are treated as remuneration.

Note 6: Refers to any compensation that the director received (in cash or in shares) in the last year for assuming the role of an employee (such as President, Vice President, manager or other employees). The amount of employee compensation proposed by the board of directors in the last year has been disclosed (where the amount could not be estimated, the actual amount paid in the last year was presented instead). Table 1-3 has also been completed for reference.

Note 7: The disclosure includes all companies covered by the consolidated financial statements (including the Company), and represents total amount of remuneration paid by all companies above to the Company's directors.

Note 8: The amount of remuneration paid by the Company to each director has been disclosed in ranges.

Note 9: The details represent the range of remuneration paid by the consolidated entity (including the Company) to each director.

Note 10: Net income refers to that in the most recent year. If IFRSs have been adopted, net income shall refer to the amount of after-tax profit shown in the latest financial reports of the consolidated/standalone entity: Not applicant, as the Company suffers loss in the current period.

Note 11: a. This field represents all forms of remuneration the Director has received from the Company's invested businesses other than subsidiaries or parent company (If none, please specify "None".)

b. For directors who received remuneration from invested businesses other than subsidiaries, amounts received from these invested businesses have been added to column I of the remuneration brackets table. In which case, column I will be renamed " Parent Company and All Invested Businesses".

c. Remuneration refers to any returns, compensation (including compensations received as an employee, director and supervisor) and professional service fees which the Company's directors received for serving as directors, supervisors or managers in invested businesses other than subsidiaries , or parent company.

\*The basis of remuneration disclosed above is different according to the basis of the Income Tax Act; hence the above table has been prepared solely for information disclosure, and not for tax purpose.

2. **Remuneration to Supervisors: Not applicable, as the Company established the Audit Committee in replace of supervisors and abolished the supervisor system in 2016.**

3. **Remuneration to the President and Vice Presidents (individual disclosure by name and amount):**

April 13, 2025

Unit: NTD thousands

Title	Name	Salary (A) (Note 2)		Retirement Pension (B)		Salaries, Bonuses and Allowances (C) (Note 3)		Employee remuneration (D) (Note 4)(Note B)				The sum of A, B, C and D as a percentage of after-tax profit (%) (Note 8)		Remuneration from invested businesses other than subsidiaries (Note 9)
		The Company	All companies included in the consolidat ed statements (Note 5)	The Compan y	All companies included in the consolidat ed statements (Note 5)	The Compan y	All companies included in the consolidat ed statements (Note 5)	The Company		All companies included in consolidated statements (Note 5)		The Company	All companies included in consolidated statements (Note 5)	
								Cash	Stock	Cash	Stock			
President	Ching-Hui Lin	3,208	3,208	142	142	0	0	0	0	0	0	0	0	None
Vice President of Jiatai Plant of the Company	Chi-An Huang	2,347	2,347	27	27	0	0	0	0	0	0	0	0	None
Vice President of 1st R&D Division	Yu-Hsing Liang (Note A)	351	351	30	30	0	0	0	0	0	0	0	0	None
Vice President of 3rd R&D Division	Yu-Kung Tsai	1,836	1,836	110	110	0	0	0	0	0	0	0	0	None
Vice President of 1st Business Division	Wen-Hsien Chiang	1,912	1,912	113	113	0	0	0	0	0	0	0	0	None
Vice President of 2nd Business Division	Chien-Cheng Wu	1,962	1,962	110	110	0	0	0	0	0	0	0	0	None
Vice President of 3rd Business Division	Hsin-Chou Wu	1,882	1,882	110	110	0	0	0	0	0	0	0	0	None

Note A : Vice President – Yu-Hsing Liang retired on March 31st, 2024.

Note 1: The names of President and Vice Presidents are required to be presented separately; the amount of payments made can be presented in aggregate sums. Any directors who co-headed the President or Vice President positions are disclosed in this table and in Table (1-1) or (1-2-1) & (1-2-2) below.

Note 2: Refers to salaries, allowances, and severance pay made to the President and Vice Presidents in the last year.

Note 3: Refers to other compensation such as bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, corporate vehicles or other in-kind benefits made to the President and Vice Presidents. Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the remuneration paid to the above beneficiaries. Part of the salary expense was recognized according to IFRS2 - "Share-based Payment." Amounts including employee stock options, RSAs and subscription to cash issues are treated as remuneration.

Note 4: Represents the amount of employee compensation distributed to the President and Vice Presidents (in cash or in shares), which the Board of Directors has passed as part of the most recent earnings appropriation (where the amount could not be estimated, a calculation was made based on last year's payout ratio). Table 1-3 has been prepared in addition to the above details.

Note 5: Remuneration is presented in aggregate of all amounts paid by all companies covered by the consolidated financial statements (including the Company) to the Company's President/Vice Presidents.

Note 6: The amount of remuneration made by the Company to its President/Vice Presidents has been disclosed separately in ranges.

Note 7: The disclosure includes the sum of amounts paid by the consolidated entity (including the Company) to the Company's President/Vice Presidents; the names of President/Vice Presidents have been disclosed separately in ranges.

Note 8: After-tax profit refers to the amount of profit shown in the latest financial reports of the consolidated/standalone entity.

Note 9:

- a. This field represents all forms of remuneration the Company's President and Vice President have received from the Bank's invested businesses other than subsidiaries or parent company (If none, please specify "None".)
- b. President/Vice Presidents who receive remuneration from invested businesses other than subsidiaries, the amount of remuneration from these invested businesses have been added to column E of the Remuneration Brackets Table. In this case, column E will be renamed "Parent Company and All Invested Businesses".
- c. Remuneration refers to any returns, remuneration (including remunerations received as an employee, director and supervisors) and professional service fees which the Company's President/Vice Presidents received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries, or parent company.

\*The basis of remuneration disclosed above is different according to the basis of the Income Tax Act; hence the above table has been prepared solely for information disclosure, and not for tax purpose.

#### 4. Remuneration to Top 5 senior managers

(4-1) Remuneration to Top 5 senior managers (the name and remuneration of each senior manager is disclosed individually):

Job Title	Name	Salary (A) (Note 2)		Retirement Pension (B)		Salaries, Bonuses and Allowances (C) (Note 3)		Employee remuneration (D) (Note 4)				The sum of A, B, C and D as a percentage of after-tax profit (%) (Note 6)		Remuneration from invested businesses other than subsidiaries (Note 7)
		The Compan y	All compani es included in the consolid ated statemen ts (Note 5)	The Compa ny	All compani es included in the consolid ated statemen ts (Note 5)	The Compa ny	All compani es included in the consolid ated statemen ts (Note 5)	The Company		All companies included in consolidated statements (Note 5)		The Compan y	All compani es included in the consolid ated statemen ts	
								Cash	Stock	Cash	Stock			
President	Ching-Hui Lin	3,208	3,208	142	142	0	0	0	0	0	0	0	0	None
Vice President of Jiatai Plant of the Company	Chi-An Huang	2,347	2,347	27	27	0	0	0	0	0	0	0	0	None
Vice President of 1st Business Division	Wen-Hsie n Chiang	1,912	1,912	113	113	0	0	0	0	0	0	0	0	None
Vice President of 2nd Business Division	Chien-Che ng Wu	1,962	1,962	110	110	0	0	0	0	0	0	0	0	None
Vice President of 3rd Business Division	Hsin-Chou Wu	1,882	1,882	110	110	0	0	0	0	0	0	0	0	None

Note 1: The “Top 5 Senior Managers” refer to the Company's management. The standards governing identification the management shall be subject to the requirements applicable to the “management” referred to in the letter of Securities and Futures Commission, Ministry of Finance under Tai-Cai-Zhen-3-Zi No. 0920001301 dated March 27, 2003. The principles for calculating the remuneration to the “top 5 senior managers” are based on the total of the Salaries, Retirement Pension, Bonuses and Allowances received by the managers from the companies included into the consolidated financial companies and the employment remuneration received by them (namely, the sum of A+B+C+D). Then, the top 5 senior managers are identified as the top 5 managers receiving the highest remuneration in order. Any directors who serve as said managers concurrently shall complete the form (4-1).

Note 2: Please specify the salaries, allowances, and severance pay made to the top 5 senior managers in the most recent year.

Note 3: Please specify other compensation such as bonus, incentives, travel allowances, special allowances, other allowances, accommodation, dormitory and corporate vehicles or other in-kind benefits made to the top 5 senior managers in the most recent year. Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the remuneration paid to the above beneficiaries. Part of the salary expense was recognized according to IFRS2 - "Share-based Payment." Amounts including employee stock options, RSAs and subscription to cash issues are treated as remuneration.

Note 4: Represents the amount of employee remuneration distributed to the Top 5 senior managers (in cash or in shares), which the Board of Directors has passed as part of the most recent earnings appropriation (where the amount could not be estimated, a calculation was made based on last year's payout ratio). Table 1-3 has been prepared in addition to the above details.

Note 5: Please disclose the total of remuneration paid by all companies included into the consolidated financial statements (including the Company) to the top 5 senior managers.

Note 6: After-tax profit refers to the amount of profit shown in the latest financial reports of the consolidated/standalone entity.

Note 7: a. This field represents all forms of remuneration the top 5 senior managers have received from the Company's invested businesses other than subsidiaries or parent company (If none, please specify "None")

c. The remuneration refers to any returns, compensation (including remuneration to employees, directors and supervisors) and professional service fees which the Company's top 5 senior managers received for serving as directors, supervisors or managers in invested businesses other than subsidiaries or parent company.

\*The basis of remuneration disclosed above is different according to the basis of the Income Tax Act; hence the above table has been prepared solely for information disclosure, and not for tax purpose.

## **5. Managers receiving employee remuneration and state of distribution**

The Board resolved on March 5, 2025 that no 2024 employee remuneration should be distributed.

## **6. Amount of remuneration paid in the last 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, President, and Vice Presidents, and their respective proportions to the net income, as well as the policies, standards, and packages by which they were paid, the procedures through which remunerations were determined, and their association with business performance.**

- (1) Disclosure of remuneration in the most recent 2 years paid by the Company and all companies included in the consolidated financial statements to the Company's Directors, Supervisors, President, and Vice Presidents as a percentage of net profit after tax.

Title \ Item	As percentage of net income							
	2024				2023			
	The Company		All companies included into the consolidated financial statements		The Company		All companies included into the consolidated financial statements	
	Amount	%	Amount	%	Amount	%	Amount	%
Director	7,142 (Note 1)	- (Note 3)	7,142 (Note 1)	- (Note 3)	7,842 (Note 1)	- (Note 3)	7,842 (Note 1)	- (Note 3)
Supervisor	Not applicable (Note 2)	Not applicable (Note 2)	Not applicable (Note 2)	Not applicable (Note 2)	Not applicable (Note 2)	Not applicable (Note 2)	Not applicable (Note 2)	Not applicable (Note 2)
President and Vice President	14,140 (Note 1)	- (Note 3)	14,140 (Note 1)	- (Note 3)	15,710 (Note 1)	- (Note 3)	15,710 (Note 1)	- (Note 3)

Note 1: The Board resolved on March 5, 2025 that no 2024 employee remuneration should be distributed.

Note 2: Not applicable, as the Company established the Audit Committee in replace of supervisors and abolished the supervisor system in 2016.

Note 3: Not to calculate, as the Company suffered loss in 2024.

- (2) The policies, standards, and packages by which they were paid, the procedures through which remunerations were determined, and their association with business performance and future risks:

The remuneration to the Company's directors/supervisors is distributed based on the proportional basis set forth in the Company's Articles of Incorporation. The remuneration to the Company's President and Vice President is paid in accordance with the Company's pay rates.

### III. Corporate governance

#### (I) Functionality of Board of Directors

A total of 5 meetings (A) were held in 2024; below are the attendance records:

Title	Name	Actual attendance B	Proxy Attendance	Percentage of actual (proxy) attendance (%) 【 B/A】	Remarks
Chairman	Huang, Chi-Jui	5	0	100%	
Director	Hung-Chi Hsiao	5	0	100%	
Director	Ching-Hui Lin	5	0	100%	
Director	Chi-An Huang	0	5	0%	
Director	Chi-Nan Huang	5	0	100%	
Director	I-Chuan Lin	0	5	0%	
Director	Yu-Hsing Liang	0	1	0%	Resigned on March 31st, 2024.
Director	Wen-Hsien Chiang	0	5	0%	
Director	Wen-Shun Ho	1	4	20%	
Director	Chien-Cheng Wu	0	2	0%	Naturally discharged from office on August 2, 2024.
Independent Director	Ming-Yo Huang	5	0	100%	
Independent Director	Chien-Te Liu	5	0	100%	
Independent Director	Jun-Cheng Chen	4	1	80%	

Other remarks:

- I. For Board of Directors meetings that meet any of the following descriptions, state the date, session, the discussed agenda, independent directors' opinions and how the Company has responded to such opinions:

(I) Conditions described in Article 14-3 of the Securities and Exchange Act:

Date/Session	Discussed Agenda	Objected or reserved by independent directors	Company's response to independent director's opinions	Resolution
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	13th Meeting of 15th Board March 6, 2024	<ol style="list-style-type: none"> <li>1. The Audit Report for the first quarter of 2024.</li> <li>2. The implement of endorsement/guarantee of the Company as of December 31, 2023.</li> <li>3. The Company's engagement in derivative trading as of March 6, 2024.</li> <li>4. The Company's application of liability insurance for all of its directors and managerial officers.</li> <li>5. Implementation Status of the Company's "Sustainable Development Roadmap."</li> <li>6. The proposal of the Company's endorsement/guarantee for its subsidiaries.</li> <li>7. The proposal of the Company's assessment on effectiveness of internal control system and the "Internal Control Statement" for the fiscal year 2023.</li> <li>8. The proposal to determine whether the Company's accounts receivable overdue for a certain period are loans of fund as required by the competent authority.</li> <li>9. The renewal of service contract with the Company's attesting CPAs for the attestation of 2024 financial statements.</li> </ol>	None	None	Passed by all present directors unanimously.
	14th Meeting of 15th Board May 7, 2024	<ol style="list-style-type: none"> <li>1. The Audit Report for the second quarter of 2024.</li> <li>2. Implementation Status of the Company's "Sustainable Development Roadmap."</li> </ol>	None	None	Passed by all present directors unanimously.
	15th Meeting of 15th Board August 6, 2024	<ol style="list-style-type: none"> <li>1. The Audit Report for the third quarter of 2024.</li> <li>2. The Company's engagement in derivative trading as of August 6, 2024.</li> <li>3. Implementation Status of the Company's "Sustainable Development Roadmap."</li> <li>4. The professional qualifications and independence of the independent directors at present.</li> <li>5. 2023 Sustainability Report Project of the Company.</li> <li>6. The proposal of the Company's regular assessment on attesting CPAs' independence.</li> </ol>	None	None	Passed by all present directors unanimously.
	16th Meeting of 15th Board November 5, 2024	<ol style="list-style-type: none"> <li>1. The Audit Report for the fourth quarter of 2024.</li> <li>2. The Company's engagement in derivative trading as of November 5, 2024.</li> <li>3. Implementation Status of the Company's "Sustainable Development Roadmap."</li> <li>4. The proposal to determine whether the Company's accounts receivable overdue for a certain period are loans of fund as</li> </ol>	None	None	Passed by all present directors unanimously.

	required by the competent authority.			
17th Meeting of 15th Board December 18, 2024	1. The second Audit Report for the fourth quarter of 2024. 2. Implementation Status of the Company's "Sustainable Development Roadmap". 3. The Company proposes to establish "Sustainability Information Management Procedures". 4. The proposal of the Company's 2025 Annual Audit Plan of internal audit.	None	None	Passed by all present directors unanimously.

(II) Any other documented objections or qualified opinions raised by independent director against board resolution in relation to matters other than those described above: None.

II. For directors' avoidance of motions which involves conflict of interest, the names of directors, details of the motions, reasons of the recusal for conflict of interest, and participation in voting must be disclosed: None.

III. The TWSE/TPEX-listed company shall disclose the evaluation cycle and period, scope of evaluation, method and contents of evaluation about the Board of Directors' self (or peer) performance evaluation, and specify the status of evaluation conducted by the Board of Directors the schedule attached hereto.

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Method of Evaluation	Contents of Evaluation
Once per year	From January 1, 2024 until December 31, 2024	Board of Directors	Board Member's Self-Evaluation	1. Participation in the Company's operation 2. Board decision-making quality 3. Composition and structure of Board 4. Election and continuing education of directors 5. Internal control
		Individual Board Member	Board Member's Self-Evaluation	1. Alignment with the goals and mission of the Company 2. Knowledge of the directors' duties 3. Participation in the Company's operation 4. Management of internal relationship and communication 5. Professionalism and continuing education of directors 6. Internal control
		Functional committees	Board Member's Self-Evaluation	1. Participation in the Company's operation 2. Knowledge of functional committees' duties 3. Functional committees decision-making quality 4. Formation and member election of the functional committees 5. Internal control

Status:

For the Board performance evaluation 2024, each director has completed the self-evaluation and report the same to the Board meeting on March 5, 2025.

Evaluation result:

The Board's operation is considered in line with the Company's operating needs. The evaluation result shows that the Company's operations should be considered fair and effective.

IV. Enhancement of the functionality of the Board of Directors in the current and the most recent year (e.g. the establishment of an Audit Committee, the improvement of information transparency, etc.) and the respective progress reports:

1. The Company's Audit Committee and Remuneration Committee consist of all independent directors. Each of them report to the Board of Directors periodically to help the Board perform its supervisory functions.
2. The Company has established its own "Corporate Governance Best-Practice Principles", "Regulations Governing Board Performance Evaluation" and "Diversification Policy of Board Members" to practice the corporate governance and improve the Board's functions.
3. The Company will take out liability insurance for the directors and key management to provide them with protection when they are performing their duties and also mitigate the risk to be borne by the Company.
4. The Company designates dedicated personnel to take charge of the disclosure and publication of the Company's information and update the messages on the Company's website to improve the information transparency.

V. Independent directors' attendance at each Board meeting:

Independent directors' attendance at each Board meeting in 2024					
Independent Director	✓: Personal attendance			☆: Proxy attendance	※: Absent
	March 6, 2024 Board of Directors	May 7, 2024 Board of Directors	August 6, 2024 Board of Directors	November 5, 2024 Board of Directors	December 18, 2024 Board of Directors
Ming-Yo Huang	✓	✓	✓	✓	✓
Chien-Te Liu	✓	✓	✓	✓	✓
Jun-Cheng Chen	✓	☆	✓	✓	✓

(II) Involvement of Audit Committee members or supervisors in board of directors meetings:

1. Functionality of the Audit Committee:

A total of 5 meetings (A) were held in 2024; below are the attendance records:

Title	Name	Actual attendance B	Proxy Attendance	Percentage of actual (proxy) attendance (%) 【 B/A 】	Remarks
Independent Director	Ming-Yo Huang	5	0	100%	
Independent Director	Chien-Te Liu	5	0	100%	
Independent Director	Jun-Cheng Chen	4	1	80%	

Other remarks:

I. Audit Committee meetings that meet any of the following descriptions, state the date and session of board of directors meeting held, the discussed agenda, the Audit Committee's resolution, and how the company has responded to Audit Committee's opinions:

(I) Conditions described in Article 14-5 of the Securities and Exchange Act :

Date/Session	Discussed Agenda	Any resolution disagreed by the Audit Committee but passing by more than two-thirds of the whole directors.	Audit Committee's resolution	Company's response to Audit Committee's opinions
13th Meeting of 15th Board March 6, 2024	1. The Audit Report for the first quarter of 2024. 2. The proposal of the Company's endorsement/guarantee for its subsidiaries 3. The proposal of 2023 Standalone Financial Statements of the Company. 4. The proposal of 2023 Business Report and 2023 Consolidated Financial Statements of the Company. 5. The proposal of the Company's assessment on effectiveness of internal control system and the "Internal Control Statement" for the fiscal year 2023. 6. The proposal to determine whether the Company's accounts receivable overdue for a certain period are loans of fund as required by the competent authority. 7. The renewal of service contract with the Company's attesting CPAs for the attestation of 2024 financial statements.	None	Passed by all present Audit Committee members unanimously.	Passed by all present directors unanimously.
14th Meeting of 15th Board May 7, 2024	1. The Audit Report for the second quarter of 2024. 2. Report on the Company's Consolidated Financial Statements for the first quarter of 2024.	None	Passed by all present Audit Committee members unanimously.	Passed by all present directors unanimously.
15th Meeting of 15th Board August 6, 2024	1. The Audit Report for the third quarter of 2024. 2. The Company's Consolidated Financial Statements for the second quarter of 2024. 3. The proposal of the Company's regular assessment on attesting CPAs' independence.	None	Passed by all present Audit Committee members unanimously.	Passed by all present directors unanimously.
16th Meeting of 15th Board November 5, 2024	1. The Audit Report for the fourth quarter of 2024. 2. The Company's Consolidated Financial Statements for the third quarter of 2024. 3. The proposal to determine whether the Company's accounts receivable overdue for a certain period are loans of fund as required by the competent authority.	None	Passed by all present Audit Committee members unanimously.	Passed by all present directors unanimously.
17th Meeting of 15th Board December 18, 2024	1. The second Audit Report for the fourth quarter of 2024. 2. The Company proposes to establish "Sustainability Information Management Procedures". 3. The proposal of the Company's 2025 Annual Audit Plan of internal audit.	None	Passed by all present Audit Committee members unanimously.	Passed by all present directors unanimously.

(II) Other than those described above, any resolutions unapproved by the Audit Committee but passed by more than two-thirds of directors: None.

II. For independent Directors' avoidance of motions which involves conflict of interest, the names Independent Directors, details of the motions, reasons of the recusal for conflict of interest, and the participation in voting must be disclosed: None.

III. Communication between Independent Directors and chief internal auditor/external auditors (e.g. discussions concerning the Company's financial and business affairs, the method of communication used, and the outcome).

1. For the chief internal auditor: The completed audit report is submitted to the Chairman and also delivered to each independent director for review. If necessary, the independent directors will communicate or discuss with the chief internal auditor about the audit report.  
If any independent director comments on the audit report, the internal audit unit shall deal with it and then respond to the independent director. Per the independent director's instruction, if any, the chief internal auditor shall complete special report and then report to the independent director.
2. For external auditors (CPAs): Upon the external auditor's completion of the audit on semi-annual and annual financial statements, the independent directors convenes a meeting only the external auditors may attend to discuss and exchange with each other about the issues in internal control system and audit on the financial statements.
3. The independent directors convenes the meeting with external auditors at least once per year. The external auditors shall report to the independent directors on the Company's financial overview, domestic/foreign subsidiaries' finance and operations, and audit on internal controls, as well as the financial report and independent auditor's report or the effects posed by amendments to laws and regulations to the accounts, if any.
4. The independent directors and chief internal auditor may communicate with external auditors directly, if necessary. The communication channels between them are open and free from any interruption.

2. Supervisors' involvement in Board of Directors meetings: Not applicable, as the Company has established the Audit Committee in replace of the supervisor's functions.

(III) Status of corporate governance, and deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof

Assessment criteria	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
I. Has the Company established and disclosed its corporate governance principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has established its own "Corporate Governance Best-Practice Principles" and disclosed the same on the Company's website and MOPS.	Compliance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies", and no material deviation found.
II. Shareholding Structure and Shareholders' Equity of the Company (I) Does the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?	✓		(I) The Company is used to protecting shareholders' equity as the first priority. The Company delegates the spokesperson responsible for communicating with investors externally, and also dedicated personnel or its shareholders service agency, "Yuanta Securities Co., Ltd.", to process suggestions, doubts and questions from shareholders. If any legal issues are involved, Legal Dept. will provide assistance.	(I) Compliance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies", and no material deviation found.
(II) Does the Company possess the list of the Company's major shareholders of ultimate controllers, and the list of the ultimate controllers of the major shareholders?	✓		(II) The Company reports the changes in equity held by the insiders (directors and managers) on the MOPS on a monthly basis. The shareholders service agency can possess the list of major shareholders of the ultimate controllers from time to time.	(II) Compliance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies", and no material deviation found.
(III) Does the Company establish and implement	✓		(III) Subject to the the "Rules Governing Financial and	(III) Compliance with the "Corporate

Assessment criteria	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
<p>the risk control and firewall mechanism with the related parties?</p> <p>(IV) Has the Company established internal policies that prevent insiders from trading securities against non-public information?</p>	✓		<p>Business Matters Between the Company and its Affiliated Enterprises” and operating procedures under the internal control system set forth by the Company.</p> <p>(IV) The Company prescribes in the Employee Work Rules and Code of Ethical Code that employees shall not violate the requirements about insider trading. The Company has also established the “Operating Procedure for Handling Material Insider Information” and “Operating Procedure for Prevention of Insider Trading”, and disclosed the same on the Company's website.</p>	<p>Governance Best-Practice Principles for TWSE/TPEX-Listed Companies”, and no material deviation found.</p> <p>(IV) Compliance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies”, and no material deviation found.</p>
<p>III. Composition and Responsibilities of the Board of Directors</p> <p>(I) Does the Board of Directors have member diversity policies regulated and implemented substantively according to the composition of the members?</p>	✓		<p>(I) The Company has established its “Diversification Policy of Board of Directors” and disclosed the same on the Company’s website. In order to achieve the diversification of Board members, including basic qualifications and value, the gender, age, nationality or cultural background shall be taken into consideration. The Board members shall possess the knowledge, skills and qualification needed by them to perform their duties, including the ability to make operational judgment, ability to analyze accounting and financial issues, industry knowledge, vision</p>	<p>(I) Compliance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies”, and no material deviation found.</p>

Assessment criteria	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
(II) Does the Company, in addition to setting the Remuneration Committee and Audit Committee lawfully, have other functional committee set up voluntarily?	✓		towards the global market, leadership and decision making, etc. (II) The Company has established the Remuneration Committee and Audit Committee pursuant to laws. It will establish other functional committees subject to the business needs.	(II) Compliance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies”, and no material deviation found.
(III) Has the Company established a set of policies and assessment tools to evaluate the Board's performance, conducted the performance evaluation regularly at least on an annual basis, and submitted the performance evaluation result to the Board and applied the same as reference for remuneration to individual directors and nomination?	✓		(III) The Company has established the “Regulations Governing Board Performance Evaluation.” The Board performance evaluation results and Board members’ performance evaluation results have been reported to the Board meeting on March 5, 2025 and disclosed on the Company's website. The evaluation results are stated as following: (1) The Board performance evaluation (average scores): 96.99 (2) The Board member's (self or peer) performance evaluation (average scores): 97.55	(III) Compliance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies”, and no material deviation found.
(IV) Does the Company have the independence of the independent auditor evaluated regularly?	✓		(IV) The Company regularly evaluates the independence and suitability of CPAs once a year. The Audit Committee and Board of Directors have been approved by the independent auditors’ independence and suitability assessment on August 6, 2024 and March 5, 2025 respectively. According	(IV) Compliance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies”, and no material deviation found.



