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**Chang Wah Technology  
Co., Ltd.**

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**Chang Wah Technology Co., Ltd.**

**2024**

# **Annual Report**

(Translation)

Printed on March 30, 2025

1. Spokesperson:

Name: Yan, Shu-Ping

Title: Manager

Tel: (07)365-3592

E-mail: [cwtkh@cwtcglobal.com](mailto:cwtkh@cwtcglobal.com)

Deputy Spokesperson: Furen Chang

Title: Manager

Tel: (07)365-3592

E-mail: [cwtkh@cwtcglobal.com](mailto:cwtkh@cwtcglobal.com)

2. Headquarters, Branches and Plant:

Address of Headquarters: No. 24, Kaifa Rd., Nanzi Dist., Kaohsiung City

Tel: (07)962-8202

Address of Plant: No. 24, Kaifa Rd., Nanzi Dist., Kaohsiung City

Tel: (07)962-8202

Branch office in Japan: Takano Building, 2-5-3, Uchi-kanda, Chiyoda-ku, Tokyo, Japan

3. Stock Transfer Agent:

Name: Transfer Agency Department, SinoPac Securities Corporation

Address: 3F, No. 17, Po'ai Rd., Taipei City

Tel: (02)2381-6288

Website: <https://www.sinotrade.com.tw/>

4. The Names of the CPA for the Financial Statements of the Most Recent Fiscal Year, Name of Accounting Firm, Address, Website and Tel:

Name of CPA: CPA Lee-Yuan Kuo, CPA Hung-Ju Liao

Name of the Accounting Firm: Deloitte & Touche

Address: 3F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City

Tel: (07)530-1888

Website: <https://www.deloitte.com.tw/>

5. The name of the trading venue where the overseas securities are listed for trading and the method for inquiring the information of the overseas securities: None

6. Corporate Website: <https://www.cwtcglobal.com/>

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# I. Letter to Shareholders

Dear Shareholders,

Thank you shareholders for taking your time to participate in the 2025 Shareholders Meeting. The operation of 2024 is reported as follows:

## 1. Operating Performance in 2024

(1) Business Result

(Consolidated)

Unit: NT\$ thousands

Item	2024		2023		2022	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Operating revenue	11,986,794	100%	11,581,245	100%	14,431,284	100%
Operating cost	9,101,502	76%	8,980,738	78%	10,045,698	69%
Gross profit	2,885,292	24%	2,600,507	22%	4,385,586	31%
Gross profit margin	24%	—	22%	—	31%	—
Operating profit	1,657,091	14%	1,448,284	12%	3,121,660	22%
Net profit before tax	2,361,549	20%	1,970,188	17%	3,634,255	25%
Net profit after tax	1,931,466	16%	1,597,147	14%	2,844,969	20%

(Parent Company Only)

Unit: NT\$ thousands

Item	2024		2023		2022	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Operating revenue	6,396,465	100%	6,625,391	100%	8,760,470	100%
Operating cost	5,178,670	81%	5,617,689	85%	6,709,432	77%
Gross profit	1,217,795	19%	1,007,702	15%	2,051,038	23%
Gross profit margin	19%	—	15%	—	23%	—
Operating profit	718,810	11%	520,549	8%	1,570,497	18%
Net profit before tax	2,163,015	34%	1,717,276	26%	3,259,904	37%
Net profit after tax	1,895,822	30%	1,564,512	24%	2,815,901	32%

(2) Budget Implementation: The Company did not disclose the financial forecast in 2024.

(3) Analysis of financial structure, solvency and profitability:

(Consolidated)

Item	Year		
	2024	2023	2022
<b>Financial structure</b>			
Debt asset ratio	46%	48%	46%
Long-term capital to property, plant and equipment	460%	354%	367%
Net asset value per share (Note)	12.02	10.57	10.49
<b>Solvency</b>			
Current ratio	282%	198%	216%
Quick ratio	167%	134%	161%
<b>Profitability</b>			
Return on total assets	10%	9%	17%
Return on equity	18%	16%	31%
Net Margin	16%	14%	20%
Earnings per share(Note)	2.02	1.67	3.01

Note: The change of par value was completed in September 2022. After the split, the par value equaled NT\$0.4 per share.

(Parent Company Only)

Item	Year		
	2024	2023	2022
<b>Financial structure</b>			
Debt asset ratio	45%	48%	45%
Long-term capital to property, plant and equipment	614%	481%	562%
Net asset value per share(Note)	12.02	10.57	10.49
<b>Solvency</b>			
Current ratio	132%	101%	118%
Quick ratio	100%	83%	92%
<b>Profitability</b>			
Return on total assets	10%	9%	18%
Return on equity	18%	16%	31%
Net Margin	30%	24%	32%
Earnings per share(Note)	2.02	1.67	3.01

Note: The change of par value was completed in September 2022. After the split, the par value equaled NT\$0.4 per share.

(4) Research and development status:

The rise of emerging technologies such as 5G, AI, and IoT prompts continuous growth in consumer and automotive electronics markets, and brings about new business opportunities for display applications. Devices are shifting toward being lighter and smaller or high value-added, or with high-end specifications. We apply different processes to QFNs to produce differentiated products and enter the niche market of lead frames for Mini LED and automotive power management.

**2. Business Plan for 2025**

The inventory digestion in the semiconductor supply chain concluded by the end of 2024. In 2025, the semiconductor packaging materials market is expected to shift back to a demand-driven dynamic, fueled by the rapid growth in consumer electronics, smart electronic devices, automotive electronics, and industrial control electronics. Market expansion will also be driven by the ongoing miniaturization of electronic devices and the increasing adoption of semiconductor ICs in the Internet of Things (IoT). According to Mordor Intelligence, the global semiconductor materials market is projected to reach US\$80.79 billion in 2025 and grow to US\$101.89 billion by 2030, delivering a compound annual growth rate (CAGR) of 4.75% during the forecast period (2025–2030).

Regarding the Company's 2024 financial performance, revenue distribution was as follows: 3C products (consumer electronics) accounted for 46%, the automotive sector contributed 29%, and industrial electronics made up 22%.

Based on our operating results, market supply, demand conditions and marketing policies, we estimate that our major sales volume in 2025 will increase by 3~5% compared to 2024.

**Production and Marketing Strategies**

1. Develop high added-value products according to the trend of market development and establish a leading position in the market.
2. Continue to develop advanced application markets, improve customer satisfaction, and strengthen partnerships with major international manufacturers.
3. Introduce intelligent manufacturing to improve production capacity and increase market share.
4. Strengthen customer service and continue to enhance the quality of products.

### 3. Strategy of Future Development

The World Semiconductor Trade Statistics (WSTS) forecasts that the global semiconductor market will reach US\$611.2 billion in 2024, representing a 16.0% year-over-year (YoY) growth, and further expand to US\$687.4 billion in 2025, reflecting a 12.5% YoY growth, underscoring the industry's strong performance. Among the six major semiconductor application sectors—industrial, AI computing, aerospace, military, consumer electronics, and automotive—the automotive semiconductor market is expected to be the primary growth driver, with a projected CAGR of 12.7% over the next five years. Two key factors fueling this growth are the Advanced Driver Assistance Systems (ADAS) and in-vehicle infotainment systems. Although overall vehicle sales growth remains limited, the clear trends of vehicle intelligence and electrification continue to drive semiconductor demand. ADAS holds the largest share within the automotive semiconductor market, with its CAGR expected to reach 19.8% by 2027, accounting for 30% of the segment. Meanwhile, in-vehicle infotainment systems rank as the second-largest segment, driven by the rise of smart and connected vehicles, with a projected CAGR of 14.6% by 2027, comprising 20% of the automotive semiconductor market.

### 4. The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions

In response to changes in the environment, besides adjusting and revising corporate governance related information in accordance with the new regulations promulgated by the securities authorities, the Company will strive to strengthen supply chain integration, increase product self-manufacture, improve production processes to reduce production costs, and pay close attention to the future development trend of products and work with customers to develop superior products with high added value, in order to increase revenue and improve overall profitability with an aim to respond to changes in the overall environment, and move towards sustainable operation.

Chairperson: Hung, Chuen-Sing

President: Hung, Chuen-Sing



## II. Corporate Governance Report

### 1. Information of Director, President, Vice President, Senior Manager, and Head of Departments:

#### (1) Directors:

March 30, 2025																						
Title	Nationality/ Country of Origin	Name	Gender/Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Positions	Executives or Directors who are spouses or within two degrees of kinship			Remark (Note 3)		
							Shares	% (Note 1)	Shares	% (Note 2)	Shares	% (Note 2)	Shares	% (Note 2)			Title	Name	Relation			
Chairperson	HK	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	Male/51~60	2024.05.30	3	2009.12.21									Hong Kong Polytechnic University General manager of Possehl Electronics Hong Kong Ltd. General manager of Sumiko Precision Mold Taiwan Co., Ltd. General manager of Sumiko Electronics Taiwan Co., Ltd. General manager of SH Electronics Taiwan Co., Ltd.	Chairperson of Chang Wah Electromaterials Inc. President and representative of juristic person director of Chang Wah Technology Co., Ltd. Representative of juristic person director, JMC Electronics Co., Ltd. Representative of juristic person director, Advanced Echtem Materials Company Limited Director of SH Electronics Suzhou Co., Ltd. Director of SH Electronics Chengdu Co., Ltd. Director of SH Precision Chengdu Co., Ltd.				None	None	None
							452,375,925	47.59%	454,336,925	47.80%	0	0%	0	0%			0%					
Director	ROC	Chang Wah Electromaterials Inc. Representative: Tsai, Rong-Dong	Male/71~80	2024.05.30	3	2009.12.21	0	0%	6,613,975	0.70%	39,000	0%	0	0%	MBA, Indiana University General manager and consultant, Ta Chong Commercial Bank General manager, Taishin International Bank	Representative of juristic person director, Gold Circit Electronics Ltd. Representative of juristic person director, Chang Wah Technology Co., Ltd. Independent Director/Audit Committee Member/ Remuneration Committee Member of Ali Corporation			None	None	None	None
							452,375,925	47.59%	454,336,925	47.80%	0	0%	0	0%			0%					
Director	ROC	Yuan Yao Energy Technology Co., Ltd. Representative: Tomas, Huang	Male/51~60	2024.05.30	3	2024.05.30	35,695,000	3.74%	35,905,000	3.78%	0	0%	0	0%	National Kaohsiung Institute of Marine Technology Marine Engineering Dept Semiconductor Electronics Limited Engineer Wan Lee Industrial Corp. Director	Sales President and the Head of Lead Frame BU, Chang Wah Electromaterials Inc. Representative of juristic person director, Chang Wah Technology Co., Ltd.			None	None	None	None
							0	0%	120,000	0.01%	0	0%	0	0%			0%					
Director	ROC	Yuan Yao Energy Technology Co., Ltd. Representative: Angus, Shih	Male/51~60	2024.05.30	3	2023.01.03	35,695,000	3.74%	35,905,000	3.78%	0	0%	0	0%	Ph.D. in Electrical Engineering, National Taiwan University Assistant Manager of R&D Dep., Tong Bao Technology Co., Ltd. Director of R&D Division, Innolux Corporation	President and Director of Vizionfocus Inc. Representative of juristic person director, Chang Wah Technology Co., Ltd.			None	None	None	None
							0	0%	0	0%	0	0%	0	0%			0%					
Independent Director	ROC	Lin, Yi-Jing	Female/51~60	2024.05.30	3	2018.05.08								Department of Accounting, Tunghai University Vice general manager, Deloitte & Touche Assistant manager, Deloitte & Touche	Certified public accountant, Ching Cheng Accounting Firm Responsible person, Ching Cheng Management Consultants Co., Ltd. Independent Director/Audit Committee Member/			None	None	None	None	
							0	0%	0	0%	0	0%	0	0%			0%					

Title	Nationality/ Country of Origin	Name	Gender/Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Positions	Executives or Directors who are spouses or within two degrees of kinship			Remark (Note 3)
							Shares	% (Note 1)	Shares	% (Note 2)	Shares	% (Note 2)	Shares	% (Note 2)			Title	Name	Relation	
															Remuneration Committee Member of Control Technology Co., Ltd. Independent Director/Audit Committee Member/ Remuneration Committee Member of Sun Rise E&T Corporation Independent Director/Audit Committee Member/ Remuneration Committee Member of San Fang Chemical Industry Co., Ltd. Independent Director/Audit Committee Member/ Remuneration Committee Member/ Sustainable Development Committee Member of Chang Wah Technology Co., Ltd.					
Independent Director	ROC	Lin, Ren-Lin	Male/61~70	2024.05.30	3	2018.05.08	0	0%	0	0%	0	0%	0	0%	Master of Information Management, the City University of New York General manager, Konlin Digital Technology Co., Ltd. Vice general manager, Hanyu Electronic Technology Co., Ltd. Manager, Walsin Lihwa Corporation	General manager, Hsin Yi Recreation Enterprise Co., Ltd. Independent Director/Audit Committee Member/ Remuneration Committee Member/ Sustainable Development Committee Member of Chang Wah Technology Co., Ltd.	None	None	None	None
Independent Director	ROC	Ou, Jia-Ruey	Male/61~70	2024.05.30	3	2021.07.22	0	0%	0	0%	0	0%	0	0%	Doctor of Philosophy, Institute of Transportation, National Chiao Tung University Chairperson of CPC Corporation, Taiwan Director of China Steel Corporation President of Dayeh University Director-general of Bureau of Energy, Ministry of Economic Affairs Head of the Export Processing Zone Administration, Ministry of Economic Affairs	Chairman, Sustainable & Circular Economy Development Association Director of Shinfox Energy Co., Ltd. Independent Director/Audit Committee Member/ Remuneration Committee Member/ Sustainable Development Committee Member of Formosa Chemicals & Fibre Corporation Independent Director/Audit Committee Member/ Remuneration Committee Member of Chang Wah Technology Co., Ltd.	None	None	None	None
Independent Director	ROC	Huang, Wen-Gu	Male/61~70	2024.05.30	3	2024.05.30	0	0%	0	0%	0	0%	0	0%	Ph.D., Technology Application and Human Resources Development, National Taiwan Normal University Head of the Export Processing Zone Administration, Ministry of Economic Affairs Director General, Central Region Office of the Ministry of Economic Affairs Deputy Director General, Small and Medium Enterprise Administration, Ministry of Economic Affairs	Director of New Taipei DaZe Education Foundation Independent Director/Audit Committee Member/ Remuneration Committee Member of Advanced Echem Materials Company Limited Independent Director/Audit Committee Member/ Remuneration Committee Member of Chang Wah Technology Co., Ltd.	None	None	None	None

Note 1: The shareholding ratio is calculated based on 950,538,700 shares.

Note 2: The shareholding ratio is calculated based on 950,488,700 shares.

Note 3: Where the Chairperson of the Board and the President, or an individual holding an equivalent position (i.e., the highest-ranking executive), are the same person, spouses, or first-degree relatives, the reasons, justification, necessity, and corresponding measures (e.g., increasing the number of Independent Directors and ensuring that a majority of Board members do not concurrently serve as employees or executives) shall be explained as follows:

The Company's Chairperson concurrently serves as the President to enhance operational efficiency and decision-making effectiveness. The Chairperson also maintains close and frequent communication with the Board of Directors regarding the Company's operations and strategic plans, ensuring the implementation of sound corporate governance. The Company has adopted the following measures:

1. At the 2024 Annual Shareholders' Meeting, the Company increased the number of Independent Directors by one to enhance the Board's supervisory function. The four current Independent Directors possess expertise in finance, accounting, and industry operations, enabling them to effectively fulfill their oversight responsibilities.
2. Each year, the Company arranges for its directors to participate in professional training courses provided by external organizations, such as the Taiwan Corporate Governance Association, to improve the Board's operational effectiveness.
3. Independent Directors actively participate in all functional committees, engaging in thorough discussions and providing recommendations to the Board, thereby reinforcing corporate governance.
4. A majority of the Board members do not concurrently serve as employees or executives.

## Major shareholders of the institutional shareholders

March 30, 2025

Name of Institutional Shareholders	Major Shareholders (Note)
Chang Wah Electromaterials Inc.	Wah Lee Industrial Corp. (27.27%) ; Shin Shin Investment Co., Ltd. (7.88%) ; Yuan Yao Energy Technology Co., Ltd. (5.97%) ; Chang Wah Technology Co., Ltd. (4.85%) ; Besjie Investment Co., Ltd. (3.00%) ; JMC Electronics Co., Ltd. (1.90%) ; Citibank in custody for UBS Europe SE Investment Account (1.74%) ; J.P. Morgan Taipei Branch in custody for J.P. Morgan Securities Investment Account (1.63%) ; Standard Chartered in custody for Standard Chartered Bank (HK) Limited - Stock Transactions (0.93%) ; JPMorgan Chase Bank N.A. in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (0.74%)

Note: Please fill in the names of the major shareholders of the corporation (the top ten in terms of shareholding) and their shareholdings.

## Major shareholders of the institutional shareholders of which the major shareholders are juristic persons

March 30, 2025

Name of Institutional Shareholders	Major Shareholders (Note)
Wah Lee Industries Co., Ltd.	Kang Tai Investment Co., Ltd. (7.71%) ; Fuhsih Investment Co., Ltd. (6.17%) ; Deh Wei Investment Co., Ltd. (4.91%) ; Taipei Fubon Commercial Bank Co., Ltd. in custody for Fuh Hwa Taiwan Technology Dividend Highlight ETF Securities Investment Trust Fund (3.59%) ; Dingbao Corp. (3.20%) ; Bank of Taiwan in custody for Yuanta Taiwan High Dividend Low Volatility ETF Securities Investment Trust Fund (3.00%) ; Jing Zan Insurance Co., Ltd. (2.78%) ; Wah Hong Industrial Corp. (2.43%) ; Chang, Jui-chin (2.22%) ; Property trust account of employee stock ownership union of Wah Lee Industries Co., Ltd. entrusted to the China Trust Commercial Bank (2.20%)
Shin Shin Investment Co., Ltd.	Canon, Huang (99.095%) ; Huang Si-ying(0.30) ; Huang, Pei-mei (0.30%) ; Huang, Yu-chieh (0.30%) ; Huang, Chiun-chieh (0.005%)
Yuan Yao Energy Technology Co., Ltd.	Canon, Huang (98.44%) ; Huang, Hsing-lan (0.86%) ; Liao, Fang-lu (0.64%) ; Huang, Yu-Li (0.03%) ; Huang, Chu-Jan (0.03%)
Chang Wah Technology Co., Ltd.	Chang Wah Electromaterials Inc. (47.80%) ; Yuan Yao Energy Technology Co., Ltd. (3.78%) ; Besjie Investment Co., Ltd. (3.72%) ; Huang, Siou-Cyuan (3.32%) ; Shing Zheng Investment Co., Ltd. (1.95%) ; Shin Shin Investment Co., Ltd. (1.69%) ; Tai, Sung-Chi (1.45%) ; JMC Electronics Co., Ltd. (1.45%) ; Tai, Sung-Wen (1.13%) ; Shuang Chen Investment Ltd. (1.05%)
Besjie Investment Co., Ltd.	Chang, Shu-hui (82.48%) ; Huang Si-ying(6.19%) ; Huang, Pei-mei (6.19%) ; Huang, Yu-chieh (5.05%) ; Huang, Yu-Li (0.05%) ; Huang, Chu-Jan (0.05%)

Name of Institutional Shareholders	Major Shareholders (Note)
JMC Electronics Co., Ltd.	Chang Wah Electromaterials Inc. (42.81%) ; ChipMO Technologies Inc. (10.00%) ; Canon, Huang (2.96%) ; AsusTek Computer Inc. (1.00%) ; Li, Sheng-Che(0.94%) ; Hung, Tien-Tsai (0.94%) ; Li, Wan-shia (0.59%) ; Huang, Mei-hsueh (0.50%) ; Li, Mei-Lien (0.48%) ; Hung, I-Hsiang (0.39%)
Citibank in custody for UBS Europe SE Investment Account	Non-corporate, NA
J.P. Morgan Taipei Branch in custody for J.P. Morgan Securities Investment Account	Non-corporate, NA
Standard Chartered in custody for Standard Chartered Bank (HK) Limited - Stock Transactions	Non-corporate, NA
JPMorgan Chase Bank N.A. in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	Non-corporate, NA

Note: Fill in the name of the main shareholder of the legal person (their shareholding ratio accounts for the top ten) and their shareholding ratios.

Professional qualifications of Directors and independence of Independent Directors

March 30, 2025

Name Conditions	Professional Qualification and Experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	He graduated from Hong Kong Polytechnic University. Once served as president of Possehl Electronics Hong Kong Ltd., Sumiko Precision Mold Taiwan Co., Ltd. and Sumiko Electronics Taiwan Co., Ltd., he has been involved in the operation and strategic management of semiconductor industry for more than 30 years. He is now the President of the Company and a Director in entities of the CWE Group. He has vast experience in corporate governance, marketing, industry know-how, leadership, decision-making and business management to give opinions concerning corporate governance and operation management to the Board of Directors of the Company. He is not a person of any conditions defined in Article 30 of the Company Act.	—	0
Chang Wah Electromaterials Inc. Representative: Tsai, Rong-Dong	He graduated from Indiana University with an MBA. Once served as president of Ta Chong Commercial Bank and Taishin International Bank, he has been involved in the operation and strategic management of finance industry for more than 30 years. He is now directors of Gold Circuit Electronics Ltd. and independent directors of ALi Corporation. He has vast experience in corporate governance, marketing, industry know-how, leadership, decision-making, business management as well as accounting and financial analysis to give opinions concerning corporate governance and operation management to the Board of Directors of the Company. He is not a person of any conditions defined in Article 30 of the Company Act.	—	1

Name \ Conditions	Professional Qualification and Experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Yuan Yao Energy Technology Co., Ltd. Representative: Tomas, Huang	He graduated from the Department of Marine Engineering at Kaohsiung Marine and Fishery Senior Vocational School. With over 20 years of experience in the high-tech industry, he had held positions at Orient Semiconductor Electronics Limited and Wah Lee Industrial Corp. He is currently the President of Chang Wah Electromaterials Inc., bringing extensive expertise in corporate governance, marketing, industry knowledge, leadership, decision-making, and business management. He is not a person of any conditions defined in Article 30 of the Company Act.	—	0
Yuan Yao Energy Technology Co., Ltd. Representative: Angus, Shih	He graduated with a Ph.D. in Electrical Engineering at the National Taiwan University. Once served as a R&D assistant manager/director at several multinational corporations such as Tong Bao Technology Co., Ltd. and Innolux Corporation, he has been involved in the high-tech industry for more than 20 years and is now the president and director of Vizionfocus Inc. He has vast experience in corporate governance, marketing, industry know-how, leadership, decision-making and business management. He is not a person of any conditions defined in Article 30 of the Company Act.	—	0
Lin, Yi-Jing	She graduated from the Department of Accounting in Tunghai University. She passed the Senior Examinations for Certified Public Accountants and has a CPA license. She was an assistant vice president of Deloitte & Touche, specializing in corporate finance and accounting. Serving as independent director in several companies including Control Technology Co., Ltd. and Sun Rise E&T Corporation, she has vast experience in business management as well as accounting and finance analysis to give opinions concerning corporate governance and operation management to the Board of Directors of the Company. She is not a person of any conditions defined in Article 30 of the Company Act.	She satisfies the independence criteria after verified against independence elements set out in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission.	3

Name Conditions	Professional Qualification and Experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Lin, Ren-Lin	<p>He graduated from the City University of New York with a Master of Information Management. Once served as vice president of Hanyu Electronic Technology Co., Ltd. and president of Konlin Digital Technology Co., Ltd., he has been involved in the operation and strategic management of electronics industry for more than 20 years. He is now the president of Hsin Yi Recreation Enterprise Co., Ltd. He has vast experience in corporate governance, marketing, industry know-how, leadership, decision-making and business management to give opinions concerning corporate governance and operation management to the Board of Directors of the Company.</p> <p>He is not a person of any conditions defined in Article 30 of the Company Act.</p>	<p>He satisfies the independence criteria after verified against independence elements set out in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission.</p>	0
Ou, Jia-Ruey	<p>He graduated from the Institute of Transportation of National Chiao Tung University with a PhD. He has been the Director-general of Bureau of Energy, Ministry of Economic Affairs, President of Dayeh University, and chairperson of CPC Corporation, and accumulated vast experience in the industry, government and academy. He is now directors of Shinfox Energy Co., Ltd. and independent directors of Formosa Chemicals &amp; Fibre Corporation. He has vast experience in corporate governance, leadership, decision-making and business management to give opinions concerning corporate governance and operation management to the Board of Directors of the Company.</p> <p>He is not a person of any conditions defined in Article 30 of the Company Act.</p>	<p>He satisfies the independence criteria after verified against independence elements set out in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the Financial Supervisory Commission.</p>	1



Name	Conditions	Professional Qualification and Experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Huang, Wen-Gu	He graduated from the National Taiwan Normal University with a PhD in Technology Application and Human Resource Development. Once served as the Director of the Export Processing Zone Administration under the Ministry of Economic Affairs, he has accumulated extensive experience. Currently, he is now independent directors of Echem Materials Company Limited. His deep expertise in corporate governance, leadership, decision-making, and business management enables him to provide valuable insights to the Company's Board of Directors on corporate governance and operational management. He is not a person of any conditions defined in Article 30 of the Company Act.	He satisfies the independence criteria after verified against independence elements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission.	1	

Note 1: Professional qualifications and experiences: Describe the professional qualifications and experiences of individual Director and Supervisor. For Audit Committee members with accounting or finance expertise, relevant background and work experience shall be stated. Also, clarify if conditions defined in Article 30 of the Company Act exist.

Note 2: The independence of Independent Directors shall be described. Relevant criteria include but not limited to whether the Independent Director, his/her spouse, and relatives within the second degree of kinship are directors, supervisors or employees of the Company or any of its affiliates; the number of the Company's shares held by the Independent Director, his/her spouse, and relatives within the second degree of kinship (or by nominee arrangement) and the percentages, whether they are directors, supervisors or employees of companies having specific relationship with the Company (please refer to Subparagraphs 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies) and the amount of compensation for provision of commerce, law, finance, accounting or related services to the Company or its affiliates in the past two years.

## **Diversity of the Board of Directors**

### **(1) Board diversity policy**

The Board diversity policy is set out in Chapter III “Enhancement of Board Function” of the Company’s “Guidelines for Corporate Governance”.