Assessment criteria	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			<p>to the assessment results, Yi-Chang Liang, CPA and Ya-Fang Wen, CPA of PwC Taiwan were held satisfying the Company's independence and suitability assessment standards, because:</p> <ol style="list-style-type: none"> <li>1. The independent auditors didn't hold any position in the Company concurrently. Meanwhile, the independent auditors were not stakeholders or involved in conflict of interest with the Company, directly or indirectly.</li> <li>2. The independent auditors have issued their declaration of independence.</li> <li>3. Examine the Audit Quality Indicators (AQIs) assessment information provided by PwC Taiwan.</li> </ol>	
IV. Whether the TWSE/TPEX-listed company assigns the adequate number of competent corporate governance officers, and appoints the chief corporate governance officer responsible for the corporate governance affairs (including but not limited to, providing directors/supervisors with the information needed to perform their duties, helping directors/supervisors with compliance, organization of	✓		<p>Approve by the board of directors on May 5th, 2021. The Board of Directors approved that Assistant Vice President Wen-Shun Ho of Financial Dept. should be in charge of the corporate governance practices. Assistant Vice President Wen-Shun Ho has been experienced in financial management functions in public companies for more than two decades.</p> <ol style="list-style-type: none"> <li>1. Provide directors with the information required by them to perform their duties, and the information about the latest changes in the laws to help the directors with compliance.</li> <li>2. Process the Company's registration and change of</li> </ol>	Compliance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies", and no material deviation found.

Assessment criteria	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
the Board of Directors meetings and shareholders' meetings, and preparation of board meeting and shareholders' meeting minutes, etc.)?			<p>registration.</p> <p>3. Arrange continuing education programs for directors periodically.</p> <p>4. Require that the Board meeting agenda should be notified to each director within 7 days prior to the meeting; convene the meeting and provide meeting materials; remind the director involved in conflict of interest in any motion in advance, and complete the meeting minute within 20 days after the meeting.</p> <p>5. Process the shareholders' meeting notice, meeting handbook, annual report and minute pursuant to laws.</p> <p>6. Responsible for release of important messages, such as important resolutions of the Board of Directors and shareholders' meetings, to ensure the legitimacy and accuracy of the important messages to protect investors' trading information.</p>	
V. Has the Company provided proper communication channels and created an investor relations section on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	✓		The Company has established the spokesperson system dedicated to dealing with related matters. Meanwhile, the Company set up the stakeholder section on the Company's website as the channel to keep communicating with stakeholder via Tel. No., fax and email.	Compliance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies", and no material deviation found.
VI. Does the Company engage a Shareholder Service	✓		The Company has appointed the shareholders service agency of	Compliance with the "Corporate

Assessment criteria	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
Agency to handle Shareholder Meeting affairs?			Yuanta Securities Co., Ltd. to assist in the processing of shareholders affairs.	Governance Best-Practice Principles for TWSE/TPEX-Listed Companies”, and no material deviation found.
VII. Information disclosure				
(I) Does the Company have a website setup and the financial business and corporate governance information disclosed?	✓		(I) The Company Company has set up the website (at <a href="http://www.zinwell.com.tw">http://www.zinwell.com.tw</a> ) and update the disclosure of financial business and corporate governance information?	(I) Compliance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies”, and no material deviation found.
(II) Does the Company have adopted other information disclosure methods (such as, establishing an English website, designating responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the investor conference on the Company’s website, etc.)?	✓		(II) The Company has also delegated the dedicated personnel to collect and disclose the Company’s information, and practiced the spokesperson system pursuant to the requirements.	(II) Compliance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies”, and no material deviation found.
(III) Whether the Company announces and reports the annual financial report within two months at the end of each fiscal year, and the financial report for Q1, Q2 and Q3 and monthly operation overview before the prescribed time limit?	✓		(III) The Company announces and reports the annual financial report, financial reports of Q1, Q2 and Q3, and monthly operation overview pursuant to the competent authority’s requirements.	(III) Compliance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies”, and no material deviation found.

Assessment criteria	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of Directors/Supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and the Company's purchase of liability insurance for directors and supervisors)?	✓		<p>(I) Employee rights: Establish the Employee Benefits Committee, implement the pension system, and value harmonious labor-management relationship.</p> <p>(II) Employee care: Plan the employees' group insurance, arrange periodic health checkup for the employees and organize various employee training programs, etc..</p> <p>(III) Investor relations and stakeholder equity: The Company discloses the information about the Company's business or finance and the Company's important messages on the "MOPS" timely according to the relevant laws, in order to disclose the Company's information honestly, protect investors' interest and right, and fulfill the corporate responsibility toward shareholders.</p> <p>(IV) Supplier relations: The Company is used to maintaining fair relations with suppliers.</p> <p>(V) Directors' continuing education: (For details, please refer to the following Appendix 1.)</p> <p>(VI) Implementation of risk management policies and risk measurements: Any of the Company's management regulations shall be decided subject to resolution made by</p>	Compliance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies", and no material deviation found.

Assessment criteria	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			<p>the Board of Directors or a shareholders' meeting.</p> <p>(VII) Implementation of customer policy: The Company abides by the contracts executed with customers and related requirements strictly, and also ensure customers' interest and right and provide fair service quality.</p> <p>(VIII) The circumstance of the Company purchasing liability insurance for directors and supervisors: The Company has continued to purchase liability insurance for directors and managers in December 2024, and has submitted to report to the board of directors on March 5th, 2025.</p>	
<p>IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by the TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified.</p> <p>The Company has conducted the corporate governance self-evaluation per the competent authority's requirement, and improved the corporate governance practices step by step, in order to upgrade the Company's corporate governance image.</p>				

Note 1: Always provide explanations in the summary description column, regardless of whether actual governance is ticked "Yes" or "No."

Appendix 1: Directors' continuing education:

Title	Name	Training date		Organizer	Course name	Training hours	Whether the continuing education meets the requirements?
		Start	End				
Director	Chi-Nan Huang	2024/07/03	2024/07/03	Cathay Financial Holdings and Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes
Director	Wen-Shun Ho	2024/11/18	2024/11/18	Taipei Foundation Of Finance	Corporate governance – Sustainable finance	3	Yes
		2024/11/08	2024/11/08	Taipei Foundation Of Finance	Corporate governance – The role and accountability of controlling shareholders in corporate governance	3	Yes
		2024/07/03	2024/07/03	Cathay Financial Holdings and Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes
Independent Director	Ming-Yo Huang	2024/07/15	2024/07/15	Taiwan corporate governance association	Examining the Latest Trends in Corporate Governance through Corporate Governance Evaluation Indicators	3	Yes
		2024/07/03	2024/07/03	Cathay Financial Holdings and Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes
		2024/05/29	2024/05/29	Independent Director Association Taiwan	Anti-money laundering regulations and practical case analysis	3	Yes
Independent Director	Jun-Cheng Chen	2024/07/03	2024/07/03	Cathay Financial Holdings and Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes

(IV) If a remuneration committee is established within the Company, the composition, responsibilities, and functioning of such a committee must be disclosed :

The Remuneration Committee, consisting of the whole 3 independent directors, convenes the meeting for at least twice per year and shall perform the following duties loyally with due diligence as a good administrator and submit the proposed motions to the Board of Directors for discussion.

Scope of duties:

- (1) Stipulate and review regularly the compensation policies, systems, standards and structures, and performance of directors and managers.
- (2) Regularly review and adjust directors' and managers' remuneration.

1. The remuneration committee members' information

April 13th, 2025

Identity	Conditions	Professional qualifications and experience	The independence situation.	Number of other public companies that one also serves as an independent director
	Name			
Convener and Independent Director	Ming-Yo Huang	Please refer to page 10 of the annual report for relevant content of directors' professional qualifications and independent directors' independence information disclosure.	1. Not an employee of the Company or its affiliates. 2. Not a director or supervisor of the Company's affiliates 3. Not a shareholder whose total holdings, including those of his/her spouse and minor children, or shares held under others' names, reach or exceed 1 percent of the total outstanding shares of the Company or ranks among the top 10 individual shareholders.	3
Independent Director	Chien-Te Liu		4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager under subparagraph 1 or any of the persons in the preceding two subparagraphs. 5. Neither a director, supervisor, or employee of an entity that directly and/or indirectly	None

Independent Director	Jun-Cheng, Chen	<p>holds more than 5% of the Company's shares, nor one of the Company's top five shareholders, or director, supervisor or employee of a corporate shareholder who appoints a representative as a director or supervisor of the Company in accordance with Article 27, paragraph 1 or 2 of the Company Act.</p> <p>6. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a person that also controls the same of the company.</p> <p>7. Not a director, supervisor, or employee of a company or institution of which the chairman, president (or equivalent) himself/herself or his/her spouse also serves as the company's chairman, president (or equivalent).</p> <p>8. Not a director, supervisor, manager, or shareholder owning more than 5% of the outstanding shares of any company that has financial or business relations with the Company.</p> <p>9. Not a professional, owner, partner, director or supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past two years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof.</p> <p>10. Not in contravention of Article 30 of the Company Act.</p>	1
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## 2. Operations of Remuneration Committee

- (1) The Company's Remuneration Committee consists of 3 members.
- (2) Term of office held by 5th Committee members: from June 14, 2022 to June 13, 2025.  
The Remuneration Committee held 2 meetings (A) in 2024. Details of members' eligibility and attendance are as follows:

Title	Name	Actual Attendance (B)	Proxy Attendance	Percentage of actual (proxy) attendance (%) (B/A) (Note)	Remarks
Convener (Independent Director)	Ming-Yu Huang	2	0	100%	Re-elected as 5th Committee Member in 2022
Member (Independent Director)	Chien-Te Liu	2	0	100%	Re-elected as 5th Committee Member in 2022
Member (Independent Director)	Chun-Cheng Chen	2	0	100%	Re-elected as 5th Committee Member in 2022

### Other remarks:

#### I. Contents of proposals and resolutions of the Remuneration Committee, and the Company's handling of members' opinions:

Date/Session	Discussed Agenda	Remuneration Committee's resolution	Company's response to Remuneration Committee's opinions
5th Meeting of 5th March 6, 2024	1. The Company's distribution of employee compensation and director remuneration for 2023.	Passed by all present Remuneration Committee members unanimously.	Passed by all present directors unanimously.
6th Meeting of 5th December 18, 2024	1. The distribution of 2024 annual bonus for managerial officers.	Passed by all present Audit Committee members unanimously.	Passed by all present directors unanimously.

#### II. Should the Board rejects or modifies the suggestions from the Remuneration Committee, the following should be stated: date of the Board meeting, term of the Board, contents of the agenda, resolutions of the Board and the Company's handling of the Remuneration Committee's opinion. (If the remunerations approved by the Board are better than that suggested by the Remuneration Committee, the difference and the reason for the difference should be stated): None.

#### III. Should any member object or express qualified opinions to the resolution made by the Remuneration Committee, whether on-record or in writing, please describe the date and session of the meeting, details of the agenda, the entire members' opinions, and how their opinions were addressed: None.

### Note:

- (1) Before the end of the year, if a Remuneration Committee member resigns from his/her position, the resignation date should be marked in the remarks column. The actual attendance rate (%) should be calculated according to the number of times the Remuneration Committee meeting was convened and his/her actual attendance.
- (2) If a re-election of Remuneration Committee members had taken place prior to the close of the financial year, members of both the previous and the current Remuneration Committee are listed; in which case, the remarks column would specify whether the committee member was elected in the previous board, the new board, or both. The percentage of actual (proxy) attendance (%) will be calculated based on the number of Remuneration Committees held during active duty and the number of actual (proxy) attendance.

(V) Promoting the implementation of sustainable development and the differences and reasons for the code of practice for sustainable development of listed companies.

Assessment criteria	Actual governance (Note 1)			Deviation and causes of deviation from Corporate Social Responsibility Best Practice Principles for TPEX-Listed Companies
	Yes	No	Summarized explanation (Note 2)	
I. Whether the company established a governance framework to promote sustainable development and set up a dedicated unit, and set up a dedicated (part-time) unit to promote sustainable development, and the board of directors authorizes high-level management to handle the matters and the supervision by the board of directors?	✓		The Company has assigned the Finance Department, Human Resource Department and Quality Assurance Department as the dedicated units for the implementation of sustainable development in 2022 by the Board of Directors' approval, and as a dedicated sustain and applicable personnel in each unit will serve and assist promoting sustainable development, corporate social responsibility related affairs. In the future, it will be handled in accordance with the Articles of Incorporation and the results of the promotion will be reported to the board of directors on a regular basis.	No material deviation was found.
II. Companies must follow the materiality principle, the environment in which the company operates, Risk of social and corporate governance issues Assess and identify associated risks to manage Policy or Strategy? (Note 2)	✓		(1) Environment The Company has formulated corporate social responsibilities best-practice principles, and has published them on the Company's website. The policy of indicating corporate social responsibility is to implement and promote corporate governance, develop a sustainable environment, participate in promoting of social welfare, and strengthen the disclosure of corporate social responsibility information. And introduce ISO 14001 environmental management system verification ISO 9001 Quality Management System Verification, and establish Sustainable Development Promotion Team in 2022, to improve the environmental, social, and corporate governance policies. (2) Society The Company has already obtained and passes ISO 45001 Occupational health and safety management systems, and on a regular basis. To	No material deviation was found.

Assessment criteria	Actual governance (Note 1)			Deviation and causes of deviation from Corporate Social Responsibility Best Practice Principles for TPEX-Listed Companies
	Yes	No	Summarized explanation (Note 2)	
			<p>hold physical examination for the employees, fire drill and occupational safety announcement, to cultivate the employees' ability to respond the emergencies every year.</p> <p>(3) Corporate governance</p> <p>1. The Company has established various internal control systems. To ensure that all personnel and operations comply with relevant laws and regulations.</p> <p>2. The Company filed patents for some products developed by the Company to protect the Company's rights and interests.</p> <p>3. In order to establish and improve the corporate governance mechanism of the Company. Insured the directors and managers the director and managers liability insurance, to mitigate the unknown risks bore by the Company. Protect the directors and managers from legal liability risks arising from lawsuits or claims when performing their duty.</p> <p>4. The Company has also set up a contact and email box in the specific area for the stakeholders on the Company's website to provide a channel for the shareholders for inquiry, making complaints and suggestions.</p> <p>(4) Information</p> <p>In recent years, the degree of reliance on information has been rising. The Company will also strengthen governance for information security risks. The Company values information security and confidential information protection greatly, and has established information security-related protection measures such as firewalls, information security equipment, and antivirus software. To avoid external attacks such as</p>	

Assessment criteria	Actual governance (Note 1)			Deviation and causes of deviation from Corporate Social Responsibility Best Practice Principles for TPEX-Listed Companies
	Yes	No	Summarized explanation (Note 2)	
			malicious hacking, computer viruses, and blackmail emails, affect the operation of the Company's systems. The Company will establish a "Cyber Security Team" responsible for crisis management, security and prevention pursuant to applicable rules and regulations in the future..	
III. Environmental issues				
(I) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	✓		(I) The Company promotes the environmental management system and received the ISO 14001:2015 certificate, which is valid until February 28, 2028. In 2022, it established the Sustainable Development Promotion Team to continuously optimize and improve the existing environment, safety and health management systems, thereby constantly improving its performance in environmental protection.	No material deviation was found.
(II) Is the Company committed to enhancing the efficient utilization of resources and to using renewable materials that have a low impact on the environment?	✓		(II) The Company reduces the waste to be incinerated and buried by classification of sources, reducing waste generated from production process and recycling the waste. For the waste outsourcing, reuse is adopted as the first priority, and then incineration and landfill. The goods and materials exchanged across departments, if any, will be held in containers which may be reused, or are made of recyclable materials.	No material deviation was found.
(III) Whether the Company assesses the potential risk	✓		(III) In order to mitigate the impact posed by the global climate and	No material deviation was found.

Assessment criteria	Actual governance (Note 1)			Deviation and causes of deviation from Corporate Social Responsibility Best Practice Principles for TPEx-Listed Companies
	Yes	No	Summarized explanation (Note 2)	
<p>and opportunity posed by climate changes to the enterprise, now and in the future, and takes responsive measures related to climate issues?</p> <p>(IV) Whether the Company gathers the statistics about the annual greenhouse gas emission, water consumption and gross weight of waste for the past two years, and adopts policies for energy conservation and carbon reduction, greenhouse gas reduction, reduction of water consumption or management of exhaust gas and other waste goods?</p>	✓		<p>environmental transformation to enterprises and human beings, the Company adopts natural gas in replace of low sulfur fuel oil in the production process in which the equipment needs to heat energy to complete production, and considers energy-saving and carbon-reduction equipment as the first priority before planning and designing the production process equipment, in order to make some contribution to the global environment.</p> <p>Meanwhile, the Company's products all satisfy the RoHS of EU in order to make the products practical and eco-friendly.</p> <p>(IV) The company's greenhouse gas emissions, water consumption and total waste weight, etc., have set up special personnel for air pollution, waste water and waste in accordance with environmental protection laws and regulations, and abide by relevant laws and regulations, and advocate turning off lights, reducing paper consumption, and temperature control of air conditioners, etc. , and effectively use energy to achieve the goal of energy saving and carbon reduction.</p>	No material deviation was found.
IV. Social issues				
(I) Has the Company developed	✓		(I) The Company sets forth the	No material deviation

Assessment criteria	Actual governance (Note 1)			Deviation and causes of deviation from Corporate Social Responsibility Best Practice Principles for TPEX-Listed Companies
	Yes	No	Summarized explanation (Note 2)	
its policies and procedures in accordance with laws and the International Bill of Human Rights?			<p>“Social Responsibility Management Regulations,” follows the internationally recognized human right standards, including the “Social Accountability Standard,” “International Labour Convention” and “Universal Declaration of Human Rights,” and complies with the local labor laws and regulations, in order to stop any activities infringing upon and violating human rights. The Management Regulations are posed on the Company's official website and relevant public information after the Chairman enters his signature thereto.</p>	was found.
(II) Whether the Company adopts and implements reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and reflects the operating performance or results to the remuneration to employees adequately?	✓		<p>(II) The Company has set forth the work rules and related personnel management regulations, covering the basic pay, working hours, days off, pension, labor/national health insurance benefits, and occupational hazard compensation for the Company's employees, which are held satisfying the Labor Standards Act. The Company establishes the Employee Benefits Committee consisting of the members elected by employees. The Committee takes charge of various welfare issues. The Company's remuneration policy is based on personal competence,</p>	No material deviation was found.

Assessment criteria	Actual governance (Note 1)			Deviation and causes of deviation from Corporate Social Responsibility Best Practice Principles for TPEX-Listed Companies
	Yes	No	Summarized explanation (Note 2)	
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	✓		<p>contribution to the Company and performance, with the positive correlation with the business performance. The Company establishes the “Labor Pension Fund Supervisory Committee” pursuant to laws, and contributes the pension fund to the bank maintained at the Bank of Taiwan periodically. The Committee meeting is convened on a quarterly basis to review the allocation and utilization of pension fund. For any employee who applies the new labor pension system, the Company will contribute 6% of his/her salary to the personal pension account maintained at Labor Insurance Bureau on a monthly basis, in order to provide the employee with protection for his/her retirement life.</p> <p>(III) The Company has obtained the verification of the ISO 45001 occupational safety and health management system. All employees of the Company are responsible for industrial safety and hygiene within their own scope. No matter to themselves, their staff, machinery, equipment and the environment, in order to fulfill their responsibilities for industrial safety and hygiene, they must abide by all relevant safety and hygiene regulations of</p>	No material deviation was found.

Assessment criteria	Actual governance (Note 1)			Deviation and causes of deviation from Corporate Social Responsibility Best Practice Principles for TPEX-Listed Companies
	Yes	No	Summarized explanation (Note 2)	
(IV) Does the Company have an effective career capacity development training program established for employees?	✓		<p>the Company, and the safety and health precautions given by the supervisors at all levels. In accordance with regulations, the Company issues warnings or distributes protective equipment for the environment or facilities with concerns of safety or occupational hazards, and conducts regular employee physical examinations.</p> <p>(IV) Each department of the Company proposes its annual training plan in accordance with the operating procedure for training. The Company plans and arranges various internal/external training programs per the organizational needs, department's needs and employee's personal needs, in order to improve and update employees' knowledge and skills and build generous HR capitals. The career development plan prepared for employees attends to the core competence training and employees' balanced physical and mental development at the same time.</p>	No material deviation was found.
(V) Whether the Company complies with the related laws and international practices with respect to customers' health and safety, customers' privacy, marketing and labeling for its products and services, and adopts related consumers	✓		<p>(V) Implement the ISO 9001 quality management system, follow the international standards including EU regulations and EEIC, establish the B021 Customers' (External Groups') Complaint Processing Regulations and B035 Sales Return Management</p>	No material deviation was found.



Assessment criteria	Actual governance (Note 1)			Deviation and causes of deviation from Corporate Social Responsibility Best Practice Principles for TPEX-Listed Companies
	Yes	No	Summarized explanation (Note 2)	
protection policy and complaining procedures?			<p>Regulations. In order to establish the ethical enterprise culture and the Company's robust development and to provide itself with the reference framework for successful business operations, it has set forth its own "Ethical Management Best-Practice Principles" to expressly define the operating procedures, conduct guidelines, punishment on violations and complaining system, hoping and asking the Company's members, including the Board of Directors and management, to practice ethical management policies. Meanwhile, in order to prevent any unethical conduct, the Company's material insider information dedicated unit will keep noting the requirements under related laws and regulations, and communicating the same to directors, managers and employees. The Company has set forth the "Regulations Governing Whistle-Blowing Against Illegal and Unethical or Dishonest Conduct" to deal with whistle-blown cases and complaints. The Company already set up the stakeholder section on the website. Any consumer who wishes to file a complaint may contact the Company via Tel. No., written</p>	

Assessment criteria	Actual governance (Note 1)			Deviation and causes of deviation from Corporate Social Responsibility Best Practice Principles for TPEX-Listed Companies
	Yes	No	Summarized explanation (Note 2)	
(VI) Whether the Company adopts any specific suppliers' management policy demanding that the suppliers should comply with the related regulations governing environmental protection, occupational safety and health or labors' human rights, and how the policy is implemented?	✓		<p>correspondence and email from time to time.</p> <p>(VI) The Company has set forth the "Supplier Risk Assessment Management Regulations" to manage the suppliers. The supplier risk assessment shall cover quality/environment/occupational, safety and health management systems. The risk assessment taskforce shall consist of the persons holding the position as engineer or above from Sourcing Dept., Contracting Dept., R&amp;D/Engineering Dept., QA Dept. and Management Dept., which may conduct documentary review or on-site evaluation on the suppliers. Most of the Company's suppliers have worked with the Company for a long term. If any supplier is likely to pose negative impact to the important environment, employment conditions, human rights and society, the Company may claim termination or rescission of contract.</p>	No material deviation was found.
V. Whether the Company prepares the report disclosing the Company's non-financial information, such as CSR report, based on the guidelines or directions for preparation of reports applicable internationally? Whether said report has been assured or guaranteed by a third party certification unit?		✓	The Company prepares the Sustainability Report in accordance with the GRI Standards and discloses non-financial information of the Company on its website and the Market Observation Post System for reference. However, it has not yet obtained the verification or assurance opinion from a third-party verification unit.	

Assessment criteria	Actual governance (Note 1)			Deviation and causes of deviation from Corporate Social Responsibility Best Practice Principles for TPEX-Listed Companies
	Yes	No	Summarized explanation (Note 2)	
VI. If the Company has established its own corporate social responsibility code of conducts in accordance with the “Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX-Listed Companies”, please describe the current practices and any deviations of its own code of conduct from said Principles: The Company’s “Corporate Social Responsibility Best-Practice Standard” was formulated and approved by the Board of Directors in December 2010, and was approved by the Board of Directors to revise in January 2017 and January 2019, in order to strengthen the implementation of corporate social responsibility. The Company reviews the implementation of the standard and makes improvements accordingly regularly. So far, there has been no difference in implementation.				
VII. Other information useful to the understanding of corporate social responsibilities: Please refer to the Company’s website for the operation thereof.				

Note 1:Implementation status: If “Yes” is ticked, please specify the important policies, strategies and measures as adopted, and the implementation status thereof. If “No” is ticked, please explain the causes and specify the related policies, strategies and measures to be adopted in the future.

Note 2:If the Company has prepared a CSR report, the status summary may be completed by providing page references to the CSR report instead.

Note 3:The materiality principle refers to the material effect produced by the environment, society and corporate governance issues on the company’s investors and other stakeholders.

## (V-1) Climate-Related Information of TWSE/TPEX Listed Company

## 1. Implementation of Climate-Related Information

Item	Implementation status									
1.Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>For responding to issues related to climate change and slowing global warming, the Company is committed to activities reducing greenhouse gas emissions in the hope to achieve the goal of net-zero emissions with the world in 2050.</p> <p>The Company’s Board of Directors and the Audit Committee shall act as the directive units, and, in addition to adoption of applicable environmental management system, the Sustainability Implementation Team established under the Board of Directors oversees responsible units conducting greenhouse gas inventory and brings forward solutions for emission reduction while putting the performance to the Board of Directors’ meeting for discussion and further decision.</p> <p>The Company’s Sustainability Implementation Team has also been active in collecting the latest information, and reports the systematic summary to the Board of Directors allowing the Board to facilitate a better understanding about climate change and make effective decisions.</p>									
2.Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>Based on TCFD, the Company identified and prioritized climate-related risks and opportunities and jointly assessed climate change risks and responsive measures with the Sustainability Implementation Team. The Company actively studies and formulates solutions in the hope to reduce the impact of climate change on its operations and finances and effectively boost the Company’s resilience to climate. The Company defines a short term as a period less than 3 years, a middle term as a period 3-5 years and a long term as a period more than 5 years in the assessment of observable and potential effects of climate on the Company.</p> <table><tr><td>Risks</td><td><ul style="list-style-type: none"><li>■ Transition Risks</li><li>■ The policy for climate change in Taiwan is definitive, and various laws and regulations have been adopted and put into effect. Thus, the Company is exposed to compliance risk.</li></ul></td><td><ul style="list-style-type: none"><li>■ Restriction on total greenhouse gas emissions</li><li>■ Laws and regulations related to reduction of greenhouse gas emissions</li><li>■ Effect of carbon tax and carbon fee</li><li>■ Effect of EU carbon border tariff</li></ul></td><td><ul style="list-style-type: none"><li>■ Consumers’ awareness of climate change increases leading to the elevating demand for low carbon emission products</li><li>■ Introduction of carbon reduction technology resulting in capital expenditure for equipment.</li><li>■ Failure to cope with climate change resulting in impairment of the Company’s corporate image.</li></ul></td><td>Trend of net zero emissions</td></tr></table>					Risks	<ul style="list-style-type: none"><li>■ Transition Risks</li><li>■ The policy for climate change in Taiwan is definitive, and various laws and regulations have been adopted and put into effect. Thus, the Company is exposed to compliance risk.</li></ul>	<ul style="list-style-type: none"><li>■ Restriction on total greenhouse gas emissions</li><li>■ Laws and regulations related to reduction of greenhouse gas emissions</li><li>■ Effect of carbon tax and carbon fee</li><li>■ Effect of EU carbon border tariff</li></ul>	<ul style="list-style-type: none"><li>■ Consumers’ awareness of climate change increases leading to the elevating demand for low carbon emission products</li><li>■ Introduction of carbon reduction technology resulting in capital expenditure for equipment.</li><li>■ Failure to cope with climate change resulting in impairment of the Company’s corporate image.</li></ul>	Trend of net zero emissions
Risks	<ul style="list-style-type: none"><li>■ Transition Risks</li><li>■ The policy for climate change in Taiwan is definitive, and various laws and regulations have been adopted and put into effect. Thus, the Company is exposed to compliance risk.</li></ul>	<ul style="list-style-type: none"><li>■ Restriction on total greenhouse gas emissions</li><li>■ Laws and regulations related to reduction of greenhouse gas emissions</li><li>■ Effect of carbon tax and carbon fee</li><li>■ Effect of EU carbon border tariff</li></ul>	<ul style="list-style-type: none"><li>■ Consumers’ awareness of climate change increases leading to the elevating demand for low carbon emission products</li><li>■ Introduction of carbon reduction technology resulting in capital expenditure for equipment.</li><li>■ Failure to cope with climate change resulting in impairment of the Company’s corporate image.</li></ul>	Trend of net zero emissions						

Item	Implementation status				
		<ul style="list-style-type: none"> <li>■ Physical Risks</li> </ul>	<ul style="list-style-type: none"> <li>■ Immediate risks brought about by extreme weather. Even though the operating locations of the Company have not been impacted by extreme weather yet, the constant water shortage shall increase the difficulty in production of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>■ Change in precipitation patterns at the Company's business location may bring about torrential rain and pose impacts on personnel, equipment and operations.</li> <li>■ The locations of foreign suppliers may be affected by extreme weather events, such as interrupted transportation service caused by hurricanes, long-burning wildfires and droughts.</li> </ul>	Interrupted supply chain
	Opportunities	<ul style="list-style-type: none"> <li>■ Opportunity to improve the Company's resilience to climate and slowly and effectively develop market penetration and gain customer trust.</li> </ul>	<ul style="list-style-type: none"> <li>■ R&amp;D of low carbon emission products.</li> </ul>	<ul style="list-style-type: none"> <li>■ Effective improvement of resource utilization efficiency.</li> </ul>	Enhancement of corporate image.
3. Describe the financial impact of extreme weather events and transformative actions.	<p>The impact of extreme climate change on the Company's business locations is minor. However, special attention shall be paid to loss of work hours and output and thus the affected operating revenue as a result of heavy rain. Notwithstanding, the damage to relevant revenue by heavy rain is short-term and temporary and shall not form significant financial impact in the long run.</p> <p>In addition, in the survey of climate property of supply chains' locations, all supply chains replied that they are prepared for impacts of climate change, especially in the introduction of business continuity. Therefore, the risk of interrupted supply for the Company decreases. Meanwhile, the Company has also been active in seeking the possibility of local procurement in the hope of mutual growth with the Company. During the transition period, the Company shall have to spend time on the research of market supply chain, and the time cost thus slightly increases in the long term.</p>				

Item	Implementation status
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	In alignment with the industry needs, the Company sets up and outlines feasible action plans according to potential impact of climate change assessed. Taking the multi-disciplinary approach, the Company identifies potential risks and opportunities of various topics and pays attention to trends of market change for instant update of risk contents. At the same time, the Company assesses every risk through quantitative method and defines unacceptable risks, for which responsive measures are consequently formulated.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company has not yet conducted analyses using scenario analysis, and it is under study.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company's transition plan for managing climate-related risks is still under study.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not yet used internal carbon pricing as a planning tool.

Item	Implementation status
<p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p>	<p>Currently, the Company is carrying out the greenhouse gas inventory and verification for subsequent formulation of climate-related targets.</p>
<p>9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).</p>	<p>According to the Roadmap for the Sustainable Development of Listed Companies, the Company is not required to disclose information on greenhouse gas inventory and verification for now.</p>

(VI) The Company's ethical management status, and countermeasures to be taken:

Assessment criteria	Actual governance (Note 1)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
<p>I. Ethical Management Policies and Plans</p> <p>(I) Has the Company stated in its Memorandum or external correspondence about the ethical management policies and practices passed by the Board of Directors and the commitment of the Board of Directors and senior management to actively implement the operating policies?</p>	✓		<p>(I) The Company has set forth its own “Ethical Management Best-Practice Principles”, so that the Company should execute the Principles in internal management and external business activities strictly. The Company's “Rules of Procedure for Board Meeting” expressly states the system for recusal from conflict of interest. Where any motions submitted to the Board meeting involve conflict of interest with any director himself/herself or the juristic person represented by him/her and, therefore, it is likely to impair the interest of the Company, or any director considers that he/she should recuse himself/herself voluntarily and does so per resolution by the Board of Directors, the director shall recuse himself/herself from discussion and voting, and also be prohibited from exercising voting right on behalf of another director.</p>	No material deviation was found.
<p>(II) Whether the Company establishes the assessment mechanism about unethical conduct to analyze and assess the operating activities with higher risk of unethical conduct in the scope of business periodically, and adopts the unethical conduct prevention program based on the mechanism, which shall at least cover the prevention measures referred to in the subparagraphs</p>	✓		<p>(II) The Company has set up the “Ethical Management Best-Practice Principles” to analyze and assess the operating activities with higher risk of unethical conduct in the scope of business periodically, in order to prevent any unethical conduct.</p>	No material deviation was found.



Assessment criteria	Actual governance (Note 1)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
<p>of Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX- Companies”?</p> <p>(III) Whether the Company expressly states the SOP, guidelines for conduct and reward &amp; punishment and grievance systems in the unethical and the conduct prevention program, implements the same precisely, and reviews amendments to said program?</p>	✓		<p>(III) In order to establish the ethical enterprise culture and the Company’s robust development and to provide itself with the reference framework for successful business operations, it has set forth its own “Ethical Management Best-Practice Principles” to expressly define the operating procedures, conduct guidelines, punishment on violations and complaining system, hoping and asking the Company’s members, including the Board of Directors and management, to practice ethical management policies. Meanwhile, in order to prevent any unethical conduct, the Company’s material insider information dedicated unit will keep noting the requirements under related laws and regulations, and communicating the same to directors, managers and employees.</p>	No material deviation was found.
<p>II. Implementation of ethical management</p> <p>(I) Does the Company evaluate the integrity of all counterparts it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?</p>	✓		<p>(I) The Company’s employees shall execute the “Employment Contract” and “Resigned Employee’s Non-Disclosure Agreement” during and upon termination of the employment. The employees shall also comply with the “Customer Business Information Protection Management Regulations” to undertake the liability and obligation to protect business</p>	No material deviation was found.

Assessment criteria	Actual governance (Note 1)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
(II) Whether the Company establishes a unit dedicated to promoting ethical corporate management under supervision of the Board of Directors which shall be responsible for reporting the status of implementation of the ethical management policy and unethical conduct prevention program to the Board of Directors periodically (at least for once per year)?	✓		secrets and information for the implementation of ethical management. (II) The Company designates the HR Dept. personnel take charge and supervise the implementation of ethical corporate management, and designates the Audit Office to audit the compliance with the system referred to in the preceding paragraph periodically and report it to directors.	No material deviation was found.
(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?	✓		(III) In order to improve the operating efficiency and effect, and strengthen the interaction between the Company's employees, investors and other stakeholders, employees shall explain any concerns about ethical issues and conflict of interest to the Company voluntarily, and also comply with the "Ethical Management Best-Practice Principles". The Company has set up the shareholders mailbox on its website, and a communication hotline internally as the proper channel.	No material deviation was found.
(IV) Whether the Company fulfills the ethical management by establishing an effective accounting system and internal control system, and has an internal audit unit research and adopt related audit plans based on the unethical conduct risk assessment result and conduct audits on the compliance by the unethical conduct prevention program, or appoints a CPA to conduct the audits?	✓		(IV) In order to provide reasonable assurance towards operational results and efficiency, reliable financial reporting, regulatory compliance and other goals, the Company sets forth the accounting system and internal control system, in the spirit of ethical business practices.	No material deviation was found.

Assessment criteria	Actual governance (Note 1)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
(V) Does the Company organize internal or external training on a regular basis to maintain business integrity?	✓		(V) The Company organizes training and promotional activities for directors, managers, employees and ultimate controllers periodically, and invite counterparts engaged in business activities with the Company to show them the Company's determination and policy to promote the Company's ethical corporate management, the prevention programs and consequence of unethical conduct.	No material deviation was found.
III. Implementation of the Company's whistle-blowing system (I) Does the Company have a specific report and reward system stipulated, a convenient whistle-blowing channel established, and a responsible staff designated to deal with the whistle-blown individual? (II) Whether the Company defines the standard operating procedure, followup measures to be taken upon completion of the investigation, and nondisclosure mechanism toward the investigation of whistle-blown case as accepted? (III) Does the Company have taken proper measures to protect the whistle-blowers from suffering any consequence of reporting an incident?	✓         ✓         ✓		The Company has set forth the "Regulations Governing Whistle-Blowing Against Illegal and Unethical or Dishonest Conduct" and disclosed the same on the Company's website. The Regulations require that employees shall adhere to the ethical management principles when performing their duties, including the punishment system applicable when any employee violates the ethical management principles. If any worker find unethical conduct or suspected violation of the principles, the Company provide him/her with the whistle-blowing channel. In order to protect the whistle-blower, the Company will designate the management to take charge in secret and follow the procedures required by the principles.	No material deviation was found.
IV. Enhanced information disclosure (I) Has the Company disclosed its integrity principles and progress onto its website and Market Observation Post System (MOPS)?	✓		The Company has set up the "shareholders section" on the official website, and also included the "Important Internal Rules" into the section to disclose the information about ethical	No material deviation was found.

Assessment criteria	Actual governance (Note 1)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
			management.	
V. If the Company has established its own ethical corporate management best practice principles in accordance with the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX-Listed Companies”, please describe the current practices and any deviations from the Principles: The Company has established its own corporate ethical management best-practice principles. Meanwhile, the Company strictly complies with the principles.				
VI. Other important information that is helpful in understanding the corporate ethical management operation of the Company? (such as, the Company has amended the ethical corporate management best practice principles, etc.): The Company has set forth the “Operating Procedures for Handling Material Insider Information and Prevention of Insider Trading” as the basis to be followed by the Company in processing and disclosing the material information, lest the information should be disclosed unfairly, and in order to ensure the accuracy and consistency of information disclosed to the public, and strengthen the prevention of insider trading.				

Note 1: Always provide explanations in the summary description column, regardless of whether actual governance is ticked "Yes" or "No."

(VII) Other information material to the understanding of corporate governance within the Company: N/A.

(VIII) Disclosures relating to the execution of internal control system:

1. Declaration of Internal Control

Zinwell Corporation

Declaration of Internal Control System

Date: December 31, 2024

The following declaration was made based on the 2024 self-assessment of the Company's internal control policies:

- I. The Company is aware that the establishment, execution, and maintenance its internal control policies are the responsibility the Company's Board of Directors and Managers; such policies were implemented throughout the Company. The purpose of this system is to provide reasonable assurance in terms of business performance, efficiency (including profitability, performance, asset security etc), reliable, timely and transparent financial reporting, and regulatory compliance.
- II. Internal control policies are prone to limitations. No matter how robustly designed, effective internal control policies merely provide reasonable assurance to the achievements of the three goals above. Furthermore, environmental and situational changes may affect the effectiveness of internal control policies. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws were identified.
- III. The Company evaluates the effectiveness of its internal control policy design and execution based on the criteria specified in "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria introduced by the "Regulations" consisted of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk evaluation and response, 3. Procedural control, 4. Information and communication, 5. Supervision. Each element further contains several items. Please refer to the Regulations for the details.
- IV. The Company has adopted the above-mentioned criteria to validate the effectiveness of its internal control design and execution.
- V. Based on the assessments described above, the Company considers the design and execution of its internal control system to be effective as at December 31, 2024 (Note 2). This system (including the supervision and management of subsidiaries) has provided assurance with regards to the Company's business results, target accomplishments, reliability, timeliness and transparency of reported financial information, and its compliance with relevant laws.
- VI. This statement forms an integral part of the Company's annual report and prospectus, and shall be made public. Any illegal misrepresentation or non-disclosure in the public statement above are subject to legal consequences described in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This declaration was approved at the Company's Board of Directors meeting held on March 5, 2025. None of the 11 directors present at the meeting held any objections, and all directors unanimously agreed to the contents of this declaration.

Zinwell Corporation

The Chairman: Chi-Ruei Huang      Signature & seal

President: Ching-Hui Lin      Signature & seal

Note 1: Any major deficiencies in the design and execution of a public company's internal control system in any give year shall be specified in Paragraph 4 of the Declaration of International Control System, which shall identify and explain the major deficiencies found in the self-inspection, and also explain the corrective actions already taken by the Company prior to the balance sheet date and status of the improvement.

Note 2: The date of the Declaration shall be the "date of end of the fiscal year".

2. If the internal control system was reviewed by an external auditor, the result of such review must be disclosed: None.

(IX) Major resolutions made by the Shareholders' Meeting and the Board of Directors in the most recent year up till the date of publication of the annual report: No different opinion raised by the present directors or independent directors.

1. Major resolutions passed by shareholders' meetings:

Meeting Date	Meeting Type	Important Resolution
June 12, 2024	Shareholders' Meeting	<p>1. Passed the 2023 financial statements. Resolution: The voting results for the motion: approval votes: 177,999,738, 96.84% of the total votes; disapproval vote: 109,089; abstention votes/no votes: 5,683,733; invalid vote: 0; the motion was approved as it was proposed by the Board of Directors upon the voting.</p> <p>2. Passing the 2023 deficit compensation plan. Resolution: The voting results for the motion: approval votes: 178,111,770, 96.90% of the total votes; disapproval vote: 167,103; abstention votes/no votes: 5,513,687; invalid vote: 0; the motion was approved as it was proposed by the Board of Directors upon the voting.</p> <p>Implementation status: It is proceeded as resolved.</p>

2. Important resolution by the Board of Directors:

Meeting Date	Meeting Type	Important Resolution
March 6, 2024	Board of Directors	<p>1. Approved the application to renew the annual credit facilities with banks.</p> <p>2. Approved the Company's endorsement/guarantee for its subsidiaries.</p> <p>3. Approved the Company's 2023 Standalone Financial Statements.</p> <p>4. Approved the Company's 2023 Business Report and 2023 Consolidated Financial Statements.</p> <p>5. Approved the Company's 2023 loss make-up proposal.</p> <p>6. Approved the Company's distribution of employee compensation and director remuneration for 2023.</p> <p>7. Approved the Company's assessment on effectiveness of internal control system and the "Internal Control Statement" for the fiscal year 2023.</p> <p>8. Approved the Company's 2024 Operational Plan.</p> <p>9. Approved matters regarding convening the 2024 Annual General Meeting.</p> <p>10. Approved related matters concerning the Company's acceptance of shareholders' proposals for the 2024 Annual General Meeting.</p> <p>11. Determined whether the Company's accounts receivable overdue for a certain period are loans of fund as required by the competent authority.</p> <p>12. Passed the amendments to certain provisions of the Company's "Rules for Procedure of Board of Directors' Meetings."</p> <p>13. Passed the amendments to certain provisions of the Company's "Articles of Incorporation for Audit Committee."</p> <p>14. Approved the renewal of service contract with the Company's attesting CPAs for the attestation of 2024 financial statements.</p>
May 7, 2024	Board of Directors	<p>1. Approved the Company's Consolidated Financial Statements for the first quarter of 2024.</p>

Meeting Date	Meeting Type	Important Resolution
August 6 , 2024	Board of Directors	<ol style="list-style-type: none"> <li>1. Approved the Company's Consolidated Financial Statements for the second quarter of 2024.</li> <li>2. Approved the Company's 2023 Sustainability Report Project.</li> <li>3. Approved the Company's regular assessment on attesting CPAs' independence.</li> </ol>
November 5,2024	Board of Directors	<ol style="list-style-type: none"> <li>1. Approved the Company's Consolidated Financial Statements for the third quarter of 2024.</li> <li>2. Determined whether the Company's accounts receivable overdue for a certain period are loans of fund as required by the competent authority.</li> </ol>
December 18, 2024	Board of Directors	<ol style="list-style-type: none"> <li>1. Approved the Company's proposal to establish the "Sustainability Information Management Procedures".</li> <li>2. Approved the Company's 2025 Annual Audit Plan of internal audit.</li> <li>3. Approved the distribution of 2024 annual bonus for managerial officers.</li> </ol>
March 5, 2025	Board of Directors	<ol style="list-style-type: none"> <li>1. Approved the application to renew the annual credit facilities with banks.</li> <li>2. Approved the Company's endorsement/guarantee for its subsidiaries.</li> <li>3. Approved the Company's 2024 Standalone Financial Statements.</li> <li>4. Approved the Company's 2024 Business Report and 2024 Consolidated Financial Statements.</li> <li>5. Approved the Company's 2024 loss make-up proposal.</li> <li>6. Approved to amend part of the articles in the Company's Article of Incorporation.</li> <li>7. Approved the Company's distribution of employee compensation and director remuneration for 2024.</li> <li>8. Approved the Company's assessment on effectiveness of internal control system and the "Internal Control Statement" for the fiscal year 2024.</li> <li>9. Approved the Company's 2025 Operational Plan.</li> <li>10. Approved the full re-election of the directors.</li> <li>11. Approved the proposal of lifting the non-compete restriction for the new directors.</li> <li>12. Approved matters regarding convening the 2025 Annual General Meeting.</li> <li>13. Approved related matters concerning the Company's acceptance of shareholders' proposals for the 2025 Annual General Meeting.</li> <li>14. Approved the matters regarding whether the shareholders' nomination is accepted by the Company listed on the candidate list.</li> <li>15. Approved the partial amendments to the Company's Internal Control System – Personnel Management Procedures.</li> <li>16. Approved the renewal of service contract with the Company's attesting CPAs for the attestation of 2025 financial statements.</li> </ol>

(X) The main contents of important resolutions passed by the Board of Directors regarding in which directors have voiced differing opinions on the record or in writing, during the most recent year and up to the date of publication of the annual report: None.

**IV. Information regarding the fee for certified public accountant**

Unit: New Taiwan thousand dollars.

<b>Name of the accounting firm</b>	<b>Name of the certified accountant</b>	<b>Certified public accountant Audit period</b>	<b>Audit fee</b>	<b>Non-audit fee (note)</b>	<b>Total</b>	<b>Note</b>
PwC Taiwan	Yi-Chang Liang	2024/01/01 to 2024/12/31	5,040	700	5,740	
	Ya-fang Wen					

Note: Non-audit fees are mainly research and development expenditures, deducting tax consulting, transfer pricing fees, group master files.

1. If the accounting firm is changed and the audit fee paid in the year of change is lower than the audit fee paid in the previous year before the change, the amount of the audit fee before and after the change and the reasons shall be disclosed: the Company has not changed the accounting firm.
2. If the audit fee is reduced by more than 10% compared to the previous year, it shall disclose the amount, proportion, and reason for the reduction of the audit fee:  
None.



- V. Change of CPA :** There was no change of CPA in the last 2 years and thereafter.
- VI. Disclosure of any of the Company's Chairman, President, or managers responsible for financial or accounting affairs being employed by the auditor's firm or any of its affiliated company in the last year; including their names, job titles, and the periods during which they were employed by the auditor's firm or any of its affiliated company:** None.
- VII. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisors, manager, or shareholder with a stake of more than 10 percent during the most recent fiscal year and up to the date of publication of the annual report 49**

(1) Changes of the equity of directors, supervisor, managers and major shareholders

Unit: shares

Title (Note 1)	Name	2024		Year-to-date as at April 13	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Chi-Jui Huang	0	0	0	0
Vice Chairman	Hung-Chi Hsiao	0	0	0	0
President	Ching-Hui Lin	0	0	0	0
Director	Chi-An Huang	0	0	0	0
Director	Chi-Nan Huang	0	0	0	0
Director	I-Chuan Lin	0	0	0	0
Director	Yu-Hsing Liang	(169,000)	0	0	0
Director	Wen-Hsien Chiang	0	0	0	0
Director	Wen-Shun Ho	0	0	0	0
Director	Chien-Cheng Wu	(250,000)	0	0	0
Independent Director	Ming-Yo Huang	0	0	0	0
Independent Director	Chien-Te Liu	0	0	0	0
Independent Director	Jun-Cheng Chen	0	0	0	0
Manager	Cheng-Yi Cheng	0	0	0	0
Manager	Yu-Kung Tsai	0	0	0	0
Manager	Shu-Chi Wang	0	0	0	0
Manager	Hsin-Chou Wu	0	0	0	0
Manager	Pei-Hung Tsai	0	0	0	0
Manager	Chuang-chun Chiu	0	0	0	0
Manager	Yin-Lin Lo	0	0	0	0
Manager	Shang-Jun Zhao	0	0	0	0

Note 1: Shareholders who hold 10% of the total shares of the Company or more shall be indicated as major shareholders, and listed individually.