The Board shall govern corporate strategies, supervise the management and be responsible to the Company and the shareholders’ meetings. Procedures and arrangements of the corporate governance system shall ensure the Board would exercise its authority pursuant to applicable laws and regulations, the Articles of Incorporation or the resolutions of the shareholders’ meeting.

The Company’s Board shall have seven to nine Directors based on its business scale, shareholdings of major shareholders as well as the needs of practical operation.

The concept of diversity shall be incorporated in the composition of Board members. Besides banning Directors who are also managers of the Company on taking up more than one-third of Director seats, appropriate diversity guidelines are formulated based on operations, business types and developments. These guidelines shall include but not limited to the standards of the following two aspects:

1. Fundamental conditions and values: Gender, age, nationality, culture, etc. and female Directors are advised to account for one-third of all Directors.
2. Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills, industry experience, etc.

Board members shall generally possess the knowledge, skills and understanding required to fulfill their mandates. To achieve the ideal goal of corporate governance, the Board as a whole shall possess the following capabilities:

1. Business judgement
2. Accounting and finance analysis
3. Business management
4. Crisis management
5. Industry knowledge
6. Global market perspective
7. Leadership
8. Decision-making

### **(2) Specific management goals of Board diversity**

Board diversity facilitates an effective operation of the Board. The Company’s nomination and selection of Board members comply with the Articles of Incorporation and adopt the candidate nomination system to ensure the diversity and independence of Board members.

No more than one-third of the Board seats shall be held by directors who concurrently serve as managers, and at least one-third shall be held by directors of a single gender. The Company aims to appoint directors with diverse professional backgrounds and skill sets to ensure a wide range of perspectives and contributions, thereby enhancing the overall effectiveness and performance of the Board.

### **(3) Implementation of Board diversity**

Pursuant to the Company’s specific diversity management objectives, the number of directors concurrently serving as managers shall not exceed one-third of the total Board seats; at least one-third of the seats shall be held by directors of a single gender; the term of independent directors shall be limited to a maximum of three consecutive terms; and the Board’s collective expertise shall cover areas including corporate strategy, accounting, taxation, finance, law, administration, and production management.

In May 2024, the Company elected its sixth-term Board of Directors, consisting of eight members, including four independent directors. Among them, one director is female. The Board members bring diverse professional expertise across sectors such as industry, accounting, technology, and management. Each director possesses the knowledge, skills, and competencies required to fulfill their duties. The Board members’ industrial experience and professional capabilities are both diverse and complementary.

Directors who are also employees of the Company account for 12.50% of the Board, while female directors represent 12.50%. The term of office for each independent director is three years. Among them, Independent Director Huang, Wen-Gu has served for one year; Ou, Chia-Rui for four years; and both Lin, Yi-Jing and Lin, Ren-Lin for seven years. All independent directors have served no more than three consecutive terms. For the current term, the Board has met all of its specific diversity management objectives, with the

exception of the one-third threshold for directors of a single gender.

To raise the proportion of directors of a single gender to one-third, the Company will prioritize female candidates during future director nominations and proactively seek experienced female professionals from within the industry to join the Board. Furthermore, the Company has implemented internal talent development programs focused on female employees to strengthen the career progression of women in senior management. These initiatives are designed to broaden the pipeline of potential female candidates for future Board positions.

Diverse backgrounds of Board members are as follows:

March 30, 2025

March 30, 2025

Diversified Core Competency  Name		Basics									Professional Knowledge and Skills				
		Nationality	Gender	Employees	Age			Independent Director Term and Experience			Industry Operation	Marketing Management	Technology R&D	Risk Management	Accounting and Finance Analysis
					Less than 60 years old	61~70 years old	More than 71 years old	Less than 3 years	3~9 years	More than 9 years					
Chairperson	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	HK	Male	V	V						V	V	V	V	V
Director	Chang Wah Electromaterials Inc. Representative: Tsai, Rong-Dong	ROC	Male				V				V	V		V	V
Director	Yuan Yao Energy Technology Co., Ltd. Representative: Tomas, Huang	ROC	Male		V						V	V		V	V
Director	Yuan Yao Energy Technology Co., Ltd. Representative: Angus, Shih	ROC	Male		V						V	V	V	V	V
Independent Director	Lin, Yi-Jing	ROC	Female		V				V					V	V
Independent Director	Lin, Ren-Lin	ROC	Male			V			V		V	V		V	
Independent Director	Ou, Jia-Ruey	ROC	Male			V			V		V	V		V	
Independent Director	Huang, Wen-Gu	ROC	Male			V		V			V	V		V	

#### (4) Board independence

Among the Company's current eight directors, four serve as independent directors, representing 50% of the Board. All independent directors meet the independence criteria specified in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. These criteria stipulate, among other things, that neither the independent directors themselves, their spouses, nor their relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliates. In addition, none of them hold positions as directors, supervisors, or employees in entities with specific relationships to the Company, as defined under Subparagraphs 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Subparagraphs 5 to 8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. Moreover, within the past two years, none of the independent directors have provided commercial, legal, financial, accounting, or other professional services to the Company or its affiliates, nor have they received any related remuneration. All independent directors also comply with Article 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies regarding the permissible number of independent directorships concurrently held in other public companies. In accordance with Article 14-3 of the Securities and Exchange Act, the Company ensures that independent directors are fully empowered to participate in Board decision-making and to express their views, thereby enabling them to exercise their roles with independence.

(2) Information of President, Vice President, Senior Manager, Head of Departments:

March 30, 2025

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Positions	Managers who are Spouses or Within Two Degrees of Kinship			Acquisition of Employee Stock Options by Managers (Note 2)	Remark (Note 3)
					Shares	% (Note 1)	Shares	% (Note 1)	Shares	% (Note 1)			Title	Name	Relation		
President	HK	Hung, Chuen-Sing	Male	Mar. 17, 2017	6,613,975	0.70%	39,000	0%	0	0%	Hong Kong Polytechnic University General manager of Possehl Electronics Hong Kong Ltd. General manager of Sumiko Precision Mold Taiwan Co., Ltd. General manager of Sumiko Electronics Taiwan Co., Ltd.	Chairperson of Chang Wah Electromaterials Inc. Representative of juristic person director, JMC Electronics Co., Ltd. Representative of juristic person director, Advanced Echem Materials Company Limited Director of SH Electronics Suzhou Co., Ltd. Director of SH Electronics Chengdu Co., Ltd. Director of SH Precision Chengdu Co., Ltd. Chairperson of Malaysian SH Electronics Sdn. Bhd. Director of SH Asia Pacific Pte. Ltd. Representative of juristic person director, Silver Connection Co., Ltd.	None	None	None	None	None
Vice President	ROC	Lu, Hung-Chin	Female	Jan. 1, 2022	169,950	0.02%	0	0%	0	0%	Dept. of Chemical Engineering, Chung Yuan University Senior Process Manager of Sumiko Electronics Taiwan Co., Ltd. Senior Process Manager of SH Electronics Taiwan Co., Ltd. Vice President of Process of SH Electronics Taiwan Co., Ltd.	None	None	None	None	None	None
Vice President	ROC	Wen, Wen-Yu	Male	Jan. 1, 2022	40,000	0%	0	0%	0	0%	Master of Industrial Engineering and Management, Chung Hua University Administrative Director of Welltech Optical Co., Ltd. Manager of Administration Dept. of Chang Wah Electromaterials Inc.	None	None	None	None	None	None
Vice President	ROC	Yang, Chung-Chi	Male	July 1, 2022	700,000	0.07%	0	0%	0	0%	Department of Mechanical Engineering, National Kaohsiung University of Applied Sciences Manager of Taiwan IC Packaging Corporation Section Chief of OSE	None	None	None	None	None	None

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Positions	Managers who are Spouses or Within Two Degrees of Kinship			Acquisition of Employee Stock Options by Managers (Note 2)	Remark (Note 3)
					Shares	% (Note 1)	Shares	% (Note 1)	Shares	% (Note 1)			Title	Name	Relation		
Vice President	ROC	Lin, Huang-Chieh	Male	July 1, 2022	46,000	0%	0	0%	0	0%	Dept. of Mechanical Engineering, Nanya Institute of Technology Section Manager of Flexium Interconnect, Inc. Production Manager of Sumiko Electronics Taiwan Co., Ltd. Director of Manufacturing of JMC Electronics Co., Ltd. Manager of Electroplating of SH Electronics Taiwan Co., Ltd. Factory Chief of SH Electronics Taiwan Co., Ltd.	None	None	None	None	None	None
Senior Manager	ROC	Hsu, Pai-Hsiang	Male	Jun. 19, 2014	1,133,000	0.12%	0	0%	0	0%	Master of College of Mechanical Engineering, National Chiao Tung University ITRI Technology Project President	Director of Malaysian SH Electronics Sdn. Bhd.	None	None	None	None	None
Senior Manager	ROC	Pai, Pang-Chieh	Male	July 1, 2022	0	0%	0	0%	0	0%	Department of Industrial Engineering, Chung Yuan Christian University Senior Engineer of Sumiko Electronics Taiwan Co., Ltd. Assistant Manager of SH Electronics Taiwan Co., Ltd. Assistant Plant Manager of SH Electronics Taiwan Co., Ltd.	None	None	None	None	None	None
Senior Manager	ROC	Lin, Chun-Chi	Male	Mar. 17, 2017	0	0%	0	0%	0	0%	Dept. of Accounting, National Cheng Kung University Financial Manager of SH Electronics Taiwan Co., Ltd. Financial Manager of Sumiko Electronics Taiwan Co., Ltd. Assistant Officer of Deloitte Touche Tohmatsu Limited (Taiwan)	None	None	None	None	None	None
Accounting Manager	ROC	Kung, Yu-Ting	Female	Dec. 21, 2023	18,000	0%	0	0%	0	0%	Dept. of Accounting, Providence University Assistant manager of Deloitte Touche Tohmatsu Limited (Taiwan)	None	None	None	None	None	None

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Positions	Managers who are Spouses or Within Two Degrees of Kinship			Acquisition of Employee Stock Options by Managers (Note 2)	Remark (Note 3)
					Shares	% (Note 1)	Shares	% (Note 1)	Shares	% (Note 1)			Title	Name	Relation		
Financial manager	ROC	Yan, Shu-Ping	Female	Apr. 30, 2015	1,186,100	0.12%	0	0%	0	0%	Dept. of Accounting, Providence University Assistant manager of Chang Wah Electromaterials Co., Ltd.	Corporate governance supervisor of Chang Wah Electromaterials Inc.	None	None	None	None	None
Audit Supervisor	ROC	Hsu, Liang-Fang	Female	Mar. 1, 2017	1,022,000	0.11%	0	0%	0	0%	Master of English Education, New York University Chairperson Office Special Assistant of Chang Wah Electromaterials Inc. Manager of Business Dept. and Management Dept. of Chang Wah Electromaterials Inc. Business Secretary of Wah Lee Industrial Corp.	Supervisor of SH Electronics Suzhou Co., Ltd. Supervisor of SH Electronics Chengdu Co., Ltd. Supervisor of SH Precision Chengdu Co., Ltd. Supervisor of CWTC (Shanghai) Inc. Supervisor of Shanghai Chang Wah Electromaterials Inc. Director of Shing Zheng Investment Co., Ltd.	None	None	None	None	None

Note 1: The shareholding ratio is calculated based on 950,488,700 shares.

Note 2: The first (2013) employee stock option certificates issued by the Company expired on June 18, 2008, and there are no unexecuted share subscriptions.

Note 3: Where the Chairperson of the Board and the President, or an individual holding an equivalent position (i.e., the highest-ranking executive), are the same person, spouses, or first-degree relatives, the reasons, justification, necessity, and corresponding measures (e.g., increasing the number of Independent Directors and ensuring that a majority of Board members do not concurrently serve as employees or executives) shall be explained as follows:

The Company's Chairperson concurrently serves as the President to enhance operational efficiency and decision-making effectiveness. The Chairperson also maintains close and frequent communication with the Board of Directors regarding the Company's operations and strategic plans, ensuring the implementation of sound corporate governance. The Company has adopted the following measures:

1. At the 2024 Annual Shareholders' Meeting, the Company increased the number of Independent Directors by one to enhance the Board's supervisory function. The four current Independent Directors possess expertise in finance, accounting, and industry operations, enabling them to effectively fulfill their oversight responsibilities.
2. Each year, the Company arranges for its directors to participate in professional training courses provided by external organizations, such as the Taiwan Corporate Governance Association, to improve the Board's operational effectiveness.
3. Independent Directors actively participate in all functional committees, engaging in thorough discussions and providing recommendations to the Board, thereby reinforcing corporate governance.
4. A majority of the Board members do not concurrently serve as employees or executives.

## 2. Remuneration of Directors, President, and Vice President in the Most Recent Fiscal Year:

### (1) Remuneration of Directors and Independent Directors:

		Remuneration of Directors (Note 1)										Total of A, B, C and D and as a % of Net Income				Relevant Remuneration Received by Directors Who are Also Employees						Total of A, B, C, D, E, F and G and as a % of Net Income				Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)		Companies in the consolidated financial statements as a % of Net Income		Companies in the consolidated financial statements		Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Bonus (G)			The Company		Companies in the consolidated financial statements			
Title	Name	The Company	Companies in the consolidated financial statements (Note 2)	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	Total	%	The Company	Companies in the consolidated financial statements	Total	%	The Company	Cash	Stock	Cash	Stock	Total	%	Total	%		
Juristic Person Director	Chang Wah Electromaterials Inc.	0	0	0	0	0	0					0	0			0	0	0	0	0				0		
Corporate Director Representative and Chairperson	Hung, Chuen-Sing	0	15,554	0	0		21		21	3,051	0.17%	24,989	28,842	139	139	0	0	0	0	0				20,865		
Corporate Director Representative	Tsai, Rong-Dong	0	0	0	0		21		21			0	0	0	0	0	0	0	0	0	28,179	1.5%	47,586	2.51%		
Corporate Director Representative	Angus, Shih	0	0	0	0		9		9			0	0	0	0	0	0	0	0	0				1,000		
Juristic Person Director	Yuan Yao Energy Technology Co., Ltd.	0	0	0	0		0		0			0	0	0	0	0	0	0	0	0				0		
Corporate Director Representative and Chairperson	Canon, Huang	0	533	0	0		9		9	1,033	0.05%	3,626	3,626	14,000	14,000	0	0	0	0	0	18,659	0.98%	19,192	1.02%		
Corporate Director Representative	Tomas, Huang	0	0	0	0		12		12			0	0	0	0	0	0	0	0	0				2,911		
Corporate Director Representative	Angus, Shih	0	0	0	0		12		12			0	0	0	0	0	0	0	0	0				0		
Independent Director	Lin, Yi-Jing	600	600	0	0	0	21		21	621	0.03%	0	0	0	0	0	0	0	0	0	621	0.03%	621	0.03%		
Independent Director	Lin, Ren-Lin	600	600	0	0	0	21		21	621	0.03%	0	0	0	0	0	0	0	0	0	621	0.03%	621	0.03%		
Independent Director	Ou, Jia-Ruey	600	600	0	0	0	21		21	621	0.03%	0	0	0	0	0	0	0	0	0	621	0.03%	621	0.03%		
Independent Director	Huang, Wen-Gu	350	350	0	0	0	12		12	362	0.02%	0	0	0	0	0	0	0	0	0	362	0.02%	362	0.02%		
Total		2,150	18,237	0	0	4,000	4,000	159	159	6,309	0.33%	28,615	32,468	14,139	14,139	0	0	0	0	0	49,063	2.59%	69,003	3.64%		
1. Please state the policy, system, standard and structure of remuneration payment to the independent Director and state the relevance to the amount of remuneration based on the responsibilities, risks, investment time and other factors: according to the "Director Remuneration Management Measures" of the Company, when an independent Director performs his/her duties in the Company, regardless of the Company's operating profit or loss, the Company may pay each independent Director NT\$30,000 to NT\$50,000 per month. Article 5 of "Rules Governing the Scope of Powers of Independent Directors", independent Director do not participate in the company's surplus distribution. Except as disclosed in the above table, the remuneration received by the Director of the company for consulting services to all companies in the financial report (such as serving as a consultant for non-employees, etc.) in the most recent year: none.																										

1. Please state the policy, system, standard and structure of remuneration payment to the independent Director and state the relevance to the amount of remuneration based on the responsibilities, risks, investment time and other factors: According to the "Director Remuneration Management Measures" of the Company, when an independent Director performs his/her duties in the company, regardless of the company's operating profit or loss, the company may pay each independent Director NT\$30,000 to NT\$50,000 per month. Article 5 of "Rules Governing the Scope of Powers of Independent Directors", independent Director do not participate in the company's surplus distribution.

2. Except as disclosed in the above table, the remuneration received by the director of the company for providing services to all companies in the financial report (such as consultant for non-employees, etc.) in the most recent year: none

Note 1: Handled in accordance with the Company's articles of association and the Rules Governing the Remuneration Directors.

Note 2: On May 30, 2024, a re-election of directors was held at the Annual Shareholders' Meeting. Tomas Huang, the corporate director representative of Yuan Yao Energy Technology Co., Ltd., and Wen-Gu Huang, the independent Director, assumed their positions on the same day. Canon Huang, the corporate director representative and Chairperson of the Board, stepped down. Chuen-Sing Hung, the corporate director, was elected as the new Chairperson of the Board by the Board of Directors on May 30, 2024. Additionally, Angus Shih, formerly the corporate director of Chang Wah Electromaterials Inc., was elected as a director, serving as the representative of Yuan Yao Energy Technology Co., Ltd.

(2) Remuneration of the President and Vice President:

December 31, 2024 /Unit: NT\$ thousands; %

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Bonus (D)				Total of A, B, C and D and as a % of Net Income		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements				
								Cash	Stock	Cash	Stock	Total	%	
President	Hung, Chuen-Sing													
Vice President	Li, Jhih-Hong													
Vice President	Lu, Hung-Chin													
Vice President	Wen, Wen-Yu	28,737	32,590	645	645	14,877	14,877	0	0	0	0	44,259	2.33%	20,865
Vice President	Yang, Chung-Chi													
Vice President	Lin, Huang-Chieh													

Compensation Paid to Presidents and Vice Presidents

Ranges	Names of Presidents and Vice Presidents	
	The Company	Parent company and affiliates
Under NT\$1,000,000		
NT\$1,000,000 ~ NT\$1,999,999	Wen, Wen-Yu	Wen, Wen-Yu
NT\$2,000,000 ~ NT\$3,499,999	Li, Jhih-Hong, Yang, Chung-Chi	Li, Jhih-Hong, Yang, Chung-Chi
NT\$3,500,000 ~ NT\$4,999,999	Lin, Huang-Chieh	Lin, Huang-Chieh
NT\$5,000,000 ~ NT\$9,999,999	Lu, Hung-Chin	Lu, Hung-Chin
NT\$10,000,000 ~ NT\$14,999,999		
NT\$15,000,000 ~ NT\$29,999,999	Hung, Chuen-Sing	Hung, Chuen-Sing
NT\$30,000,000 ~ NT\$49,999,999		
NT\$50,000,000 ~ NT\$99,999,999		
NT\$100,000,000 and above		
Total	6	6



(3) Name of the Managers Who Distribute the Employee Bonus and the Situation of Distribution:

FY2024; Unit: 1,000 shares; NT\$ thousands; %

	Title (Note 1)	Name (Note 1)	Employee Bonus - in Stock	Employee Bonus - in Cash (Note 2)	Total	Ratio of Total Amount to Net Income (%)
Managers	President	Hung, Chuen- Sing	0	0	0	0%
	Vice President	Li, Jhih-Hong				
	Vice President	Lu, Hung-Chin				
	Vice President	Wen, Wen-Yu				
	Vice President	Yang, Chung-Chi				
	Vice President	Lin, Huang-Chieh				
	Senior Manager	Hsu, Pai-Hsiang				
	Senior Manager	Pai, Pang-Chieh				
	Senior Manager	Lin, Jun-Chi				
	Financial manager	Yan, Shu-Ping				
	Accounting Manager	Kung, Yu-Ting				
	CEO	Canon, Huang (Note 3)				

Note 1: Individual names and titles shall be disclosed, however, the profit distribution may be disclosed in summary.

Note 2: The employees remuneration in 2024 was approved by the board of directors on March 12, 2025.

Note 3: Canon Huang, CEO, retired on August 6, 2024.

Note 4: The scope of application of managers, as stipulated in Letter Taitsaizhengsanzi No.0920001301 dated Mar. 27, 2003, is as follows:

- (1) President and the person of equivalent level
- (2) Vice President and the person of equivalent level
- (3) Senior Manager and the person of equivalent level
- (4) Financial department supervisor
- (5) Accounting department supervisor
- (6) Other persons who have to right to manage the affairs of the company and sign documents on behalf of the company

- (4) Compare and explain the analysis of the total remuneration paid to the Director, President and Vice President of the Company in the most recent two years by the Company and all companies in the consolidated statement as a percentage of the net profit after tax in the individual financial reports, and explain the policy, standard, combination, and the procedure of setting remuneration and their correlation with business performance and future risks:

1. Analysis of the proportion of the total remuneration paid by the Company and all companies in the consolidated statements to the company's Directors, President and Vice Presidents in the net profit after tax in the individual financial reports in the most recent two years:

Unit: NT\$ thousands; %

Title	2023				2024			
	The Company		All companies in the consolidated financial statements		The Company		All companies in the consolidated financial statements	
	Total remuneration paid	Ratio of total amount to net income (%)	Total remuneration paid	Ratio of total amount to net income (%)	Total remuneration paid	Ratio of total amount to net income (%)	Total remuneration paid	Ratio of total amount to net income (%)
Director	5,962	0.38%	24,103	1.54%	6,309	0.33%	22,396	1.18%
President and Vice Presidents	62,703	4.01%	66,442	4.25%	44,259	2.33%	48,112	2.54%
Net profit after tax	1,564,512	4.39%	1,564,512	5.79%	1,895,822	2.67%	1,895,822	3.72%

2. The Company's remuneration policies, standards and combinations, procedures for determining remuneration, and their relationship with operating performance and future risks:

- (1) Remuneration policies, standards and packages:

- A. Directors: Remuneration of Directors comprises compensation to Directors and travel allowance. Compensation to Directors is determined pursuant to Article 19-2 of the Articles of Incorporation which stipulates that the Company shall distribute compensation to directors at no more than 1.5% of the Company's net income before tax and compensation to employees and directors. For a Directors who is a representative of a juristic person, the compensation belongs to the juristic person. As for travel allowance, it is paid based on the Director's attendance at the Board meetings.
- B. Independent Directors: Remuneration comprises monthly compensation and travel allowance, but does not include compensation to Directors. As for travel allowance, it is paid based on the Independent Director's attendance at the Board meetings.
- C. Appointment of directors to subsidiaries: The Company regularly evaluates the remuneration of directors appointed to its subsidiaries. The key evaluation criteria and their respective weightings are as follows:
- (a) Operational performance: This criterion takes into account a composite of the prior year's performance metrics, including operating revenue growth (40%), pre-tax net income growth (30%), and operating profit growth (30%). These metrics collectively account for 40% of the overall evaluation.

- (b) Sustainability performance: This criterion evaluates the fulfillment of the Company's sustainability commitments, including advancements in green materials and processes, carbon management and energy efficiency, social responsibility, talent sustainability, and occupational health and safety. These aspects together represent 30% of the total evaluation.
  - (c) Industry benchmarking: This factor considers the average director remuneration levels across the industry. It contributes 30% to the overall assessment.
- D. President and Vice Presidents: Compensation package includes salary, severance pay and pensions, bonuses, and employee compensation.

The Company conducts performance evaluations in accordance with its Performance Management Guidelines, and the results serve as a reference for determining bonuses for managerial personnel. The performance evaluation items for managers include: (a) Financial indicators: Evaluations are based on the Company's internal profit and loss reports, each business unit's contribution to overall profitability and the degree to which individual targets are achieved; and (b) Non-financial indicators: These encompass two major components: the implementation of the Company's core values and operational management capabilities, as well as participation in sustainable development initiatives. The performance evaluation outcomes serve as the basis for performance-based remuneration, which is subject to timely review in accordance with actual operational conditions and applicable regulatory requirements. In addition to general performance assessments, the Company has established sustainability performance indicators for senior executives (including the President and Vice Presidents). These include: climate change mitigation and adaptation goals (100% completion and third-party assurance of greenhouse gas inventories for subsidiaries and achieving 60% of the Company's annual carbon reduction target); and workplace safety and health goals (implementation of ISO 45001 certification). These sustainability metrics account for 40% of the total performance evaluation for senior executives.

In accordance with Article 19-2 of the Company's Articles of Incorporation, if the Company records a profit in a given fiscal year, it shall allocate no less than 1% and no more than 12% of pre-tax net income, prior to deductions for employee and director compensation, for employee compensation. Furthermore, at least 20% of the total amount allocated for employee compensation shall be distributed to non-executive employees. If the Company has accumulated losses, such losses must be fully offset before any distribution of compensation.

The Company's compensation packages, as defined in the Remuneration Committee Charter, may include cash compensation, stock options, profit-sharing stock awards, retirement benefits or severance payments, various allowances, and other forms of substantive incentives. The scope of these compensation components complies with the Regulations Governing Information to be Published in Annual Reports of Public Companies for directors

and managerial officers.

(2) Procedures for determining the remuneration:

In addition to the Company's Articles of Incorporation, remunerations to Directors, the President and Vice Presidents take into account not only business performance, contributions to the Company and industry standards, but also the results of Directors' performance evaluation, results of executives' individual performance evaluation and future risks of the Company, in order to provide reasonable compensations. Relevant compensations are reviewed and approved by the Remuneration Committee and the Board of Directors. The scope of executives' evaluation covers the performance targets of main duties, i.e., operational safety management, supervision over the implementation of financial plans, revenue management, internal control enhancement, and quality assurance and management.

The actual compensation amounts paid to directors and managers for the year 2024 were reviewed by the Remuneration Committee and submitted to the Board of Directors for resolution.

(3) Correlation with operating performance and future risks:

- A. The payment standards and systems within the Company's remuneration policy are reviewed in consideration of the Company's overall operating status, and the payment standards are set based on the performance target achievement rate and contribution level so as to enhance the effectiveness of the Board of Directors and the management team. The compensation standard of the industry is also taken into consideration to ensure the packages of our management team remain competitive in order to retain outstanding management personnel.
- B. The performance targets of the Company's executives are tied in with "risk control" for the management and prevention of possible risks within their scope of responsibility, and the performance evaluation results are linked to relevant human resources as well as payroll and compensation policies. Important decisions are made by the management team after considering various risk factors. As the consequences of such decisions are reflected in the Company's profitability, the compensation of the management team is linked to risk performance.
- C. Remuneration to the Presidents and Vice Presidents of the Company and its subsidiaries includes long-term compensation in the form of stock. The said compensation is not paid in full in the year of earnings, and its actual value is related to future stock prices, i.e., these executives bear the future operating risks with the Company.

### 3. Implementation of Corporate Governance:

#### (1) Board of Directors:

A total of 3 (A) Board meetings were held between January 1, 2024 and May 29, 2024. The attendances of Directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Chairperson	Yuan Yao Energy Technology Co., Ltd. Representative: Canon, Huang	3	0	100%	Resigned on May 30, 2024
Institutional Director	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	3	0	100%	None
Institutional Director	Chang Wah Electromaterials Inc. Representative: Tsai, Rong-Dong	3	0	100%	None
Institutional Director	Chang Wah Electromaterials Inc. Representative: Angus, Shih	3	0	100%	None
Independent Director	Lin, Yi-Jing	3	0	100%	None
Independent Director	Lin, Ren-Lin	3	0	100%	None
Independent Director	Ou, Jia-Ruey	3	0	100%	None
Note: The actual attendance rate (or as a nonvoting delegate) (%) is calculated on the basis of the number of Board meetings held and the actual number of attendances during the term of office.					

A total of 4 (A) Board meetings were held between May 30, 2024 and December 31, 2024. The attendances of Directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Chairperson	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	4	0	100%	None
Institutional Director	Chang Wah Electromaterials Inc. Representative: Tsai, Rong-Dong	4	0	100%	None
Institutional Director	Yuan Yao Energy Technology Co., Ltd. Representative: Tomas, Huang	4	0	100%	Took office on May 30, 2024

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Institutional Director	Yuan Yao Energy Technology Co., Ltd. Representative: Angus, Shih	4	0	100%	None
Independent Director	Lin, Yi-Jing	4	0	100%	None
Independent Director	Lin, Ren-Lin	4	0	100%	None
Independent Director	Ou, Jia-Ruey	4	0	100%	None
Independent Director	Huang, Wen-Gu	4	0	100%	Took office on May 30, 2024
Note: The actual attendance rate (or as a nonvoting delegate) (%) is calculated on the basis of the number of Board meetings held and the actual number of attendances during the term of office.					

Other mentionable items:

- If the operation of the board is in one of the following circumstances, the date of Board of Directors Meeting, the period, the content of the motion, opinions of all the Independent Directors and the company's handling of Independent Directors' opinions should be stated:
  - The circumstances referred to in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee. Article 14-3 of the Securities and Exchange Act is no longer applicable pursuant to Article 14-5 of the same Act.
  - In addition to the aforesaid matters, other board meeting decisions that have been opposed or reserved by independent directors with records or written statements: The company did not have the above-mentioned situations.
- If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Date of Board of Directors Meeting	Name of Director	Motion	Reason	Participation and Voting
Feb. 21, 2024	Yuan Yao Energy Technology Co., Ltd. Representative: Canon, Huang 、 Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing Representative: Tsai, Rong-Dong Representative: Angus, Shih	Ratification of obtaining and disposal of securities.	The investment object is a juristic person director of the Company and the Directors are also directors of the investment object.	The motion was put to a vote on the investment object basis. Except where the investment object is a juristic person director of the Company and the Directors are also directors of the investment object, in which case the Directors shall recuse themselves from the discussion and voting due to conflict of interest as required by laws, the motion passed unanimously by the remaining Directors in attendance.

Date of Board of Directors Meeting	Name of Director	Motion	Reason	Participation and Voting
Feb. 21, 2024	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing Representative: Tsai, Rong-Dong Representative: Angus, Shih 、 Lin, Ren-Lin 、 Lin, Yi-Jing 、 Ou, Jia-Ruey	Full re-election of Directors and nomination of candidates for Directors.	Being the Director	This motion was discussed and voted on a one-by-one basis. Except for the absence of the directors for avoiding conflict of interests, this motion was agreed to by the majority of the present directors and was therefore passed.
Feb. 21, 2024	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing Representative: Tsai, Rong-Dong Representative: Angus, Shih 、 Lin, Ren-Lin 、 Lin, Yi-Jing 、 Ou, Jia-Ruey	Lifting of the non-competition restriction on new Directors	Being the Director	This motion was discussed and voted on a one-by-one basis. Except for the absence of the directors for avoiding conflict of interests, this motion was agreed to by the majority of the present directors and was therefore passed.
May 10, 2024	Yuan Yao Energy Technology Co., Ltd. Representative: Canon, Huang 、 Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing Representative: Tsai, Rong-Dong Representative: Angus, Shih	Ratification of obtaining and disposal of securities.	The investment object is a juristic person director of the Company and the Directors are also directors of the investment object.	The motion was put to a vote on the investment object basis. Except where the investment object is a juristic person director of the Company and the Directors are also directors of the investment object, in which case the Directors shall recuse themselves from the discussion and voting due to conflict of interest as required by laws, the motion passed unanimously by the remaining Directors in attendance.
Aug. 6, 2024	Lin, Ren-Lin 、 Lin, Yi-Jing 、 Ou, Jia-Ruey 、 Huang, Wen-Gu	The appointment of the fifth Remuneration Committee members.	Being the Independent Director	This motion, except for the temporary absence of Independent Directors Lin, Ren-Lin, Lin, Yi-Jing, Ou, Jia-Ruey, and Huang, Wen-Gu due to avoidance of conflict of interests, was passed unanimously after the Chairperson consulted the remaining present Directors.
Aug. 6, 2024	Lin, Ren-Lin 、 Lin, Yi-Jing	Appointment of the first-term Sustainable Development Committee members.	Being the Independent Director	This motion, except for the temporary absence of Independent Directors Lin, Ren-Lin and Lin Yi-Jing due to avoidance of conflict of interests, was passed unanimously after the Chairperson consulted the remaining present Directors.
Aug. 6, 2024	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing Representative: Tsai, Rong-Dong	Ratification of obtaining and disposal of securities.	The investment object is a juristic person director of the Company and the Directors are also directors of the investment object.	The motion was put to a vote on the investment object basis. Except where the investment object is a juristic person director of the Company and the Directors are also directors of the investment object, in which case the Directors shall recuse themselves from the discussion and voting due to conflict of interest as required by laws, the motion passed unanimously by the remaining Directors in attendance.

Date of Board of Directors Meeting	Name of Director	Motion	Reason	Participation and Voting
Nov. 5, 2024	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing Representative: Tsai, Rong-Dong 、 Yuan Yao Energy Technology Co., Ltd. Representative: Tomas, Huang 、 Representative: Angus, Shih	Ratification of obtaining and disposal of securities.	The investment object is a juristic person director of the Company and the Directors are also directors of the investment object.	The motion was put to a vote on the investment object basis. Except where the investment object is a juristic person director of the Company and the Directors are also directors of the investment object, in which case the Directors shall recuse themselves from the discussion and voting due to conflict of interest as required by laws, the motion passed unanimously by the remaining Directors in attendance.
Nov. 5, 2024	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing Representative: Tsai, Rong-Dong 、 Yuan Yao Energy Technology Co., Ltd. Representative: Angus, Shih	Details and date for the distribution of remuneration of Directors.	Being the Director	This motion, except for the non-participation of the directors in the discussion and voting due to avoidance of conflict of interests in accordance with the law, was passed unanimously by the remaining present directors. (As the motion was about their own interests of remuneration distribution, the directors were absent from the discussion and voting on their own remuneration in accordance with the law.)
Dec. 19, 2024	Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	2024 performance bonus and 2025 salary for the managers.	Being the Director	Except where the Chairperson Chuen-Sing Hung recused himself from the discussion and voting due to conflict of interest as required by laws, the motion passed unanimously by the remaining Directors in attendance.

3. The implementation of the Board of Directors' evaluation shall disclose the evaluation cycle and period, evaluation scope, method and evaluation content of the Board of Directors' self (or peer) evaluation.

- (1) The board of directors approve the "Board of Directors Performance Evaluation Measures" on December 18, 2020. Internal performance evaluations on the board and board members shall be conducted at least once every year. Evaluations by external independent institutions or experts on the board shall be carried out at a minimum of every three years.
- (2) In 2022, the Company commissioned the Taiwan Association of Board Governance, an external independent assessment institution, to evaluate the efficiency of the board of directors. The evaluation encompassed eight aspects: the board's composition, guidance, authorization, supervision, communication, self-discipline, internal control and risk management. Evaluation methods covered online self-assessment, document reviews as well as on-site visits in January 2023. Parties involved included the Chairperson, President, three Independent Directors, finance officer and internal audit officer. The evaluation results were reported to the board of directors on February 21, 2023.
- (3) In December 2024, the Company completed the evaluation of the Board of Directors and functional committees for the year. The results were reported to the Board on February 20, 2025, serving as a reference for review and improvement. The Board of Directors' overall average self-assessment score was 4.83 out of 5, while the individual directors' average self-assessment score was 4.86 out of 5, indicating effective Board operations. The functional committees achieved an average self-assessment score of 4.94 out of 5,



demonstrating well-structured and efficient operations that align with corporate governance principles and effectively enhance the Board's performance.

(4) Details of execution:

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Reason	Evaluation Content
Once every three years	From 2022/01/01 to 2022/12/31	Board efficiency	Document reviews and on-site visits by external independent institution	1. Composition and structure of the board 2. Election and continuing education of directors 3. Participation in the operation of the Company 4. Improvement of the quality of board decision-making 5. Internal control 6. Environmental, social and corporate governance 7. Value creation
Once a year	From 2024/01/01 to 2024/12/31	Entire Board of Directors	Self-evaluation (Directors and Independent Directors perform evaluation )	1. Participation in the operation of the company 2. Improvement of the quality of board decision-making 3. The composition and structure of the board of directors 4. Director selection and continuing education 5. Internal control
		Individual Directors	Self-evaluation (Directors and Independent Directors perform evaluation )	1. Comprehension of company goals and tasks 2. Perception of Directors' Responsibility 3. Degree of participation in the company's operations 4. Internal relationship management and communication 5. Directors' professional and continuing education 6. Internal control
		Functional Committees	Self-evaluation (Directors and Independent Directors perform evaluation )	1. Participation in the operation of the company 2. Perception of the responsibilities of functional committees 3. Improve the decision-making quality of functional committees 4. Composition of functional committees and member selection 5. Internal control

4. The objectives of strengthening the functions of the Board of Directors in the current and most recent year (such as setting up an audit committee, enhancing information transparency, etc.) and evaluation of the implementation:

<b>Strengthening the functional objectives of the Board of Directors</b>	<b>Evaluation of Implementation</b>
1. Continue to improve information transparency	The Company appoints dedicated personnel to be responsible for the disclosure of company information and the update of company website information according to laws and regulations.
2. Actively establish communication with stakeholders	<p>1. The Company has spokespersons and acting spokespersons serving as the communication channel for stakeholders or they can go to the stakeholder section of the company's website to ask questions and give suggestions online.</p> <p>2. Every year, the shareholders' meeting accepts shareholder proposals according to the schedule. Shareholders with the right to propose can apply to the Company during the acceptance period, and the Company will convene a Board of Directors meeting to review it according to regulations.</p>
3. Improve the operational efficiency and decision-making ability of the Board of Directors	The Board of Directors of the Company has established "Rules and Procedures for Shareholders Meetings" in accordance with the "Measures for Board Meetings of Public Offering Companies", and the operation of the Board of Directors is handled in accordance with "Rules and Procedures for Board of Directors Meetings".
4. Strengthen supervisory capabilities	The Company has set a "Scope of Powers of Independent Directors" and established a Remuneration Committee and an Audit Committee to strengthen the corporate governance functions of the Board of Directors.
5. Strengthen professional knowledge	The Company provides the Directors with information on training courses every month and encourages them to participate in the courses in order to meet the requirements of Directors' training hours.
6. Purchase liability insurance for directors and managers	The Company has renewed director and manager liability insurance, and reported to the Board of Directors on December 19, 2024.

(2) Audit Committee:

In accordance with Article 14-4 of the Securities and Exchange Act, the Company has established the Audit Committee, which is composed of all Independent Directors of the Company.

1. Professional qualifications and experiences of Audit Committee members

Title (Note 1)	Conditions	Professional Qualification and Experience	Remarks
	Name		
Independent director (Convener)	Lin, Yi-Jing	Please refer to the professional qualifications of Directors and independence of Independent Directors section in "II. Corporate Governance Report" (page 10 to 13) for details.	None
Independent director	Lin, Ren-Lin		None
Independent director	Ou, Jia-Ruey		None
Independent director	Huang, Wen-Gu		Took office on May 30, 2024

Note: Please fill in Independent Director or Others. (Please identify the convener where appropriate.)

2. The Audit Committee is responsible for the fair presentation of the Company's financial statements; the appointment (discharge), independence and performance of the Company's CPAs; the effective implementation of internal controls; regulatory compliance; and controls over existing or potential risks of the Company. Its main powers are listed as follows:

- (1) To formulate or amend internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- (2) To assess the effectiveness of the internal control system.
- (3) To formulate or amend procedures for material financial or business activities pursuant to Article 36-1 of the Securities and Exchange Act; for example, acquisition or disposal of assets, derivatives transactions, loans to other parties, and provision of endorsements or guarantees to other parties.
- (4) Matters involving Directors' personal interests.
- (5) Material asset or derivatives transactions.
- (6) Material loans to other parties or provision of endorsement or guarantees.
- (7) Offering, issuance, or private placement of equity-type marketable securities.
- (8) Appointment and discharge of CPAs or their compensation.
- (9) Appointment or discharge of a financial, accounting, or internal audit officer.
- (10) Annual and quarterly financial reports, signed or stamped by the Chairperson, senior executives, and the Chief Accounting Officer.
- (11) Other material matters stipulated by the Company or the competent authorities.

3. Review financial reports

The Board has prepared the Company's 2024 business report, consolidated and parent company only financial statements and earnings distribution proposal. The consolidated and parent company only financial statements were audited by independent auditors, CPAs Kuo, Li-Yuan and Liao, Hung-Ju, of Deloitte & Touche with independent auditors' reports issued. The above-mentioned business report, consolidated and parent company only financial statements and earnings distribution proposal have been reviewed and determined to be accurate by the Audit Committee.

#### 4. Assess the effectiveness of internal controls

The Audit Committee assessed the internal control system of the Company as of December 31, 2024. The assessment covered the level of achievement concerning the effectiveness and efficiency of operations; the reliability, timeliness and transparency of the financial reporting; and compliance with applicable laws and regulations. The design and execution of internal control systems were found to be effective.

#### 5. CPAs

Audit Committee is responsible for assessing the independence of the Company's accounting firm to ensure the impartiality of financial reports. The Company's Financial Department had completed the independence evaluation of CPAs using the "Accountant Independence Evaluation Form" (which is in reference with No. 10 of the "Professional Ethics Bulletin" and Article 47 of the "Accountants Act"). The outcome was submitted to the Audit Committee before reporting to the Board on the same day of December 21, 2023 to approve the independence of CPAs Kuo, Li-Yuan and Liao, Hung-Ju of Deloitte & Touche, as they both met the Company's standards for independence. They were qualified to be the Company's CPAs in 2024.

#### 6. A total of 3 (A) Audit Committee meetings were held between January 1, 2024 and May 29, 2024. The attendances of Independent Directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Independent director	Lin, Yi-Jing	3	0	100%	None
Independent director	Lin, Ren-Lin	3	0	100%	None
Independent director	Ou, Jia-Ruey	3	0	100%	None
Note: The actual attendance rate (or as a nonvoting delegate) (%) is calculated on the basis of the number of Audit Committee meetings held and the actual number of attendances during the term of office.					

#### A total of 3 (A) Audit Committee meetings were held between May 30, 2024 and December 31, 2024. The attendances of Independent Directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Independent director	Lin, Yi-Jing	3	0	100%	None
Independent director	Lin, Ren-Lin	3	0	100%	None
Independent director	Ou, Jia-Ruey	3	0	100%	None
Independent director	Huang, Wen-Gu	3	0	100%	Took office on May 30, 2024
Note: The actual attendance rate (or as a nonvoting delegate) (%) is calculated on the basis of the number of Audit Committee meetings held and the actual number of attendances during the term of office.					

7. Other mentionable items:

- (1) If there is any of the circumstances in the operation of the Audit Committee that are listed below, then the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified.

A. Circumstances referred to in Article 14-5 of the Securities and Exchange Act.

Date of Audit Committee Meeting	Period	Motion	Opinion or Major Recommendation of Independent Director	Resolution of Audit Committee	Company's handling of the decision of Audit Committee
Feb. 20, 2024	19 <sup>th</sup> Time, 3 <sup>rd</sup> Session	Ratification of obtaining and disposal of securities.	None	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
Mar. 11, 2024	20 <sup>th</sup> Time, 3 <sup>rd</sup> Session	The Company's 2023 IFRSs financial report.	None	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
		The Company's 2023 operation report.	None		
		The Company's Statement on Internal Control.	None		
		Ratification of obtaining and disposal of securities.	None		
May 10, 2024	21 <sup>th</sup> Time, 3 <sup>rd</sup> Session	2024 donations.	None	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
		Ratification of obtaining and disposal of securities.	None		
Aug. 6, 2024	1 <sup>st</sup> Time, 4 <sup>th</sup> Session	Capital expenditure budget proposal for the expansion of the subsidiary, Malaysian SH Electronics Sdn. Bhd.	None	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
		Ratification of obtaining and disposal of securities.	None		
Nov. 5, 2024	2 <sup>nd</sup> Time, 4 <sup>th</sup> Session	Proposal for the subsidiary, Malaysian SH Electronics Sdn. Bhd., to acquire land and facilities from Greenway Links Sdn. Bhd.	None	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
		Cash capital increase for the subsidiary, Malaysian SH Electronics Sdn. Bhd.	None		
		Ratification of obtaining and disposal of securities.	None		

Date of Audit Committee Meeting	Period	Motion	Opinion or Major Recommendation of Independent Director	Resolution of Audit Committee	Company's handling of the decision of Audit Committee
Dec. 18, 2024	3 <sup>rd</sup> Time, 4 <sup>th</sup> Session	Appointment and remuneration of accountants in 2025.	None	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
		Revision of the Company's measures.	None		
		Formulation of the Company's Sustainability Information Management Regulations and Sustainability Information Management Framework.	None		
		The 2025 audit plan.	None		
		Ratification of obtaining and disposal of securities.	None		

B. Other than the abovementioned matters, the resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors: None.

(2) If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None.

(3) Communications between the independent directors, the Company's chief internal auditor and CPA (e.g. the items, methods and results of audits of corporate finance or operations, etc.):

A. Communication methods of independent directors with internal audit supervisor and accountants:

(A) The Company established an audit committee on December 10, 2015. The shareholders' meeting re-elected four independent directors for the 4<sup>th</sup> term on May 30, 2024.

(B) The accountant shall explain to the independent directors in the Audit Committee meeting at least once every six months on the results of the audit or review of the Company's financial statements and the impact of the revision and release of IFRSs on the Company.

(C) The audit unit of the Company regularly submits various internal audit reports to the independent directors, and irregularly talks with them; since the establishment of the audit committee, the audit unit has had regular talks with the members of the Audit Committee at least once a quarter.

(D) The audit supervisor, accountant and independent directors usually communicate directly through emails, phones or meetings as needed.

B. Summary of the communication between independent directors (Audit Committee) and accountants at regular meetings:

Date	Communication Keypoints	Suggestions of Independent Directors
Mar. 11, 2024	2023 IFRSs financial report.	None
Dec. 18, 2024	1. The key audit items of the accountant's audit report in new form in FY 2024. 2. Appointment and remuneration of accountants in FY 2025.	None
Mar. 11, 2025	2024 IFRSs financial report.	None

C. Summary of the communication between independent directors and internal audit supervisors at regular meetings:

Date	Communication Keypoints	Suggestions of Independent Directors
Mar. 12, 2024	1. Execution status of 2023 Q4 Audit Plan. 2. Passed the review of the Company's Statement on Internal Control.	None
May 10, 2024	Execution status of 2024 Q1 Audit Plan.	None
Aug. 6, 2024	Execution status of 2024 Q2 Audit Plan.	None
Nov. 5, 2024	Execution status of 2024 Q3 Audit Plan.	None
Dec. 19, 2024	2025 Audit Plan.	None
Mar. 12, 2025	1. Execution status of 2024 Q4 Audit Plan. 2. Passed the review of the Company's Statement on Internal Control.	None

(3) Composition, Responsibilities and Operations of the Remuneration Committee:

1. Composition of Operation of the Remuneration Committee

Title (Note 1)	Conditions Name	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member	Remarks
Independent Director (Convener)	Lin, Ren-Lin	Please refer to the professional qualifications of Directors and independence of Independent Directors section in "II. Corporate Governance Report" (page 10 to 13) for details.		0	None
Independent Director	Lin, Yi-Jing			3	None
Independent Director	Ou, Jia-Ruey			1	None
Independent Director	Huang, Wen-Gu			1	Took office on May 30, 2024

Note : Please fill in Independent Director or Others. (Please identify the convener where appropriate.)

2. Responsibilities of the Remuneration Committee:

- (1) Formulate and regularly review managers' performance evaluation and the policies, systems, standards and structures of directors and remuneration.
- (2) Regularly evaluate and determine the remuneration of directors and managers.

### 3. Operation of the Remuneration Committee:

(1) There are 4 members of our Remuneration Committee.

(2) Tenure of the fifth Remuneration Committee: May 30, 2024 to May 29, 2027.

A total of 1 (A) Remuneration Committee meetings were held between January 1, 2024 and May 29, 2024. The attendances were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Convener	Lin, Ren-Lin	1	0	100%	None
Committee Member	Lin, Yi-Jing	1	0	100%	None
Committee Member	Ou, Jia-Ruey	1	0	100%	None
Note: Attendance rate (%) is calculated based on the number of meetings of the Remuneration Committee during their tenure and the number of actual attendance.					

A total of 2 (A) Remuneration Committee meetings were held between May 30, 2024 and December 31, 2024. The attendances were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Convener	Lin, Ren-Lin	2	0	100%	None
Committee Member	Lin, Yi-Jing	2	0	100%	None
Committee Member	Ou, Jia-Ruey	2	0	100%	None
Committee Member	Huang, Wen-Gu	2	0	100%	Took office on May 30, 2024
Note: Attendance rate (%) is calculated based on the number of meetings of the Remuneration Committee during their tenure and the number of actual attendance.					

### Other mentionable items:

1. The date and period of the most recent Remuneration Committee meeting, the content of the motion, the results of the resolution, and the Company's handling of the Remuneration Committee's opinion.

Date of Remuneration Committee meeting	Period	Motion	Resolution	Company's handling of the resolution
Mar. 11, 2024	11 <sup>th</sup> Time, 4 <sup>th</sup> Session	2023 employee compensation distribution ratios and total provision	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
		2023 bonus to the directors distribution ratios and total provision		
Nov. 5, 2024	1 <sup>th</sup> Time, 5 <sup>th</sup> Session	Review of the CEO's retirement pension and appointment as a strategic advisor.	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
		Details and date of distribution of bonus to the Directors.		



Date of Remuneration Committee meeting	Period	Motion	Resolution	Company's handling of the resolution
Dec. 18, 2024	2 <sup>nd</sup> Time, 5 <sup>th</sup> Session	Exception handling for unvested employee restricted stocks allocated to Mr. Canon Huang due to unmet vesting conditions.	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
		2024 performance bonus to the Managers and 2025 salaries.		
		2025 work plans of the Remuneration Committee.		

2. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.

3 Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

(4) Composition, Responsibilities and Operations of the Sustainable Development Committee:

1. Composition of Operation of the Remuneration Committee

Title (Note 1)	Conditions	Professional Qualification and Experience	Remarks
	Name		
Director (Convener)	Hung, Chuen-Sing	Please refer to the professional qualifications of Directors and independence of Independent Directors section in "II. Corporate Governance Report" (page 10 to 13) for details.	None
Independent Director	Lin, Ren-Lin		None
Independent Director	Lin, Yi-Jing		None

Note : Please fill in Independent Director or Others. (Please identify the convener where appropriate.)

2. Responsibilities of the Sustainable Development Committee:

- (1) Formulate, promote, and enhance the Company's sustainability policies, annual plans, and strategies.
- (2) Review, monitor, and revise the implementation and effectiveness of sustainability initiatives.
- (3) Oversee sustainability disclosures and review the Sustainability Report.
- (4) Supervise the execution of sustainability-related initiatives, including those under the Company's Sustainable Development Guidelines or other matters approved by the Board of Directors.

3. Operation of the Sustainable Development Committee:

(1) There are 3 members of our Sustainable Development Committee.

(2) Tenure of the first Sustainable Development Committee: August 6, 2024 to May 29, 2027.  
A total of 1 (A) Sustainable Development Committee meetings were held between August 6, 2024 and December 31, 2024. The attendances were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Convener	Hung, Chuen-Sing	1	0	100%	None
Committee Member	Lin, Ren-Lin	1	0	100%	None
Committee Member	Lin, Yi-Jing	1	0	100%	None
Note: Attendance rate (%) is calculated based on the number of meetings of the Sustainable Development Committee during their tenure and the number of actual attendance.					

4. The date and period of the most recent Sustainable Development Committee meeting, the content of the motion, the results of the resolution, and the Company's handling of the Sustainable Development Committee's opinion.

Date of Sustainable Development Committee meeting	Period	Motion	Resolution	Company's handling of the resolution
Dec. 18, 2024	1 <sup>st</sup> Time, 1 <sup>st</sup> Session	Establish the Company's Sustainability Information Management Regulations and Framework.	Passed unanimously	Proposed in the Board of Directors Meeting and passed unanimously
		Report on the implementation of the Company's risk management policy.		