Note 2: Director – Yu-Hsing Liang resigned on March 31st, 2024. Director Chien-Cheng Wu was naturally discharged from office on August 2, 2024. Manager – Shang-Jun Zhao took office on April 1st, 2024.

(2) Equity transfer information:

Name (Note 1)	Reason of Equity Transfer (Note 2)	Date of Transactio n	Counterpart of the Transaction	The relationship between the counterpart of the Transaction and the Company, the directors, the supervisor, and the shareholders with 10% or more shares	Number of shares	Transacti on price
None						

(3) Equity pledge information:

Name (Note 1)	Reason of changes of pledge (Note 2)	Date of Change	Counterpart of the Transaction	The relationship between the counterpart of the Transaction and the Company, the directors, the supervisor, and the shareholders with 10% or more shares	Number of shares	% of Owners hip	% of Pledge	Amount of pledge (redemptio n)
None								

**VIII. Disclosure of relationships among the top ten shareholders including spouse, and relatives within the second degree of kinship:**

Name (Note 1)	Shareholding under own name		Shares held by spouse and underage children		Shares held in the names of others		Disclosure of information on related parties or spousal relationship or relations within the second degree of kinship, among top ten shareholders, including their names or designations, and relationships. (Note 3)		Re ma rks
	Number of shares	% of Owners hip	Number of shares	% of Own ershi p	Nu mb er of sha res	% of Own ershi p	Name (Designation)	Relati onship	
Chi-Jui Huang	11,564,943	3.64%	1,773,888	0.56%	0	0	Chi-Nan Huang, Chi-An Huang	Relative within the second degree of kinship	
Hung-Chi Hsiao	8,832,329	2.78%	202,742	0.06%	0	0	None	None	
Ching-Hui Lin	6,574,132	2.07%	0	0	0	0	None	None	
Chi-Nan Huang	3,634,019	1.14%	0	0	0	0	Chi-Jui Huang, Chi-An Huang CHB as Trustee of Chi-Nan Huang Trust Account	Relative within the second degree of	

								kinship Person in charge of the Account	
Chi-An Huang	3,064,161	0.96%	0	0	0	0	Chi-Jui Huang, Chi-Nan Huang CHB as Trustee of Chi-An Huang Trust Account	Relative within the second degree of kinship Person in charge of the Account	
CHB as Trustee of Chi-An Huang Trust Account Representative : Chi-An Huang	3,000,000	0.94%	0	0	0	0	Chi-An Huang	Person in charge of the Account	
Chi-Nan Huang Trust Account Managed by CHB Representative: Chi-Nan Huang	3,000,000	0.94%	0	0	0	0	Chi-Nan Huang	Person in charge of the Account	
Su-Yu Chiang Huang	2,730,846	0.86%	0	0	0	0	None	None	
Investment Account of JP Morgan Securities Co., Ltd. under the Custody of JPMorgan Chase Bank, N.A.	2,599,037	0.82%	0	0	0	0	None	None	
Ding-Ciang Wong	2,282,000	0.72%	0	0	0	0	None	None	

Note 1: All top ten shareholders should be enumerated in whole. In case of corporate shareholders, the names of all such corporate shareholders and their representatives should be enumerated respectively.

Note 2: The shareholdings are calculated based on the shares held by oneself, spouses or underage children, or in the name of another person respectively.

Note 3: The relationship among said shareholders, including juristic persons and natural persons, should be disclosed based on the regulations governing the preparation of financial reports by issuers.

**IX. Investments jointly held by the Company, the Company's directors, supervisors, managers, and enterprises directly or indirectly controlled by the Company; disclose shareholding in aggregate of the above parties:**

March 31, 2025 Unit: shares; %

Investees (Note)	Held by the Company		Held by Directors, Supervisors, managers, and directly or indirectly controlled enterprises		Aggregate investment	
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding
AkiraNET Company.	54,370,924	54.40%	10,367,265	10.38%	64,738,189	64.78%
ZINWELL CORPORATION (H.K.) LTD.	6,000,000	100.00%	0	0	6,000,000	100.00%
ZINWELL HOLDING (SAMOA) CORPORATION	49,000,000	100.00%	0	0	49,000,000	100.00%
UrMap.Inc.	666,280	28.07%	0	0	666,280	28.07%
ITAS TECHNOLOGY CORP. (Note 2)	762,250	38.11%	0	0	762,250	38.11%

Note: The Company's investment under equity method.

Note 1: UrMap.Inc. went out of business.

Note 2: Senstech technology inc. was approved by the board of directors on April 22nd, 2019 to be dissolved, and on May 2nd of the same year, the competent authority approved the dissolution.

## Three. Funding Status

### I. Capital Stock and Shares

#### (I) Capital Stock

##### 1. Source of Capital Stock

March 31, 2025

Unit: NT\$  
Thousand/Thousand  
Shares

Year/Month	Issue price (NT\$)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of Capital Stock	Offset Share Capital Via Properties Other Than Cash	Others
1981/03	10	100	1,000	100	1,000	Original investment 1,000	0	—
1989/11	10	500	5,000	500	5,000	Capital increase in cash 4,000	0	—
78/12	10	2,300	23,000	2,300	23,000	Capital increase in cash 18,000	0	—
1993/01	10	6,000	60,000	6,000	60,000	Capital increase in cash 37,000	0	—
82/04	10	8,500	85,000	8,500	85,000	Capital increase out of earnings 25,000	0	—
1996/06	10	10,500	105,000	10,500	105,000	Capital increase out of earnings 20,000	0	—
1997/02	10	19,900	199,000	19,900	199,000	Capital increase in cash 94,000	0	—
86/07	10	40,000	400,000	40,000	400,000	Capital increase in cash 101,500	0	Letter under (86) Tai-Cai-Zheng (1) No. 53208 dated July 8, 1997
						Capital increase out of earnings 99,500		
1998/10	10	99,900	999,000	54,990	549,900	Capital increase in cash 47,020	0	Letter under (87) Tai-Cai-Zheng (1) No. 59559 dated July 13, 1998
						Capital increase out of earnings 102,880		
1999/08	10	99,900	999,000	73,317	733,174	Capital increase out of earnings 183,274	0	Letter under (88) Tai-Cai-Zheng (1) No. 70992 dated July 30, 1999
2000/08	10	180,000	1,800,000	97,755	977,548	Capital increase out of earnings 244,374	0	Letter under (89) Tai-Cai-Zheng (1) No. 65616 dated July 27, 2000
2001/08	10	189,775	1,897,750	135,658	1,356,582	Capital increase in cash 150,000	0	Letter under (90) Tai-Cai-Zheng (1) No. 129595 dated May 22, 2001
						Capital increase		Letter under (90)

Year/Month	Issue price (NT\$)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of Capital Stock	Offset Share Capital Via Properties Other Than Cash	Others
						out of earnings 229,034		Tai-Cai-Zheng (1) No. 129596 dated May 16, 2001
2002/07	10	234,600	2,346,000	158,657	1,586,577	Capital increase out of earnings 229,995	0	Letter under Tai-Cai-Zheng-1-Zi No. 0910136617 dated July 8, 2002
2003/07	10	234,600	2,346,000	170,000	1,700,008	Capital increase out of earnings 113,431	0	Letter under Tai-Cai-Zheng-7-Zi No. 0920130162 dated July 11, 2003
2004/02	10	234,600	2,346,000	172,634	1,726,348	Employee stock warrants converted into 26,340 common shares	0	Letter under Tai-Zheng-Shang-Zi No. 09300018541 dated February 4, 2004
2004/04	10	234,600	2,346,000	172,804	1,728,048	Employee stock warrants converted into 1,700 common shares	0	Letter under Tai-Zheng-Shang-Zi No. 09300093101 dated April 23, 2004
2004/08	10	234,600	2,346,000	173,059	1,730,598	Employee stock warrants converted into 2,550 common shares	0	Letter under Tai-Zheng-Shang-Zi No. 09300199311 dated August 5, 2004
2004/10	10	290,000	2,900,000	197,228	1,972,287	Capital increase out of earnings 241,689	0	Letter under Tai-Zheng-Shang-Zi No. 09300269261 dated October 18, 2004
2004/11	10	290,000	2,900,000	197,523	1,975,237	Employee stock warrants converted into 2,950 common shares	0	Letter under Tai-Zheng-Shang-Zi No. 09300283601 dated November 2, 2004
94/01	10	290,000	2,900,000	197,807	1,978,077	Employee stock warrants converted into 2,840 common shares	0	Letter under Tai-Zheng-Shang-Zi No. 09400002228 dated January 24, 2005
2005/04	10	290,000	2,900,000	198,425	1,984,257	Employee stock	0	Letter under

Year/Month	Issue price (NT\$)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of Capital Stock	Offset Share Capital Via Properties Other Than Cash	Others
						warrants converted into 6,180 common shares		Tai-Zheng-Shang-Zi No. 09400108791 dated April 27, 2005
2005/08	10	350,000	3,500,000	198,611	1,986,117	Employee stock warrants converted into 2,520 common shares	0	Letter under Tai-Zheng-Shang-Zi No. 09400218641 dated August 2, 2005
2005/10	10	350,000	3,500,000	211,351	2,113,506	Capital increase out of earnings 126,728	0	Letter under Tai-Zheng-Shang-Zi No. 0940029870 dated October 12, 2005
2005/10	10	350,000	3,500,000	211,533	2,115,326	Employee stock warrants converted into 1,820 common shares	0	Letter under Tai-Zheng-Shang-Zi No. 09400314321 dated October 26, 2005
2006/01	10	350,000	3,500,000	212,531	2,125,306	Employee stock warrants converted into 9,980 common shares	0	Letter under Tai-Zheng-Shang-Zi No. 09500020531 dated January 25, 2006
2006/04	10	350,000	3,500,000	213,888	2,138,876	Employee stock warrants converted into 13,570 common shares	0	Letter under Tai-Zheng-Shang-Zi No. 09500085001 dated April 26, 2006
2006/07	10	350,000	3,500,000	214,212	2,142,116	Employee stock warrants converted into 3,240 common shares	0	Letter under Tai-Zheng-Shang-Zi No. 09500195941 dated July 26, 2006
2006/09	10	350,000	3,500,000	230,225	2,302,255	Capital increase out of earnings 160,139	0	Letter under Tai-Zheng-Shang-Zi No. 09500251501 dated September 20, 2006
2006/11	10	350,000	3,500,000	230,928	2,309,275	Employee stock warrants converted into 7,020 common	0	Letter under Tai-Zheng-Shang-Zi No. 09500288171

Year/Month	Issue price (NT\$)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of Capital Stock	Offset Share Capital Via Properties Other Than Cash	Others
						shares		dated November 1, 2006
96/02	10	350,000	3,500,000	231,623	2,316,225	Employee stock warrants converted into 6,950 common shares	0	Letter under Tai-Zheng-Shang-Zi No. 09600036621 dated February 8, 2007
2007/04	10	350,000	3,500,000	231,711	2,317,105	Employee stock warrants converted into 880 common shares	0	Letter under Tai-Zheng-Shang-Zi No. 09600098891 dated April 24, 2007
2007/07	10	350,000	3,500,000	232,020	2,320,195	Employee stock warrants converted into 3,090 common shares	0	Letter under Tai-Zheng-Shang-Zi No. 09600205461 dated July 24, 2007
2007/08	10	350,000	3,500,000	262,588	2,625,883	Capital increase out of earnings 305,688	0	Letter under Tai-Zheng-Shang-Zi No. 09600251171 dated August 28, 2007
2007/10	10	350,000	3,500,000	262,708	2,627,083	Employee stock warrants converted into 1,200 common shares	0	Letter under Tai-Zheng-Shang-Zi No. 09600313861 dated October 24, 2007
2008/08	10	399,000	3,990,000	317,689	3,176,890	Capital increase out of earnings 549,807	0	Letter under Tai-Zheng-Shang-Zi No. 09700248321 dated August 20, 2008

Note 1: Provide information for the current year up till the date of publication of the annual report.

Note 2: Please specify the effective date (date of approval) and approval No. additionally, in the case of capital increase.

Note 3: The shares issued at the price less than par value, if any, shall be identified in a prominent manner.

Note 4: The stock payment offset by money claim or technology shall be identified, and the type and amount of offset shall be specified separately.

Note 5: The private placement, if any, shall be identified in a prominent manner.



2. Types of share already issued in the recent years and as of the date of publication of the annual report

April 13, 2025 Unit: shares

Type of share	Authorized capital stock			Remarks
	Outstanding shares (Note)	Unissued shares	Total	Number of shares convertible from the convertible corporate bond
Registered common stock	317,689,037	81,310,963	399,000,000	50,000,000

Note: The outstanding shares refer to stocks issued by TWSE-listed companies.

3. Information related to the shelf registration

Type of securities	Total amount to be issued		Amount already issued		Purpose and expected benefit of the issued amount	Scheduled period for issuance of corporate bonds not offered	Remarks
	Total number of shares	Approved amount	Number of shares	Price			
None							

(II) Roster of Major Shareholders

April 13, 2025 Unit: shares; %

Name of Major Shareholder	Shares	Shares held	Shareholding
Chi-Jui Huang		11,564,943	3.64%
Hung-Chi Hsiao		8,832,329	2.78%
Ching-Hui Lin		6,574,132	2.07%
Chi-Nan Huang		3,634,019	1.14%
Chi-An Huang		3,064,161	0.96%
CHB as Trustee of Chi-An Huang Trust Account		3,000,000	0.94%
CHB as Trustee of Chi-Nan Huang Trust Account		3,000,000	0.94%
Su-Yu Chiang Huang		2,730,846	0.86%
Investment Account of JP Morgan Securities Co., Ltd. under the Custody of JPMorgan Chase Bank, N.A.		2,599,037	0.82%
Ding-Ciang Wong		2,282,000	0.72%

### (III) Dividend Policy and the Status of Implementation

1. The Company's dividend policy:

The Company may not distribute dividends or share profit if there are no earnings available to do so.

Annual surpluses concluded by the Company are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for legal reserve and provision of special reserve as the laws may require. Any surpluses remaining shall be added to unappropriated earnings accumulated from previous years and designated as cumulative distributable earnings, which the board of directors may propose to distribute according to the terms of the dividend policy outlined in Paragraph 4 of this Article. Dividends that are distributed in the form of new shares will have to be resolved in a shareholder meeting before proceeding.

The Company may, in compliance with Paragraph 5, Article 240 of The Company Act, authorize the board of directors to distribute dividends and profit-sharing wholly or partially in cash at its discretion and seek acknowledgment from shareholders afterwards, provided that such decision is made in a board of directors meeting where more than two-thirds of the board is present, and voted in favor by more than half of all directors present at the meeting.

The Company shall set its dividend policy in shareholders' best interest after taking into consideration the current state and future prospect of the investment environment, the domestic and foreign competitive landscape, capital expenditure plans, and operational requirements. No less than 20% of distributable earnings shall be allocated as dividends (the distributable earnings mentioned here refer to the amount of current net income net of legal reserves and special reserves). Dividends can be paid in shares or in cash, and cash dividends shall amount to no less than 8% of total dividends.

The Company may, subject to compliance with Article 241 of the Company Act, distribute all or part of its legal/special reserves either in cash or by issuing new shares proportional to shareholders' existing shareholding percentage. The board of directors is authorized to pay out reserves in cash, provided that the decision is resolved in a board meeting with more than two-thirds of board members present, voted in favor by more than half of attending directors, and reported in the upcoming shareholder meeting.

2. The dividend proposed (resolved) to be distributed this year: (already passed by the Board of Directors but pending approval by a shareholders' meeting)

For the Company's 2024 deficit compensation plan, as the Company suffers loss in 2024, no stock dividends would be distributed accordingly. Meanwhile, the Board of Directors plans not to distribute the employee remuneration and director remuneration.

### (IV) Impacts posed by proposed stock dividends on the Company's business performance and earnings per share:

Item		Year	2025 (Projected)
Opening paid-up capital			NT\$3,176,890,370
Dividends for the current year	Cash dividends per share		NT\$0 (Note 1)
	Stock dividends per share (for capital increase out of earnings)		None

Item		Year	2025 (Projected)
	Stock dividends per share (for capital increase out of capital surplus)		None
Changes in business performance	Operating Income		Not applicable (Note 2)
	Year-on-year percentage variation of operating profit		
	Net income		
	Year-on-year percentage variation of net income		
	Earnings Per Share (EPS)		
	Year-on-year percentage variation of earnings per share		
	Yearly average return on investment (a reciprocal of yearly average PE ratio)		
Pro forma EPS and PE ratio	If the capital increase out of earnings was entirely distributed as cash dividends instead.	Pro forma EPS	Not applicable (Note 2)
		Pro forma annual return on investment	
	Without capitalization of reserves	Pro forma EPS	
		Pro forma annual return on investment	
	Without capital increase out of capital surplus and earnings, and distribution in cash in whole adopted instead	Pro forma EPS	
		Pro forma annual return on investment	

Note 1: 2025 annual general meeting

Note 2: In accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies", the Company is not required to disclose the financial forecast information for the fiscal year 2024.

#### (V) Remuneration employees and directors/supervisors

1. The information about remuneration to employees and directors/supervisors referred to herein:

As an incentive for employees and the management team, annual profits concluded by the Company (i.e. pre-tax profits before employee and director remuneration) are subject to employee remuneration of no less than 3% and director remuneration of no higher than 3%. However, profits shall first be reserved to offset against cumulative losses, if any, before the remainder can be distributed as employee/director remuneration in the above percentages. Share-based or cash payment of employee remuneration and cash payment of director remuneration are subject to resolution in a board meeting with more than two-thirds of the whole directors present, and voted in favor by more than a half of all attending directors. This decision shall also be reported in a shareholders' meeting.

2. The accounting for changes to the estimation basis for the remuneration to employees and directors/supervisors, changes to the calculation basis for stock dividends, and discrepancies between the amounts actually paid and the amounts estimated:

The Company didn't to distribute the remuneration to employees and directors in 2024. No stocks or remuneration was distributed to employees in 2024.

3. Information on the proposal for remuneration to employees and directors passed by the Board of Directors

- (1) Amount of remuneration distributed to employees in cash and remuneration distributed to directors:

The Board resolved on March 5, 2025 that no remuneration should be distributed to employees and directors in 2024.

- (2) Number of the bonus shares proposed to be distributed to employees, and the proportion thereof to the capital increase out of earnings:  
Not applicable, as the Company did not distribute the bonus shares to employees.
4. Actual payment of remuneration to employees/directors/supervisors in the previous year (including the number of shares allocated, the sum of cash paid, and the price at which shares were issued), and any differences from the figures estimated (explain the amount, the cause, and treatment of such discrepancies).  
The Company's 2023 earnings distribution plan is stated as following. The actual amounts paid was indifferent from the proposed amount passed by the Board of Directors.

Unit: NT\$; share

	Actual amount distributed per resolution by the annual general meeting	Proposed amount passed by the Board of Directors	Variance	Cause of variance
I. Status of distribution:				
1. Employees' remuneration in cash	0	0	0	None
2. Employees' stock				
(1) Number of shares	0	0	0	None
(2) Amount	0	0	0	None
(3) Proportion to the number of outstanding shares in current period	0	0	0	None
3. Remuneration to directors and supervisors	0	0	0	None
II. Information about Earnings Per Share (EPS):				
1. Original EPS (NT\$)	0	0	0	None
2. Imputed EPS (NT\$)	0	0	0	None

**(VI) The Company's buy-back of the Company's shares in the most recent year up till the date of publication of the annual report: None.**

**II. Issuance of corporate bond (including overseas corporate bond): None.**

**III. Issuance of preference shares: None.**

**IV. Issuance of overseas depository receipts: None.**

**V. Status of employee stock warrants:**

- (I) Status of employee stock warrants and imposed posed to shareholders' equity therefor:  
The Company has never acquired the shares from exercise and non-exercise of the issued employee stock warrants in the most recent year up till the date of publication of the annual report.

- (II) Names of managers who have acquired employee stock warrants and employees ranking top ten in convertible shares as at the date of publication of the annual report: None.
- (III) Status of Restricted Stock Awards (RSAs): None.
- (IV) Names of managers and top ten employees who acquired RSAs, and how they acquired the shares: None.

**VI. Disclosure on new shares issued for the acquisition or transfer of other shares:**

- (I) New shares issued for the acquisition or transfer of other shares in the most recent year up till the date of publication of the annual report: None.
- (II) For any issuance of new shares for the acquisition or transfer of other shares resolved by the Board of Directors in the most year up till the date of publication of the annual report: None.

**VII. Implementation of capital utilization plan**

- (I) Any negotiable securities offered or private placement thereof that has not yet been completed up to the last quarter before the date of publication of the annual report, or plan(s) completed within the most recent three (3) years but without significant benefits as yet: The Company has had no capital increase plan in the most recent three years.
- (II) Contents of the plan implemented in the most recent three years: N/A.
- (III) Implementation status: N/A

## Four. Business operation in summary

### I. Contents of business operation

#### (I) Scope of business operation

##### 1. Contents of business lines engaged by the Company:

- I. CA01090 Aluminum casting.
- II. CA04010 Surface treatments.
- III. CC01020 Electric wires and cables manufacturing
- IV. CC01030 Electrical appliances and audiovisual electronic products manufacturing
- V. CC01050 Data storage & processing equipment manufacturing
- VI. CC01060 Wired communication mechanical equipment manufacturing.
- VII. CC01070 Wireless communication mechanical equipment manufacturing.
- VIII. CC01080 Electronics components manufacturing
- IX. CC01101 Controlled telecommunication radio frequency equipment manufacturing.
- X. CC01110 Computer and peripheral equipment manufacturing.
- XI. F118010 Wholesale of computer software.
- XII. F119010 Wholesale of electronic materials.
- XIII. F401010 International trade.
- XIV. F401021 Controlled telecommunication radio frequency equipment importation.
- XV. F601010 Intellectual property rights.
- XVI. I103060 Management consulting.
- XVII. I301010 Information software services.
- XVIII. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

##### 2. Proportion in business operation

Expressed in Thousand NT Dollars

Major products \ Year	2024	
	Amounts of sales	Proportion in business operation
Digital cable and communication products	2,607,893	100%
Other	2,587	0%
Total	2,610,480	100%

Note: Virtually difficult to statistically classify amidst the complicated variety of products.

3. The Company's major products at present
  - (1) Digital Satellite Communication Transmission System.
  - (2) Digital cable video transmission system.
  - (3) Digital video converter related products.
4. New products scheduled to be developed in the future
  - (1) 1218 MHz 40dB Gain Line Extender Amplifier
  - (2) 1218 MHz/SA Type/2KV CATV Trunk Line Splitter ; Directional Coupler ; Power Inserter, High Current Type with Monel Gasket
  - (3) 1.2GHz Outdoor Tap with 6KV Surge
  - (4) PIM for DBT-1800-Cx Amplifier (DBT-Cisco 、 C-COR Compatible)
  - (5) 3GHz Bypass Faceplate
  - (6) 4GHz Virtual Segmentation Triplexer Filter
  - (7) 1.2GHz Smart Amplifier
  - (8) Gainmaker® Compatible Amplifier
  - (9) CCOR® Compatible Amplifier
  - (10) MOTO® Compatible Amplifier
  - (11) MoCA CPE
  - (12) MoCA DPU
  - (13) GPON OLT SFP+ Stick
  - (14) AI Cam
  - (15) Indoor Wi-Fi 7 Tri-Band AP/Router
  - (16) Outdoor Wi-Fi 7 Tri-Band AP/Router
  - (17) 5G Indoor CPE + AX1800
  - (18) 5G Semi-outdoor CPE + BE15000
  - (19) 6port Ethernet Switch without Network Management
  - (20) Indoor Wi-Fi 7 Quad-Band AP/Router
  - (21) HMS module
  - (22) Gateway module
  - (23) G.hn module w/ PoE
  - (24) 2Gbps Phone line to Ethernet with Wi-Fi 6 extender
  - (25) 2Gbps Coaxial line to Ethernet with Wi-Fi 6 extender
  - (26) G.hn Power line with Power over Ethernet (PoE)
  - (27) G.hn Coaxial with Power over Ethernet (PoE)
  - (28) G.hn Phone line with Power over Ethernet (PoE)
  - (29) G.hn over Coaxial line with Reverse Power Feeding, RPF
  - (30) G.hn over Phone line with Reverse Power Feeding, RPF
  - (31) Outdoor L2 switch (1 port / 4 ports)

## (II) Business performance in summary

### (1) Industries, the status quo and future development

Digital television is a sort of television transmission skill that converts the television program picture signals into a series of data after digital processing before transmission into the users' home by means of digital modulation technology. Compared with traditional analog television, such digital television is far superior to traditional analog television transmission in terms of picture quality, sound quality, bandwidth efficiency, security and functions to render services. As a very natural result, in recent years, governments around the world have targeted digital television as their very goals and targets in government administration. The current digital television transmission methods today can be roughly divided into four types as: Receiving cable television, satellite, terrestrial broadcasting and Internet (IP/DSL).

#### A. HDTV Set-Top-Box/ Digital TV Module

Throughout the world, the digital television system is roughly divided into four major system specifications: American ATSC System, European DVB-T System, Japanese ISDB-T System. In China, a very huge market, they have as well launched a customized standard DMB-T/H on the terrestrial broadcasting system. The major gaps among them lie in the strong mobile reception capability amidst the European system where the television can still be clearly watched even when a vehicular speed reaches 130 kmh. Moreover, the European system can form a single-frequency broadcasting network (SFN) which significantly helps establish and improve the viewing excitement in the poorly viewed areas, very helpful to enhance the broadcast stations. The American system lacks these two key functions, but is structured relatively simpler. When it comes to the performance of the Japanese system, it is quite similar to that of the European system.

The international standards and referential areas adopted for digital television signal transmission systems in various countries are enumerated as below:

	United States	Europe	Japan	Taiwan	S. Korea
Digital mobile broadcasting television (mobile television)	DVB-H	DVB-H	ISDB-T	DVB-H	T-DMB
Digital satellite television	DVB-S	DVB-S	ISDB-S	DVB-S	S-DMB (Mobile phone reception)
Digital cable television	OpenCable	DVB-C	DVB-C	DVB-C	DVB-C
Digital terrestrial wireless television	ATSC	DVB-T	ISDB-T	DVB-T	ATSC
Wireless broadband internet mobile phone	BCMCS / MBMS				

Digital broadcasting is far superior to the current analog signal system in terms of picture clarity, anti-noise, resolution level, sound quality, and bandwidth efficiency. Moreover, it has 4–6 times more channels than an analog signal. Terrestrial broadcasting serves more than 1 billion viewers throughout the world in a sharp comparison with the cable television that serves approximately 250 million viewers and satellite television that serves approximately 70 million viewers. Moreover, the terrestrial broadcasting system dominates the advantage of viewing services free of charge. That suggests the digital terrestrial broadcasting market is still quite stable with huge potential for development ahead.

At the present moment, except the U.S. (Advanced Television System Committee; ATSC) standard for digital reception in the United States, South Korea among Asian countries also adopts ATSC as its domestic digital broadcasting standard to serve their



clients. Thanks to the wholehearted support with the government's policy, South Korea has achieved full digitization toward broadcast digital television. At the moment, the countries that adopt American ATSC include the United States, Canada, Mexico, South Korea, among others.

The Japanese ISDB is adapted from the European DVB and is adopted in fewer regions around the world with only Japan and Brazil in use. Throughout the world, the main standards adopted are primarily European DVB and American ATSC. Countries that use European DVB are not only European countries alone, but also include Australia, New Zealand, India, Singapore, and others as the specifications adopted by most countries today.

At the present moment the terrestrial digital broadcast STB can be roughly divided into two categories, i.e. the high-end and low-end ones. The low-end STB refers to the basic conversion of digital broadcast signals into analog signals that can be received by analog television systems while the high-end STB includes built-in hard disk and external modem, serving such functions as, notably, EPG, real-time recording, and surround sound, among other functions. Until 2005, the global market had been dominated by low-end STBs and after 2005, the global shipments of high-end STBs exceeded 30%, in particular when Internet television came into being and started to provide interactive contents and services, and the high-end STB market grew by leaps and bounds.

## **B. CABLE Set-Top-Box**

The Cable STB markets primarily lie upon North America where, nevertheless, the market penetration rate is nearly saturated in full. In recent years, there has been no replacement demand over there. In addition, cable television operators are facing the impact of the economic downturn, and, as a very natural result, they have reduced their capital budgets and actively carried out industrial mergers. The entire Cable STB markets are showing a sign of decline.

Cable STB is primarily divided into three types, i.e. Analog, Advanced Analog, and Digital. Analog STB is a traditional STB and Advanced Analog STB is, other than the Analog function, further serving interactive functions, e.g. networking. As for the Digital STB, it is known as an STB with the ability to receive digital broadcasts.

Amidst the disadvantageous factors such as the impact of the economic recession in various industries throughout the world and the lack in obvious replacement demand in the major market, notably North America, we observe the global Cable STB markets and believe the shipments can only maintain a slow growth. Amidst its user growth momentum, nevertheless, the future will focus on Asia where the user growth rate is higher than regions elsewhere. Cable STB is still playing the key role for digital cable television. The consumers' demand for digital content and the increase in the number of channels brought about by digitalization, interactive television services, PVR, VOD and other related applications are also the growth momentum for Cable STB in the future and quite conducive toward future growth.

## **C. Digital Satellite STB**

The development of digital satellite broadcasting is relatively mature and is expected to continually grow at a steady pace in the future. North America represents the largest market for digital satellite broadcasting with an average shipment volume between 12 million and 18 million units per annum, accounting for 60% to 70% of the entire global market. In the days and years ahead, the market growth will primarily come from two factors: the growth of digital viewers and the replacement demand for such products.

In Europe, the development of pay satellite television services is concentrated in the UK, France, Italy, Spain, Germany and Scandinavia. In Western Europe with many and dense countries over there, in order to expand the scale of the economy, pay satellite television service providers have expanded their services to the neighboring countries in addition to operating their own businesses at home. Other than the effort of poaching cable television users, there are still nearly 15 million users in Western Europe for free or analog satellite television, plus traditional users who receive free terrestrial broadcasting television services who have not yet converted to digital television services. In order to attract the aforementioned groups of traditional free television service users, pay satellite television providers have launched low prices and service combinations programs in an attempt to lower the barriers to service entry.

The Asian market has recorded not bad growth in recent years. Other than China, India also has, as well, demonstrated growth potential. Other countries in Central and South America, e.g. Brazil, Mexico, and Argentina, and those Eastern European nations like Romania and Russia, have, as well, demonstrated significant development potential. In an emerging market, the relevant product specifications, changes in the markets and the very updates of service providers are worthy of our continuous watchfulness. We anticipate that emerging markets shall become one of our long-term growth momentums toward the satellite STB market.

#### **D. IPTV Box**

The Internet has been developed and evolved from the traditional text and graphics to the current audiovisual stage. Where all major websites try to add video contents onto their web pages, YouTube further provides a platform for users to upload their self-portrait short films that has led the trend, and even attracted Google to acquire YouTube at a gigantic high price of 1.6 billion U.S. dollars. This fact proves the advent of the Internet Video era.

Technologically, IPTV (Internet Protocol Television) is a type of television service that uses a broadband network to transmit program content into IP packets. From a functional perspective, it can also be termed as an interactive network television. Toward users, they can watch IPTV by means of PC, IP STB plus television and Internet mobile phones.

The hardware system architecture of an IPTV is divided into three parts, i.e. the front-end, the broadcasting service and user-end. The front-end collects and stores such contents including those received from satellite, terrestrial, cable or other means and then such content is compressed, converted, coded, and formatted. Finally, the encryption process is completed. The broadcasting service is to cast the encrypted unit from the video server, and authenticate the client device, and transmit the DRM authorization to the authenticated user terminal device through the DRM (Digital Rights Management) Server so that the users can check the content of the program into decryption and free play.

The broadcast service area is composed of the network connected to the cable television, the telecommunications service providers and the like as well as the corresponding broadband networks. This area also includes the backbone IP network and the local IP network. The main functions of these two are for video and audio routes and switching transmission, the cable television front-end and telecom operators then transmit such to the users through the head-end DSLAM equipment. In an attempt to receive IPTV, a user needs to have an environment equipped with broadband and hardware capable of connecting to an external network. Normally, with an IP STB plus a TV or PC, and

related software for the user interface as well as the entire IPTV hardware device. In between, that user shall, as well, be equipped with media management, user management, charging mechanism and other software before satisfactory application.

(2) The relevance of the industry, the upper, middle and the downstream

In terms of the Company's industry relevance, the upstream primarily supplies substrates, e.g. semiconductors, transistors, resistors, capacitors, inductors, printed circuit boards, transformers, filters and such parts & components. The products so produced are supplied to the downstream like telecommunications service providers, cable television security industry, military industry, optical fiber, microwave communication industry as well as transportation industry.

(3) Various development trends for the target products and the facts of competition therein:

Such digital broadcasting-related products have emerged and been developed by leaps and bounds in recent years. Many specification formulations, license approvals and the establishment of associations have all come into being just in recent years. There are still lots of more products and specifications that are in the experimental or verification stage.

Here at the Company, other than the efforts in research & development on the grounds of established standard specifications, we have applied for a variety of verification, certifications and have further team up with the chip manufacturers into joint development.

Toward the products of new generation, we have tried to use mature chips to make our products more stable.

Here at the Company, we began to develop digital STB and other related products as early as ten years ago. Thanks to the Company's excellent software and hardware R&D team members plus years of accumulated hands-on experience in the R&D of transmission products and image-related products, our Company has become one of the very few in Taiwan in possession of specifications prevalent in both Europe and the United States. We have, as well, accumulated hands-on experiences accumulated toward specifications prevalent in the United States, Japan and IP STBs in China which we have been quite proud of.

(III) An overview into technology and research & development

1. The costs invested into research & development as of the past two years and the publication date of the annual report.

Expressed in Thousand NT Dollars

Item \ Year	2023	2024	As of the publication date of the annual report March 31, 2025
Research & development related	387,411	251,467	48,655

2. Technologies and products having been successfully developed
  - (A) Digital Satellite Communication Transmission System.
  - (B) Digital cable video transmission system.
  - (C) Digital video converter related products.

(IV) Long-term and short-term business development programs

(1) Short-term business development programs:

- (A) The efforts to improve production & marketing programs and to update technology & know-how in coordination with the requirements in the mainstream markets and strategic customers for assure supply in real time and to minimize inventory burdens.
- (B) The efforts into wholehearted research & development into new products, dominate the very pulsation in the market to cut short the time required for design and boost the competitive edge for our products. Meanwhile, we have virtually expanded market shares of the products to promptly meet market demands.
- (C) We successfully integrate the IP BOX function into the digital television machine to open up a larger market space.
- (D) We maintain the Company's technological leadership well and consolidate the Company's manufacturing advantages through the development and introduction into updated new products.

(2) Long-term business development programs

- (A) The efforts to set up integrated research & development and market survey organization with wholehearted efforts to bring in up-to-date products, cut short duration required for design, focusing on new market development in the hope to go into full scale marketing as soon as possible.
- (B) We make maximum possible endeavor to utilize a variety of manufacturing process, production know-how to minimize costs, upgrade production yield rate to strengthen the Company's competitive edge on a long-term basis.
- (C) With continued efforts, we put forth maximum possible efforts to cultivate marketing talents. Pursuant to the trend of global economic development, we set up very sound marketing information system to, in turn, dominate changes in the market and the very pulsation of product development.
- (D) Adhering to the philosophy of "innovating technology to better serve customers," we look at the world market to achieve the goal of sustainable business operation.
- (E) Here at the Company, we look for more potential customer groups in the markets and require the R&D Department and relevant departments to cooperate in full to accelerate the development pace of new products. In turn, we become able to get ahead to win the markets.

**II. An overview into market and production and sales performance**

(I) Analysis into markets

1. Major areas to sell products and services

Expressed in Thousand NT Dollars

Sales regions/year	2023		2024	
	Amount	Percentage	Amount	Percentage
Europe and Americas	5,540,276	95.25%	2,296,635	87.98%
Asia	175,370	3.01%	299,248	11.46%
Other	101,189	1.74%	14,597	0.56%
Total	5,816,835	100%	2,610,480	100%

## 2. Market share

The methods for digital television signal transmission can be divided into satellite, terrestrial broadcasting, cable television and broadband network. In terms of set-top box shipment volume, the proportion of digital signals transmitted through satellite is relatively higher. While satellite television was developed earlier and has been promoted with wholehearted efforts, the number of set-top box users has been growing at a very rapid pace. Where the satellite television industry has gradually entered a mature phase, it is estimated that the growth momentum of set-top boxes would gradually slow down. In turn, in the days and years ahead, digital television will have strong growth momentum to grow with the terrestrial broadcasting and IPTV. In terms of product functions, the shipments of the target products toward the emerging markets are still dominated by SD models. Where the proportion of product shipments containing CA has increased significantly under the sound promotion of service providers, the proportion of HD models shipped into Europe has gradually increased as well. Besides this, MPEG 4 is adopted and the proportion of audiovisual compression formats has increased significantly. It is expected that in the future, DBS products will be developed towards CA lock code, MPEG 4 compression and HD image quality.

## 3. The future supply and demand situation and growth in the target markets

### (1) U.S. standard high-definition digital terrestrial broadcast receivers

- A. STB became a fairly mature product since the era of analog signals. It has, nevertheless, only been responsible for channel selection and decoding in the past time and began to develop various interactive services in the digital era. The functionality and value of such products have been greatly enhanced.
- B. Amidst the continued expansion of global digital television broadcast signals and the strengthening of interactive services, the market growth opportunities are still worth looking forward to.

### (2) Satellite Low Noise Down converter (LNB)

Among the wireless transmission equipment, there include two major categories of satellite communication systems and terrestrial microwave systems. The satellite television receiving equipment is primarily used to receive satellite television programs. At present, there is a strong demand for satellite live television throughout the world. North America is the world's top markets for digital cable and satellite. The television market in Western Europe is the second major market. With the launch of satellite digital broadcasting services in other regions, Asia, which houses more than half of the earth's population, is also driven by the rapid development of the Asian economy and the successive launch of digital television satellites amidst the hot development of satellite live broadcasting. The very growth of the LNB market is virtually driven by the diversification of satellite communication applications and the opening of the market. For instance, in early days, it focused on voice and video images. Today, nevertheless, it seeks to improve data communication. Besides this, communication service providers promote the application of multiple receiving points. Driven by such rising regional demand, the market for LNB will be continually driven upward.

### (3) Wired television system

Since the Cable Television Act came into being in Taiwan, the cable television user rate has skyrocketed from less than 20% to more than 80% within just five years. With the technological revolution driven by the information industry in recent years, the traditional service providers of cable television entertainment programs have become unlimited. The diversified choices would include the broadcasting of digital

television programs, surfing the Internet, interactive television, personal digital video recorders/players as well as on-demand video among many others. Further coupled with the vigorous development of global direct broadcast satellites, the growth of the wired television system in the traditional entertainment television program service users would be virtually limited. Where in Taiwan, the penetration rate of cable television has at the present time jumped to more than 80% and the growth space is relatively narrow. When the number of users would no longer be growing, relative revenue growth would naturally stagnate. The cable television service providers should urgently need to develop new service projects before they can increase revenue.

Taking the development experience in the United States as an example, the end terminal of their information superhighway is simply achieved through the wired television networks. Accordingly, the wired television shall play a very key role in the multimedia amidst “two-way” communication in the future. Other than the head-end equipment, the U.S. cable television service providers are also very vigorous in the construction of the user loops. The products deriving from them, e.g. online amplifiers and network remote monitors, have created extraordinary market output values. In terms of the global markets, there would be more than 10,000 cable television headend playback systems. Where each system is estimated to be coupled with 5,000 amplifiers, with the improvement of broadband and two-way functions, the demand for updates and new installations would hit as astonishingly as more than 50 million. Amidst the cutthroat market competition driving the research and development of new products and technologies, the future wired television will inevitably combine the functions of telecommunications, computer industry and fire prevention and anti-theft, bringing huge business opportunities to the industry in the days and years ahead.

As far as the Company’s product lines are concerned, other than traditional wired television products, such as amplifiers, strong waves and splitters, in recent years, our Company has been vigorously investing huge amounts into the research and development and production of up-to-date products e.g. digital video converters. Our Company focuses on not only old products, but further actively teams up with international manufacturers in the hope to grasp product streams and trends and takes the lead in the international community among the industry as the very welcome partner to those international manufacturers.

#### (4) Satellite oriented small ground station (VSAT)

What does VSAT (Very Small Aperture Terminal) mean? VSAT is known as a small satellite ground station and is also known as a commercial private small satellite communication system which primarily uses a satellite signal transceiver system to establish a private local area network or satellite communication network within the enterprises to transmit sound, image, data and such information.

In daily rounds, VSAT has been used in business fields for quite a period of time. In news coverage, for instance, SNG (Satellite News Gathering), which is often used in television news interviews, is a typical type of VSAT application. It is easy to install and would take only 20 minutes. It is very well oriented to interview needs that are highly mobile and would call for timely transmission of data. Besides this, for developing countries with huge geographical territories and scattered populations in rural areas, VSAT has also successfully established telecommunications networks.

At the present time, the global VSAT markets are subject to a slow growth trend. Other than the increasing demand for multiple types of timely data transmission by

enterprises, on the supply side, the factors that virtually drive the popularization of VSAT include notably:

1. “Shared hub” solution.
2. Drop in equipment prices.
3. The size of the dish antenna is reduced, the transmission speed is increased and the power is significantly boosted.

In the United States as early as 1987, they made use of VSAT to manage security work. Later, the government, enterprises and schools also adopted VSAT into an application for data transmission. Along with the advancement technologically, the current application range of VSAT is becoming increasingly extensive, notably: Retail store POS, news and financial information transmission, environment and pipeline monitoring data transmission, online lottery coupons, remote teaching, high-speed multimedia data transmission, Internet, even including the voice data transmission, and the like as well as the relevant applications.

Where VSAT virtually replaces terrestrial wired networks, it can be used for voice and data transmission in rural areas, outlying offshore islands and remote areas. It will effectively minimize the communication cost in the aforementioned areas. Where the relevant equipment is relatively too expensive, nevertheless, at the moment only those mega-multinational giants and government agencies can effort to. Nevertheless, VSAT will develop toward the direction of USAT (Ultra Small Aperture Terminal) and the prices of equipment are expected to come down significantly. By that time, those small and medium enterprises and even common individuals will be able to afford to it. This suggests a certain business opportunity for VSAT before too long in the future.

#### (5) Digital video converter markets

Digital video converters are expected to grow at a very rapid pace before too long in the future as digital video programs are successively launched in various countries around the world. Overall, digital television is significantly superior to the traditional analog television transmission method in terms of picture quality, sound quality, bandwidth efficiency, security, and service functions provided therewith. In recent years, as a result, governments in various countries have listed the digitalization of television as the very goal of their future policy.

Among all sorts of digital video converters, with the early development of digital direct dial satellite (DST), the number of users is far ahead of the other two network systems. Digital cable television (DCT) follows DST with the number of users ranking straight behind as second. Digital terrestrial broadcasting is currently in the circumstance that governments around the world have stopped broadcasting analog signals progressively in succession and the chance for future growth is also quite promising.

4. Advantageous and disadvantageous factors of competitive niches and development prospects and the countermeasures
  - (1) Competitive niche
    - (a) The effort to maintain a sound cooperative tie with customers. Here at the Company, our business marketing teammates provide customers with complete product development services. Amidst all such regards including notably quality, yield rate, delivery time and after-sales service, our teammates maintain a very sound tacit accord with customers and help customers minimize product development schedules. We are growing together hand-in-hand with customers and maintaining long-term cooperative relationships, establishing marketing channels with deep-rooted customer relationships. All these factors are conducive to our Company's future operational development.
    - (b) Superior research & development technical capabilities, innovation and dedication are the very foundation of our Company's development. Coupled with long-term training of research & development talents, our Company has accumulated quite deep technology and hands-on experience. This is the core technology that our Company relies on for competition and is also the Company's new momentum of growth.
    - (c) With high-end products and rapid research and development capabilities, our Company can provide customers with the fastest possible service and delivery within the shortest possible period of time.
    - (d) We strive to cooperate with MSO/Telco/Operator/head-end/satellite industry players to promote new technologies and ODM/OEM opportunities.
  - (2) Advantageous and disadvantageous factors toward our prospective development and the countermeasures
    - A. Advantageous factors
      - (a) Our Company possesses digital and analog image processing technology and transmission technology capabilities.
      - (b) Our Company possesses, as well research & development, production, and sales integration capabilities and is in a position to integrate production and sales with adjustment in real time production and product design according to market conditions.
      - (c) The development of global digital television broadcasting has virtually stimulated the digitization of televisions. As a natural result, the market demand for digital television receivers has grown by leaps and bounds.
      - (d) Lots of digital television receiver system chips will become more highly integrated, enabling receiver manufacturers to produce more powerful and lower cost digital high-resolution television receivers.
    - B. Disadvantageous factors
      - (a) Many television or display manufacturers intend to develop and design their own digital television receivers.
      - (b) The supply of system chips is subject to restriction by foreign manufacturers. Whenever the supply of chip production capacity is tight, the cost required to acquire chips would become higher and it would take a longer period of time to deliver the chips.
      - (c) Fierce competitors coming from mainland China tend to use low-price strategies into vicious and cutthroat competition. Competitors from South Korea are more



technologically advanced and tend to compete at low prices with government export subsidies.

- (d) Still inadequate workforce in the research & development teams.
- (e) Too lengthy period of time required for product certification.

C. Countermeasures

- (a) The effort to cut short the time required for product development and certification so as to win the opportunities in the markets.
- (b) The effort to enhance own capability to map out products with advanced research & development to cut short the period of time required launch new products.
- (c) To streamline product design, reduce materials to be used for the products, minimize material manufacturing costs and eventually upgrade quality of the products.
- (d) To strengthen marketing management, establish a global marketing network and a sound after-sales service system to satisfy customer needs.
- (e) The efforts to recruit talents through campuses with thorough implementation of educational & training programs, to improve employee welfare to strengthen employee centripetal cohesion and reduce turnover rate and further enhance the development strength of R&D talents.
- (f) To formulate a closer strategic alliance with digital television receiver chip design suppliers to team up with them to jointly develop new chip platform. The Company can play an OEM role for software and hardware as designated by chip designers.

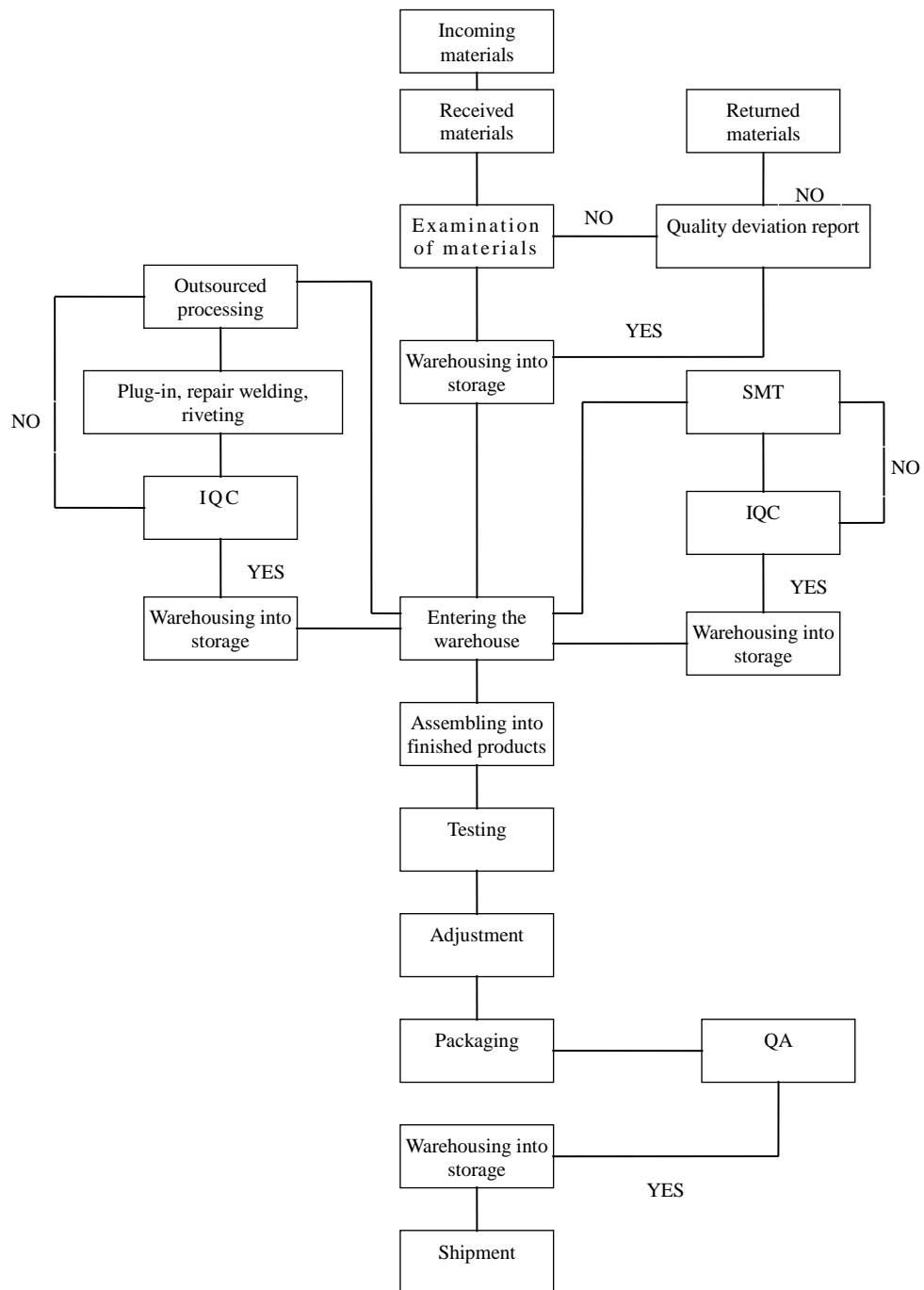
(II) The important purposes of use and production process of major products

The important purposes of use of major products

Products	The important purposes of use
Amplifiers	In the process of signal transmission with the signal loss caused by fixed linear loss, good amplifiers need to be adopted to compensate for such loss so as to maintain a sound signal quality.
Signal tapeout	The signal tapeout terminal is a sort of radio frequency signal divider buried inside the wall separating the signal from the user cable into the television frequency band, the FM/AM frequency band, the satellite intermediate frequency band and the digital signal frequency band, and the like so that the user terminal can directly and promptly connect the signal to each interface platform.
Distributers, splitters	A sound signal quality needs to be transmitted to thousands upon thousands of users and the design of the distribution system is to effectively process and distribute these signals in a complete manner so that users can enjoy high-quality video signals.
Low noise down converters	Receptions of high-quality satellite television programs
Multiple switches	The main function of the multiple switches used in the satellite television smart distribution system is primarily intended to connect more than one satellite receiver and antenna through this system to integrate signals from various sources and then, in turn, distribute them toward several households.
Digital satellite receivers (DSR) Digital satellite unlock code machines (IRD)	With the use of an antenna (dubbed as an ear) to reflect to the low noise down converters (LNB), the low noise down converters (LNB) collect the high-frequency digital compressed video received from the satellite. Then it converts the signal to a radio frequency signal and then sends it to DSR/IRD decoding and, in turn, analyzes the digital compressed signal and converts it into an analog video for presentation on the television screen.
Multimedia video receivers IP STB	The interactive network television platform, through the video receivers and broadband networks, allows the existent television channels and network channels to be combined among each other. The consumers can enjoy more diversified information on stocks, entertainment, shopping, financial and lifestyle with only a convenient operation interface.