(5) Implementation of Corporate Governance and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons:

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The company has formulated the "Pragmatic Guidelines for Corporate Governance" and disclosed the operation status on the Company's website and the Market Observation Post System. No material difference was found.	No material difference was found.
2. Shareholding structure & shareholders' rights				
(1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		(1) For issues such as shareholders' suggestions or questions or disputes, in addition to the spokespersons and proxy spokespersons, the Company appoints a stock transfer agent to handle them.	(1) No material difference was found.
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The company reports on the Market Observation Post System in accordance with the monthly shareholding change notifications of insiders (directors, supervisors, managers and major shareholders holding more than 10% of the shares), and assigns a stock transfer agency to handle stock affairs in accordance with the law. The Company has control over the list of major shareholders and the ultimate controllers of major shareholders in most cases.	(2) No material difference was found.
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) The Company has formulated relevant operating procedures in the internal control system in accordance to law. In addition to the "Measures for Group Enterprises, Specific Companies Transacting with Related Persons", the auditors regularly supervise the implementation of the procedures.	(3) No material difference was found.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		(4) The Company has formulated the "Procedures for Processing of Important Internal Information" and the "Measures Governing the Prevention against Insider Trading" to prohibit insiders from using undisclosed information on the market to trade securities.	(4) No material difference was found.
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board develop and implement a diversified policy for the composition of its members?	✓		(1) The Company’s “Guidelines for Corporate Governance” in effect has stated that Board composition shall incorporate diversity and strive to implement diversity policy. Please refer to page 14 to 15 for the diversity policy, management plans and implementation of the Company.	(1) No material difference was found.
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		(2) In addition to the Remuneration and Audit Committees, the Company has established a Sustainable Development Committee.	(2) No material difference was found.
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually? And are the results of measurement reported to the Board and used as the reference for the remuneration, nomination and re-election of its members?	✓		(3) The Company has formulated the "Board of Directors Performance Evaluation Measures", and conducts regular performance evaluation every year and discloses relevant information on the Company's website. The results of the performance evaluation have been submitted to the Board of Directors on February 20, 2025, and used as a reference for the remuneration of individual Directors and the nomination for renewal.	(3) No material difference was found.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(4) Does the company regularly evaluate the independence of CPA	✓		<p>(4) The Company’s Audit Committee assesses the independence of CPAs retained by the Company annually and submits the assessment result to the board of directors. The latest assessment was approved by the Audit Committee on December 18, 2024 and resolved by the board of directors on the same date.</p> <p>The board of directors and the Audit Committee conduct comprehensive assessments based on the declarations of independence issued by the CPAs and relevant rules. Key items of the assessment are as follows:</p> <ol style="list-style-type: none"> <li>1. Whether the non-audit services provided by CPAs would impair their independence regarding the audits.</li> <li>2. Whether the accounting firm has established a code of independence requiring the firms, personnel of the firm and persons subject to the code of independence to maintain their independence pursuant to the CPA code of professional ethics. Insider trading, misuse of internal information and misleading conduct in the securities or capital markets are strictly prohibited.</li> <li>3. Whether engagement partners and CPAs are regularly rotated in accordance with the pre-defined period.</li> <li>4. The Company obtained data related to the 13 Audit Quality Indicators (AQI) from the accounting firm and assessed the</li> </ol>	(4) No material difference was found.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>firm and audit quality of the audit team based on the “Guidance on the Interpretation of Audit Quality Indicators by Audit Committee” issued by the competent authority. The assessment results were as follows:</p> <p>CPAs are independent of the Company as required by the Certified Public Accountant Act, CPA Code of Professional Ethics and relevant regulations.</p> <p>CPAs engaged by the Company have been regularly rotated according to the prescribed period.</p> <p>Regarding AQIs with greater discrepancies from the peers, the Audit Committee had obtained an explanation concerning reasons for such discrepancies from the accounting firm by December 18, 2024. The direction and timeframe for improvement and reinforcement, where necessary, had been confirmed. The Committee will continue to track the improvement progress in the following year.</p>	
4. Does the listed or company allocate appropriate number of competent corporate governance personnel, and appoint a supervisor of corporate governance to be responsible for corporate governance related matters (including but not limited to providing information required by Directors and Supervisors for business	✓		<p>The Board of Directors approved the appointment of finance supervisor Shu-Ping Yan as the corporate governance supervisor on May 5, 2023, to manage the supervision and planning of corporate governance affairs. Her credential meets the requirements stipulated in Paragraph 1, Article 3-1 of the Corporate Governance Best-Practice Principles for TWSE/TPEx-Listed Companies.</p> <p>Duties of a corporate governance supervisor include: to provide the</p>	No material difference was found.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
execution, assisting Directors and Supervisors in complying with laws and regulations, and handling matters related to the meetings of the Board of Directors meeting and the shareholders meeting, and prepare the minutes of the shareholders meeting and the shareholders meeting, etc.)?			<p>Directors and the Audit Committee with information required for the execution of their duties and the latest regulatory developments related to the operation of the Company, to assist the Directors and the Audit Committee in regulatory compliance, to report corporate governance implementation to the Corporate Governance Committee and the Board of Directors on a regular basis each year, to manage matters related to the Board of Directors' and shareholders' meetings in accordance with the laws and regulations, to prepare minutes of the Board of Directors' and shareholders' meetings, and to assist the Directors and the Audit Committee with assuming office and taking continuing education. The executions are carried out by the Finance Department.</p> <p>Highlights of the corporate governance implementation are as follows:</p> <ol style="list-style-type: none"> <li>1. In 2024, seven Board meetings, six Audit Committee meetings, three Remuneration Committee meetings and one Sustainable Development Committee meeting were held.</li> <li>2. In 2024, the Company held one regular shareholders' meeting.</li> <li>3. All Board members had completed at least 6 credits of continuing education or 12 credits of education for newly-elected members.</li> <li>4. The Company has purchased liability insurance for directors and key personnel, and reported to the Board of Directors once the insurance policy is renewed.</li> <li>5. The internal performance evaluation of</li> </ol>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>the Board of Directors and functional committees was conducted. The Board of Directors, the Audit Committee and the Remuneration Committee as well as their individual members all delivered above-standard scores.</p> <p>6. External performance evaluation of the Board of Directors is conducted every three years. Please refer to page 29 for related information.</p> <p>7. The corporate governance supervisor took 12 hours of continuing education in 2024. Please refer to page 50 for complete course information.</p>	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		<p>The Company has set up the official website to include relevant financial business and product information to provide reference for interested parties; the Company has spokespersons and acting spokespersons to handle external communication matters and makes proper use of the public information system; the Company’s stakeholders are all You can contact us through our website. Once we receive any questions or suggestions from interested parties, we will reply as soon as possible (Website: <a href="https://www.cwtcglobal.com/">https://www.cwtcglobal.com/</a>) Please refer to Note for details of the identity of the stakeholders, issues of concern, communication channels and response methods.</p>	No material difference was found.
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The company appointed the Stock Service Department of the SinoPac Securities Co., Ltd. to handle the affairs of the shareholders meeting.	No material difference was found.



Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
7. Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(1) The Company has set up a website, and financial business and corporate governance information are disclosed in accordance with regulations "Company Official Website-Investor Section" (Website: <a href="https://www.cwtcglobal.com/">https://www.cwtcglobal.com/</a> ) and “Market Observation Post System” (Website: <a href="https://mops.twse.com.tw/">https://mops.twse.com.tw/</a> ) in accordance with the regulations.	(1) No material difference was found.
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		(2) The Company has dedicated personnel responsible for the disclosure of the its major information and enters such information on the Market Observation Post System and the Company's website on time, and also implements the spokesperson system in accordance with the regulations; and uploads audiovisual information such as the investor conference on the company's website.	(2) No material difference was found.
(3) Does the company announce and report annual financial reports within two months after the end of the fiscal year, and publish the financial reports for the first, second and third quarters and the operating conditions of each month before the prescribed deadline?		✓	(3) The Company currently publishes the annual financial report and the financial report for the first, second and third quarters and the operation of each month in accordance with the "Taipei Exchange Rules Governing Information Reporting by Companies with TPEX Listed Securities".	(3) Same as abstract explanation.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		<ol style="list-style-type: none"> <li>1. The company has formulated the "Rules Governing the Terms of Reference of Independent Directors" to improve the Company's corporate governance system, and purchase the Director liability insurance in accordance with the rules: each compensation request and the cumulative compensation limit during the insurance period is US\$5 million.</li> <li>2. Employees' rights and interests: The company protects the rights and interests of employees in accordance with the Labor Standards Act.</li> <li>3. Employee care: The Company upholds the employees as its company's most important asset. It maintains a harmonious atmosphere through self-management by employees and mutual respect, and establishes various rules and systems to ensure the rights and interests of both the Company and employees. In addition, through the welfare committee and administrative organizations, various welfare benefits and care can be provided to employees in a timely manner for them work in a care-free manner.</li> <li>4. Investor relations: A spokesperson and acting spokesperson system has been established and stock transfer agencies and stock service staff are in place to handle shareholder questions and suggestions.</li> <li>5. Supplier relations: The Company regularly evaluates suppliers and adequately communicate with them to maintain a good relationship.</li> <li>6. Stakeholder's rights: Stakeholders of the Company can contact us through the Company's website. Once we receive questions or suggestions from</li> </ol>	No material difference was found.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>interested parties, we will reply as soon as possible (Website: <a href="https://www.cwtcglobal.com/">https://www.cwtcglobal.com/</a>)</p> <p>7. Implementation of risk management policies and risk measurement standards: The company conducts various risk management and evaluations in accordance with the regulations of the competent authority.</p> <p>8. Customer policy and implementation: The company regularly investigates customer satisfaction and has a customer complaint handling system to maintain a good and stable relationship with customers.</p> <p>9. Purchase of liability insurance for Directors and Supervisors by the Company: The Company has purchased liability insurance for the Directors and reports in the Board of Director meeting after signing a new insurance contract every year.</p> <p>10. For the training and education of the directors in 2024 and up to the publication of the annual report, please refer to page 50.</p>	
<p>9. Please explain the improvement regarding the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose efforts to be strengthened in the first priority and measures for the areas which have not yet improved:</p> <p>(1) The improvement:</p> <ol style="list-style-type: none"> <li>1. To report on the remuneration of Directors at the regular shareholders’ meeting, including the remuneration policies and the details and amount of remuneration to individuals.</li> <li>2. To establish functional committees not required by the law, such as the Sustainable Development Committee.</li> </ol> <p>(2) Efforts and measures requiring strengthening in the first priority:</p> <ol style="list-style-type: none"> <li>1. To conduct regular employee satisfaction surveys and disclose implementation results and improvement plans.</li> <li>2. To establish a personal data protection policy.</li> </ol>				

Note: The status of stakeholders, issues of concern, communication channels and response methods in 2024.

Status of stakeholders	Issues of concern	Communication channels, response methods and communication frequency	Communication with stakeholders in 2024
Shareholders and Investors	<ul style="list-style-type: none"> <li>◆Corporate governance</li> <li>◆Dividend policy</li> <li>◆Operational performance</li> </ul>	<p>◆Market Observation Post System: The media or the Market Observation Post System immediately disclose important information, such as corporate governance, operating performance, and other relevant information that shareholders and investors are concerned about.</p> <p>◆Stakeholder section of the company website</p> <p>◆Convene shareholders' meeting once a year and publish the annual report</p> <p>◆Investor conference</p> <p>◆Consulting spokesperson</p> <p>◆Set up concierges of service and stakeholders for two-way communication</p> <p>Stock service agent concierge information: Contact: Stock Service Department, SinoPac Securities Co., Ltd. Tel:(02)2381-6288</p> <p>Stakeholder concierge information: Contact: Ms. Hsu Tel: (07)36222663 ext.210 Email: <a href="mailto:michelle.hsu@cwtcglobal.com">michelle.hsu@cwtcglobal.com</a></p>	<ul style="list-style-type: none"> <li>◆Real-time important information is published on the Market Observation Post System and the company website</li> <li>◆The Company has set up a special section for stakeholders on the company's website for shareholders and investors to ask questions and make suggestions.</li> <li>◆The regular shareholders meeting was held and the annual report was published on May 30, 2024.</li> <li>◆The Company was invited to participate in the investor conference on January 31, April 16, April 23, July 30, October 22, and November 4, 2024.</li> </ul>

Status of stakeholders	Issues of concern	Communication channels, response methods and communication frequency	Communication with stakeholders in 2024
Employee	<ul style="list-style-type: none"> <li>◆Employee benefits</li> <li>◆Labor Relations</li> <li>◆Complaint mechanism and channels</li> </ul>	<ul style="list-style-type: none"> <li>◆Internal website or internal e-mail announcement: Various welfare matters (employee health check), Welfare Committee information (festival activities, dinner parties, lucky draws and employee travel, etc.), employee welfare plans, education and training courses, etc.</li> <li>◆Labor-management conference</li> <li>◆Stakeholder section of company website</li> </ul>	<ul style="list-style-type: none"> <li>◆Announcements are regularly updated on the internal website or through the internal e-mails</li> <li>◆Annual health check once a year</li> <li>◆Hold a dinner party and departmental dinners</li> <li>◆In order to improve internal benefits and reward employees for financial planning, the employee stock ownership trust service was launched in 2020.</li> <li>◆Employee travel reimbursement</li> <li>◆ Regularly arrange education and training courses for employees</li> <li>◆Convene labor-management meetings on a regular basis, inviting employees to participate in activities such as discussing labor conditions and labor benefits.</li> <li>◆The Company has set up a special section for stakeholders on the company's website for employees to ask questions and make suggestions.</li> </ul>
Customer	<ul style="list-style-type: none"> <li>◆Customer service</li> </ul>	<ul style="list-style-type: none"> <li>◆Dedicated customer service personnel</li> </ul>	<ul style="list-style-type: none"> <li>◆Immediate response to customers</li> </ul>

The trainings received by the Company's Directors in the most recent year and as of the publication date of the annual report:

Title	Name	Date	Course	Number of Hours
Chairperson	Hung, Chuan-Sing	Mar. 27, 2024	Corporate Governance and Securities Regulations	3
		Apr. 19, 2024	Business Strategies in the Digital Era	3
Representative of juristic person director	Tsai, Rong-Dong	May 7, 2024	Practical Analysis of Corporate M&A Regulations and Case Studies	3
		May 28, 2024	The New Era of AI: How ChatGPT is Reshaping Industry Trends	3
Representative of juristic person director	Tomas, Huang	Jul. 3, 2024	2024 Cathay Sustainable Finance and Climate Change Summit	3
		Oct. 7, 2024	2024 Taishin Net Zero Summit	3
		Dec. 12, 2024	Shareholders' Meeting, Proxy Contest and Ownership Strategy	3
		Dec. 20, 2024	SDGs and ESG Sustainable Management	3
Representative of juristic person director	Angus, Shih	Aug. 7, 2024	Analysis of IFRS Sustainability Disclosure Standards and Corporate Response Strategies	3
		Nov. 6, 2024	Corporate Governance and Securities Regulations	3
Independent Director	Lin, Yi-Jing	Apr. 2, 2024	Trends in Anti-Money Laundering Developments and Case Studies (April 2, Kaohsiung)	3
		Jul. 19, 2024	Common Deficiencies in Financial Report Reviews and Practical Insights on Key Internal Control Regulations	6
Independent Director	Lin, Ren-Lin	Apr. 16, 2024	Comprehensive Corporate Innovation & Growth: Transforming Businesses Through Five Key Dimensions	3
		Dec. 17, 2024	Executive Compensation and ESG Performance System Design	3
Independent Director	Ou, Jia-Ruey	May 14, 2024	AI Risk Management Framework: Enhancing Trust in AI Integration	3
		Aug. 8, 2024	Corporate Management Practices: Strategy and Execution	3
Independent Director	Huang, Wen-Gu	Mar. 27, 2024	Corporate Governance and Securities Regulations	3
		Jul. 9, 2024	AI Strategy and Governance	3
		Nov. 12, 2024	Enterprise Growth and Innovation Thinking in the AI Era	3
		Dec. 5, 2024	Carbon Trading Mechanisms and Carbon Management Applications	3

The trainings received by the Company's Manager in the most recent year and as of the publication date of the annual report:

Title	Name	Date	Course	Number of Hours
Corporate governance supervisor	Yan, Shu-Ping	May 16, 2024 ~ May 17, 2024	Practical Workshop on Sustainability Disclosure	9
		Oct. 7, 2024	2024 Taishin Net Zero Summit	3
Accounting Supervisor	Kung, Yu-Ting	Mar. 18, 2024 ~ Mar. 27, 2024	Professional Development Courses for Newly-appointed Accounting Officer of Issuers, Securities Firms, and Securities Exchanges	30

(6) Implementation of Corporate Social Responsibility and the Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish a governance structure for sustainability developments and set up an exclusively (or concurrently) dedicated sustainability unit with senior management authorized by the board to handle relevant issues under the supervision of the board?	✓		<p>To strengthen the governance framework for sustainable development, the Company established the Sustainable Development Committee in August 2024. The committee is chaired by the Chairperson, who also serves as the convener, with members appointed by the Board of Directors. More than half of the committee members are Independent Directors, and their terms align with those of the appointing Board.</p> <p>Authorized by the Board, the Sustainable Development Committee regularly reports on the following matters:</p> <p>(1) Formulate, promote, and enhance the Company’s sustainability policies, annual plans, and strategies;</p> <p>(2) Review, monitor, and revise the implementation and effectiveness of sustainability initiatives;</p> <p>(3) Oversee sustainability disclosures and review the Sustainability Report;</p> <p>(4) Supervise the execution of sustainability-related initiatives, including those under the Company’s Sustainable Development Guidelines or other matters approved by the Board of Directors.</p> <p>The Board of Directors oversees and guides the Company’s sustainability efforts across environmental, social, and corporate governance (ESG) issues. In addition to monitoring the progress of sustainability strategies, the Board prompts the management team to make necessary adjustments when required.</p> <p>For more details on the Company’s sustainability initiatives, please refer to page 63 to 64.</p>	No material difference was found.
2. Does the company conduct risk assessments on environmental, social and corporate governance issues related to operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		<p>The Company has established the “Code of Practice for Sustainable Development” (formerly the Code of Practice for Corporate Social Responsibility) and disclosed it on the corporate website. The Code clearly states that our corporate social responsibility (CSR) policy is to implement corporate governance, develop a sustainable environment, maintain social welfare schemes, and enhance CSR disclosures as well as sets out potential risks and countermeasures. Please refer to page 63 to 64 for details on our promotion of sustainable developments.</p>	No material difference was found.

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
3. Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		(1) In response to international trends and customer requirements, the Company has established an environmental management system and obtained ISO 14001:2015 certification, which is valid until November 23, 2025.	(1) No material difference was found.
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		(2) The Company actively implements a range of energy reduction measures by selecting equipment with high energy efficiency and energy-saving designs to reduce energy consumption across operations and products. At the same time, it continues to expand the use of renewable energy to optimize overall energy efficiency. The Company has set an annual target of reducing energy consumption by 3,000 GJ. In alignment with the PDCA cycle of the ISO 50001 Energy Management System, efforts are made to continuously improve energy performance, enhance efficiency, and advance green energy initiatives to reduce environmental impact. The Company has proactively installed renewable energy generation systems and procured green electricity. A total of 233 kWp of solar panels have been installed at its facilities, contributing 307,998 kWh of green electricity in 2024. The Company conducts waste treatment and recycling control based on the internal control of scraped products entering and exiting the warehouse; the raw materials used in the company's products all comply with EU regulations and customer requirements for environmentally prohibited substances, namely the "Environmental Restricted Substance Control Standard" such as Restriction of Hazardous Substances (ROHS), halogen-free (HF), EU chemical policy (REACH), etc., and customer requirements for environmentally prohibited substances; and focus on the improvement of product efficiency to achieve the purpose of low power consumption and reduction of environmental impact.	(2) No material difference was found.



Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the Company assess the potential risks and opportunities of climate change to businesses now and in the future, and take measures to respond to climate-related issues?	✓		(3) Climate action has become a key factor in assessing global carbon reduction commitments. In response, the Company adheres to the Task Force on Climate-related Financial Disclosures (TCFD) framework to disclose financial impact data, assess climate-related risks and opportunities, and develop corresponding mitigation strategies. This approach enables the Company to evaluate potential financial impacts, strengthen its climate risk management framework, and enhance operational resilience. The Company regularly reports these efforts to the Sustainable Development Committee and the Board of Directors.  For details on climate-related risks, opportunities, and the Company’s response measures, please refer to page 65 to 67.	(3) No material difference was found.
(4) Does the company make statistics on greenhouse gas emissions, water consumption, and total waste weight in the past two years, and formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water reduction, or other waste management?	✓		(4) 1. The Company’s energy saving and carbon reduction strategy is to promote various energy saving measures and continue to improve the energy efficiency of plant facilities and production equipment. The three focuses are operational efficiency optimization and parameter settings of production equipment, as well as adoption of energy-saving lighting. In order to save water resources, each plant has established a “water reclamation system” to recycle and reuse process water above a certain quality level. The system is mainly for cleaning and electroplating processes where a large volume of water is required. The recycling and treating of secondary water bring our internal water cycle to a certain standard, thereby reducing raw water supply and achieving the goal of a significant reduction in water consumption. In addition, we have introduced precious metal recycling techniques and set up in-house treatment systems to reduce waste emissions.  2. The Company measures greenhouse gas (GHG) emissions, water consumption and total waste weight every year. For 2023, GHG emissions were 71,435 MT CO <sub>2</sub> e (covering Taiwan, Mainland China, and Malaysia plants, excluding the Suzhou plant), water consumption was 1,372,991 MT (covering Taiwan, Mainland China, and Malaysia plants), and total waste weight was 17,936 MT (covering Taiwan, Mainland China, and Malaysia plants), representing	(4) No material difference was found.

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																		
	Yes	No	Abstract Illustration																			
			<p>an increase of 16.94% (excluding the Suzhou plant), an increase of 20.87%, and an increase of 9.28% compared to 2023, respectively.</p> <p>(1) The GHG emissions for the past two years (covering all Group operating locations) can be found on page 70.</p> <p>(2) Water consumption in the last two years (plants in Taiwan, China and Malaysia) Unit: MT</p> <table><tr><th>Year</th><th>Water consumption</th></tr><tr><td>2023</td><td>1,135,949</td></tr><tr><td>2024</td><td>1,372,991</td></tr></table> <p>(3) Waste volume in the last two years (plants in Taiwan, China and Malaysia) Unit: MT</p> <table><tr><th>Year</th><th>General waste</th><th>Hazardous waste</th><th>Total</th></tr><tr><td>2023</td><td>6,749</td><td>9,664</td><td>16,413</td></tr><tr><td>2024</td><td>4,812</td><td>13,124</td><td>17,936</td></tr></table> <p>3. All of our Taiwan plants have obtained ISO14064-1:2018 certification. Relevant certifications can be found on our corporate website - About CWTC - About CWTC.</p> <p>4. For the latest information on GHG emissions, water consumption and total waste weight, please refer to the corporate website - CSR.</p>	Year	Water consumption	2023	1,135,949	2024	1,372,991	Year	General waste	Hazardous waste	Total	2023	6,749	9,664	16,413	2024	4,812	13,124	17,936	
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Year	General waste	Hazardous waste	Total																			
2023	6,749	9,664	16,413																			
2024	4,812	13,124	17,936																			
4. Social issues  (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		<p>(1) 1. Human right policy The Company recognizes and supports international human rights conventions and standards, including the United Nations Global Compact, the Universal Declaration of Human Rights, and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. Committed to upholding the principles of human rights protection, the Company complies with relevant labor laws and strives to foster a fair, safe, and dignified work environment.</p> <p>The Company’s policy guidelines are as follows:</p> <p>(1) Prohibit human trafficking and child labor.</p> <p>(2) Provide fair and reasonable compensation and working conditions.</p> <p>(3) Prohibit all forms of forced labor.</p> <p>(4) Establish diverse and inclusive</p>	(1) No material difference was found.																		

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons				
	Yes	No	Abstract Illustration					
			<p>communication channels and environments that ensure freedom of expression.</p> <p>(5) Respect employees’ rights to freedom of association and collective bargaining.</p> <p>(6) Ensure a safe and healthy work environment, prohibiting all forms of harassment, retaliation, and inhumane treatment.</p> <p>(7) Prohibit all forms of discrimination-including but not limited to race, social class, nationality, place of origin, gender, sexual orientation, age, marital status, language, ideology, religion, political affiliation, birthplace, appearance, facial features, zodiac sign, blood type, and physical or mental disabilities-while continuously fostering diversity, inclusion, and equal opportunities.</p> <p>2. Management measures concerning human rights risk: The Company carries out the human rights due diligence with reference to international standards and practices. It identifies potential human rights risk objects and issues, identifies parties liable and reviews the existing measures for mitigating human rights risk with employees being the focus.</p> <table><tr><th>Human Rights Issue</th><th>Management Measure</th></tr><tr><td>Safe work place with an emphasis on the mental and physical well-being of employees.</td><td>(1) Adopted the ISO 45001 Occupational health and safety management systems. (2) Implement Occupational health and safety plans. (3) Set up an employee lounge. (4) Encourage fitness clubs such as jogging and health activities.</td></tr></table>	Human Rights Issue	Management Measure	Safe work place with an emphasis on the mental and physical well-being of employees.	(1) Adopted the ISO 45001 Occupational health and safety management systems. (2) Implement Occupational health and safety plans. (3) Set up an employee lounge. (4) Encourage fitness clubs such as jogging and health activities.	
Human Rights Issue	Management Measure							
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Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Fair and reasonable compensation	<p>(1) Provide compensation packages which are superior to the minimum requirements pursuant to local laws and regulations.</p> <p>(2) Continually adjust salaries based the macro environment and performance of employees.</p> <p>(3) Provide group insurance and travel insurance for employees on business trips.</p> <p>(4) Establish legal and reasonable rules and systems. Regularly monitor and manage employee attendance.</p>
			Promotion of gender equality	The human rights policy is implemented throughout the processes of talent selection, recruitment, nurturing and retention without gender discrimination.
			Prohibition of sexual harassment	<p>(1) The Company has established “Sexual Harassment Prevention Measures, Complaints and Disciplinary Measures”.</p> <p>(2) The Company has established a sexual harassment complaint channel.</p>

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Protection of employee privacy	<p>(1) Employee information is kept confidential and managed by dedicated personnel.</p> <p>(2) Approval is required for information to be accessed by different departments.</p>
			Prohibition of child and forced labor	<p>(1) Child labor is banned in accordance with local laws and regulations concerning minimum age of employment.</p> <p>(2) Monthly review on the overtime of each department and sent out reminders.</p> <p>(3) The human resource unit organizes regular talks with employees.</p>
			<p>3. Feedback and complaint channels: The Company respects the opinions and ideas of all parties and provides open and transparent communication channels, including complaint hotline/mailbox, annual labor-management meeting and interviews with employees after the probationary period. Employees can voice issues of organizational system and work environment, which demonstrates the Company’s emphasis on diverse opinions.</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the Company formulate and implement reasonable employee welfare measures (including salary, vacation and other benefits, etc.) and appropriately reflect operating performance or results in employee compensation?	✓		(2) The Company has formulated working rules and related personnel management regulations, which cover the basic wages, working hours, vacations, pension payments, labor and health insurance payments, occupational accident compensation, etc. of the employees hired by the company, all in compliance with the relevant provisions of the Labor Standards Act. The Employee Welfare Committee has been established with the members elected by the employees to handle various welfare issues; the Company's remuneration policy is based on personal ability, contribution to the company, performance and has a positive correlation with operating performance.	(2) No material difference was found.
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		(3) The company attaches great importance to the health of colleagues. For mental health, there are unobstructed communication channels, employee interviews, gender equality complaint mailboxes and president mailboxes, as well as health seminars held irregularly; for physical health, it conducts new employee and annual physical examinations as a way to 2) The provide the employees with information on health management; for work health, in addition to maintaining a safe working environment, work safety-related training is held every year, disaster prevention and emergency response twice a year; training on chemicals safety and emergency response exercise are held once a year to enhance employees' safety awareness and strengthen their emergency response capabilities.	(3) No material difference was found.

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company provide its employees with career development and training sessions?	✓		(4) The Company will provide appropriate job titles, salary, grades to the employees based on their work level, personal ability, performance, etc. for them to fully deliver their abilities and create maximum profits; for employees whose performance does not meet the requirements, in addition to strengthening on-the-job training, the department supervisors should give appropriate care and guidance in order for them to catch up; for employees with good performance, in addition to being placed in greater roles according to their ability and willingness, they will be rewarded with promotion and provided with further training and development opportunities according to their career plans.  In 2024, the total number of hours for diverse educational training courses offered was 160,236 hours.	(4) No material difference was found.
(5) With regard to customer health and safety, customer privacy, marketing and labeling of products and services, does the Company follow relevant laws and international standards, and formulate relevant consumer protection policies and complaint procedures?	✓		(5) For the Company’s product marketing and labeling, product labeling and delivery specifications are established and implemented in accordance with customer requirements; import and export operations are implemented in accordance with government regulations and import and export and bonded operation specifications. The Company has set up a complaint mechanism and channel for interested parties, and maintains a good communication channel with customers, provides transparent and effective customer complaint handling procedures for products and services. The customer complaint handling procedures contain steps for handling customer complaints and goods return and replacement procedures to protect the rights of customers in using the products. The company purchases product liability insurance for products which are in direct contact with consumers in order to protect them.	(5) No material difference was found.

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(6) Does the Company formulate supplier management policies which require suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor human rights, and the implementation?	✓		(6) The Company has set up a "Supplier Management Program". When purchasing, environmental safety and social impact are listed as evaluation items. The liability clauses in the proposed new version of the supplier contract will be included in the relevant provisions. The Company conducts regular supplier evaluations on suppliers as a reference basis for the procurement unit to carry out procurement operations.	(6) No material difference was found.
5. Does the Company refer to the internationally accepted standards or guidelines for compiling reports to prepare corporate social responsibility reports and other reports that disclose the Company's non-financial information? Has the aforesaid report obtained the validation or assurance opinion of the third-party certification body?	✓		The Company has established the “Code of Practice for Sustainable Development” and compiles sustainability reports pursuant to the GRI standards issued by the Global Reporting Initiative annually. The independent third party, DNV Business Assurance Co., Ltd., was commissioned to undertake assurance over the 2023 Sustainability Report in accordance with the GRI Standards and the moderate level assurance requirements of DNV VeriSustain Protocol. Information is available on the corporate website. The latest sustainability report is scheduled to be released in August 2025 with the third-party verification.	No material difference was found.
6. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies”, please describe any discrepancy between the Principles and their implementation: No material difference was found.				

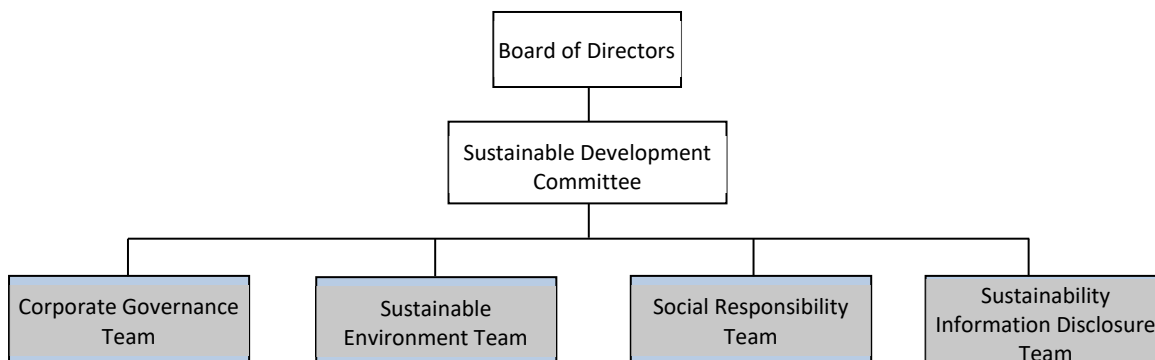


Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
7. Other important information to facilitate better understanding of the company’s corporate social responsibility practices:				
(1) For environmental protection: The Company implements control in accordance with the laws and regulations regarding environmental protection, and promotes the ISO14001 environmental management system.				
(2) For consumer rights: The Company has dedicated personnel responsible for handling customer complaints for protection of consumer rights.				
(3) For human rights, safety and health:				
The Company upholds internationally recognized labor rights, such as freedom of association, collective bargaining rights, care for disadvantaged groups, prohibition of child labor, elimination of various forms of forced labor, elimination of hiring and employment discrimination, etc., and ensures our personnel policies are free of differential treatment based on gender, race, socio-economic class, age, marital and family status, etc. for equal and fair employment, recruitment terms, salary, benefits, training, evaluation and promotion opportunities. We also comply with international human rights treaties, including the “United Nations Universal Declaration of Human Rights”, “United Nations Guiding Principles on Business and Human Rights” and “International Labor Organization” to prevent any infringement or violation of human rights. For situations which jeopardize labor rights, the Company provides an effective and appropriate complaint mechanism to ensure a fair and transparent complaint process.				
The company strictly complies with local government labor laws and regulations, establishes appropriate management methods and procedures, and communicates and promotes them internally.				
The Company pays attention to the following human rights based on its operating projects and characteristics and proposes corresponding policies to facilitate the promotion of relevant internal action plans:				
1. Compliance with international human rights and legal requirements: The Company does not allow any violation of human rights, such as appointing children under the age of 16 for labor, and regularly inspects, controls and promotes the efforts in complying with such requirements.				
2. Provision of a fair working environment: The Company provides employees with fair employment opportunities, a good working environment and reasonable benefits in accordance with the Labor Standards Act, and ensures that the employees are not subject to any discrimination, harassment or any unfair treatment based on race, nationality, gender, religious beliefs, age, political positions, etc.				
3. Provision of a safe working environment: The Company has security personnel 24 hours a day to help maintain the safety of the plant especially during night time. Its monitoring system, access control system, fire protection system and various machinery and equipment are regularly entrusted to professional companies for maintenance and inspection work once a month; disaster prevention and emergency response twice a year, training on chemical safety and emergency response exercise once a year; in accordance with the provisions of the Occupational Safety and Health Law, the Company appoints government-recognized agencies and professionals to implement operating environment monitoring operations twice a year to understand the actual state of exposure of the staff to the hazard factors in the factory. According to the law, on 2020.1.1, the Company appoints physicians and nurses from professional medical institutions to enter the plant to conduct employee health management for the prevention of human musculoskeletal hazards, protection of maternal health, prevention of diseases caused by abnormal workloads, etc., for safeguarding the physical and mental health of employees. The plant promotes 6S and disciplinary management, and the audit team members take turns to audit the 6S in the factory once a week, in order to beautify the working environment, strengthen the safety of the plant area, and improve work efficiency. In addition, work instructions for preventing illegal infringements in the workplace are established in accordance with the law, and a written statement prohibiting workplace violence in the workplace is posted on the bulletin to achieve a workplace with zero violence in the workplace.				
In addition, the Company has labor safety and health management personnel to implement management and control in accordance with government laws and regulations. Through regular labor-management meetings and various employee communication channels, communication between management and employees is established to fulfill the responsibility of respecting employees' human rights and protecting their rights.				

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons										
	Yes	No	Abstract Illustration											
(4) Other social responsibility activities: In response to the recruitment and training program of Bureau of Labor, the company provides job opportunities for students under poverty line and senior job-seekers through recruitment.														
(5) Certification: The Company has obtained ISO9001, IATF 16949 and ISO14001 certifications.														
<table><tr><th>Certification</th><th>Effective Period</th></tr><tr><td>ISO 9001: 2015</td><td>Apr. 4, 2023~ Apr. 3, 2026</td></tr><tr><td>IATF 16949: 2016</td><td>Apr. 4, 2023~ Apr. 3, 2026</td></tr><tr><td>ISO 14001: 2015</td><td>Nov. 29, 2022~Nov. 23, 2025</td></tr><tr><td>ISO 45001 : 2018</td><td>Nov. 19, 2024~Nov. 23, 2025</td></tr></table>					Certification	Effective Period	ISO 9001: 2015	Apr. 4, 2023~ Apr. 3, 2026	IATF 16949: 2016	Apr. 4, 2023~ Apr. 3, 2026	ISO 14001: 2015	Nov. 29, 2022~Nov. 23, 2025	ISO 45001 : 2018	Nov. 19, 2024~Nov. 23, 2025
Certification	Effective Period													
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ISO 14001: 2015	Nov. 29, 2022~Nov. 23, 2025													
ISO 45001 : 2018	Nov. 19, 2024~Nov. 23, 2025													

## Promotion of Sustainable Development:

### 1. Structure for Promotion of Sustainable Development



The Company's sustainability development unit forms teams to implement various sustainability initiatives. The execution of these initiatives is regularly reported to the Sustainable Development Committee.

- (1) Corporate Governance Team: Responsible for regulatory compliance in corporate governance and stakeholder communication mechanisms to support the Company's sustainable development goals.
- (2) Sustainable Environment Team: Oversees environmental management systems, compliance with environmental regulations and international standards, assessment of sustainable transformation, resource efficiency improvement, climate change response mechanisms, and the establishment of dedicated environmental management units and personnel to achieve environmental sustainability objectives.
- (3) Social Responsibility Team: Manages human rights policies and procedures, ensures compliance with human rights-related regulations and international standards, establishes internal and external communication channels for all organizational members and key value chain stakeholders, assesses relevant risks and management mechanisms, and promotes community and cultural development to achieve sustainable operations.
- (4) Sustainability Information Disclosure Team: Develops sustainability information management policies, ensures compliance with sustainability disclosure regulations and international standards, and facilitates the disclosure of relevant and reliable sustainability information to enhance transparency.

## 2. Risk Assessment for Promotion of Sustainable Development

Material Issues	Risk Evaluation Items	Risk Management Policies or Measures
Environmental	Environmental protection	Push for a reduction in process water consumption, build wastewater recycling facilities, and improve wastewater treatment efficiency with the target of increasing the recycling volume by 10% each year.
	Climate change	Commit to energy saving and carbon reduction, carry out greenhouse gas inventory annually and set the goal of reducing carbon dioxide emissions each year.
Social	Workplace safety	Conduct at least two plant-wide disaster prevention drills and emergency responses every year, covering earthquakes, fires, chemical leakage, etc. and incorporating scenario setting based on operation characteristics and hazard types.
	Employee recruitment and training	Give priority to locals in terms of recruitment and hiring. The Company's training courses include orientation and on-the-job training. Courses are assessed with effectiveness evaluated to motivate employees and obtain appropriate authorization.
Corporate Governance	Regulatory Compliance	Ensure regulatory compliance of all personnel and operations by establishing a governance organization and implementing internal control mechanisms.

Climate-related Information:

1. Risks and Opportunities of Climate Change to the Company and Related Measures Taken by the Company

Company

Item	Execution															
1. State the Board's managers oversight and governance of climate related risks and opportunities.	<p>The Board of Directors is the highest decision-making and supervisory body for the Company’s climate change response. Under the Board, the Sustainable Development Committee has been established, chaired by the Company’s Chairperson, who also serves as the convener. The other committee members, appointed by a Board resolution, possess expertise and competence in corporate sustainability. The Sustainable Development Committee oversees and coordinates climate change-related affairs, formulates and implements response measures, and holds regular meetings to track progress, review implementation status, and assess goal achievement. The committee reports its findings to the Board of Directors.</p>															
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finance (short-term, medium-term and long-term) of the enterprise.	<p>The Company adopts the TCFD-recommended framework and defines the short term as within three years, the medium term as three to five years, and the long term as more than five years. Based on the assessment, three major climate-related risks and two major climate-related opportunities were identified in 2024.</p> <table><tr><th>Type</th><th>Content</th><th>Time</th><th>Potential Financial Impact</th><th>Measures Taken</th></tr><tr><td>Transition risks</td><td>Net zero trend</td><td>long-term</td><td>1. To comply with carbon reduction policies and trends, the Company must upgrade or install low-carbon equipment to reduce GHG emissions. This investment increases capital expenditures and operating costs. 2. Efforts to lower greenhouse gas emissions may limit production capacity expansion, potentially affecting revenue.</td><td>1. Continuously implement GHG reduction initiatives. 2. Purchase green energy certificates.</td></tr><tr><td>Transition risks</td><td>Cost of Low-Carbon Technology Transition</td><td>medium-term</td><td>1. Capital and R&amp;D expenditures for transitioning to low-carbon technologies increase operating costs. 2. The development of new and alternative technologies may reduce demand for existing products and services, leading to a significant decline in revenue.</td><td>Optimize narrow and wide-format designs by reducing spacing. Design and invest in equipment molds to help customers reduce material usage.</td></tr></table>	Type	Content	Time	Potential Financial Impact	Measures Taken	Transition risks	Net zero trend	long-term	1. To comply with carbon reduction policies and trends, the Company must upgrade or install low-carbon equipment to reduce GHG emissions. This investment increases capital expenditures and operating costs. 2. Efforts to lower greenhouse gas emissions may limit production capacity expansion, potentially affecting revenue.	1. Continuously implement GHG reduction initiatives. 2. Purchase green energy certificates.	Transition risks	Cost of Low-Carbon Technology Transition	medium-term	1. Capital and R&D expenditures for transitioning to low-carbon technologies increase operating costs. 2. The development of new and alternative technologies may reduce demand for existing products and services, leading to a significant decline in revenue.	Optimize narrow and wide-format designs by reducing spacing. Design and invest in equipment molds to help customers reduce material usage.
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Transition risks	Cost of Low-Carbon Technology Transition	medium-term	1. Capital and R&D expenditures for transitioning to low-carbon technologies increase operating costs. 2. The development of new and alternative technologies may reduce demand for existing products and services, leading to a significant decline in revenue.	Optimize narrow and wide-format designs by reducing spacing. Design and invest in equipment molds to help customers reduce material usage.												

Item	Execution				
	Transition risks	Changes in Customer Behavior	long-term	<div>1. A shift in customer preferences away from non-low-carbon products leads to a decline in operating revenue.</div> <div>2. Increasing climate awareness drives customers to prefer low-carbon products/services or those with greater environmental transparency, reducing demand for conventional products and services.</div> <div>3. Customers require the Company to provide sustainable products/services and disclose emissions data. Failure to meet these expectations may result in customer loss.</div>	<div>Enhance product carbon footprint disclosure through:</div> <div>1. Implementation of a Manufacturing Execution System (MES) and related equipment.</div> <div>2. Investment in IT personnel.</div> <div>3. ISO 14067 certification guidance and verification.</div>
	Opportunity	Reduce water consumption	short-term	<div>1. Increased capital investment in water-saving equipment.</div> <div>2. Reduced water consumption fees lower operating costs.</div>	<div>1. Enhance wastewater recycling and reuse.</div> <div>2. Implement water-saving management measures and process water recycling technologies.</div> <div>3. Automatically shut off non-essential water usage when equipment is in standby or shutdown mode.</div> <div>4. Install water-saving devices on faucets across plant facilities.</div>

Item	Execution				
	Opportunity	Improve resource efficiency	short-term	1. Increased capital investment in energy-efficient equipment. 2. Improved energy efficiency in production processes and enhanced material, energy, and waste management to reduce resource consumption and carbon emissions, ultimately lowering operating costs.	1. Procure energy-efficient equipment. 2. Replace outdated equipment with high-efficiency models and upgrade to energy-saving variable frequency modules. 3. Implement an energy management system to track energy consumption.
3. Describe the financial impacts of extreme weather events and transformational actions.	Water resources are indispensable to the Company as our main processes include etching and plating. Since the impact of water resources on our plants in Taiwan is minimum under the RCP 8.5 scenario, the effect on estimates of financial loss is not significant. Transition action is the net zero action plan promoted by the Company. Please refer to Item 2 table for details.				
4. Describe how the climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Company conducts materiality analyses through sustainability questionnaires, and the results indicate that the climate change issue is a material issue. Therefore, the Company incorporates climate change risk into management scope pursuant to the “Risk Management Policy” for further risk assessment and management. In terms of process, the Company identifies climate change risks and opportunities with reference to the TCFD framework. The heads of relevant departments then customize specific, feasible, and effective climate change risk management policies for significant risk items with consideration to the Company's current operating status and available resources.				
5. If situational analysis is used to assess the resilience to climate change risks, describe the contexts, parameters, assumptions, analysis factors, and key financial implications.	Our Company follows the TCFD framework to analyze the potential impact of different global GHG emission control scenarios on our operations and supply chain, with a focus on transition risks, physical risks, and climate-related opportunities. The findings are integrated into our strategic and financial planning. For transition risk assessment, we refer to the latest assessment reports published by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) to develop climate scenarios. We adopt the worst-case scenario approach to evaluate the potential financial and operational impacts of climate risks and opportunities. For physical risk assessment, we utilize data from the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), the National Science and Technology Council (NSTC), and the National Science and				

Item	Execution
	<p>Technology Center for Disaster Reduction (NCDR). Scenario simulations are conducted using various climate models to gain a more comprehensive understanding of medium- to long-term climate trends.</p> <p>Under the RCP2.6, RCP4.5, and RCP8.5 climate scenarios, operational costs as a percentage of annual revenue are estimated to increase by 0.04%, 3.78%, and 4.37%, respectively.</p>
<p>6. If there is a transformation plan for managing climate related risks, describe the plan and the metrics and targets used to identify and manage physical and transformation risks.</p>	<p>The Company actively promotes carbon neutrality to mitigate climate change, and urges all production sites to gradually achieve net zero emissions by 2050. We also set climate-related targets, including a 20% reduction in GHG emissions by 2028, and an increase in water recycling rate every year.</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for the pricing should be described.</p>	<p>The Company has implemented an internal carbon pricing mechanism. In the initial phase, based on the recommendations from the 2024 study commissioned by Taiwan's Ministry of Environment and conducted by the London School of Economics and Political Science on Taiwan's carbon pricing system, the reference price was set at NT\$300 per metric ton of carbon. The Company has further established an internal carbon price of NT\$500 per metric ton as a basis for operational decision-making and the promotion of carbon reduction initiatives. Through the internal carbon pricing and carbon trading management mechanisms, the Company aims to incentivize departments to achieve carbon reduction targets and enhance overall carbon management efforts.</p>
<p>8. If climate related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be stated; and if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon</p>	<p>Please refer to "3 Greenhouse Gas Reduction Targets, Strategy and Concrete Action Plan".</p>



Item	Execution
credits to be offset or the quantity of renewable energy certificates (RECs) should be stated.	
9. Greenhouse Gas Inventory and Confirmation .	Please refer to “2 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years”.

## 2. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

### (1) Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO<sub>2</sub>e), intensity (metric tons CO<sub>2</sub>e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

The Company's required disclosures under the Sustainable Development Roadmap for TPEx-Listed Companies include:

1. The parent company shall begin conducting GHG inventories in 2025.
2. Subsidiaries included in the consolidated financial statements shall begin conducting GHG inventories in 2026.

The Group has established a GHG inventory mechanism in compliance with ISO 14064-1 standards for greenhouse gas accounting, as published by the International Organization for Standardization (ISO). Since 2022, the Company has conducted an annual GHG inventory for the parent company and, starting in 2023, extended this process to subsidiaries included in the consolidated financial statements. This ensures comprehensive monitoring of GHG emissions and usage while verifying the effectiveness of emission reduction initiatives.

Also, over the past two years, our GHG inventory data has been compiled based on the operational control approach, encompassing the parent company and all subsidiaries included in the consolidated financial statements. The details are as follows:

Year		2023		2024	
Item		Emission Volume (metric tons CO <sub>2</sub> e)	Intensity (metric tons CO <sub>2</sub> e /NT\$ million)	Emission Volume (metric tons CO <sub>2</sub> e)	Intensity (metric tons CO <sub>2</sub> e /NT\$ million)
The Company	<b>Scope 1</b> Direct GHG emissions	1,138	/	1,229	/
	<b>Scope 2</b> Indirect GHG emissions	15,806		18,026	
	Subtotal	16,944		19,255	
All subsidiaries in the consolidated financial report	<b>Scope 1</b> Direct GHG emissions	2,452		1,462(Note)	
	<b>Scope 2</b> Indirect GHG emissions	28,363		16,962(Note)	
	Subtotal	30,815		18,424(Note)	
Total		47,759	4.124	37,679(Note)	(Note)

Greenhouse Gas Emission Intensity = (Scope 1 + Scope 2) Greenhouse Gas Emissions / Million NTD Consolidated Operating Revenue

Note: The greenhouse gas inventory data for the Suzhou plant, a subsidiary in the 2024 consolidated financial report, is still pending completion and will be disclosed in the Sustainability Report.

(2) Greenhouse Assurance Status Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of the assurance, assurance institutions, assurance standards and assurance opinion.

According to the Sustainable Development Roadmap for TPEx-Listed Companies, the minimum required scope of assurance is as follows:

1. The parent company shall commence its assurance process in 2027.
2. Subsidiaries included in the consolidated financial statements shall commence their assurance process in 2028.

In the total GHG emissions disclosed in Table 2-(1), for the Company, the assurance scope for 2023 and 2024 covered 100% of the Company's total emissions for each respective year. The 2023 assurance was conducted by DNV Business Assurance Co., Ltd. in accordance with ISO 14064-3:2019, with a reasonable assurance opinion. The 2024 assurance is expected to be completed by June 2025. For subsidiaries included in the consolidated financial statements, the assurance scope for 2023 and 2024 also covered 100% of their total emissions for each respective year. With the exception of the Suzhou plant's 2024 data, which is expected to be verified by June 2025, the 2023 and 2024 data for other facilities were verified by the Malaysian verification body Bureau Veritas Certification (M) Sdn. Bhd., the Singaporean verification body TÜV SÜD PSB Pte Ltd, and the Mainland China verification body Centre Testing International Group Co., Ltd. (CTI) in accordance with ISO 14064-3:2019 published by the International Organization for Standardization (ISO). The assurance opinions for all verifications were reasonable assurance.

### 3. Greenhouse Gas Reduction Targets, Strategy and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

#### **GHG Reduction Baseline Year and Targets**

In alignment with national policies, the Company has adopted a phased approach to carbon reduction. Using 2023 as the baseline year, the Group's total GHG emissions were 3,590 metric tons of CO<sub>2</sub>e for Scope 1 and 44,169 metric tons of CO<sub>2</sub>e for Scope 2. Through specific reduction measures below, the Company targets a 20% reduction by 2028 (short-term goal) and aims to achieve carbon neutrality by 2050 (long-term goal).

#### **GHG Reduction Strategies and Concrete Action Plans**

The Company has integrated carbon management into its operational strategy and utilizes a carbon management platform to systematically consolidate emissions data across the Group. This platform provides real-time insights for effective carbon management and ensures comprehensive oversight of various GHG reduction initiatives. Key measures include enhancing energy efficiency, procuring energy-efficient equipment, installing solar power systems, and reducing emissions at the source through raw material management. These efforts ensure progress toward reduction targets while proactively mitigating carbon impact and strengthening the Company's competitive edge.

To align management, the execution team, and all employees in achieving GHG reduction targets and improving energy efficiency, key project goals have been integrated into operational performance indicators. These metrics are directly tied to employee performance evaluations and incentive programs, fostering a culture of accountability.

#### **Progress Toward Emission Reduction Targets**

Plant	Performance
Taiwan	Through the replacement of the chilled water system, the addition of new magnetic levitation chillers, the reduction of cleanroom circulation fan loads, and the replacement of lighting fixtures in the underground parking facility, the Company achieved an annual energy saving of 567,078 kWh (equivalent to 2,042 GJ).
Chengdu Plant	By shutting down the air conditioning systems in standby areas, utilizing chilled water from the raw water tank to replace chiller supply for air compressors and electroplating air handling units, controlling air conditioning temperatures, adjusting the operating frequency of air compressors, and installing automatic shutdown mechanisms for fans to reduce idle time, the Company achieved an annual energy saving of 570,730 kWh (equivalent to 2,055 GJ).
Malaysia Plant	Through the replacement of the turbo air compressor, the Company achieved an annual energy saving of 761,280 kWh (equivalent to 2,741 GJ).
Total	6,838GJ

(7) Implementation of Ethical Corporate Management and Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company established the ethical corporate management policies approved by the Board and declare the policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?</p> <p>(2) Does the company establish assessment mechanism for the risk of unethical conducts, regularly analyze and assess the operating activities with higher risk of unethical conducts in its business scope, establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?</p>	<p>✓</p> <p>✓</p>		<p>(1) The Company has formulated the "Code of Business Integrity Management", "Code of Ethical Conduct", "Business Integrity Procedures and Behavior Guidance" to specifically regulate the matters that directors, managers and employees of the Company should pay attention to when performing business.</p> <p>(2) The Company has established work rules and employee assessment and management methods, clearly specifying relevant rewards and punishment methods, and clearly stipulated the relevant operating procedures in the "Business Integrity Procedures and Behavior Guide", and the material violations of integrity will be subject to discharge or dismissal and the information such as the name of the violating person , date of violation, details of violation and handling of the violation will be internally published. It is also stipulated that if the Company makes political donations or charitable donations or sponsorships at an amount exceeding NT\$</p>	<p>(1) No material difference was found.</p> <p>(2) No material difference was found.</p>

Evaluation Item	Implementation			Deviations from “the Ethical Corporate Management Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(3) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?	✓		<p>500,000 and NT\$100,000 respectively, it shall be reported to the Board of Directors for approval.</p> <p>(3) The Company’s work rules clearly stipulate that the employee found engaging in malpractice and will accepting bribes while on duty with concrete evidence verified to be true are deemed to be in violation of the labor contract or work rules, and the labor contract can be terminated, and the employee will be subject to the procedures stated in the "Business Integrity Procedures and Behavior Measures" for receiving illegitimate benefits and facilitation payments. In addition, the "Business Integrity Procedures and Behavior Guidance" also stipulate the handling of the personnel involved in dishonest conduct, and encourages internal and external personnel to report dishonest behaviors or improper conducts. If the report is verified to be true, the relevant unit of the Company should review the relevant internal control system and operating procedures, and proposed improvement measures to prevent the same behavior from recurring.</p>	(3) No material difference was found.