High-definition digital television receivers	<p>Primarily to process the high-definition digital television signal of the digital television system, and such signal conversion would provide high-quality audio and video output for analog or high-fidelity television . Besides this, it also provides a variety of audio and video input and output interfaces to provide audio and video Quality output and input conversion.</p>
Power line network bridge-PLC	<p>To integrate 802.11ax wireless network specification powerline network bridge, the network transmission rate is up to 2Gbps which can be used to connect to the modem and router personal computer, digital set-top box or games console where a user can share high-definition movies through the existing power lines in the house. Where the built-in 802.11ax wireless network access technology also allows users to enjoy mobility, high-speed wireless network connection and better coverage.</p>

## 2. Production process of the major products



(III) Fact of major raw material supply

Major raw materials	Key suppliers
IC	SKY In-Home Service Limited 、Wintech Microelectronics Co., Ltd 、PROMASTER TECHNOLOGY CORP.
MODULAR AMP	PROMASTER TECHNOLOGY CORP.
OTHER	GRANSTAR(HONG KONG) 、ANGLIA

Toward suppliers, the Company conducts an overall evaluation on their quality, lead time, technology, costs and such capabilities on a regular basis, over the parts & components. The Company decentralizes the supply sources. Through such policies, the Company successfully assures stable supply sources with supply volume the coordination degrees well satisfactory to the Company's expectation and development.

(IV) Names of customers with purchase (sales) volumes accounting for over 10% of the aggregate total in any single out of the past two years and their purchase (sales) amounts

The explanation of the percentage, changes are as enumerated below:

1. Information of key suppliers over the past two years:

Expressed in Thousand NT Dollars; %

Item	2023				2024				The first quarter, 2025 (Note 1)			
	Title	Amount	Net purchasing percentages to the aggregate total of annual purchases (%)	Relationship with the issuer (s)	Title	Amount	Net purchasing percentages to the aggregate total of annual purchases (%)	Relationship with the issuer (s)	Title	Amount	Percentage to the total net purchase amounts in Year 2025 as of the first quarter	Relationship with the issuer (s)
1	Supplier A	663,015	21.85	Nil	Supplier A	201,963	16.50	Nil	Supplier A	42,651	36.62	Nil
2	Supplier B	205,504	6.77	Nil	Supplier B	146,514	11.97	Nil	Supplier B	12,592	10.81	Nil
	Other	2,165,430	71.38	—	Other	875,513	71.54	—	Other	61,239	52.57	—
	Net amount of purchases	3,033,949	100.00	—	Net amount of purchases	1,223,991	100.00	—	Net amount of purchases	116,482	100.00	—

Reasons behind the increase/decrease: Over the past two years, the major increase/decrease changes resulting from the Company's consideration of the quality and price factors to meet the substantial need of the new models and new manufacturing process.

Note 1: The Company's Financial Statements were already duly audited by certified public accountants Liang Yi-Chang and Wen Ya-Fang in the first quarter, Year 2025.

## 2. Information of key buyers the Company sold over the past two years:

Expressed in Thousand NT Dollars; %

Item	2023				2024				The first quarter, 2025 (Note 1)			
	Title	Amount	Percentage of the total net annual sales amount (%)	Relationship with the issuer (s)	Title	Amount	Percentage of the total net annual sales amount (%)	Relationship with the issuer (s)	Title	Amount	Percentage of the total net sales amount as of the first quarter 2025 (%)	Relationship with the issuer (s)
1	Customer A	3,061,982	52.64	Nil	Customer A	1,527,559	58.52	Nil	Customer A	180,568	43.10	Nil
	Other	2,754,853	47.36	—	Other	1,082,921	41.48	—	Other	238,363	56.90	—
	Net sales amount	5,816,835	100.00	—	Net sales amount	2,610,480	100.00	—	Net sales amount	418,931	100.00	—

Causes behind the increase/decrease changes: Over the past two years, in terms of purchasing customers, other than increase/decrease of the customers' increase/decrease in operating amounts, development of new customers and promotion of new products would form the causes behind the changes.

Note 1: The Company's Financial Statements were already duly audited by certified public accountants Liang Yi-Chang and Wen Ya-Fang in the first quarter, Year 2025.

## III. Information of staff members

Information of staff members over the past two years and as of the publication date of the annual report

Year		2023	2024	The current year as of March 31, 2025
Number of employees	Direct workforce	659	563	499
	Indirect workforce	514	490	481
	Total	1,173	1,053	980
Average ages		41	42	43
Average years of services		10.6	11.9	12.8
Educational level distribution ratios	PhD	1	1	1
	Master	89	83	82
	University (college)	418	393	382
	Senior high school	580	506	447
	Below Senior high school	85	70	68

## IV. Information on expenditures on environmental protection

The impairment undergone due to pollution to environment (including compensation), total amount of disposal in the latest fiscal year and as of the publication date of the annual report and expenditures to be incurred for potential countermeasures: Nil.

Information of the Company in response to European Union (EU) environmental protection decree (RoHS):

The act required for the Company in response to European Union (EU) environmental protection decree (RoHS) had been satisfactorily accomplished as of December 31, 2007

## V. Labor–Management Relationship

(I) Here at the Company, performance and implementation of fringe benefits for employees’ refresher educational & training programs, training programs, retirement system, accords by and between labor and management, and measures to safeguard fringe benefits for employees

A: Toward fringe benefits for employees:

Exactly in accordance with the Labor Standards Act, the Company faithfully rendered fringe benefits for employees and retirement system on the grounds of the rules so enacted. Further in June 1990, we duly established the Welfare Committee (Fringe Benefit Committee) which convenes meeting on a regular basis. The minutes of the meeting so convened have been submitted to the competent authority for information. Further in December 1986, we set up Labor Pension Reserve Fund Supervisor Board to oversee the amount appropriated for reserve of labor pension, deposit and expenditure and payment affairs to firmly safeguard employees’ interests. The welfare benefits granted so far include:

(1) Sound and integrated retirement system.

(2) All-out employees participate in labor insurance, accident insurance and travel insurance

(3) Congratulation and condolence allowances are granted to employees when they are married, give birth, are hospitalized, or pass away.

(4) The Company has set up staff restaurant(s) providing the entire staff with meals.

(5) The Company provides very sound training programs to satisfy employees amidst their need to grow to help the Company cultivate high-caliber talents.

(6) Elaborately designed birthday gifts, employee travel allowances and self-improvement activities.

(7) Employees having served for one year in full are granted with special leave with additional more day(s) along with added service seniority.

B: Refresher educational & training programs toward employees

In an attempt to cultivate the work skills for employees, the Company refines their own learning skills and enhances their know-how.

So as to effectively achieve human resource development, encourage all employees into improvement of their personal qualities through sound education and training.

To enhance their working skills, improve teamwork spirit for which the Company has duly enacted “Regulations Governing Educational & Training Programs toward Employees”

During Year 2024 the Company sponsored educational & training programs toward employees as enumerated below:

Department	Internal / external training	Number of participants in training	Total training hours	Times of participating the training	Educational training fees	Educational training content
Chairman’s room	Internal training	10	31.5	8	0	1. CPR and AED Emergency Response Training 2. 2024 Workplace Unlawful Infringement Education and Training Program 3. ISO 27001 Information Asset Inventory Education and Training 4. ISO 27001 Risk Assessment Training 5. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, and Internal Auditor Confirmation 6. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, Internal Auditor Confirmation,

Department	Internal / external training	Number of participants in training	Total training hours	Times of participating the training	Educational training fees	Educational training content
						Risk Assessment, and Risk Treatment Plan 7. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, and Internal Auditor Confirmation, Risk Assessment, and Risk Treatment Plan, Objective Implementation Plan, and Vulnerability Scanning 8. ISO 27001 Key Standard Contents and Information Security Awareness Training
	External training	5	23	5	11,400	1. Auditing of subsidiaries 2. Internal control system awareness session on the management of sustainability information 3. ESG implementation and integration with internal control systems: Corporate practices and case studies 4. The role and accountability of controlling shareholders in corporate governance 5. Sustainable finance by the Taipei Foundation of Finance
Information department	Internal training	60	259	17	0	1. CPR and AED Emergency Response Training 2. 2024 Workplace Unlawful Infringement Education and Training Program 3. ISO 27001 Information Asset Inventory Education and Training 4. ISO 27001 Risk Assessment Training 5. ISO 27001 Information Security Issues and Comparison Between ISO Standards and Management Regulations 6. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, and Internal Auditor Confirmation 7. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, Internal Auditor Confirmation, Risk Assessment, and Risk Treatment Plan 8. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, and Internal Auditor Confirmation, Risk Assessment, and Risk Treatment Plan, Objective Implementation Plan, and Vulnerability Scanning 9. ISO 27001 Information Security Internal Auditor Training 10. B087 Hazard Identification and Risk Assessment Management Regulations Description



Department	Internal / external training	Number of participants in training	Total training hours	Times of participating the training	Educational training fees	Educational training content
						11. Principles and Prevention of ESD (Fundamentals of Electrostatic Discharge) 12. Introduction to ESG and Carbon Reduction 13. FSC-CoC Standard Knowledge Training 14. ISO 14001:2015 Environmental Management System Description 15. Health Promotion 16. Education and Training for New Recruits 17. Occupational Safety and Health Promotion
	External training	3	14	3	0	1. The future of enterprise data centers in the cloud seminar 2. Oracle NetSuite seminar 3. 2024 Information security personnel cybersecurity program for TWSE/TPEX-listed companies
Finance department	Internal training	36	51.5	6	0	1. 2024 Workplace Unlawful Infringement Education and Training Program 2. Orientation and training for new recruits 3. ISO 27001 Key Standard Contents and Information Security Awareness Training 4. Introduction to ESG and carbon reduction 5. FSC-CoC Standard Knowledge Training 6. Health promotion
	External training	4	27	4	14,600	1. Practical evolution of materiality thresholds for financial misstatements and determination of directors' and supervisors' responsibilities 2. Legal liabilities in corporate fraud and the investigation and trial process/Training courses for accounting officers of the issuer, securities firm, and securities exchange 3. Case study of unethical practices and fraud prevention strategies of corporate auditors in the conduct of business activities 4. 2024 sustainability report preparation and production function awareness session
Human Resource department	Internal training	55	130	26	0	1. 2024 Workplace Unlawful Infringement Education and Training Program 2. ISO 27001 Information Asset Inventory Education and Training 3. ISO 27001 Risk Assessment Training 4. Determination and Management of Contracted Services and Labor Dispatch under Occupational Safety Regulations

Department	Internal / external training	Number of participants in training	Total training hours	Times of participating the training	Educational training fees	Educational training content
						5. ISO 27001 Information Security Issues and Comparison Between ISO Standards and Management Regulations 6. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, and Internal Auditor Confirmation 7. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, Internal Auditor Confirmation, Risk Assessment, and Risk Treatment Plan 8. ISO 27001 Information Security Internal Auditor Training 9. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, and Internal Auditor Confirmation, Risk Assessment, and Risk Treatment Plan, Objective Implementation Plan, and Vulnerability Scanning 10. ISO 27001 Key Standard Contents and Information Security Awareness Training 11. ANSI/ESD S20.20-2021 System Protection Training 12. B087 Hazard Identification and Risk Assessment Management Regulations Description 13. Introduction to ESG and carbon reduction 14. FSC-CoC Standard Knowledge Training 15. ISO 14001:2015 Environmental Management System Description 16. Health promotion 17. ESD generation principle and prevention (basic knowledge of static electricity) 18. ISO 9001:2015 Quality Management System Description 19. Briefing session on hazard classification, labeling, and communication measures for hazardous chemicals 20. Education and training for new recruits 21. Occupational Safety and Health Promotion
	External training	16	91	13	12,500	1. Identification of occupational accidents and discussion on employer liability 2. Practical aspects of labor contracts and risk analysis of termination 3. Fire prevention manager (basic training) 4. Practical application of labor laws in corporate management 5. Practical preparation and key

Department	Internal / external training	Number of participants in training	Total training hours	Times of participating the training	Educational training fees	Educational training content
						<p>considerations for enterprises in response to labor inspections</p> <p>6. Seminar on “Unlocking sustainable management and key talent strategies”</p> <p>7. International symposium series on “Health humanities and emerging infectious diseases”</p> <p>8. 2024 Workshop on work environment exposure assessment and occupational disease prevention</p> <p>9. 2024 Occupational injury and disease diagnosis and case discussion workshop – Northern region</p> <p>10. Occupational safety and health training for emergency responders</p> <p>11. Healthy workplace briefing session</p> <p>12. Occupational safety and health refresher training for “Business supervisors”</p> <p>13. Nursing for sustainability and ESG</p>
Work safety management room	Internal training	13	38	4	0	<p>1. CPR and AED Emergency Response Training</p> <p>2. 2024 Workplace Unlawful Infringement Education and Training Program</p> <p>3. ISO 27001 Information Security Internal Auditor Training</p> <p>4. ISO 27001 Key Standard Contents and Information Security Awareness Training</p>
	External training	24	115	21	3,000	<p>1. Presentation and Workshop on the Outcomes of the Occupational Accident Prevention and Labor Reconstruction Program</p> <p>2. Presentation and Workshop on the Outcomes of the Occupational Accident Prevention and Labor Reconstruction Program</p> <p>3. Prevention and analysis of electric shock incidents / practical management of chemical hazard prevention</p> <p>4. Priority chemicals management briefing session</p> <p>5. Fire and explosion prevention and analysis of occupational accidents and public endangerment offenses/Commonly overlooked hazards in the workplace</p> <p>6. Hot work hazard prevention/Confined space hazard prevention</p> <p>7. Practical application of on-site health service subsidies/Four major programs and health management measures/Awareness session on confined space work hazard</p>

Department	Internal / external training	Number of participants in training	Total training hours	Times of participating the training	Educational training fees	Educational training content
						prevention 8. Chemical hazard prevention/Confined space hazard prevention 9. Fire prevention manager (basic training) 10. Safety protection and management of machinery and equipment and fire prevention management 11. Safety Data Sheets Verification Practice and Seminar 12. Seminar on lead poisoning prevention regulations 13. Fire and explosion hazard prevention & confined space hazard prevention 14. Rooftop work and electric shock hazard prevention 15. 2024 Occupational injury and disease diagnosis and case discussion workshop 16. ISO 45001/CNS 45001 occupational safety and health management system workshop/practical occupational safety management 17. Electric shock and electrical fire hazard prevention/Hot work hazard prevention 18. 2024 Taiwan academic symposium on fire protection and carbon reduction strategies in architecture 19. 2024 Practical exchange session on carcinogenic chemical hazard prevention in the workplace 20. 2024 System function briefing and forum on the “Intelligent cloud for occupational safety and health records” 21. Workplace unlawful infringement prevention awareness session
Production plan department	Internal training	19	32.5	4	0	1. CPR and AED Emergency Response Training 2. 2024 Workplace Unlawful Infringement Education and Training Program 3. ISO 27001 Information Security Internal Auditor Training 4. ISO 27001 Key Standard Contents and Information Security Awareness Training
Automation equipment research and development department	Internal training	9	10.5	3	0	1. 2024 Workplace Unlawful Infringement Education and Training Program 2. ISO 27001 Key Standard Contents and Information Security Awareness Training 3. ESD electrostatic protection education and training

Department	Internal / external training	Number of participants in training	Total training hours	Times of participating the training	Educational training fees	Educational training content
Procurement department	Internal training	55	74.5	15	0	1. CPR and AED Emergency Response Training 2. 2024 Workplace Unlawful Infringement Education and Training Program 3. ISO 27001 Key Standard Contents and Information Security Awareness Training 4. ANSI/ESD S20.20-2021 System Protection Training 5. B087 Hazard Identification and Risk Assessment Management Regulations Description 6. Introduction to ESG and Carbon Reduction 7. FSC-CoC Standard Knowledge Training 8. ISO 14001:2015 Environmental Management System Description 9. ISO 9001:2015 Quality Management System Description 10. PPAP Production Parts Approval Procedure 11. ZPSW-X24B Product Introduction and Discussion 12. Self-Defense Firefighting Team Training 13. Health Promotion 14. Product Life Cycle Management 15. Compliance Verification and Measurement Operation Standards Description
	External training	1	3	1	720	1. On-the-job safety and health education and training for first-aid personnel
Structure design department	Internal training	51	80	21	0	1. 2024 Workplace Unlawful Infringement Education and Training Program 2. Orientation and Training for New Recruits 3. ISO 27001 Key Standard Contents and Information Security Awareness Training 4. ESD electrostatic protection education and training 5. 8D Solution 6. B087 Hazard Identification and Risk Assessment Management Regulations Description 7. Introduction to ESG and Carbon Reduction 8. FMEA Failure Mode and Effect Analysis 9. FSC-CoC Standard Knowledge Training 10. ISO 14001:2015 Environmental Management System Description 11. ISO 9001:2015 Quality Management System Description 12. Analysis of MSA Measuring System 13. Introduction of MTBF

Department	Internal / external training	Number of participants in training	Total training hours	Times of participating the training	Educational training fees	Educational training content
						14. PPAP Production Parts Approval Procedure 15. Self-Defense Firefighting Team Training 16. Health promotion 17. Product Life Cycle Management 18. New Product Development Procedures and Techniques
	External training	1	3	1	720	1. On-the-job safety and health education and training for first-aid personnel
Design Verification Department	Internal training	19	21.5	14	0	1. 8D Solution 2. ANSI/ESD S20.20-2021 System Protection Training 3. B087 Hazard Identification and Risk Assessment Management Regulations Description 4. Introduction to ESG and Carbon Reduction 5. FMEA Failure Mode and Effect Analysis 6. ISO 14001:2015 Environmental Management System Description 7. ISO 9001:2015 Quality Management System Description 8. Analysis of MSA Measuring System 9. Introduction of MTBF 10. PPAP Production Parts Approval Procedure 11. SPC Statistical Process Control 12. Health Promotion 13. Product Life Cycle Management 14. New Product Development Procedures and Techniques
Application design department	Internal training	18	32	5	0	1. CPR and AED Emergency Response Training 2. 2024 Workplace Unlawful Infringement Education and Training Program 3. ISO 27001 Information Security Internal Auditor Training 4. ISO 27001 Key Standard Contents and Information Security Awareness Training 5. Vecima RMD D3.1 CMTS Operation Manual
Operations Management Center	Internal training	6	8	2	0	1. 2024 Workplace Unlawful Infringement Education and Training Program 2. ISO 27001 Key Standard Contents and Information Security Awareness Training
Manufacturing process design department	Internal training	15	33	7	0	1. CPR and AED Emergency Response Training 2. 2024 Workplace Unlawful Infringement Education and Training Program 3. ISO 27001 Information Asset Inventory Education and Training 4. ISO 27001 Risk Assessment Training

Department	Internal / external training	Number of participants in training	Total training hours	Times of participating the training	Educational training fees	Educational training content
						5. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, and Internal Auditor Confirmation 6. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, and Internal Auditor Confirmation, Risk Assessment, and Risk Treatment Plan, Objective Implementation Plan, and Vulnerability Scanning 7. ISO 27001 Key Standard Contents and Information Security Awareness Training
first research and development department	Internal training	94	177	21	0	1. Orientation and Training for New Recruits 2. 2024 Workplace Unlawful Infringement Education and Training Program 3. ISO 27001 Key Standard Contents and Information Security Awareness Training 4. ESD electrostatic protection education and training 5. Vecima RMD D3.1 CMTS Operation Manual 6. 8D Solution 7. ANSI/ESD S20.20-2021 System Protection Training 8. B087 Hazard Identification and Risk Assessment Management Regulations Description 9. Introduction to ESG and Carbon Reduction 10. FMEA Failure Mode and Effect Analysis 11. ISO 14001:2015 Environmental Management System Description 12. ISO 9001:2015 Quality Management System Description 13. Analysis of MSA Measuring System 14. Introduction of MTBF 15. PPAP Production Parts Approval Procedure 16. Seven QC Techniques 17. SPC Statistical Process Control 18. Self-Defense Firefighting Team Training 19. Health Promotion 20. Product Life Cycle Management 21. New Product Development Procedures and Techniques
Transmission business department	Internal training	11	15	3	0	1. CPR and AED Emergency Response Training 2. 2024 Workplace Unlawful Infringement Education and Training Program 3. ISO 27001 Key Standard Contents and Information Security Awareness Training

Department	Internal / external training	Number of participants in training	Total training hours	Times of participating the training	Educational training fees	Educational training content
Technical engineering department	Internal training	28	75.5	10	0	1. 2024 Workplace Unlawful Infringement Education and Training Program 2. ISO 27001 Information Asset Inventory Education and Training 3. ISO 27001 Risk Assessment Training 4. ISO 27001 Information Security Issues and Comparison Between ISO Standards and Management Regulations 5. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, and Internal Auditor Confirmation 6. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, Internal Auditor Confirmation, Risk Assessment, and Risk Treatment Plan 7. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, and Internal Auditor Confirmation, Risk Assessment, and Risk Treatment Plan, Objective Implementation Plan, and Vulnerability Scanning 8. ISO 27001 Information Security Internal Auditor Training 9. ISO 27001 Key Standard Contents and Information Security Awareness Training 10. ESD electrostatic protection education and training
	External training	1	7	1	0	1. Promotional Course on the GHG Protocol Corporate Standard and Scope 3 Standard
Digital marketing business department	Internal training	31	102.5	10	0	1. CPR and AED Emergency Response Training 2. 2024 Workplace Unlawful Infringement Education and Training Program 3. ISO 27001 Information Asset Inventory Education and Training 4. ISO 27001 Risk Assessment Training 5. ISO 27001 Information Security Issues and Comparison Between ISO Standards and Management Regulations 6. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, and Internal Auditor Confirmation 7. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, Internal Auditor Confirmation, Risk Assessment, and Risk Treatment Plan



Department	Internal / external training	Number of participants in training	Total training hours	Times of participating the training	Educational training fees	Educational training content
						8. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, and Internal Auditor Confirmation, Risk Assessment, and Risk Treatment Plan, Objective Implementation Plan, and Vulnerability Scanning 9. ISO 27001 Information Security Internal Auditor Training 10. ISO 27001 Key Standard Contents and Information Security Awareness Training
Digital-research and development engineering department	Internal training	140	314.5	51	0	1. Orientation and training for new recruits 2. 2024 Workplace Unlawful Infringement Education and Training Program 3. ISO 27001 Information Asset Inventory Education and Training 4. ISO 27001 Risk Assessment Training 5. ISO 27001 Information Security Issues and Comparison Between ISO Standards and Management Regulations 6. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, and Internal Auditor Confirmation 7. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, Internal Auditor Confirmation, Risk Assessment, and Risk Treatment Plan 8. ISO 27001 Information Security Issues, Procedure Documentation Communication and Discussion, and Internal Auditor Confirmation, Risk Assessment, and Risk Treatment Plan, Objective Implementation Plan, and Vulnerability Scanning 9. ISO 27001 Information Security Internal Auditor Training 10. ISO 27001 Key Standard Contents and Information Security Awareness Training 11. ESD electrostatic protection education and training 12. Vecima RMD D3.1 CMTS Operation Manual 13.8D Solution 14. ANSI/ESD S20.20-2021 System Protection Training 15. B087 Hazard Identification and Risk Assessment Management Regulations Description 16. ESD generation principle and prevention (basic knowledge of static electricity)