Evaluation Item	Implementation			Deviations from “the Ethical Corporate Management Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
<p>2. Fulfill operations integrity policy</p> <p>(1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?</p>	✓		<p>(1) The Company has set up a "Supplier Management Program" which includes the environmental impact as an item of assessment when making a purchase. The Company's work rules and "Business Integrity Procedures and Behavior Guidance" prohibit employees from providing and accepting improper benefits when performing business duties.</p>	<p>(1) No material difference was found.</p>
<p>(2) Has the Company set up a dedicated unit under the Board of Directors to enhance business integrity management and regularly (at least once a year) report to the Board of Directors of its integrity management policies, plans for preventing dishonest behaviors, and supervision of implementation?</p>	✓		<p>(2) The Company has established the Business Integrity Committee as the dedicated unit pursuant to the “Business Integrity Procedures and Behavior Guidance”. The Committee is responsible for matters set out below and has reported the implementation of business integrity to the board of directors on February 20, 2025.</p> <ol style="list-style-type: none"> <li>1. Assist with incorporating integrity and ethics into the corporate strategies and establish preventive measures to ensure business integrity.</li> <li>2. Promote and coordinate training on integrity policy.</li> <li>3. Formulate whistleblowing system and ensure the effectiveness of implementation thereof.</li> </ol>	<p>(2) No material difference was found.</p>

Evaluation Item	Implementation			Deviations from “the Ethical Corporate Management Best- Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		<p>4. Assist the board of directors and management with auditing and assessing the effectiveness of preventive measures established concerning business integrity, regularly evaluate the Company's compliance with relevant procedures and compile reports.</p> <p>(3) The Company has set up the employee opinion mailboxes and the "employee grievance handling system" to provide employees with a channel for suggestions to strengthen labor-employment cooperation. If employees have rights and interests impaired or have other opinions, they can also directly use the administrative system by directly submitting complaints to the personnel unit. The personnel unit will work with the supervisor of each unit to immediately investigate and handle the complaints, or report them to a higher level, and notify the complainant of the results or the handling situation. All employees of the company can report violations or conflicts of interest to the human resources unit or directly to the President.</p>	(3) No material difference was found.



Evaluation Item	Implementation			Deviations from “the Ethical Corporate Management Best- Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(4) Has the Company has established an effective accounting system and internal control system for the realization of business integrity with the internal audit unit drawing up a relevant audit plan based on the assessment results of dishonest behavior risks, and verifying compliance with the plan for preventing dishonest behaviors based on it, or entrusted an accountant to perform the audit?	✓		(4) In order to reasonably ensure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with relevant laws and regulations, the Company has established an accounting system, an internal control system and related management methods to realize the spirit of business integrity; the Company’s internal auditors regularly audit relevant compliance matters of all the units of the Company.	(4) No material difference was found.
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		(5) The Company pays attention to the realization of the principle of integrity by all employees in its daily business. In 2024, the Company participated in the internal and external education and training programs (including related courses on integrity management, regulatory compliance and internal control) for a total of 147 person-hours.	(5) No material difference was found.

Evaluation Item	Implementation			Deviations from “the Ethical Corporate Management Best- Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
<p>3. Operation of Company’s Integrity Channel</p> <p>(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p>	✓		<p>(1) The company has set up employee suggestion mailboxes and "employee grievance handling system" to provide employees with a channel for suggestions to strengthen labor-employment cooperation. In addition, in the "Business Integrity Procedures and Behavior Guidance", the Integrity Management Committee is designated as the dedicated unit, and the punishment, appeal system and disciplinary action have been established.</p>	<p>(1) No material difference was found.</p>
<p>(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?</p>	✓		<p>(2) The handling of all employee issues will be given a high degree of confidentiality and timeliness, and the relevant personnel who deal with the whistleblower in accordance with "Business Integrity Procedures and Behavior Guidance" shall declare in writing that the identity of the whistleblower and the content of the report will be kept confidential. In the case of serious violation of integrity, the violating employee shall be discharged or dismissed in accordance with relevant laws and regulations or the company’s personnel regulations, and the title and name of the violater, date of violation,</p>	<p>(2) No material difference was found.</p>

Evaluation Item	Implementation			Deviations from “the Ethical Corporate Management Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(3) Does the company provide proper whistleblower protection?	✓		facts of violation and the status of handling will be announced internally. (3) The Company is responsible for the confidentiality of the whistleblower. Relevant personnel who deal with the whistleblower in accordance with "Business Integrity Procedures and Behavior Guidance" shall declare in writing that the identity of the whistleblower and the content of the report will be kept confidential. The company promises to protect the whistleblower from the being improperly treated.	(3) No material difference was found.
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		The Company has set up a website to disclose information on business integrity and clearly states that it should try its best to ensure that the company's disclosure of information to the public is complete, fair, correct, timely and understandable.	No material difference was found.
<p>5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: The company has formulated the "Code of Business Integrity ". The Business Integrity Committee is the dedicated unit to handle matters related to the operating procedures and report to the Board of Directors regularly. Its operation is consistent with the code of business integrity of listed and OTC companies and no material difference was found.</p> <p>6 Other important information to facilitate a better understanding of the company's ethical corporate management policies: The Company submitted the "Corporate Integrity Management Report" to the Board of Directors on February 20, 2025 In accordance with the Code of Business Integrity.</p>				

- (8) Other important information to facilitate a better understanding of the company's implementation of corporate governance:

In order to establish a good internal processing and disclosure mechanism for material information, avoid improper information leakage, and ensure the consistency and correctness of the information published externally, the Company has formulated the "Internal Material Information Processing Procedures".

- (9) Implementation of Internal Control Systems:

1. Statement of Internal Control System:

Please refer to the Market Observation Post System > Single Company > Corporate Governance > Corporate Governance Rules/Internal Control > Announcement of Internal Control Statement;

Website: <https://mops.twse.com.tw/mops/#/web/t06sg20>

Please refer to the "Internal Control Statement Disclosure" section on the Market Observation Post System for relevant information.

2. Audit report of the accountant's project for review of internal control: none.

- (10) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

1. Material resolutions of the regular shareholders' meeting:

Session	Date	Material resolution	Implementation
Regular Shareholders' Meeting	May 30, 2024	1. Passed the resolution to recognize the Company's FY2023 business report and financial statements.	Completed
		2. Passed the resolution to recognize the company's surplus distribution in FY2023.	The Board of Directors has approved the distribution of cash dividends totaling NT\$1,528,174,507, equivalent to NT\$1.607693 per share. The ex-dividend dates for the distribution of earnings from the first, second, third, and fourth quarters of 2023 were set as September 29, 2023, December 29, 2023, March 20, 2024, and June 30, 2024, respectively, with payment dates on October 18, 2023, January 17, 2024, April 10, 2024, and July 17, 2024, respectively. All payments have been completed according to the approved schedule.
		3. Passed the resolution to proceed with the election of all directors, including four independent directors.	A total of eight directors, including four independent directors, were elected and officially registered with the Export Processing Zone Administration, Ministry of Economic Affairs on June 6, 2024.
		4. Passed the resolution lift the non-compete restrictions for the newly elected directors.	Completed.

## 2. Material resolutions of the board of directors meeting:

Session	Date	Material resolution
5 <sup>th</sup> Board of Directors Meeting, 21 <sup>th</sup> Session	February 21, 2024	<ol style="list-style-type: none"> <li>1. Passed the ratification of obtaining and disposal of securities.</li> <li>2. Passed the election of Directors across the board and the nomination of Director candidates.</li> <li>3. Passed the lifting of non-compete restriction on new Directors.</li> <li>4. Passed the date and place of 2024 shareholders meeting and the reason for the meeting.</li> </ol>
5 <sup>th</sup> Board of Directors Meeting, 22 <sup>th</sup> Session	March 12, 2024	<ol style="list-style-type: none"> <li>1. Passed the 2023 employee dividends distribution ratios and total provision.</li> <li>2. Passed the distribution ratios of 2023 bonus to the directors and total provision.</li> <li>3. Passed the Company's 2023 IFRSs financial report.</li> <li>4. Passed the Company's 2023 operation report.</li> <li>5. Passed the 2023 surplus distribution.</li> <li>6. Passed the Company's Statement on Internal Control.</li> <li>7. Passed the review of the Director (including Independent Director) candidates.</li> <li>8. Passed ratification of obtaining and disposal of securities.</li> <li>9. Discussed whether to include shareholder proposals in the upcoming shareholders' meeting. (There was no shareholder proposal for the upcoming shareholders' meeting).</li> </ol>
5 <sup>th</sup> Board of Directors Meeting, 23 <sup>th</sup> Session	May 10, 2024	<ol style="list-style-type: none"> <li>1. Passed the Company's 2024 Q1 IFRSs financial report.</li> <li>2. Passed the earnings distribution for the first quarter of 2024.</li> <li>3. Passed the budget for 2024 donations.</li> <li>4. Passed the ratification of the acquisition and disposal of Chang Wah Electromaterials Inc. securities.</li> </ol>
6 <sup>th</sup> Board of Directors Meeting, 1 <sup>st</sup> Session	May 30, 2024	<ol style="list-style-type: none"> <li>1. Passed the election of the Chairperson of the Board.</li> </ol>
6 <sup>th</sup> Board of Directors Meeting, 2 <sup>nd</sup> Session	August 6, 2024	<ol style="list-style-type: none"> <li>1. Passed the Company's 2024 Q2 IFRSs financial report.</li> <li>2. Passed the earnings distribution for the second quarter of 2024.</li> <li>3. Passed the Company's 2023 Sustainability Report.</li> <li>4. Passed the appointment of the fifth-term Remuneration Committee members.</li> <li>5. Passed the establishment of the "Sustainable Development Committee" and the adoption of the "Sustainable Development Committee Charter."</li> <li>6. Passed the appointment of the first-term Sustainable Development Committee members.</li> <li>7. Passed the capital expenditure budget for the expansion of the subsidiary, Malaysian SH Electronics Sdn. Bhd.</li> <li>8. Passed the ratification of obtaining and disposal of securities.</li> </ol>
6 <sup>th</sup> Board of Directors Meeting, 3 <sup>rd</sup> Session	November 5, 2024	<ol style="list-style-type: none"> <li>1. Passed the Company's 2024 Q3 IFRSs financial report.</li> <li>2. Passed the earnings distribution for the third quarter of 2024.</li> <li>3. Passed the acquisition of land and facilities by Malaysian SH Electronics Sdn. Bhd. from Greenway Links Sdn. Bhd.</li> <li>4. Passed the cash capital increase for the subsidiary, Malaysian SH Electronics Sdn. Bhd.</li> <li>5. Passed the review of the CEO's retirement pension and appointment as a strategic advisor.</li> <li>6. Passed the ratification of obtaining and disposal of securities.</li> <li>7. Passed the details and date of bonus to the Directors.</li> </ol>
6 <sup>th</sup> Board of Directors Meeting, 4 <sup>th</sup> Session	December 19, 2024	<ol style="list-style-type: none"> <li>1. Passed the appointment and remuneration of accountants in 2025.</li> <li>2. Passed the lines of credit of financial institutions in 2025.</li> <li>3. Passed the 2025 budget plan.</li> <li>4. Passed the 2025 group capital expenditure budget.</li> <li>5. Passed revision of the Company's measures.</li> <li>6. Passed the adoption of the Company's Sustainability Information Management Regulations and Framework.</li> <li>7. Passed the 2025 Audit Plan.</li> <li>8. Passed the ratification of obtaining and disposal of securities.</li> <li>9. Passed the 2024 performance bonus and 2025 salary for the managers.</li> </ol>

Session	Date	Material resolution
6 <sup>th</sup> Board of Directors Meeting, 5 <sup>th</sup> Session	February 20, 2025	1. Passed the amendments to the Company's Articles of Incorporation. 2. Passed the budget for 2025 donations. 3. Passed the record date for capital reduction due to the cancellation of employee restricted stocks. 4. Passed the cancellation of Malaysian SH Electronics Sdn. Bhd.'s acquisition of land and facilities from Greenway Links Sdn. Bhd. and approved the acquisition of land and facilities from Kee Huat Industries Berhad instead. 5. Passed the date and place of 2025 shareholders meeting and the reason for the meeting.
6 <sup>th</sup> Board of Directors Meeting, 6 <sup>th</sup> Session	March 12, 2025	1. Passed the 2024 employee dividends distribution ratios and total provision. 2. Passed the distribution ratios of 2024 bonus to the directors and total provision. 3. Passed the Company's 2024 IFRSs financial report. 4. Passed the Company's 2024 operation report. 5. Passed the 2024 surplus distribution. 6. Passed the Company's Statement on Internal Control. 7. Passed the repurchase of the Company's shares for transfer to employees. 8. Discussed whether to include shareholder proposals in the upcoming shareholders' meeting. (There was no shareholder proposal for the upcoming shareholders' meeting). 9. Passed the revision of the agenda for the 2025 Annual Shareholders' Meeting.

(11) Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors: None.

#### 4. Information Regarding the Company's Audit Fee

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
Deloitte & Touche	Lee-Yuan Kuo	2024Q1~2024Q4	6,960	1,703	8,663	None
	Hung-Ju Liao					

- (1) The amounts of non-audit fees and items of non-audit services: Including transfer pricing report, tax compliance audit and travel as well as typing and printing expenses incurred by CPAs.
- (2) Change of the accounting firm with the audit fee paid during the year of change being less than the public fee of the previous year: None.
- (3) Audit fee reduced by more than 10% compared with the previous year: None.

5. Replacement of CPA : None. There was no replacement of CPAs in the past two years.

6. Where the company's chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPA or at an affiliated enterprise of such accounting firm: none.

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

(1) Changes in Shareholding of Directors, Managers and Major Shareholders:

Please refer to the Market Observation Post System > Single Company > Shareholding Change/Securities Issuance > Share Transfer Information Inquiry > Post-event Declaration Form of Insider Shareholding Changes;

Website: [https://mops.twse.com.tw/mops/#/web/query6\\_1](https://mops.twse.com.tw/mops/#/web/query6_1)

(2) Those to whom the equities of the directors, managers and major are transferred are related parties: None.

(3) Those against whom the equities of the directors, managers and major are pledged are related parties: None.

8. Relationship information, if among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree of kinship of another:

March 30, 2025; Unit: Shares

Name (Note 1)	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Second Degree of Kinship (Note 3)		Remark
	Shares	Shareholding % (Note 2)	Shares	Shareholding % (Note 2)	Shares	Shareholding % (Note 2)	Name	Relation	
Chang Wah Electromaterials Inc.	454,336,925	47.80%	0	0%	0	0%	None	None	None
Chang Wah Electromaterials Inc. Representative: Hung, Chuen-Sing	6,613,975	0.70%	39,000	0%	0	0%	None	None	None
Yuan Yao Energy Technology Co., Ltd.	35,905,000	3.78%	0	0%	0	0%	None	None	None
Yuan Yao Energy Technology Co., Ltd. Representative: Huang, Sai-Ying	308,000	0.03%	0	0%	0	0%	Besjie Investment Co., Ltd.	Chairperson the same person	None
							Shin Shin Investment Co., Ltd.	In Second Degree of Kinship with the Chairperson	None
Besjie Investment Co., Ltd.	35,397,450	3.72%	0	0%	0	0%	None	None	None
Besjie Investment Co., Ltd. Representative: Huang, Sai-Ying	308,000	0.03%	0	0%	0	0%	Yuan Yao Energy Technology Co., Ltd.	Chairperson the same person	None
							Shin Shin Investment Co., Ltd.	In Second Degree of Kinship with the Chairperson	None
Huang, Siou-Cyuan	31,581,275	3.32%	0	0%	0	0%	None	None	None
Shing Zheng Investment Co., Ltd.	18,530,642	1.95%	0	0%	0	0%	None	None	None
Shing Zheng Investment Co., Ltd. Representative: Pan, Chao-I	450,000	0.05%	0	0%	0	0%	None	None	None

Name (Note 1)	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Second Degree of Kinship (Note 3)		Remark
	Shares	Shareholding % (Note 2)	Shares	Shareholding % (Note 2)	Shares	Shareholding % (Note 2)	Name	Relation	
Shin Shin Investment Co., Ltd.	16,022,700	1.69%	0	0%	0	0%	None	None	None
Shin Shin Investment Co., Ltd. Representative: Huang, Pei-Wen	255,000	0.03%	0	0%	0	0%	Yuan Yao Energy Technology Co., Ltd	In Second Degree of Kinship with the Chairperson	None
							Besjie Investment Co., Ltd.	In Second Degree of Kinship with the Chairperson	None
Tai, Sung-Chi	13,825,000	1.45%	0	0%	0	0%	None	None	None
JMC Electronics Co., Ltd.	13,764,000	1.45%	0	0%	0	0%	None	None	None
JMC Electronics Co., Ltd. Representative: Wan, Wen-Tsai	0	0%	0	0%	0	0%	None	None	None
Tai, Sung-Wen	10,708,000	1.13%	0	0%	0	0%	None	None	None
Shuang Chen Investment Ltd.	10,000,000	1.05%	0	0%	0	0%	None	None	None
Shuang Chen Investment Ltd. Representative: Chen, Ying-Ching	0	0%	0	0%	0	0%	None	None	None

Note 1: All the top ten shareholders should be listed. If they are legal person shareholders, the names of the legal person shareholders and the names of the representatives should be listed separately.

Note 2: The calculation of the shareholding ratio refers to the calculation of the shareholding ratio in the name of shareholder, his/her spouse, his/her minor children or the name of others; the shareholding ratio is calculated based on 364,131,050 shares.

Note 3: The shareholders listed in the previous disclosure, including legal persons and natural persons, shall disclose their relationship in accordance with the issuer's financial report preparation standards.



9. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company:

December 31, 2024

Investee Company	Investment Made by the Company		Investment Made by Entities Directly or Indirectly Controlled by Directors, Supervisors, Managers		Total Investment	
	Shares	Percentage	Shares	Percentage	Shares	Percentage
CWTC (Shanghai) Inc.	NA(Note 2)	100%	–	–	NA (Note 2)	100%
Shing Zheng Investment Co., Ltd.	49,000,000	49%	10,000,000	10%	59,000,000	59%
SH Asia Pacific Pte. Ltd.	21,206,103	100%	–	–	21,206,103	100%
Malaysian SH Electronics Sdn. Bhd.	23,000,000	100%			23,000,000	100%
SH Electronics Suzhou Co., Ltd.	–	–	NA (Note 2)	100%	NA (Note 2)	100%
WSP Electromaterials Ltd.	–	–	5,235,000	100%	5,235,000	100%
SH Electronics Chengdu Co., Ltd.	–	–	NA (Note 2)	100%	NA (Note 2)	100%
SH Precision Chengdu Co., Ltd.	–	–	NA (Note 2)	100%	NA (Note 2)	100%
Shanghai Chang Wah Electromaterials Inc.	–	–	NA (Note 2)	100%	NA (Note 2)	100%

Note 1: Investment by the Company accounted for using equity method.

Note 2: No shares are issued for the company is not a limited company.

### III. Capital Overview

#### 1. Capital and Shares

##### (1) Source of Capital:

March 30, 2025

Month/ Year	Offering Price	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
February 2024	0.4	1,750,000,000	700,000,000	950,488,700	380,195,480	Cancellation of employee restricted stocks amounting to NT\$20,000.	None	Note

Note: Approved by the Bureau of Industrial Parks, Ministry of Economic Affairs on March 11, 2025, under Official Letter No. MOEA-Park-Investment-Consulting-1140102064.

March 30, 2025; Unit: Shares

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Registered common shares	950,488,700	799,511,300	1,750,000,000	Shares of a listed company traded OTC

Information about the comprehensive reporting system: No applicable.

##### (2) List of Major Shareholders: (Note)

March 30, 2025

Shareholder's Name	Shares	Shareholding	Percentage
Chang Wah Electromaterials Inc.		454,336,925	47.80%
Yuan Yao Energy Technology Co., Ltd.		35,905,000	3.78%
Besjie Investment Co., Ltd.		35,397,450	3.72%
Huang, Siou-Cyuan		31,581,275	3.32%
Shing Zheng Investment Co., Ltd.		18,530,642	1.95%
Shin Shin Investment Co., Ltd.		16,022,700	1.69%
Tai, Sung-Chi		13,825,000	1.45%
JMC Electronics Co., Ltd.		13,764,000	1.45%
Tai, Sung-Wen		10,708,000	1.13%
Shuang Chen Investment Ltd.		10,000,000	1.05%

Note: If there are less than ten shareholders with at least 5% ownership, the names of the top ten shareholders in terms of percentage of ownership, the amount and percentage of ownership should be disclosed.

##### (3) Dividend Policy and Implementation Status:

###### 1. Dividend Policy:

According to the Company's Articles of Incorporation, profit distribution or loss offsetting shall be conducted after the end of each quarter. If a surplus is identified in the quarterly financial statements, it shall first be used to offset accumulated losses, and taxes and compensation to employees and directors shall be estimated and retained. Thereafter, 10% of the remaining surplus shall be allocated to the legal reserve, except when the legal reserve has reached the Company's total capital. Special reserves shall also be allocated or reversed in accordance with applicable laws, regulations, or the requirements of competent authorities. Any remaining surplus, combined with undistributed earnings carried forward from previous quarters, shall be proposed by the Board of Directors in a profit distribution

plan. If the distribution is to be made in the form of new shares, it shall be subject to a resolution by the shareholders' meeting. If the distribution is to be made in cash, it shall be approved by a resolution of the Board of Directors.

If a surplus is identified in the annual final accounts, it shall first be used to pay taxes and offset accumulated losses. Thereafter, 10% of the remaining surplus shall be allocated to the legal reserve, except when the accumulated legal reserve has reached the Company's total capital. Special reserves shall also be allocated or reversed in accordance with applicable laws, regulations, or the requirements of competent authorities. If there is a remaining balance, it may be used first to distribute dividends to preferred shareholders in accordance with their entitlements. Any further remaining earnings, combined with undistributed earnings from prior years, shall be proposed by the Board of Directors in a profit distribution plan and reported to the shareholders' meeting. If the distribution is to be made in the form of new shares, it shall be subject to a resolution by the shareholders' meeting.

The Company is in line with the overall environment and the growth characteristics of the industry, as well as the long-term financial planning of the Company, in order to achieve sustainable and stable business development. The Company's dividend policy is based on the residual dividend policy, which is based on the Company's future capital budget plan to measure the annual capital requirements, and the remaining earnings are distributed in the form of cash and stock dividends after reserving the necessary capital for financing. The distribution steps are as follows:

- (1) Determine the best capital budget.
- (2) Determine the amount of financing needed to meet the previous capital budget.
- (3) Determine the amount of capital to be financed by retained earnings.
- (4) The remaining earnings may be distributed to the shareholders in the form of dividends, after reserving an appropriate amount for operating needs, and the distribution should be no less than 10% of the Company's distributable earnings for the year, provided that the portion of cash dividends is no less than 10% of the total dividends to be paid.

## 2. Proposed Distribution of Dividend:

The 2024 earnings distribution proposal approved by the Board of Directors is as follows:

	Fourth quarter of 2024	Third quarter of 2024	Second quarter of 2024	First quarter of 2024
Board of Directors Meeting Date of Resolution	Mar. 12, 2025	Nov. 5, 2024	Aug. 6, 2024	May 10, 2024
Legal reserve	\$ 55,975	\$ 50,081	\$ 51,309	\$ 43,944
Special reserve	\$ 14,830	\$ -	(\$ 4,185)	(\$ 4,676)
Cash Dividends	\$ 427,720	\$ 427,742	\$ 389,721	\$ 389,721
Cash dividends per share (NT\$)	\$ 0.45	\$ 0.45	\$ 0.41	\$ 0.41

## 3. The dividend policy expected to change significantly: None.

- (4) The effect of the proposed free distribution on the Company's operating results and earnings per share:

There is no proposed free distribution for the Company's earnings distribution for the year ended December 31, 2024.

(5) Employees and Bonus to Directors:

1. The number or scope of employees and Bonus to Directors as set forth in the Articles of Incorporation:

The Company shall distribute compensation to employees at no less than 1% and no more than 12% of the Company's profitability for the year and shall distribute compensation to directors at no more than 1.5% of the Company's profitability for the year. However, if the Company has accumulated deficits, the Company shall first make up for them.

Compensation to employees may be distributed in the form of shares or in cash to employees of parents or subsidiaries of the company meeting certain specific requirements that are entitled to receive shares or cash; such requirements shall be established by the board of directors.

Profit of the current year referred to in the first paragraph refers to the net income before taxation for the current year before the distribution of compensation to employees and compensation to directors.

The distribution of compensation to employees and compensation to directors shall be made by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

2. The basis for estimating the amount of employee and bonus to Directors, the basis for calculating the number of shares of employee compensation distributed by stock, and the accounting treatment if the actual amount of distribution differs from the estimated amount:

Employees and directors' compensation is calculated based on management's estimate of the amount that could be paid and the percentage set forth in the Articles of Incorporation. If the Board of Directors' meeting subsequently resolves that the actual amount of distribution differs materially from the estimated amount, the difference is recorded as profit or loss in the year of the resolution.

3. The approval of the distribution of remuneration in Board of Directors' Meeting:

- (1) The amount of employee compensation and Bonus to Directors distributed in cash or stock. If there is any discrepancy between the amount and the estimated amount of expense recognized, the amount of the discrepancy, the reason for the discrepancy and the treatment of the discrepancy should be disclosed:

The Board of Directors' meeting held on March 12, 2025 approved the distribution of cash compensation to employees and remuneration to directors in the amount of \$21,889 thousands and \$4,000 thousands, respectively, which were not different from the amounts recognized in the consolidated financial statements for the year ended December 31, 2024.

- (2) The amount of employee compensation distributed in stock and its proportion to the total amount of profit after tax and total employee compensation reported in the individual or separate financial statements for the period:

The Company did not distribute employee compensation in stock.

4. The actual distribution of employees and Bonus to Directors in the previous year:

(1) The actual allotment of employees and Bonus to Directors in the previous year was. as follows:

FY2022 Distribution of Earnings	Distribution by Resolution	Actual Distribution
Bonus to Employees	NT\$17,387 thousands	NT\$17,387 thousands
Bonus to Directors	NT\$4,000 thousands	NT\$4,000 thousands
Date when the Resolution Passed by the Board	March 12, 2024	
Date when the Report Passed in the Shareholders' Meeting	May 30, 2024	

(2) If there is any difference between the above amount and the amount recognized for employees and Bonus to Directors, please state the difference, the reason for the difference and the treatment: No difference.

(6) Repurchase of the Company's shares

1. Repurchase of the Company's shares by the Company (if completed) : None.
2. Repurchase of the Company's shares by the Company (if still in progress):

March 30, 2025

Instance	First time of 2025
Purpose	Transferred to employees
Type of Repurchased Shares	Ordinary Shares
Maximum Repurchase Amount	NT\$ 9,702,826 thousand
Planned Repurchase Period	March 13, 2025~May 12, 2025
Expected Number of Shares to be Repurchased	5,000,000 shares
Repurchase Price Range	NT\$23.95~NT\$51.90 per share; repurchase continues below the lower limit.
Type and Volume of Repurchased Shares	As of March 30, 2025, the Company has repurchased 1,552,000 ordinary shares
Amount of Repurchased Shares	As of March 30, 2025, the total repurchase amount is NT\$ 54,640,135.
The ratio of the Repurchased Shares to the Planned Buyback Shares (%)	31.04%

2. Corporate Bonds: None.

3. Preferred Shares: None.

4. Global Depository Receipts: None.

5. Employee Stock Options: None.

6. Restrictions on the application of new shares for employees' rights:

(1) Status of Employee Restricted Stocks :

March 30, 2025

Type of Employee Restricted Stocks	First Issuance of Employee Restricted Stocks in 2022								
Date of Effective Registration and Total No. of Shares	2022.09.19 ; 6,365,000 shares								
Issue Date	2022.10.11								
No. of Employee Restricted Stocks issued	5,925,000 shares								
No. of Employee Restricted Stocks to be Issued	440,000 shares								
Issue Price	NT\$0 per share								
No. of Employee Restricted Stocks as a % to Total No. of Issued Shares	0.62%								
Vesting Conditions of Employee Restricted Stocks	<p>For employees who remain employed by the Company three years after the grant date of employee restricted stocks, the vesting percentage is determined by the outcomes of annual performance evaluations which assess employees' achievements via individual performance indicators: Individual performance indicator: Outcomes shall be A or above during the evaluation period.</p> <table> <tr> <th>Vesting Period</th><th>Vesting Percentage</th></tr> <tr> <td>3 years after the grant date</td><td>20%</td></tr> <tr> <td>4 years after the grant date</td><td>30%</td></tr> <tr> <td>5 years after the grant date</td><td>50%</td></tr> </table>	Vesting Period	Vesting Percentage	3 years after the grant date	20%	4 years after the grant date	30%	5 years after the grant date	50%
Vesting Period	Vesting Percentage								
3 years after the grant date	20%								
4 years after the grant date	30%								
5 years after the grant date	50%								
Restricted Rights of Employee Restricted Stocks	<p>1. Except for inheritance, employees shall not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, unvested employee restricted stocks. After fulfilling the vesting conditions, employee restricted stocks will be transferred from the trust account to the employee's personal securities depository account pursuant to trust/custody agreement.</p> <p>2. The rights to attend, propose, speak, vote and elect in the shareholders' meetings shall comply with the trust/custody agreement.</p> <p>3. In addition to terms set out in the trust agreement, the rights of employee restricted stocks granted pursuant to the Rules prior to the fulfillment of vesting conditions include but not limited to: distribution of dividends, bonuses, and capital surplus and the subscription rights of new shares issued for capital increases, which are the same as ordinary shares issued by the Company.</p>								
Custody of Employee Restricted Stocks	Deposited into a trust account								

Action Plans where Employees Fail to Meet the Vesting Conditions	<ol style="list-style-type: none"> <li>1. Upon voluntary separation, dismissal, separation with severance packages, and retirement within five years from the grant date, the unvested shares will be reclaimed by the Company without costs.</li> <li>2. For employees who are approved to take leave without pay within five years from the grant date, the rights of unvested employee restricted stocks are restored on the reinstatement date; however, the vesting periods shall be deferred by the period of unpaid leave and the number of employee restricted stocks vested shall be calculated pursuant to paragraph 3 of this Article.</li> <li>3. For employees whose performance evaluations fail to satisfy the vesting conditions during the third to fifth years from the grant date, the unvested shares will be reclaimed by the Company without cost.</li> <li>4. For employees who are transferred by the Company to other entities due to operational needs, the rights and obligations of the unvested employee restricted stocks will remain unaffected and subject to the Rules.</li> <li>5. The Remuneration Committee is authorized to approve exceptions to the circumstances set out above where appropriate.</li> </ol>
No. of Employee Restricted Stocks Reclaimed or Bought Back	50,000 shares
Number of Vested Employee Restricted Stocks	0 shares
Number of Unvested Employee Restricted Stocks	5,875,000 shares
No. of Unvested Employee Restricted Stocks as a % to Total No. of Issued Shares	0.62%
Effect on Shareholders' Equity	The dilutive effect on earnings per share is limited. Thus, the effect on shareholders' equity is immaterial.

(2) Names of managerial officers and top 10 employees receiving the employee stock options as well as the cumulative number of options received and exercised:

March 30, 2025

	Job Title	Name	No. of Shares Exercisable	No. of Shares Exercisable as a % to Total No. of Issued Shares	Exercised				Unexercised			
					No. of Shares	Exercise price	Value of Shares Exercised	No. of Shares as a % to Total No. of Issued Shares	No. of Shares	Exercise price	Value of Shares to be Exercised	No. of Shares as a % to Total No. of Issued Shares
Managerial Officers	President	Hung, Chuen- Sing	3,585,000	0.38%	0	0	0	0	3,585,000	0	0	0.38%
	Vice President	Lu, Hung-Chin										
	Vice President	Lin, Huang-Chieh										
	Vice President	Yang, Chung-Chi										
	Vice President	Wen, Wen-Yu										
	Senior Manager	Hsu, Pai-Hsiang										
	Senior Manager	Lin, Jun-Chi										
	Senior Manager	Pai, Pang-Chieh										
	Manager	Yan, Shu-Ping										
Employees	Consultant	Canon, Huang	1,850,000	0.19%	0	0	0	0	1,850,000	0	0	0.19%
	Subsidiary President	Su, Zhen-Ping										
	Subsidiary President	Miss Mah										
	Subsidiary Vice Preside	Lai, Chih-Suan										
	Senior Manager	Sun, Ming-Chuan										
	Assistant Manager	He, Jen-Fu										
	Subsidiary Manager	Cheng, Chih-Chung										
	Subsidiary Manager	CJ Yong										
	Subsidiary Manager	Mao, Ya-Ping										
	Subsidiary Manager	Lu, Jian-Gui										

7. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

8. Financing Plans and Implementation: None.



## IV. Operational Highlights

### 1. Business Activities:

#### (1) Business Scope:

##### 1. Main areas of business operations

Business Category Codes	Business Item
C805050	Industrial Plastic Products Manufacturing
CC01080	Electronic Parts and Components Manufacturing
F119010	Wholesale of Electronic Materials
F219010	Retail Sale of Electronic Materials
CA01130	Copper Material Rolls over Extends and Crowding
CA02010	Metal Architectural Components Manufacturing
CC01020	Electric Wires and Cables Manufacturing
CC01110	Computers and Computing Peripheral Equipment Manufacturing
CQ01010	Die Manufacturing
CA02090	Metal line Products Manufacturing
CA02990	Other Fabricated Metal Products Manufacturing Not Elsewhere Classified
F106030	Wholesale of Die
F113010	Wholesale of Machinery
F113020	Wholesale of Household Appliance
F113050	Wholesale of Computing and Business Machinery Equipment
F113070	Wholesale of Telecom Instruments
F206030	Retail Sale of Die
F213010	Retail Sale of Household Appliance
F213030	Retail sale of Computing and Business Machinery Equipment
F213060	Retail Sale of Telecom Instruments
F213080	Retail Sale of Machinery and Equipment
F213100	Retail Sale of Pollution Controlling Equipment
F401010	International Trade
CC01040	Lighting Facilities Manufacturing
E603090	Illumination Equipment Construction
IG03010	Energy Technical Services
ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval.

## 2. Revenue distribution

Unit: NT\$ thousands; %

Major Products \ Year	2023		2024	
	Sales Revenue	%	Sales Revenue	%
IC lead frame	8,735,931	75.43	8,640,312	72.09
Epoxy Resin	1,833,751	15.83	2,230,753	18.61
LED lead frame	721,069	6.23	856,217	7.14
Others	290,494	2.51	259,512	2.16
Total	11,581,245	100	11,986,794	100

## 3. Main products (service):

Our products are widely used in the IC industry and optoelectronics industry under the continuation of semiconductor industry:

Industries	Current Product Items
Integrated Circuit (IC) Industry	IC semiconductors are critical active components, and their applications are divided into four categories, including consumer electronics (including communications, personal mobility devices and information), automotive electronics, industrial electronics and others. Our products (IC lead frame) are divided into Stamped IC Lead Frame and Etched IC Lead Frame due to the complexity of the number of pins. In addition, it can also provide ICs with a variety of options in package design (package process options), which will have a high potential for IC design and development. Therefore, the demand for metal lead frames in the IC industry will continue to be stable, and our products are highly futuristic and are expected to continue to grow.
Optoelectronics Industry	Our products (EMC lead frame) are mainly used as one of the main materials for the production of light emitting diode (LED) packaging. The consumer market and applications of this industry (indoor and outdoor lighting, backlight modules, outdoor displays, automotive interior and exterior lighting, photographic flash and high brightness projectors...many applications) are still growing in the product lifecycle and are gradually expanding to replace the original light source as one of the new trends and energy saving synonyms. Our products have excellent characteristics in plastic selection (high heat resistance, yellowing resistance, UV resistance, small size and high current capability) and will continue to increase in demand in the market.

## 4. New products (service) development:

Based on the LED products	In the field of IC products
Metal lead frame for medium and high power applications.	Long-legs type lead frame.
EMC metal substrates for Mini LED backlight applications.	Large size and high density lead frame.
EMC metal substrates and lead frames for automotive LED applications.	High leg (multi-row) type lead frame.
EMC metal lead frames for LED applications in wearable devices.	Flip-Chip flat panel lead frame.

## (2) Industry Overview:

### 1. Current status and development of the industry:

The role of our company in the IC and LED industry supply chain is to provide materials for the packaging process after the production of wafers. In the same way as all IC and LED package manufacturers, we are the post-production material supplier in the whole industry chain.

The four main categories of ICs are analog ICs, logic ICs/ASICs, memory and microprocessors. In recent years, due to the prevalence of smart handheld devices, product appearance emphasizes on slim, short, multi-functional, power-saving, inexpensive, fast, aesthetic and 4C convergence, resulting in application processors and next-generation memory components and modules that are thinner, shorter and require higher transmission rates. This will be a major issue for material suppliers in the face of the future demand for packaging materials and packaging trends.

Light Emitting Diode (LED) has been widely used in the backlight module of lighting and flat panel liquid crystal display (TFT LCD), which has replaced the original CCFL light source in the backlight module application and created a wave of replacement. In the lighting market, international well-known manufacturers such as Philips, Osram and Cree have taken the lead in reducing prices, which has led to rapid growth in overall lighting demand. After the overall industry has reached an economic scale and become attractive at a price, other related industries have been introduced to use it.

Based on the light-emitting diode (LED) principle, light-emitting characteristics, light source effect and other special performance of the light source structure, automotive lighting, outdoor color (RGB) display screens with specific specifications and huge size and other industrial products that demand high specifications have gradually entered the application of LED products.

### 2. Upstream, midstream, and downstream industry linkages:

#### (1) IC Industries:

The supply chain of the semiconductor industry consists of IC design companies, which, after the completion of product design, are commissioned by professional foundries or IDM factories (integrated semiconductor factories, from IC design, manufacturing, packaging, testing to final sales) to produce semi-finished wafers, which are tested at the front end, then transferred to professional packaging factories for cutting and packaging, and finally to professional testing factories for post-testing, and the finished products are sold to system manufacturers for assembly and production as system products through sales channels. Therefore, the process is divided into three stages: upstream IC design, midstream IC and wafer fabrication, and downstream IC packaging and testing. The upstream process is the process of using CAD and other auxiliary tools to express the specifications and functions of the customer's or self-developed products through the circuit design of the IC.

The midstream process is to take the wafer made by the foundry, print the basic circuit pattern on the photomask, and then fabricate the circuit and circuit components on the wafer by oxidation, diffusion, CVD, etching, and ion implantation. Since the circuit design on ICs is a layered structure, it is necessary to go through several iterations of photomask input, pattern creation, and circuit and component formation before a complete integrated circuit can be produced.

The downstream process is to test the electrical properties of the diced wafers before packaging, and then cover the wafers with plastic, ceramic or metal to protect them from contamination and to make them easier to assemble, in order to achieve

electrical connection and heat dissipation between the wafer and the electronic system.

## (2) LED Industries

LED (Light-Emitting Diode) is a semiconductor electronic component that converts electrical energy into light output under current drive, making it one of the major light sources in modern times. LEDs are divided into three stages: upstream Epitaxy, midstream Chip and downstream packaging. The upstream process mainly involves growing multiple layers of multi-material films of different thicknesses on a single chip; in general, the materials used and the structure of the epitaxial layer will determine the wavelength, brightness, quality, and other product characteristics of the LED, and therefore has the highest added value in the entire value chain.

The midstream chip manufacturing is based on the structure of the LED components, metal vapor deposition is performed first, and then the metal electrodes are made on the epitaxial crystal through photomask etching and heat treatment, followed by thinning and polishing of the substrate and cutting into very fine LED chips, which uses technologies in the process such as photomask, dry or wet etching, vacuum vapor deposition and die cutting.

The downstream packaging mainly uses DIE-Bond and Wire-Bond packaging technologies to fix LED chips in the lead frame, and after EMC packaging and testing, they are formed into LED components, and then these components are manufactured into various LED modules such as Lamp, Digital Display, Cluster and SMD through SMT (Surface Mount Technology) process to provide end-use products.

## (3) Lead frame industries

### Metal lead frame industry description

<u>Industries</u>	<u>Upstream</u>	<u>Midstream</u>	<u>Downstream</u>	<u>Product-related Applications</u>
IC	Copper alloys, nickel-iron alloys, industrial epoxies	lead frame manufacturing plants	IC packaging plant	LCD panels, automobiles, computers and peripheral products, lighting fixtures, handheld consumer electronics, precision instruments, aerospace industry.
LED			LED packaging plant	

## 3. Trends of product development and competition:

### (1) Product Development Trends

#### ① IC

The carrier materials required in the semiconductor assembly process are lead frame and IC carrier board. The lead frames have different pin arrangements due to the complexity of the IC signal output and the size limitation of the packaged components, which makes the number of pins differently. The manufacturing is also divided into Stamped IC Lead frame, Etched IC Lead frame and Power/Signal Discrete/Other Lead frame due to the complexity of the number of pins.

Stamped lead frame requires a mold to be made in advance and the mold has to be costed, but the mold can be used continuously, so the average unit price of stamped lead frame is decreasing year by year. The etched lead frame is very different from the stamping process and the production volume has increased greatly. The lead frame for discrete components has fewer pins, and the pins are not as closely spaced as the first two, so the unit price is lower than the first two.

QFN and QFP lead frames are mostly etched processes, which are competitive with IC carrier boards in terms of cost and price as well as product stability, and the overall demand for etched lead frame products is still strong.

Due to the rapid development of the 5G and automotive electronics markets, high reliability packaging technologies are being emphasized in the market, meaning that they can maintain their functionality under various harsh environments, and therefore surface treatment to increase bonding will be the key to high-end lead frames. For example, in the automotive electronics market, the surface treatment and packaging method must be designed in a comprehensive manner to meet the requirements of weather resistance, vibration resistance and corrosion resistance. In addition, in the 5G infrastructure, the power devices must be able to withstand the special requirements of continuous heat generation, and the surface treatment must be specially designed to meet their needs.

## ②LED

At present, the LED packaging lead frame is mainly composed of plastic and copper (stamping or etching), and the plastic type is the most likely to affect the light emitting diode (LED) in providing a stable light source of the key materials, the main application materials are divided into two categories: thermoplastic injection (PPA, PCT) and thermosetting epoxy resin (EMC, SMC).

However, after PCT material was developed and promoted, it is better than PPA in terms of high temperature tolerance, long time yellowing at high temperature, reflectivity, low water absorption, UV resistance and light color stability, plus it contains ceramic fiber, so it has the shrinkage rate and good dimensional stability. It has better weather resistance and environmental adaptability, and is widely used for large outdoor LED displays in the early stage.

The EMC lead frame has better characteristics of high heat resistance, UV resistance, high current, small size and yellowing resistance, which brings new options for LED packaging factories pursuing uninterrupted cost reduction. The demand for EMC lead frame is increasing rapidly, and the price of EMC lead frame is also decreasing after reaching the economic scale in a short time.

At present, EMC lead frame can be divided into Punch Type design and Mapping design, and most of the original LED packaging factories that directly import EMC with their original production equipment use Punch Type as the main importing force due to the limitation of equipment. The main reason is that the integrated design gives the packaging manufacturers a price advantage in the initial purchase of materials and can improve the production efficiency and yield in the process, and with the cost advantage in the multiplication effect at both ends, it is easy to get market orders. However, because of the high demand of process technology compared with the drop-in production process, it takes time to develop and expand the talents.

## (2) Competitive market situation

According to a report by the Semiconductor Industry Association International (SEMI), the global semiconductor packaging materials market is growing rapidly with mobile electronics and increasing product functionality, leading to new forms of semiconductor packaging that require smaller, thinner and more complex materials than typical PC or industrial application-related packaging solutions of the past. SEMI estimates that the semiconductor packaging materials market will continue to be driven by portable smart mobile devices, but the automotive electronics market, big data, high-end computing computers and data centers are also key drivers for continued growth in

the semiconductor packaging materials market.

Since packaging materials are a key to making semiconductor packaging designs thinner, lighter and more functional, providing the necessary reliability of the packaging system and achieving cost reductions. However, due to the slow growth of the industry as a whole, most manufacturers are pursuing low cost, resulting in low revenue growth and cost pressure on material suppliers, and the trend toward thinner packaging materials, the demand for some materials is gradually decreasing. The demand for some materials is decreasing.

In terms of future trends, lead frames remain a key material in packaging technologies and are widely used in analog ICs, power management, LEDs, and other lower lead-count components. According to research by Fuji Keizai, global lead frame shipments are projected to grow at a CAGR of 1.2%, increasing from approximately 614.5 billion units in 2023 to 749.6 billion units by 2027. Correspondingly, total market revenue is expected to rise from US\$4.298 billion in 2023 to US\$4.895 billion by 2027.

In terms of package types, LFCSP (Lead frame chip scale package, mainly QFN), which is widely used in wireless communication, personal computer, automotive electronics and wireless transmission functions, is growing the fastest, mainly because its thin and short characteristics are very suitable for portable devices and wireless transmission, whether it is used in 3C electronic products, power management and automotive. The main reason is that its thin and light characteristics are very suitable for portable devices and wireless transmission, whether in 3C electronics, power management and automotive electronics. According to SEMI research, LFCSP is the fastest growing type in the overall lead frame market, since 2004, the annual CAGR is as high as 23%, if not including LFCSP, the overall lead frame market in the past 15 years, the CAGR is only 2.6%, therefore, SEMI concluded that LFCSP is the main factor driving the overall lead frame market growth.

### (3) Research and Development:

#### 1. Research and Development Expenses:

Unit: NT\$ thousands

Year	2024	As of March 30, 2025
Amount	431,124	94,330

#### 2. Research and Development Achievements:

Year	Technologies and Products
2024	<ul style="list-style-type: none"> <li>① Development of EMC metal lead frames for smart ambient lighting in vehicles.</li> <li>② Development of EMC metal substrates for LED lighting in wearable devices.</li> <li>③ Development of EMC metal substrates for ambient light sensor applications.</li> <li>④ Development of substrates for VCSEL (Vertical-Cavity Surface-Emitting Laser) applications.</li> </ul>
2025 (As of March 30)	<ul style="list-style-type: none"> <li>① Development of EMC metal substrates with optimized flatness.</li> <li>② Development of an etching and roughening process.</li> </ul>

3. Future R&D Plans and the estimated investment in research and development in the most recent year and by the print date of the annual report:

(1) Future R&D Plans

Serial No.	Future R&D Plans
1	Continuing to develop new processes and production technologies to improve product performance (reliability, yield) and reduce costs to help increase our customers' competitiveness and expand overall market demand.
2	Develop EMC metal substrates for passive component packaging.
3	Develop large-sized (100W x 300L) EMC metal lead frames.
4	Develop a pre-plating process to enhance adhesion on roughened EMC surfaces.
5	Optimized development of substrates for Mini LED packaging.
6	Optimize the mold designs for large-sized substrates.
7	Optimize mold design for molding offset.
8	Optimize the design of EMC metal substrate, with additional three-dimensional structure to strengthen the bonding between substrate and package.
9	Optimize product designs for front lighting of cars, automotive display and outdoor lighting.

(2) Estimated investment in R&D

The Company's research and development expenses will be gradually allocated according to the progress of new product and technology development, and the annual research and development expenses will be gradually increased according to the future growth of the Company's business scale in order to support future research and development plans and increase market competitiveness. The estimated research and development expenses for 2025 are approximately \$432,000 thousands.

(4) Long-term and Short-term Development:

1. Short-term Development:

The company will focus on the market development of stamping, etching and plating process, with the expansion of production capacity to strengthen the competitiveness of advantageous products in the market, in order to achieve stable growth in business volume; and assist customers to develop other areas of product application, so that the company can consolidate the existing market and make full use of advantageous resources and economies of scale to continue to reduce production costs, in order to provide customers with the most advantageous cost, the best quality and the most rapid service to provide customers with the most advantageous products and services at the best cost, quality and speed.

2. Long-term Development:

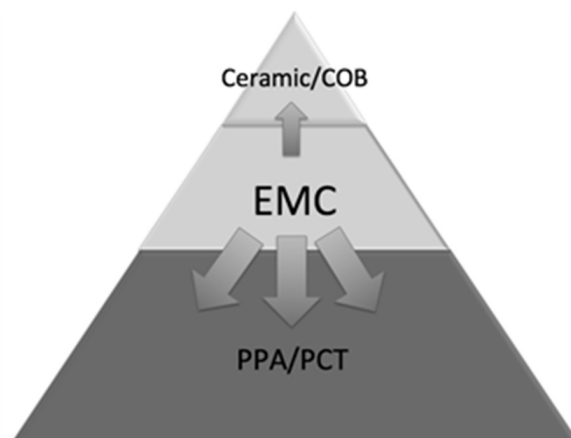
(1) IC lead frame development plan

We are actively engaged in the development of IC Pre-Molded Lead Frame (IC PMLF) products for IC packaging by using the similar technology structure of LED flat metal lead

frame and combining with the automatic molding process technology, and with the advantage of many years of experience in semiconductor packaging. We are committed to diversification and product diversification in order to maintain our long term management.

## (2) LED lead frame development plan

EMC lead frame is mainly used in medium power applications at this stage, and the company has introduced LED EMC QFN lead frame products into medium to high power and high power applications through process technology and innovation capability. In the low and medium power segment, we can increase the penetration of traditional PPA/PCT market by reducing the cost.



## 2. Market and Sales Overview

### (1) Market Analysis:

#### 1. Sales (Service) Region

Unit: NT\$ thousands

Region \ Year		2023		2024	
		Sale Revenue	%	Sale Revenue	%
Domestic Sale		2,519,030	21.75%	2,792,549	23.30%
Export	Asia	8,035,457	69.39%	8,420,812	70.24%
	Europe	818,159	7.06%	632,543	5.28%
	Others	208,599	1.80%	140,890	1.18%
	Subtotal	9,062,215	78.25%	9,194,245	76.70%
Total		11,581,245	100.00%	11,986,794	100.00%

#### 2. Market Share (%):

Based on data provided by Fuji Keizai, the Company holds a market share of approximately 17%.

#### 3. Future market supply, demand and growth:

Inventory digestions within the semiconductor supply chain concluded by the end of 2024. In 2025, the semiconductor packaging materials market is expected to be driven by demand, fueled by rapid growth in consumer electronics, smart devices, automotive electronics, and industrial control applications. Continued miniaturization of electronic products and the expanding role of semiconductor ICs in the Internet of Things (IoT) will also contribute to this momentum. According to Mordor Intelligence, the global semiconductor materials market is projected to reach US\$80.79 billion in 2025 and grow to



US\$101.89 billion by 2030, representing a CAGR of 4.75% over the forecast period (2025–2030).

Although the short-term volatility is high due to the impact of COVID-19 epidemic and supply-demand imbalance in 2020-2021, SEMI still believes that with the widespread application of automotive electronics and the popularization of electric vehicles, the automotive market will still be the main factor for the growth of semiconductor devices in the future. The five major application markets for automotive semiconductors are safety system, powertrain, car audio/video, chassis system and body electronics (each accounting for 15-18% of the total). Finally, in the analysis of automotive semiconductors by product category, Mckinsey research points out that micro components (including MCU, MPU and DSP), analog products (including ASSP and ASIC) and optics and sensors will be the three main product areas of automotive semiconductors in the future.

The World Semiconductor Trade Statistics (WSTS) forecasts that global semiconductor market revenue will reach US\$611.2 billion in 2024, reflecting a 16.0% year-on-year increase. Continued growth is expected in 2025, with market value projected to rise to US\$687.4 billion, i.e., an annual growth rate of 12.5%, highlighting the industry's strong performance. Among the six major semiconductor application sectors, i.e., industrial, AI computing, aerospace, military, consumer, and automotive, the automotive segment is expected to be the primary driver of semiconductor market growth over the next few years, with a projected CAGR of 12.7% over the next five years. The two major growth engines in this sector are advanced driver assistance systems (ADAS) and in-vehicle infotainment systems. Although overall vehicle market growth is modest, the trends of vehicle electrification and smart technology integration are accelerating. ADAS represents the largest segment in automotive semiconductors, projected to achieve a CAGR of 19.8% by 2027 and account for 30% of the automotive semiconductor market. In-vehicle infotainment systems, ranking second, are expected to see a CAGR of 14.6% and make up 20% of the market in 2027, driven by increasing connectivity and intelligent vehicle technologies.

#### 4. Competition Niche:

##### (1) Professional and stable process of technology and R&D team

Our R&D team has many years of semiconductor technology and experience, and we are able to grasp the key technology of our products appropriately, and we have the ability to develop new products by ourselves, so we can fully grasp the changes of the whole market, and make our products have the leading advantage of high cost performance.