Department	Internal / external training	Number of participants in training	Total training hours	Times of participating the training	Educational training fees	Educational training content
						17. Introduction to ESG and carbon reduction 18. PPAP Production Parts Approval Procedure 19. ISO 14001:2015 Environmental Management System Description 20. ISO 9001:2015 Quality Management System Description 21. Analysis of MSA measuring system 22. Health promotion 23. Self-defense firefighting team training 24. New product development procedures and techniques 25. FMEA Failure Mode and Effect Analysis 26. Introduction to MTBF 27. Seven QC techniques 28. SPC statistical process control 29. Product ESD specifications 30. Product life cycle management 31. Occupational Safety and Health Promotion
President's Office	Internal training	1	3	1	0	1. B087 Hazard Identification and Risk Assessment Management Regulations Description
1st Business Division	Internal training	20	25.5	10	0	1. 8D Solution 2. ANSI/ESD S20.20-2021 System Protection Training 3. B087 Hazard Identification and Risk Assessment Management Regulations Description 4. Introduction to ESG and Carbon Reduction 5. ISO 14001:2015 Environmental Management System Description 6. ISO 9001:2015 Quality Management System Description 7. PPAP Production Parts Approval Procedure 8. Self-Defense Firefighting Team Training 9. Health Promotion 10. New Product Development Procedures and Techniques
2nd Business Division	Internal training	20	27.5	11	0	1. 8D Solution 2. ANSI/ESD S20.20-2021 System Protection Training 3. B087 Hazard Identification and Risk Assessment Management Regulations Description 4. Introduction to ESG and Carbon Reduction 5. FSC-CoC Standard Knowledge Training 6. ISO 14001:2015 Environmental Management System Description 7. ISO 9001:2015 Quality Management System Description 8. PPAP Production Parts Approval Procedure

Department	Internal / external training	Number of participants in training	Total training hours	Times of participating the training	Educational training fees	Educational training content
						9. Firefighting Team Training 10. Health Promotion 11. New Product Development Procedures and Techniques
	External training	1	3	1	720	1. On-the-job safety and health education and training for first-aid personnel
3rd Business Division	Internal training	27	52.5	16	0	1. 8D Solution 2. ANSI/ESD S20.20-2021 System Protection Training 3. B087 Hazard Identification and Risk Assessment Management Regulations Description 4. Principles and Prevention of ESD (Fundamentals of Electrostatic Discharge) 5. Introduction to ESG and Carbon Reduction 6. ISO 14001:2015 Environmental Management System Description 7. ISO 9001:2015 Quality Management System Description 8. PPAP Production Parts Approval Procedure 9. Overview of Factory ESD/EOS Management 10. Self-Defense Firefighting Team Training 11. Health Promotion 12. Product ESD Specifications 13. Equipment Grounding Management Connection Standard 14. New Product Development Procedures and Techniques 15. Education and Training for New Recruits 16. Occupational Safety and Health Promotion
Manufacturing Division	Internal training	652	915	22	0	1. 8D Solution 2. ANSI/ESD S20.20-2021 System Protection Training 3. B087 Hazard Identification and Risk Assessment Management Regulations Description 4. Introduction to ESG and Carbon Reduction 5. FMEA Failure Mode and Effect Analysis 6. ISO 14001:2015 Environmental Management System Description 7. ISO 9001:2015 Quality Management System Description 8. Analysis of MSA Measuring System 9. Introduction of MTBF 10. PPAP Production Parts Approval Procedure 11. Seven QC Techniques 12. SOP Operation 13. SPC Statistical Process Control 14. Packaging Operation 15. Labeling and General Rules for

Department	Internal / external training	Number of participants in training	Total training hours	Times of participating the training	Educational training fees	Educational training content
						Hazardous Chemicals 16. Self-Defense Firefighting Team Training 17. Use of Soldering Irons and Operations 18. Health Promotion 19. Product Life Cycle Management 20. Compliance Verification and Measurement Operation Standards Description 21. Assembly Education and Training 22. New Product Development Procedures and Techniques
	External training	3	18	2	5,200	1. 2024 Radiation Protection Education and Training (Recurrent Training) 2. On-the-Job Training for Occupational Safety and Health Management Personnel
Production and Quality Assurance Department	Internal training	86	126	19	0	1. 8D Solution 2. ANSI/ESD S20.20-2021 System Protection Training 3. B087 Hazard Identification and Risk Assessment Management Regulations Description 4. Introduction to ESG and Carbon Reduction 5. FMEA Failure Mode and Effect Analysis 6. FSC-CoC Standard Knowledge Training 7. ISO 14001:2015 Environmental Management System Description 8. ISO 9001:2015 Quality Management System Description 9. Introduction of MTBF 10. Introduction to PCB Cross-Sectioning 11. PPAP Production Parts Approval Procedure 12. Seven QC Techniques 13. SPC Statistical Process Control 14. Labeling and General Rules for Hazardous Chemicals 15. Self-Defense Firefighting Team Training 16. Health Promotion 17. Product Life Cycle Management 18. Compliance Verification and Measurement Operation Standards Description 19. New Product Development Procedures and Techniques
	External training	1	3	1	1,400	1. 2024 Radiation Protection Education and Training (Recurrent Training)
Production department	Internal training	2,123	8,170	49	0	1. Orientation training for all departments 2. Emergency response and disaster prevention promotion drill 3. Influence of ESD on semiconductors and protection

Department	Internal / external training	Number of participants in training	Total training hours	Times of participating the training	Educational training fees	Educational training content
						4. Key points of ATFT-4-23 product inspection and process inspection tour 5. Test and inspection procedure for PWM-9822P series 6. Understand the types, structure and characteristics of various electronic components to improve product quality 7. Operating Procedure for PWM-9822P Series Abutment Method Test 8. 2022 ESD electrostatic protection education and training + occupational safety and health promotion + C-TPAT promotion 9. Implement improvement of the working environment and maintain a good working environment 10. OSRXU-02 SMT Processing Points; ESD Protection Training; C-TPAT Promotion 11. DBE-1200 UPSTREAM SMT Processing Points. ESD Electrostatic Protection Training. C-TPAT Promotion 12. Occupational safety and health promotion 13. Key points of TF-88 series SMT processing. ESD electrostatic protection training. C-TPAT promotion 14. OUT DOOR TAR series SMT processing points. ESD electrostatic protection training. C-TPAT promotion 15. Key points of SMT processing for ATFT series; drawings; ESD protection training; C-TPAT promotion 16. Points of DBUS-C-2 plug-in, electrostatic protection, and C-TPAT promotion 17. JA-OL A version visual repair essentials. ESD electrostatic protection. C-TPAT promotion 18. ATFT-8-23 (Wasim Technology Capacitor) visual repair points. ESD electrostatic protection. C-TPAT promotion 19. Points of DBus-C-2 plug-in, electrostatic protection, and C-TPAT promotion 20. HDU-200 (Wasim Technology) visual repair points. ESD electrostatic protection. C-TPAT promotion 21. Promotion of DBE-1200 UPSTREAM (DBUS-C-1) plug-in – ESD protection – C-TPAT 22. Promotion of OTSWXU-4 Series Assembly Procedure + C-TPAT

Department	Internal / external training	Number of participants in training	Total training hours	Times of participating the training	Educational training fees	Educational training content
						Item Supply Chain Management Regulations 23. Dispenser operation education and training 24. TF-89H-*M-1K-FFLM series adjustment education training and C-TPAT promotion + Occupational Health and Safety on-the-job education and training 25. Promotion of XGTZ-2/4/8 series assembly procedure and C-TPA 26. XGTZ series adjustment procedure and C-TPA promotion 27. TF-88H-14M-1K series adjustment procedure and C-TPA promotion 28. Promotion of ATFT-8 series assembly procedure and C-TPA 29. ATX series adjustment procedure and C-TPA promotion 30. Promotion of AFSP-4 series assembly procedure and C-TPA 31. D752 ZGFS-1231C series operation standard and C-TPAT promotion 32. ESD electrostatic protection education and training and C-TPAT promotion 33. D701 WHD200 for CWD series operation standards and C-TPAT promotion 34. ESD electrostatic protection education and training and C-TPAT promotion 35. D720 PWS8121/8131 series operation standard and C-TPAT promotion 36. ESD electrostatic protection education and training and C-TPAT promotion 37. D760 PWM-9822 series operation standard and C-TPAT promotion 38. ESD electrostatic protection education and training and C-TPAT promotion 39. DBC-1200 3PL4 series adjustment education training and C-TPAT promotion 40. DBC-1200 4VM5 series adjustment education training and C-TPAT promotion 41. ESD electrostatic protection education and training and C-TPAT promotion 42. DBC-1200 4HW4 series adjustment training and C-TPAT promotion 43. DBC-1200 5VM3 series assembly education and training and C-TPAT promotion 44. ESD electrostatic protection education and training and C-TPAT

Department	Internal / external training	Number of participants in training	Total training hours	Times of participating the training	Educational training fees	Educational training content
						<p>promotion</p> <p>45. Promotion of ATFT MBB Automation Operation Standard Book and C-TPAT</p> <p>46. Operating Instructions for ZAE-20010 power passion bar 2-4 way</p> <p>47. Magnetic core operation standard manual. Cixin semi-automatic packaging machine operation manual. C-TPAT promotion</p> <p>48. Operating Instructions for ZAE-20010 power passion bar 2-4 way</p> <p>49. ZAE-20017-01A Semi-automatic magnetic new packaging and C-TPAT promotion</p>
Production department	External training	20	204	12	41,025	<p>1. Basic training for stationary cranes</p> <p>2. Education and training on radiation protection</p> <p>3. Re-training of boiler operators</p> <p>4. Fire prevention administrator</p> <p>5. Dust operation supervisors</p> <p>6. Stationary crane retrospective training</p> <p>7. Forklift Re-training</p> <p>8. Forklift Re-training</p> <p>9. Forklift Re-training</p> <p>10. Radiation Safety Integration Seminar</p> <p>11. Forklift Re-training</p> <p>12. Education and training on radiation protection</p>
Total	Internal training	3,599	10,806	355	0	
	External training	80	511	65	91,285	

#### C: Employee behavior or ethical code:

To enable the entire staff to understand ethical concept, rights & obligations as well behavioral code, the Company has duly enacted relevant rules and specifications which the entire staff is required to comply with. The relevant regulations are summarized below:

- (1) The power authorized for approval and hierarchical responsibility rules: To maximize the best possible performance, strengthen the hierarchical responsibility rule management to effectively regular employees of respective levels in the powers bestowed upon their performance of duties.
- (2) The organizational structure of each department and the work responsibility of each position: To expressly and definitely regulate the organizational function of each unit and the scope of responsibility of each position.
- (3) To compile an employee handbook to assist all colleagues in understanding relevant methods and working rules.
  - a. Employee attendance rules: To improve the attendance system and establish a sound work discipline for the entire staff.
  - b. Rewarding and punishment regulations: Reward or punishment upon employees whose actions or behaviors lead to the Company into profits or gains and losses.

- c. Employee leave vacation rules: For employees to comply with when they take leave or take a vacation day
- d. Employee performance evaluation regulations: Annual evaluation into the work results and performance of employees as the very base for salary adjustment, promotion, and bonus distribution.

D: Protective measures provided for working environment and employees' personal safety

Here at the Company, the entire staff are held responsible for industrial safety and health within in their own scope toward themselves, their subordinates and toward the machinery & equipment & environment. Too fulfill their duties and responsibilities in the industrial safety & health, they must faithfully comply with all sorts of safety & health related rules and regulations and the key points for attention on safety & health as instructed by their respective department heads.

(1) The duties and responsibilities for of labor safety and health administrators

- a. They shall frequently patrol the site to thoroughly perform their duties of management and supervision. Whenever they notice a potential risk or danger in working methods, they shall immediately request discontinuity from the work and take all countermeasures as required to prevent a calamity from occurrence.
- b. They shall inspect fire protection system of safety facilities and protective equipment as well as disaster prevention equipment on a regular basis.
- c. They shall cooperate with the employers and head(s) in charge to draft occupational disaster prevention plans and implement occupational disaster investigation reports and take charge of occupational disaster investigation related statistics into month reports and submit the same to the inspection authorities.
- d. They shall map out and supervise the labor safety and health management of various departments of the Company and conduct check and inspections.
- e. They shall coordinate with the supervisors to carry out inspections, routine check, key examinations and working environment measurements and record the findings into in the self-inspection books.
- f. They shall map out labor health examination plans and implementation health management.
- g. They shall map out and implementation labor safety & health related educational & training programs and shall, meanwhile, provide employer with the suggestion and data regarding labor safety & health.

(2) The powers and responsibilities on safety & health for the Operating Head (Line Manager)

- a. The Operating Head (Line Manager) shall assume the responsibility to prevent a potential accident from occurrence.
- b. The Operating Head (Line Manager) shall get familiar with the safety rules and safety working method within the department.
- c. The Operating Head (Line Manager) shall guide new recruits into accurate operating method and working rules.
- d. The Operating Head (Line Manager) shall be responsible for the tidying up and cleaning the environment within the jurisdiction.
- e. Unless approved by the department head, personnel of another department shall not enter the present department to engage in repair or adjustment jobs.
- f. All department heads shall assure sound and close coordination with their subordinates to jointly present a potential accident from occurrence.

E: Regarding retirement system:

- (1) Exactly in accordance with the Labor Standards Act and Labor Pension Act, the Company has duly enacted sound employee retirement regulations with confirmed payments and confirmed appropriation. In the former mode, the



Company appropriates “pension reserve fund” at 2% of the employees’ total amount of salaries on a monthly basis and deposit the fund into Bank of Taiwan. In the latter mode, the Company appropriates 6% of the employees’ monthly salaries and deposits the same into the employees’ personal account at Bureau of Labor Insurance.

- (2) The Company duly set up Labor Pension Reserve Fund Supervisor Board in December 1986. The Supervisor Board is organized by nine Committee members, including three appointed by the management side and six to be appointed by the labor side. The Supervisor Board shall convene a meeting every three (3) years to recheck the amount of the pension reserve fund, savings, expenditure and payment so as to firmly safeguard the labor interests.
- (3) Starting from July 1, 2005, the Company duly enacted the Retirement Regulations with Confirmed Appropriation in accordance with the “Labor Pension Act” which apply to the native employees. For the part of employees of the Company who choose subject to “Labor Pension Act,” the Company appropriates a minimum 6% of the labor salary into the employees’ personal accounts at Bureau of Labor Insurance. The retirement pension is granted in two modes, i.e. on a monthly basis and in a lump-sum mode duly calculated for the amount based on the amount in the personal special account and the amount of accumulation gains.

F: Facts regarding accords reached by and between labor and management sides and efforts to safeguard employee interests:

- (1) The Company duly sponsors communications meetings by and between the labor and management sides from time to time on a nonscheduled basis.
- (2) Exactly according to law, the Company duly enacts a variety of policies and measures against potential sexual harassment to assure gender equality at the workplaces.
- (3) The Company has not yet established a labor union; therefore, no collective agreement has been signed.

(II) In the latest fiscal year and as of the publication date of the annual report, the impairment incurred by labor dispute, the current And potential amounts in the future and the countermeasures thereof:

In November 2024, the Company's Jiatai Plant was inspected by the labor authority and found to be in violation of Article 32, Paragraph 2 of the Labor Standards Act. The Company was fined NTD 50,000.

The Company will strictly comply with labor regulations to safeguard corporate interests and will continue to monitor the implementation of corrective measures.

## **VI. Information security management**

- (1) State the cyber risk management framework, the cyber security policy, the specific management plan, and the resources invested in cyber security management, etc.
  1. Cyber risk management framework: The Company strengthens information security management to ensure the confidentiality and completeness of its information, and conducts information security inspections from time to time.
  2. Cyber security policy:
    - A. The Information Department is responsible for coordinating and promoting affairs related to information security management.
    - B. The Company’s personnel shall abide by the Company’s information and confidential safety regulations.
    - C. The Company’s subcontractor suppliers, suppliers and outsourced business service providers, shall abide by the Company’s agreement of information security regulations.

3. Cyber security specific management plan and the resources invested in cyber security management:
- A. Company's system access control, setting the permissions, updating the passwords regularly, backup, etc., maintaining the information security management.
  - B. Set up network firewall and antivirus software.
  - C. Scanning and maintaining the Company's computer equipment, network equipment and servers regularly.
- (2) List the losses, possible impacts and countermeasures caused by major cyber security incidents in the most recent year and as of the date of publication of the annual report. If it cannot be estimated reasonably, the fact that it cannot be estimated reasonably shall be explained.
- In 2024 and up to the date of publication of the annual report, the Company has not suffered any major information security incidents, and there were no related loss or impact.

**VII. As of the publication date of the annual report, the major contracts effectively existent and the major contracts that expire within the latest year:**

Attributes of the contracts	Contract parties:	Starting and expiring dates of the contracts	Key contents	Restrictive clauses
Patent License Agreement	Moving Picture Experts Group	2010/5/26~2013/12/31 (The Agreement will be automatically extended for five (5) more years after expiry)	Authorized use of patented MPEG-4 Visual know-how to manufacture products to pay patent royalty based on the volume of shipment.	None
Patent License Agreement	Moving Picture Experts Group	2010/5/26-2010/12/31 (The Agreement will be automatically extended for five (5) more years after expiry)	Licensed for AVC use (H.264) Authorized use of patented know-how to manufacture products to pay patent royalty based on the volume of shipment.	None
Patent License Agreement	Moving Picture Experts Group	2010/5/26-2012/12/31 (The Agreement will be automatically extended for five (5) more years after expiry)	Authorized use of patented VC-1 know-how to manufacture products to pay patent royalty based on the volume of shipment.	None
Patent License Agreement	Moving Picture Experts Group	2008/06/26 Until the last core patent expires.	Authorized use of patented MPEG-2 Video know-how to manufacture products to pay patent royalty based on the volume of shipment.	None
Patent License Agreement	Moving Picture Experts Group	2008/06/26-2016/12/31 (The Agreement will be automatically extended for five (5) more years after expiry)	Authorized use of patented ATSC know-how to manufacture products to pay patent royalty based on the volume of shipment.	None
Patent License Agreement	InterDigital, Inc.	2008/9/26~ 2016/7/1 (The Agreement will be automatically extended for five (5) more years after expiry)	Authorized use of patented DVB, CECB and the like know-how to manufacture products to pay patent royalty based on the volume of shipment.	None
Patent License Agreement	Dolby Laboratories Inc.	2000/01/25~2015/09/30 (The Agreement will be automatically extended for one (1) more year after expiry)	Authorized use of patented AC3 know-how to manufacture products to pay patent royalty based on the volume of shipment.	None
High-Definition Multimedia Interface Specification Adopter Agreement	HDMI Licensing Administrator, Inc.	Ten (10) years starting from March 2004 automatically extended for five (5) more years from expiry and further expiry thereafter. If Zinwell intends to terminate the contract, it shall keep HDMI Licensing Administrator, Inc. informed in writing sixty (60) days prior to the scheduled expiry for renewal of the contract.	Authorized use of patented HDMI know-how, trademark(s), products (Cable, Connector, Repeater...), to pay patent royalty based on the volume of shipment.	None

Patent License Agreement	Via Licensing Corporation	2022/01/18–2027/01/17  (The contract will be automatically extended for 5 years upon written notice 30 days before the contract expires)	Be authorized to use the AAC patented technique to manufacture the products, and pay the royalties according to the shipments of the products. Alternative Rate Structure described in Appendix B	None
Patent Sublicense Agreement	AVANCI BROADCAST, LLC	2024/01/25-2031.01.24  (The Agreement will be automatically extended for five (5) more years after expiry)	Authorized use of patented ATSC 3.0 know-how to manufacture products to pay patent royalty based on the volume of shipment.	None
IP Services and License Agreement (Note 1)	Agreement entered into between the subsidiary AkiraNET Company and Coherent Logix, Inc.	Contract effective date September 3 2021	1. IP services and license agreement.  2. “Amendment NO.1 to IP services and license agreement (insert new Exhibit 1–3)” was made to the content on October 18, 2022.  3. “Amendment NO.2 to IP services and license agreement” was made to the content on May 31, 2023.	None
Software Development Agreement (Note 1)	Agreement entered into between the subsidiary AkiraNET Company and Coherent Logix, Inc.	Contract effective date September 3 2021	Software development agreement.	None
Software Development SOW (Note 1)	Agreement entered into between the subsidiary AkiraNET Company and Coherent Logix, Inc.	Contract effective date September 3 2021	1. Attachment of the software development agreement: work instruction.  2. Amendment to “CLX-software Development SOW-AkiraNET(09-02-2021)” executed SOW for Software Development agreement was made on September 8, 2022.	None
Chip Development Agreement (Note 1)	Agreement entered into between the subsidiary AkiraNET Company and Coherent Logix, Inc.	Contract effective date September 3 2021	Chip development agreement.	None

Chip Development Agreement SOW (Note 1)	Agreement entered into between the subsidiary AkiraNET Company and Coherent Logix, Inc.	Contract effective date September 3 2021	1. Attachment of the chip development agreement: work instruction.  2. Amendment to the “Chip Project Statement of Work (SOW)” was made on October 17, 2022.  3. “Amendment NO.2 To CHIP development agreement” was made to the content on May 31, 2023.	None
Investment Agreement (Note 1)	Agreement entered into between the subsidiary AkiraNET Company and Coherent Logix, Inc.	Contract effective date September 23 2021	1. Agreement to participate in AkiraNET Company’s cash capital increase and capital formation.  2. “Amendment NO.1 To THE investment agreement” was made to the content on May 31, 2023.	None
ASIC Development Agreement (Note 2)	Agreement entered into between the subsidiary AkiraNET Company and Socionext Inc.	Contract effective date October 6 2022	ASIC development protocol.	None
Limited IP License Agreement (Note 2)	Agreement entered into between the subsidiary AkiraNET Company and Socionext Inc.	Contract effective date March 24 2023	1. Intellectual property right licensing agreement.  2. “Amendment to Limited IP Library License Agreement” was made to the content on March 28, 2023.	None
INTELLECTUAL PROPERTY LICENSE AGREEMENT	Agreement entered into between the subsidiary AkiraNET Company, Coherent Logix, Inc. and Performance Connectivity Semiconductor, Inc.	Contract effective date May 31 2023	Intellectual property right licensing agreement.	None
END-USER SOFTWARE LICENSE AND MAINTENANCE AGREEMENT	Agreement entered into between the subsidiary AkiraNET Company and SYNOPSYS INTERNATIONAL LIMITED TAIWAN BRANCH.	Contract effective date January 22 2024	Software licensing and maintenance contract.	None

Note 1: Due to a breach of contract by Coherent Logix, Inc., arbitration has been initiated by AkiraNET Co.

Note 2: As a result of the breach of contract by Coherent Logix, Inc., AkiraNET Co. and Socionext Inc. are currently negotiating a resolution.

## Five. Reexamination into the financial conditions and financial performance (result of business operation) and risks issues

### I. Financial conditions

Table of financial condition comparative analyses

Expressed in thousand NT dollars

Item \ Year	2023	2024	Discrepancy	
			Amount	%
Current assets	5,558,399	4,127,096	(1,431,303)	(25.75)
Real property, plants & equipment	2,472,874	2,340,323	(132,551)	(5.36)
Intangible assets	124,110	53,805	(70,305)	(56.65)
Other assets	497,814	472,762	(25,052)	(5.03)
<b>Total assets</b>	8,653,197	6,993,986	(1,659,211)	(19.17)
Current liabilities	2,228,886	1,318,642	(910,244)	(40.84)
Non-current liabilities	137,548	60,642	(76,906)	(55.91)
<b>Total liabilities</b>	2,366,434	1,379,284	(987,150)	(41.71)
<b>The proprietor equity attributed to the parent company</b>	6,075,739	5,417,112	(658,627)	(10.84)
Share capital	3,176,890	3,176,890	0	0.00
Capital reserve	549,692	549,692	0	0.00
Retained earnings	2,508,661	1,803,268	(705,393)	(28.12)
Other equity	(159,504)	(112,738)	46,766	(29.32)
Non-controlled equity	211,024	197,590	(13,434)	(6.37)
<b>Total shareholders' equity</b>	6,286,763	5,614,702	(672,061)	(10.69)

Note: If the ratio of increase or decrease reaches 20%, and the amount exceeds NT\$10,000,000 dollars, it shall be analyzed and explained.	
(1) Decrease in current assets:	Mainly due to a decline in operating revenue compared to the previous year and the continued collection of accounts receivable.
(2) Decrease in intangible assets:	Mainly due to the recognition of impairment losses on intangible assets during the year.
(3) Decrease in current liabilities:	Mainly due to a decrease in purchases as a result of lower operating revenue compared to the previous year, leading to a reduction in accounts payable.
(4) Decrease in non-current liabilities:	Mainly due to pension contributions made during the period, resulting in a reduction in net defined benefit liabilities.
(5) Decrease in retained earnings:	Mainly due to a net loss for the period as a result of lower operating revenue compared to the previous year.
(6) Increase in other equity:	Mainly due to the exchange differences arising from the translation of financial statements of foreign operations, driven by the appreciation of the U.S. dollar.

## II. Comparative analysis table of the financial performance (result of business operation)

Expressed in Thousand NT Dollars

Item \ Year	2023	2024	Increase (decrease) amount	Percentage of changes
Net Operating Revenue	5,816,835	2,610,480	(3,206,355)	(55.12)
Operating costs	(5,236,211)	(2,907,441)	2,328,770	(44.47)
Gross profit	580,624	(296,961)	(877,585)	(151.15)
Operating expenses	(729,767)	(571,646)	158,121	(21.67)
Operating loss	(149,143)	(868,607)	(719,464)	482.40
Non-operating income and expenses	(120,235)	165,457	285,692	(237.61)
(Net loss) before tax	(269,378)	(703,150)	(433,772)	161.03
Income tax (expense) benefit	(17,937)	(26,796)	(8,859)	49.39
(Net loss) this term	(287,315)	(729,946)	(442,631)	154.06
Other comprehensive profit and/or loss	(30,597)	57,885	88,482	(289.19)
Total other comprehensive (loss) this term	(317,912)	(672,061)	(354,149)	111.40
(Net loss) attributed to the parent company's proprietor	(72,130)	(716,512)	(644,382)	893.36

(Net loss) attributed to non-controlled equity	(215,185)	(13,434)	201,751	(93.76)
Total comprehensive profit and/or loss attributed to the parent company's proprietor	(102,727)	(658,627)	(555,900)	541.14
Total comprehensive profit and/or loss attributed to non-controlled equity	(215,185)	(13,434)	201,751	(93.76)
Earnings per share (EPS)(NT\$)	(0.23)	(2.26)	(2.03)	882.61

1. Analysis and explanation of the change in the increase and decrease ratio in the last two years (change ratio reaches 20%):

- (1) Decrease in operating revenue, operating costs, and gross profit; increase in operating loss: The decrease in operating revenue was mainly due to reduced demand from customers as they adjusted their shipping schedules for product verification. As a result, material and labor costs also decreased, leading to a corresponding decline in gross profit and an increase in operating loss.
- (2) Decrease in operating expenses: Mainly due to the decrease in operating revenue, which resulted in a corresponding reduction in operating expenses.
- (3) Increase in non-operating income and expenses: Mainly due to a lower amount of impairment loss on intangible assets recognized this year compared to the previous year.
- (4) Increase in income tax expense: Mainly due to the retrospective payment of prior-year taxes by the Shenzhen subsidiary following a self-assessment.
- (5) Increase in loss before tax, net loss for the period, other comprehensive income, total other comprehensive (loss) for the period, and (net loss) attributable to owners of the parent; decrease in total comprehensive income attributable to owners of the parent and earnings or losses per share: Mainly due to a decrease in gross profit compared to the previous year, resulting in an increase in operating loss.
- (6) Decrease in net loss attributable to non-controlling interests and increase in total comprehensive income attributable to non-controlling interests: Mainly due to a lower amount of impairment loss on intangible assets recognized this year compared to the previous year.

2. Reason(s) of any change of the Company's primary business (e.g. changes arising from the adjustment of sale prices or costs, increase or decrease in product mix and production volume or renewal of depreciated products). If there is any existing or anticipated substantial changes of its operational policy, market condition, economic



environment or other internal or external factors, the potential effect on the Company's future financial performance of said changes and action to be taken: none.

3. Anticipated sales volume for the coming year and its basis, and the main factor leading to the Company's forecast of continuous sales growth or decline: From an operational environment perspective, the United Nations forecasts global economic growth will reach 2.8% in 2025, demonstrating stable growth performance. Although numerous global uncertainties remain, including geopolitical tensions and China's economic challenges, it is anticipated that as inventory destocking by European and American clients comes to an end and demand for network upgrades gains momentum, various industries will continue to expand their deployment in emerging fields such as generative AI. This trend is expected to drive strong demand for related networking equipment. In response to the improving business environment, the Company will actively enhance product development and value-added services, while continuing to collaborate with telecom operators on new product development initiatives.

### III. Cash flow

(I) Analysis into the liquidity over the past two years:

Item \ Year	2023	2024	Rate of change
Cash flow ratio	60.73%	42.45%	(30.10)%
Cash flow appropriate ratio	42.43%	53.34%	25.71%
Cash reinvestment ratio	16.20%	7.18%	(55.68)%
<p>Analytical explanation on the changes in the increase/decrease ratios</p> <p>Increase in cash flow adequacy ratio and decrease in cash flow ratio and cash reinvestment ratio for the period: Mainly due to a decline in gross profit compared to the previous year, resulting in an increase in operating loss and a corresponding decrease in net cash flows from operating activities.</p>			

(II) Analysis into cash liquidity in one year ahead:

Expressed in Thousand NT Dollars

Beginning cash balance (1)	Cash flow in operating activities anticipated for the entire year (2)	Cash outflow anticipated in the entire year (3)	Anticipated cash surplus (shortage) (1) + (2) - (3)	Anticipated countermeasures toward the cash shortfall	
				Investment plans	Wealth management plans
1,239,349	(400,000)	25,000	1,003,521	—	—
<p>1. Analysis into changes in cash flow in the one year ahead:</p> <p>(1) Operating activities: According to the United Nations' forecast, global economic growth is expected to reach 2.8% in 2025, indicating stable growth performance. It is anticipated that operating revenue and gross profit in 2025 will maintain steady and modest growth, with overall business operations expected to remain stable.</p> <p>(2) Investing and financing activities: Mainly due to the acquisition of machinery and equipment for operational needs resulting in the net cash outflow.</p> <p>2. The remedial measures toward anticipated cash inadequacy and the analyses into the liquidity:</p> <p>The cash balance and bank credit facilities are sufficient to support the Company's operation, and the indicators such as current ratio and quick ratio remain sound.</p>					

### IV. The significant capital expenditure in the recent year and its impact upon the finance and business operation:

(I) Fact about utilization of major capital expenditures and the source of the fund so required: In 2016 the Company used its own funds to purchase Class A industrial land in 3,441.24 ping at Chia Tai Industrial Zone to erect Chia Tai Plant for which the Company already obtained factory registration certificate in the first quarter, Year 2019. In the 4th quarter of 2019, the Company erected Hsinchu Plant No. 2 with its own land through an outsourcee. In 2021, the Group, through its consolidated entity AkiraNET Company, entered into the software and chip development and IP license agreement with the US company Coherent with a total contract value of US\$21,514 thousand. For the best result of this R&D project, both parties agreed to amend the content of agreement on October 6,

2022, where the amended contract has a total value of US\$13,953 thousand. The advanced payment for intellectual property rights in the amount of US\$3,579 thousand as the original down payment has been taken back accordingly. In addition, due to the semiconductor supply chain interruption arising from the pandemic, the raw materials planned to be used in the technology in research ran short; therefore, in order to control the development costs and avoid any postponement of the R&D project, the chip development of this project has been re-assigned to Socionext Inc. Socionext Inc. thus carried out the front-end design, back-end specification design and improvement, packaging and testing of the designated chips according to the contract, which amounted to US\$10,570 thousand. In 2023, the chip development project of the subsidiary included in the consolidated financial statements AkiraNET was not verified as expected, so the impairment on prepaid technology development fee and intellectual property was recognized. In 2024, AkiraNET appointed legal counsel to initiate arbitration and claim damages against Coherent due to its breach of contract. As Coherent was declared bankrupt and after evaluating advanced technologies in the market, the Company decided to terminate the aforementioned R&D project. An impairment loss was recognized based on the difference between the recoverable amount and the book value. As Coherent failed to fulfill its contractual obligations, Socionext was unable to proceed with the next stage of chip development. As a result, AkiraNET reclassified the unincurred prepaid development fees as other long-term receivables and recognized expected credit losses based on the progress of commercial negotiations and the difference between the recoverable amount and the book value. As of December 31, 2024, other long-term receivables amounted to NTD 30,150 thousand, and intellectual property totaled NTD 42,290 thousand. As of now, the intellectual property has been reclassified as other long-term receivables, as AkiraNET Co. has appointed legal counsel to pursue recovery through legal proceedings. Considering that the U.S. bankruptcy trustee is lawfully liquidating and auctioning Coherent's assets (including restricted shares of AkiraNET) for repayment, the Company has recognized full expected credit losses on the reclassified other long-term receivables.

(II) The effort to procure additional machines and research & development equipment which would believe to yield such benefits:

During 2024, the Company did not launch purchase of major machine and research & development equipment. This part is not applicable. Prepaid technology development fee The purpose is to lay out future product specifications and increase the competitiveness of the Group's products.

## **V. The reinvestment policy in the latest year, the major reasons behind the profit loss and the countermeasures plans and the investment plan in the upcoming year ahead:**

### **(I) Reinvestment policies**

Here at the Company, we launch reinvestment in response to demand for business operation given account of the future development. For the reinvestment, we have conducted prudential evaluation on the venues, organization type, shareholding ratio, financial conditions and the like, and take the outcome as the very grounds for policymaking process. Toward the reinvested undertakings, we firmly dominate the business performance, financial conditions to analyze into the result of investment, to facilitate the management authority to conduct follow-up evaluation so as to demonstrate the maximum possible concerted performance (synergy).

(II) The major reasons behind the profit or loss for the reinvestment launched in the latest year and the corrective action plans

The company's reinvestment information in 2024, including investment losses recognized by equity method evaluation in NT\$142,165,000. The reinvested company "AkiraNET Company" is still in the product research and development stage and has no revenue yet.

(III) Future investment programs: Primarily to expand the base business-related investment, focusing on the principal business development so as to boost the overall performance.

## VI. Risk facts and evaluation

(I) The impact brought by interest rates, exchange rates, inflation upon the Company's profit and/or loss in the latest year and the future countermeasures:

1. Please explain the impact from foreign exchange profit and/or loss and interest revenues and expenditures upon the Company's profit and/or loss over the past two years, and the Interest revenues and expenditures over the past two years as enumerated below:

Expressed in Thousand NT Dollars		
Item	2024	2023
Profit and/or loss in foreign exchange, net amount(A)	82,512	29,847
Interest revenues and expenditures, net amount (B)	33,306	25,437
Operating revenues, net amount (C)	2,610,480	5,816,835
Operating loss, net amount (D)	(868,607)	(149,143)
The percentage of net profit and/or loss in foreign exchange to the net amount of net operating revenues A/C	3.16%	0.51%
The percentage of profit and/or loss in foreign exchange to the net amount operating benefit A/D	(9.50%)	(20.01%)
The percentage of interest revenues and expenditures to the net amount of operating revenues B/C	1.28%	0.44%
The percentage of interest revenues and expenditures to the net amount of operating interest B/D	(3.83%)	(17.06%)

2. The Company's effort toward the impact to be brought by change in exchange rate, interest rate, inflation upon the Company's profit and/or loss, and the Company's countermeasures:

The change in exchange rate, interest rate, inflation shall form an impact upon the Company's profit and/or loss. The inflation might lead to an increase in costs and expenses. Fluctuations in interest rate would affect the Company's interest income.

In the aspect of exchange rates, where the Company revenues are largely denominated in U.S. dollars, the appreciation and depreciation of exchange rate would largely affect the Company's profit and/or loss in foreign exchange and equally affected the Company's profitability. Here at the Company, we, therefore, adopt a natural hedging mode to have the net foreign currency position down to the lowest possible level so as to minimize the potential impact in changes in the exchange rates upon the Company's profit and/or loss. Besides this, the Company's Department of Finance, as well, tries to collect the updates regarding exchange rate, interest rate, inflation in real time to firmly dominate the up-to-date trend of the changes in economic data and, in turn, work out the most appropriate countermeasures.

- (II) In the most recent year while the Company engaged in highly risky, high leverage investment, loaning fund to others, endorsements/guarantees and derivative financial instruments, such policies, profitability or loss, the major reasons behind and the countermeasures to be taken in the future.

As of the publication date of the annual report, the Company had not engaged in highly risky, high leverage investment, loaning fund to others. We granted endorsements/guarantees only toward our own subsidiaries and engaged in derivative financial instruments only for hedging purposes. Besides this, we have duly enacted "Procedures for Loaning of Funds to Others," "Procedures for Endorsements/Guarantees," "Procedures for the Acquisition or Disposal of Assets" and "Transactions in Derivative Financial Instruments" which have been officially resolved in the shareholders' meeting. Whenever we engage in relevant business operation in the future, we shall faithfully comply with the relevant provisions.

- (III) The future research & development plans and the research & development-oriented costs the Company is to budget for:

1. The future research & development plans:

- (1) Here at the Company, we adequately dominate customer needs and put forth maximum possible efforts to satisfy their needs. The long-term cultivated research & development experts in the Company would continually launch deep cultivation into the mainstream research & development technology & know-how.
- (2) Closely in coordination with the industry characteristics, we integrate into the highest possible competitive edge. We further vigorously boost highly added values to have our products taking the lead the entire industry.
- (3) We engage in research & development toward high-definition digital satellite and terrestrial broadcasting television receivers, storage and playback systems in possession of the hard disk recording and playback and wireless distribution functions. They further can be used as a center for other home audio-visual equipment.
- (4) Continually as always, we bring in and cultivate high level research & development experts to further solidify our strength so as to further effectively dominate technology & know-how and opportunities in the markets.
- (5) We team up with research & development know-how-oriented suppliers into strategic alliance to guide their research & development power into development of new technology & know-how. In turn, our Company has virtually minimized research & development costs and risks.

- (6) By all available means we closely and firmly dominate the trend of product development so that our products and services are highly competitive amidst fierce competitions and consistent with market demands. In turn, we enjoy the benefits of volume production and advanced research & development fruits.
2. The research & development costs scheduled to be invested: In Year 2024, the total research & development costs invested in the Company accounted for 9.63% of the total operating revenues. In the present year, we shall continually invest huge amount of workforce and funds into research & development. In 2025, the total research & development cost we invest shall account for approximately 6–7% of the total operating revenues.
- (IV) The impact incurred by the changes in major policies at home and abroad, changes in laws in most recent year upon the Company's financial standing and the Company's countermeasures:
- Toward the changes in major policies at home and abroad, changes in laws in most recent year, we have worked out and adopted countermeasures as appropriate. That means such changes in major policies at home and abroad are not supposed to bring any significant impact upon our business performance. In the days and years ahead, we shall closely watch relevant information and work out sound countermeasures in due time to satisfy the requirements of the Company's business operation.
- (V) The impact of recent annual technological changes (including information security risks) and industry changes on the company's financial business and countermeasures:
- Where the technology industry is advancing with each passing day and the changes in the industry and the development of technology will have a certain degree of impact upon the members of our industry. Once our Company fails to cope with the changes in technology or the industry, we shall in real time adjust our strategies or launch products that are competitive enough to meet market needs. These factors might adversely affect the Company's financial standings. To prevent such changes in industry and technology from adversely affecting our Company, the entire staff of the Company would pay close attention to various changes in industry and technology in real time and would evaluate the possible impact from each change. In turn we shall propose effective response strategies and develop products that satisfy market needs to promptly launch competitive products, maintain and enhance the Company's dominating competitive advantage.
- Countermeasures: The company formulates internal information security policies, plans and implements information security protection and information security policy promotion and implementation. In order to prevent information security threats, the company's information department builds an information security protection system to improve the overall information environment. In terms of security, information security education, training and publicity are carried out from time to time, so as to improve the

information security knowledge and professional skills of the company's colleagues.

- (VI) The impact incurred by the changes in corporate image in the most recent year upon the Company's corporate risk management and the Company's countermeasures:

As always, we firmly uphold our corporate image through good faith management policy without any intent to strive for unlawful interest at all. In both corporate culture and internal control system, we absolutely insist such key and decent corporate principles.

- (VII) As of the publication date of the annual report, our Company had no plans at all for corporate mergers and acquisitions:

As of the publication date of the annual report, our Company had no plans at all for corporate mergers and acquisitions.

- (VIII) Expected benefits, potential risks and countermeasures of plant expansion: N/A.

- (IX) Potential risks to be faced from centralized purchase or sales and the corresponding countermeasures:

The Company's top five purchasers accounted for about 39% of the Company's total purchases; the largest sales customer accounted for 59% of the Company's net amount of business operation.

- (1) The potential risk of customer concentration might be an event where the Company faces a single customer's order default or order reduction that should have a huge impact on the Company's performance.

- (2) Our Company's countermeasures are to try to boost products' competitive edge and scatter the markets for our sales.

- (X) The potential risks upon the Company in the event where the directors and supervisors or key shareholders holding over 10% of shareholding each launch huge transfer or replacement and the Company's countermeasures:

As of the publication date of the annual report, there had been no directors and supervisors or key shareholders holding over 10% of shareholding each launching huge transfer or replacement.

- (XI) The potential impact and risks upon the Company in the event of changes in the managerial powers and the Company's countermeasures:

In the latest fiscal year and as of the publication date of the annual report, the Company has not undergone a change in managerial power.

- (XII) Litigious & non-litigious affairs:

- (1) The Company's litigious & non-litigious affairs or administrative disputes with final and irrevocable court judgment or remaining outstanding in the latest fiscal year and as of the publication date of the annual report:

1. Shanghe Construction Co., Ltd., the contractor builder of the company's Chiayi plant, has There is an objection to the reduction of the amount, and in August 2019, it filed a petition with the New Taipei District Court that the company should pay the disputed construction fee of NT\$4,625,000 and its interest.

After being heard by the court of first instance in September 2021, it was judged that the company should pay NT\$4,225,000 and its interest. The company has already accrued litigation losses and other payables totaling NT\$4,225,000. The Company appealed against the judgment. On May 18, 2023, the Supreme Court decided that the Company was not required to pay the above-mentioned dispute payment, and thus the payables were written off with profits of NT\$4,225,000.

2. Shanghe Construction Co., Ltd., the contractor builder of the company's Chiayi plant, claims that the construction design drawings have Negligence and extension of the construction period, which affect the way of construction and increase the cost of the project, in February 2020 Monthly appealed to the New Taipei District Court that the company should repay the above-mentioned construction dispute amount of NT\$37,626,000 and its Interest. In February 2025, the first-instance court ruled that the Company is not required to pay the disputed amount. On March 27, 2025, the Company received a notice of civil appeal and will appoint legal counsel to handle the subsequent civil litigation proceedings.

The company will actively defend the aforementioned litigation cases that are still in progress, but due to the unpredictability of legal cases It is impossible to accurately estimate the possible loss (if any) at present. Although the outcome of the lawsuit is pending However, there is no material impact on the operation, finance and business of the Company.

- (2) The Company's litigious & non-litigious affairs or administrative disputes with final and irrevocable court judgment or remaining outstanding implicating the Company's directors and supervisors, general manager, substantial responsible person, key shareholder(s) holding over 10% in shareholding in the past two years and as of the publication date of the annual report: None.

(XIII) Other significant risks and countermeasures: None.

## **VII. Other significant issues worth mentioning:**

Organization chart in risk management:

Here at the Company, the risk management toward various business operation has been duly assigned onto respective managerial units based on attribute of business operation. Further the Audit Office, based on the characteristics of risks, work out annual audit plans. Those risk management units assume the following powers and responsibilities:



1. Managerial Analysis Audit Office:

Assume the responsibility to update and implement the internal control system so as to strengthen the functions of internal control system, assure the continued validity, accomplish the reliability of financial statements, effect of business operation and faithful compliance with laws and ordinances concerned.

2. Department of Finance assumes the responsibility for financial dispatch, control over exchange rate related risks, set up sound mechanism to hedge risks to minimize potential financial risks.
3. The Product Division and Business Division assume the responsibility for marketing strategies, product promotion to firmly dominate trends in the markets to defuse potential risks in business operation.
4. The Research & Development Division controls research & development related resources, boost the research & development result, enhance technology & know-how and minimize risks linked up with product development.
5. The Manufacturing Division assumes the responsibility to maximize production efficiency, improve the yield to effectively dominate production cost and minimize potential risks in manufacture.

6. Information (MIS) Office

- A. It assumes the responsibility for planning and management of software & hardware for computer systems.
- B. Assume the responsibility for network information security control and protective measures to minimize potential risks in information security.
- C. In terms of information security control, the Company has duly set up sound computerized information management system to map out the Company's information safety & security. Meanwhile, on a regular basis every year, we launch sound auditing process to assure the effectiveness of the system management to comply with legal requirements. Overall, the information security risk is not covered within the Company's major operating risks.

7. Department of Finance –Legal Dept.

It assumes the responsibility of legal risk management to faithful comply with the government policies, settle a dispute in contract or litigation to soften potential risks in laws.

## Six. Special entries

### I. Affiliated enterprises related information :

Please refer to the Market Observation Post System (MOPS).

Query Path: Market Observation Post System (MOPS) > Single Company > Electronic  
Document Download > Affiliated Enterprises Section (Three Statements)

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

### II. In the latest fiscal year and as of the publication date of the annual report, the facts of private placement of negotiable securities should be disclosed to the shareholders' meeting or the board of directors.

Regarding the date and amount so passed, grounds for pricing and the rationality thereof, method to choose specific people and the reason and necessity to launch the private placement: N/A.

### III. Other necessary supplementation:

(I) The grounds and base for amortize evaluation items upon the assets and liabilities:

Was allowance for doubtful accounts provided with objective proof, indicating that the receivables have indeed incurred an impairment, in particular specific evaluation on the chance to collect the overdue receivables. In case of objective proof on impairment, the loss in the impairment should be recognized (expense for bad debt).

(II) Objects and methods on the hedging accounting

As of December 31, 2024, the Company has not undertaken hedging derivative financial instruments related financial instruments.

(III) The financial and accounting heads shall participate in and complete the outsourced training programs as required by the competent authority(ies):

1. The contents of training programs are as enumerated below and number of hours in the outsourced training programs shall be declared in real time.

Title	Name	Date of outsourced training programs	Sponsors	Title of the outsourced training program	Number of hours in outsourced training programs
The financial and accounting heads	Jing-Yuan Hou	2024.07.26 ~2024.08.02	Accounting Research and Development Foundation	Continuing education program for accounting officers of issuers, securities firms, and the stock exchange	12

2. The audit heads shall participate in and complete the outsourced training programs as required by the competent authority(ies). The contents of training programs are as enumerated below and the number of hours in the outsourced training programs shall be declared in real time.

Title	Name	Date of outsourced training programs	Sponsors	Title of the outsourced training program	Number of hours in outsourced training programs
Internal Audit Assistant Manager	Yi-Fen Huang	2024.06.26	The Institute of Internal Auditors	Auditing of subsidiaries	6
		2024.10.18	The Institute of Internal Auditors	ESG implementation and integration with internal control systems: Corporate practices and case studies	6

#### (IV) The Company's key performance targets

##### 1. Financial targets

Significance: The optimization of the Company's financial structure and solvency as well as the control over the bank financing contract restrictions.

Percentage	Formula	Target KPI	2024	2023
(1) Liability ratio	Liabilities/shareholding equity	< 50%	36.67%	39.38%
(2) Current ratio	Current assets/Current liabilities	>200%	148.33%	164.47%
(3) Interest coverage ratio	Net profit before tax and before dividend/Interest expenditure this term	> 5	(555.00)	(4.92)

##### 2. Performance target

Significance: Cost control efficiency and profit creation.

Percentage	Formula	Target KPI	2024	2023
(1) Advertising performance indicators	Sales revenues/Advertising fees (NT\$)	2,000	4,264	32,948
(2) Research & development performance indicators	Sales revenues/Research & development fees (NT\$)	30	11	27

(3) Freight performance indicators	Sales revenues/Freight (NT\$)	200	95	228
(4) Travel fares performance indicators	Sales revenues/Travel fares (NT\$)	500	644	1,265

(V) The appraisal grounds to evaluate the fair values of the Company's financial commodities are classified into five categories:

1. Assets or liabilities measured at cost
2. Financial assets evaluated at equity method.
3. Investment into bonds without active markets
4. Stocks or deposit receipt certificates (DRC) are evaluated on the grounds of the fair values as determined through the selling prices
5. Financial instruments other than the above are evaluated based on the fair value determined by the average fair price or selling price in a certain range.

**Seven. In the latest fiscal year and as of the publication date of the annual report the transaction conducted under Subparagraph 2, Paragraph 3 of Article 36 of Securities and Exchange Act that would have significant impact upon the shareholders' equity or prices of share certificates: None**

ZINWELL CORPORATION

Chairman: Chi-Jui Huang