##### (2) Ability to develop and design major equipment on your own

In the production process, stamping, debinding and electroplating are the main production processes. The improvement of product yield mainly depends on the stability and precision of the machines and equipment and the application of key parameters of the equipment. The main process equipments are developed and designed by ourselves, and the automatic equipments are manufactured by professional semiconductor equipment manufacturers, so that we can produce high quality and competitive products.

##### (3) Technology and equipment applications span a wide range of fields

The technology of our LED EMC lead frame is derived from Transfer Molding for IC packaging. With the accumulated experience of producing LED EMC lead frame, we are able to utilize the similar technology structure of LED flat metal lead frame and actively invest in the flat preformed wire support for IC packaging, and the main equipment has

commonality, so we can utilize the production capacity to the maximum effect without investing large capital expenditure.

5. Development Vision of favorable, unfavorable Factors and response actions:

(1) Favorable Factors:

Favorable Factors
A professional and experienced management team
A sound and stable financial structure
LF CSP packaged lead frames and high-reliability lead frames for automotive, industrial control, and III-V semiconductor applications
Growing demand in lead frame application markets

(2) Unfavorable Factors and Response actions:

Unfavorable Factors and Response actions
<ul style="list-style-type: none"> <li>● Upstream raw material price fluctuations may lead to higher production costs <ul style="list-style-type: none"> <li>➤ The Company actively maintains close interaction with a number of upstream suppliers and keeps an eye on changes in raw material prices to ensure a stable supply of materials and to diversify the risk of concentration of supply. In addition, the Company has agreed with its sales customers to adjust the prices of copper and precious metals on a quarterly basis to appropriately reflect the increase in costs due to the increase in raw material prices. In addition, the company continues to invest in research and development, using various materials or composite materials as lead frame substrates, utilizing the characteristics of different materials to enhance the added value of products, actively establishing a vertically integrated process for products, and promoting the change of product material certification, which can not only enhance the added value of products, but also deepen its own process capabilities and reduce its dependence on upstream raw materials.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>● Most imports and sales are denominated in foreign currencies, making profits vulnerable to changes in exchange rates <ul style="list-style-type: none"> <li>➤ The Company's imports of raw materials are also denominated in U.S. dollars to partially offset the exchange rate risk of its sales, and the Company tries to cover all purchase expenses with sales revenue in the same currency to achieve a natural hedging effect. In addition, the Company will adjust the selling price in response to the changes in the exchange rate and maintain good interaction with financial institutions in order to study the movements of the exchange rate for reference of hedging operations.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>● R&amp;D talent technical capability and risk of change <ul style="list-style-type: none"> <li>➤ In order to enhance employees' loyalty to the Company, the Company promotes the participation of the staff and R&amp;D personnel in the Company's management decisions and the sharing of management results by encouraging employees to subscribe to stock options, distributing employee compensation, employee stock ownership trusts, and distributing year-end bonuses, thereby creating a sense of identity. Since human resources are the basis of the company's operation, in addition to providing a good working environment and excellent employee benefits, we also promote the technical level of our R&amp;D staff through technical exchanges and R&amp;D experience transfer, so that employees can grow with the company and reduce the</li> </ul> </li> </ul>

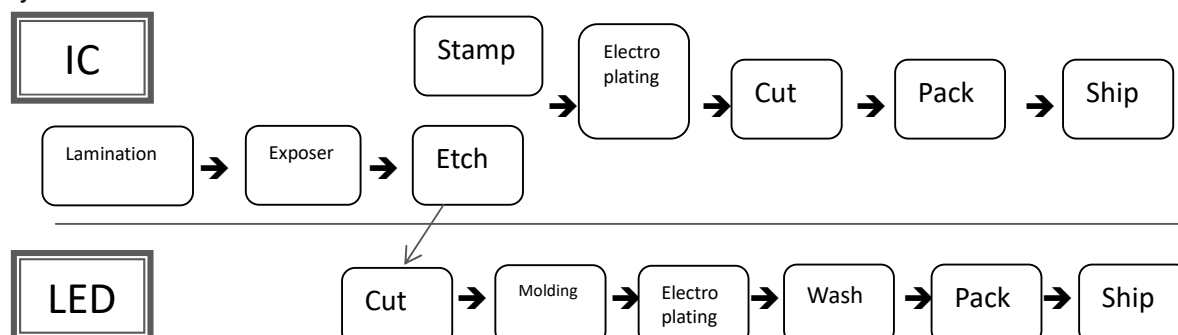
turnover rate and establish the foundation of the company's sustainable operation. In addition, we actively establish and implement a mechanism for the preservation and control of R&D results, intellectual property and patent rights to reduce the impact of staff turnover on the company.
<ul style="list-style-type: none"> <li>● Global climate and environmental changes <ul style="list-style-type: none"> <li>➤ All of the Company's key suppliers have implemented disaster risk management systems to mitigate the impact of natural disasters.</li> </ul> </li> </ul>

## (2) Main Use and Production Procedures of Main Products:

### 1. Major Products and Their Main Uses:

Lead frames can be divided into three categories according to the different chips used: IC Lead Frame, Optoelectronics Lead Frame and LED Lead Frame. Lead frame is one of the three major raw materials (lead frame, gold wire, and potting compound) for IC chip and LED die packaging. The role of the lead frame is to carry the semiconductor components or LED die, itself as a medium for the transmission of signals from the semiconductor components to the external printed circuit board wiring; or through the positive and negative current conduction on the lead frame to make the electronic and electric hole on the LED die to combine to produce light. It is also responsible for the LED die heat dissipation function, which plays a key role in the LED luminous efficiency. Lead frames are key materials for packaging technology and are widely used in analog ICs, power supplies, LEDs and other lower lead-count devices. The specifications are divided into stamped IC lead frames, etched IC lead frames, and power/signal/other discrete lead frames.

### 2. Major Products and Their Production Processes:



## (3) Supply Status of Main Materials:

### 1. Major Materials

Major Materials	Major Suppliers	Supply Status
Copper Alloy Coils	China, Singapore, Malaysia, Taiwan	Good
Gold, Silver, Palladium	China, Singapore, Taiwan, Japan	Good
Epoxy Resin	Taiwan	Good

### 2. Major Products

Major Products	Major Suppliers	Supply Status
Epoxy Resin	China	Good

(4) The names of customers who have accounted for more than 10% of the total purchase (sales) in any of the last two years and the amount and proportion of their purchase (sales), together with the reasons for the increase or decrease:

1. Customers accounting for 10% or more of the total purchases of the Company and its subsidiaries in the last two years

Unit: NT\$ thousands ; %

Item	2023				2024			
	Name	Amount	As a percentage of net imports for the year (%)	Relationship with the Issuer	Name	Amount	As a percentage of net imports for the year (%)	Relationship with the Issuer
1	Manufacturer A	1,718,559	28.60	None	Manufacturer A	2,097,431	30.79	None
	Others	4,290,508	71.40	—	Others	4,715,644	69.21	—
	Net imports	6,009,067	100.00	—	Net imports	6,813,075	100.00	—

Reasons for the variance: Manufacturer A is a supplier of EMC, our main product. The increase in purchases from Manufacturer A was mainly due to the growth in EMC revenue in 2024 compared to 2023.

2. Customers accounting for 10% or more of the total sales of the Company and its subsidiaries in the last two years

Unit: NT\$ thousands ; %

Item	2023				2024			
	Name	Amount	As a percentage of net imports for the year (%)	Relationship with the Issuer	Name	Amount	As a percentage of net imports for the year (%)	Relationship with the Issuer
1	Chang Wah Electromaterials Inc.	1,762,499	15.22	Parent Company	Chang Wah Electromaterials Inc.	2,207,532	18.42	Parent Company
	Others	9,818,746	84.78	—	Others	9,779,262	81.58	—
	Net imports	11,581,245	100.00	—	Net imports	11,986,794	100.00	—

Reasons for the variance: The increase in sales was primarily driven by customer inventory replenishment, which led to higher order volumes.

3. The Number, Average Years of Service, Average Age and Educational Attainment of the Employees of the Company in the Last Two Years and by the Print Date of the Annual Report

Unit: Person

Year		2023	2024	As of March 30, 2025
Number of Employees	Sales Personnel	59	60	61
	Management Staff	172	168	175
	Research and Development Staff	190	242	213
	Production Staff	1,709	1,790	1,811
	Total	2,130	2,260	2,260
Average Age		38	38	39
Average Years of Service		9	9	10
Education	Ph.D.	0%	0%	0%
	Masters	3%	3%	3%
	Bachelor's Degree	37%	38%	38%
	Senior High School (and Below)	60%	59%	59%

4. Environmental Protection Expenditure:

In the most recent year and by the print date of the annual report, the losses suffered due to pollution of the environment (including compensation and environmental protection audit results of violations of environmental laws and regulations, the date of the penalty, the amount of the penalty, the provisions of the violation, the description of the violation, and the details of the penalty should be listed), and disclose the current and future estimated amounts and measures: None. The Company shall disclose the estimated amount of current and potential future losses and response measures: None.

5. Labor Relations:

(1) To present the company's various employee welfare plans, training and retirement systems and their implementation, as well as the agreements between employers and employees and measures to protect the rights and interests of employees:

1. Employee welfare measures and implementation:

The Company has established an Employee Welfare Committee in accordance with the law and has allocated welfare funds in accordance with the relevant laws and regulations, and has instructed the relevant units to plan and implement the following welfare policies:

A. Employee Insurance:

(A) The company provides employees with labor and health insurance and labor retirement.

(B) Group Insurance: The company provides group insurance for employees.

B. Employee bonuses and stock options: According to government regulations and the Company's related regulations.

C. Training courses: For the sustainable development of the company and to improve the quality of employees, various courses are held from time to time.

- D. Group activities: Regular staff trips, departmental dinners, fun competitions and other activities, and funding to encourage employees to participate.
- E. Gifts: such as birthday gifts, bonuses for the three festivals, etc. We also provide subsidies to our employees for weddings, funerals, etc.

2. Staff training and training situation:

In order to meet the need of the long-term development of the Company and to improve the working skills of our employees, and to achieve our business goals, the Company put emphasis on career development of our employees and the cultivation of talents. We have divided the education and training into the following three categories:

- A. Pre-employment training: All new employees are required to receive pre-employment training to help them get familiar with the working environment and understand the company system and their rights and obligations.
- B. On-the-job training: In-house training, selected training and external training, etc.
- C. Manpower training: Considered as a long-term investment for employees, in addition to on-the-job training, we can also train employees by going abroad, visiting famous companies in China, attending various conferences and job rotations, etc.

3. The retirement system and its implementation:

In accordance with the Labor Pension Act, the Company contributes 6% of the employees' monthly wages to the individual labor pension accounts set up by the Labor Insurance Bureau, and the employees of the Company may voluntarily make additional contributions within the 6% of their monthly wages.

4. Agreements between labor and management and various measures to protect employees' rights and interests:

The Company has established a Labor Council in accordance with the law and holds regular meetings in accordance with the relevant laws and regulations. In addition to the labor matters submitted by each unit in accordance with the law, the meeting also appoints representatives of both parties to consult employees' proposals. Through this meeting, the opinions of both parties are fully communicated and negotiated, and no labor disputes have occurred.

5. Employee Benefit Plans:

In order to enhance internal welfare, reward employees for their financial planning, and increase employees' sense of participation in the company, and to achieve win-win benefits for both employers and employees, the company started the employee stock ownership trust business in 2020.

The Company's employee stock trust program operates on a five-year cycle. During the initial term, the Company matches 100% of the amount contributed by participating employees. Employees receive allocated dividends annually and, upon completion of the five-year period, may either withdraw the full amount of allocated shares or retain them and continue participating in the program. For those who opt to continue participation beyond the initial term, the Company increases its matching rate to 110%. Furthermore, for each subsequent five-year cycle, employees who continue participating will receive a further 10% increase in the Company's matching contribution rate.

- (2) In the most recent year and by the print date of the annual report, the losses suffered as a result of labor disputes (including labor inspection results in violation of the Labor Standards Law, the date of the sanction, the sanction number, the provisions of the law violated, the

content of the law violated, and the content of the sanction) should be listed. The Company shall also disclose the estimated amount and response measures that may occur at present and in the future, and if it cannot be reasonably estimated, it shall state the fact that it cannot be reasonably estimated: None.

6. Information Security Management:

(1) Describe the risk management structure, policy, management plans and resources allocated concerning information security.

1. Purpose and scope

A. Purpose: To maintain the normal operation of enterprise information system and mitigate operational risks due to human errors, external cyberattacks or force majeure events such as natural disasters, thereby ensuring business continuity.

B. Scope: Information system and software/hardware devices associated with business operations.

2. Information security management structure:

A. The Company has established an information security unit with dedicated personnel. Manager Furen Chang is the chief information security officer.

B. Information security policy is reviewed and modified regularly depending on the status quo to ensure an effective operation of the information security management system.

C. IT Department is in charge of information security promotion and handling of cyber incidents.

3. Information security control measures:

A. Threat protection:

(A) Install endpoint detection and response (EDR) software on personal computers and servers under the control of the master control unit. Update threat definition files regularly.

(B) Deploy patches through Windows Server Update Services (WSUS). Schedule restarts for changes to take effect.

(C) Establish Urchin Tracking Module (UTM) to prevent malicious attacks.

B. Information equipment control:

(A) Ban the use of personal computers on company premises.

(B) Disable USB ports on company computers. Applications are required for user access.

(C) Establish a network access control (NAC) platform to block access from unknown devices.

C. Account and personnel management:

(A) New employees shall sign non-disclosure agreements (NDA) when joining the Company. Information security is part of the orientation course.

(B) Accounts and accesses of information system are reviewed and controlled by the information unit.

(C) Information security promotion is arranged regularly to raise employees' awareness.

D. System availability:

(A) Formulate backup plans in compliance with the 3-2-1 backup principle.

(B) Initiate virtual platforms and employ high availability (HA) mechanism.

(C) Monitor the operation efficiency of core systems through SYSLOG.

4. Resources allocated to information security management:

A. The Company allocated NT\$8.94 million for information security measures in the 2025 IT budget.

B. Information security unit performs safety assessments on information security assets annually and constantly align information security policies with advancements in relevant tools or technologies for current practices.

- (2) In the most recent year and by the print date of the annual report, losses incurred due to major information security incidents, possible impacts and response measures shall be listed, unless a reasonable estimate cannot be made, in which case, the facts on why it cannot be made shall be stated: None.



## 7. Important Contracts

March 30, 2025

Agreement	Counterparty	Period	Major Contents	Restrictions
Sales Agency	Party A: Chang Wah Technology Co., Ltd Party B: Chang Wah Electromaterials Inc.	Apr. 1, 2013~	Sales LED bracket agency	None
	Party A: Chang Wah Technology Co., Ltd Party B: Gold Sun Technology Co., Ltd.	Jan. 1, 2016~	Sales of products agency in mainland China	None
	Party A: Chang Wah Technology Co., Ltd Party B: Gold Sun Optoelectronics Co., Ltd.	Jan. 1, 2017~	Sales of products agency in mainland China	None
	Party A: Chang Wah Technology Co., Ltd Party B: Epita Pte. Ltd.	Jun. 1, 2015~	Pre-mold foundry and EMC bracket agent	None
	Party A: SH Electronics Taiwan Co., Ltd. (Note 2) Party B: Chang Wah Electromaterials Co., Ltd	Apr. 1, 2013~Next contract revision	IC lead frame agency	None
	Party A: SH Asia Pacific Pte. Ltd. Party B: JGSemi	Jan. 1, 2014 ~Next contract revision	IC lead frame agency	None
	Party A: SH Asia Pacific Pte. Ltd. Party B: Elexind S.p.A	Mar. 8, 2011 ~Next contract revision	IC lead frame agency	None
	Party A: SH Asia Pacific Pte. Ltd. Party B: Jihlin Co., Ltd.	Aug. 8, 2018~Next contract revision	IC lead frame agency	None
	Party A: Chang Wah Technology Co., Ltd Party B: CMT Corporation	Sep. 1, 2018~Next contract revision	IC lead frame agency	None
	Party A: SH Electronics Chengdu Co., Ltd. Party B: Leshan Phoenix Semiconductor Co., Ltd.	Sep. 15, 2009~ Next contract revision	IC lead frame sales	None
Sales Contracts	Party A: Chang Wah Technology Co., Ltd Party B: AOI Electronics Company	Mar. 2, 2018~Mar. 1, 2020	IC lead frame sales	None
	Party A: SH Electronics Chengdu Co., Ltd. Party B: ChengDu Advanced Power Semiconductor Co.Ltd	Apr. 3, 2015~Next contract revision	IC lead frame sales	None
	Party A: Chang Wah Technology Co., Ltd. Party B: Texas Instruments Incorporated	Jan. 1, 2020~Next contract revision	IC lead frame sales	None
	Party A: Chang Wah Technology Co., Ltd. Party B: Texas Instruments Incorporated	Dec. 1, 2018~ Nov. 30, 2022	IC lead frame sales	None
	Party A: Chang Wah Electromaterials Inc. Party B: Chang Wah Technology Co., Ltd.	Nov. 1, 2024~Oct. 31, 2027	Plant Leasing	None
Rental Contracts	Party A: Chang Wah Technology Co., Ltd. Party B: Metalor Coatings (Taiwan) Corporation.	Feb. 1, 2023~Jan. 31, 2024	Plant Leasing	None
	Party A: Chang Wah Technology Co., Ltd. Party B: MEKTEC Corporation	May 1, 2022~Feb. 28, 2026	Plant Leasing	None
	Party A: JMC Electronics Co., Ltd. Party B: Chang Wah Technology Co., Ltd.	Sep. 1, 2023~Aug. 31, 2026	Plant Leasing	None
	Party A: JMC Electronics Co., Ltd. Party B: Chang Wah Technology Co., Ltd.	Sep. 1, 2023~Aug. 31, 2026	Plant Leasing	None

Agreement	Counterparty	Period	Major Contents	Restrictions
	Party A: Chang Wah Technology Co., Ltd. Party B: Export Processing Zone Administration, MOEA.	Dec. 1, 2021~Nov. 30, 2024	Land Leasing	None
	Party A: Chang Wah Technology Co., Ltd. Party B: Export Processing Zone Administration, MOEA.	Dec. 1, 2021~Nov. 30, 2024	Land Leasing	None
	Party A: Chang Wah Technology Co., Ltd. Party B: Export Processing Zone Administration, MOEA.	Jan. 1, 2022~Dec. 31, 2031	Land Leasing	None
	Party A: SH Asia Pacific Pte. Ltd. Party B: Singapore Post Center	Apr. 18, 2024~ Apr. 17, 2026	Office Leasing	None
	Party A: Malaysian SH Electronics Sdn. Bhd. Party B: Local State Authority	Apr. 1990~Mar. 2086	Land Leasing	None
	Party A: Malaysian SH Electronics Sdn. Bhd. Party B: Local State Authority	Mar. 2014~Dec. 2085	Land Leasing	None
	Party A: SH Electronics Suzhou Co., Ltd. Party B: China-Singapore Suzhou Industrial Park Development Group Co., Ltd.	Feb. 2004~Feb. 2054	Land Leasing	None
	Party A: SH Electronics Chengdu Co., Ltd. Party B: Chengdu Land and Resources Administration	Mar. 2002~Mar. 2052	Land Leasing	None
	Party A: Chengdu High Investment Co., Ltd. Party B: SH Precision Chengdu Co., Ltd. Party C: Chengdu High Investment Property Management Co. Party D: Chengdu High-tech Comprehensive Tax Zone Administration	Sep. 4, 2023~Sep. 3, 2025	Plant Leasing	None
Consignment Agreement	Party A: Chang Wah Technology Co., Ltd. Party B: OSRAM Opto Semiconductors (China) Co., Ltd.	Oct. 2015~Next contract revision	Product Consignment	None
	Party A: Chang Wah Technology Co., Ltd. Party B: OSRAM Opto Semiconductors (Malaysia) Sdn.	Jan. 2015~Next contract revision	Product Consignment	None
	Party A: Chang Wah Technology Co., Ltd. Party B: On Semiconductor Trading Sarl.	Apr. 1, 2019~Mar. 30, 2021	Supplier Managed Inventory Program Agreement	None
	Party A: Chang Wah Technology Co., Ltd. Party B: Texas Instruments Incorporated.	Jan. 1, 2020~Dec. 31, 2021	Supplier Inventory Consignment Agreement	None
	Party A: SH Electronics Taiwan co., Ltd. (Note 2) Party B: Shenzhen STS Microelectronics Co., Ltd.	Jan. 23, 2019~Next contract revision	Supplier Managed Inventory(SMI) Local Agreement	None
	Party A: Chang Wah Technology Co., Ltd. Party B: STMICROELECTRONICS INC.	Jan. 1, 2025~Dec. 31, 2026	Material Consignment Agreement	None
Service Agreement	Party A: Chang Wah Technology Co., Ltd. Party B: Shinyui trading (shanghai) co.	Jan. 1, 2016~	LED bracket design and mold development	None

Agreement	Counterparty	Period	Major Contents	Restrictions
Borrowing Contract	Party A: Chang Wah Technology Co., Ltd. Party B: First Bank and 7 other financial institutions	Dec. 23, 2020~Dec. 22, 2025	Repayment of liabilities of financial institutions and replenishment of medium-term operating revolver.	Note 1
	Party A: Mizuho Bank (China) Ltd. Party B: SH Electronics Suzhou Co., Ltd. Party C: SH Electronics Chengdu Co., Ltd.	Dec. 14, 2020~Dec. 13, 2025	Principal amount: US\$6,000 thousands Interest rate: 0.9~1%	None
	Party A: Mizuho Bank (China) Ltd. Party B: SH Electronics Suzhou Co., Ltd. Party C: SH Electronics Chengdu Co., Ltd.	Mar. 15, 2022~Mar. 14, 2027	Principal amount: US\$4,500 thousands Interest rate: 0.8%~3%	None
	Party A: SH Asia Pacific Pte. Ltd. Party B: Malaysian SH Electronics Sdn. Bhd.	Nov. 4, 2022~Nov. 3, 2027	Principal amount: US\$60,000 thousands Interest rate: 4.18%	None

Note 1: Current ratio should be maintained above 100%; Debt ratio should be maintained below 280%; Interest earned ratio should be maintained above 400%; Total stockholders' equity should be maintained above NT\$4 billion.

Note 2: For promotion of enterprise integration and enhanced operation efficiency to cope with future industrial developments and improve competitiveness, the Company carried out an absorption-type merger with its wholly-owned subsidiary, SH Electronics Taiwan Co., Ltd. The Company was the surviving entity while SH Electronics Taiwan Co., Ltd. was the dissolved entity. The record date of merger was set on January 1, 2022. The merger has been completed and approved by the Department of Commerce, Ministry of Economic Affairs.

## V. Review of Financial Conditions, Financial Performance, and Risk Management

### 1. Financial Conditions-Analysis of Financial Status (Consolidated):

Unit: NT\$ thousands; %

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	12,495,543	13,841,124	1,345,581	10.77%
Property, plant and equipment	3,856,614	3,626,701	(229,913)	(5.96%)
Non-current assets	3,614,793	4,107,847	493,054	13.64%
Total assets	19,966,950	21,575,672	1,608,722	8.06%
Current liabilities	6,310,335	4,909,676	(1,400,659)	(22.20%)
Non-current liabilities	3,323,171	4,974,020	1,650,849	49.68%
Total liabilities	9,633,506	9,883,696	250,190	2.60%
Ordinary shares	380,215	380,215	0	0.00%
Capital surplus	6,033,692	6,053,109	19,417	0.32%
Retained earnings	3,781,962	4,198,150	416,188	11.00%
Other equity	(30,821)	927,573	958,394	3,109.55%
Treasury stock	(261,137)	(314,420)	(53,283)	(20.40%)
Non-controlling equity	429,533	447,349	17,816	4.15%
Total stockholders' equity	10,333,444	11,691,976	1,358,532	13.15%
Major changes in assets, liabilities and shareholders' equity in the last two years (changes of 20% or more, and differences of NT\$10 million or more):				
<b>Decrease in current liabilities:</b> Mainly due to a decrease in short-term borrowings.				
<b>Increase in non-current liabilities:</b> Mainly due to an increase in long-term borrowings.				
<b>Increase in other equity:</b> Mainly due to higher gains on financial assets measured through other comprehensive income.				
<b>Increase in treasury stock:</b> Mainly due to an increase in the subsidiary's holdings of the Company's shares.				

## 2. Financial Performance:

### (1) Analysis of Financial Performance (Consolidated)

Unit: NT\$ thousands

Item \ Year	2023	2024	Increase/Decrease	Variation(%)
Operating Revenue	11,581,245	11,986,794	405,549	3.50%
Operating Cost	8,980,738	9,101,502	120,764	1.34%
Gross profit	2,600,507	2,885,292	284,785	10.95%
Operating expenses	1,152,223	1,228,201	75,978	6.59%
Operating profit	1,448,284	1,657,091	208,807	14.42%
Non-operating income and expenses	521,904	704,458	182,554	34.98%
Net Profit before Tax	1,970,188	2,361,549	391,361	19.86%
Income tax expense	373,041	430,083	57,042	15.29%
Net Profit for the Year	1,597,147	1,931,466	334,319	20.93%
Total comprehensive income for the Year	1,892,490	3,022,830	1,130,340	59.73%
<p>The main reasons for significant changes in operating income, net operating income, and net income before tax for the last two years (if the change is 20% or more, and the amount of change reaches NT\$10 million):</p> <p><b>Increase in non-operating income and expenses:</b> Mainly due to non-operating foreign exchange gains, contributing to a 34.98% increase in income.</p> <p><b>Increase in net profit for the year:</b> Benefiting from customer inventory replenishment and an increased revenue share from in-house high-end lead frames, operating profit grew alongside non-operating foreign exchange gains, resulting in higher net profit.</p> <p><b>Increase in total comprehensive income for the year:</b> Mainly due to gains on equity instrument investments and exchange gain on translating the financial statements of foreign operations.</p>				

### (2) The expected sales volume and its basis, the possible impact on the Company's future financial operations and the plan to respond to it

Please refer to the Operating Statement and Letter to Shareholders.

### 3. Analysis of Cash Flow:

#### (1) Analysis of Cash Flow (Consolidated)

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Cash Outflow (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
\$5,946,488	\$1,814,188	\$2,426,600	\$5,334,076	None	None

#### 1. Analysis of changes in cash flow for the year ended December 31, 2024:

- (1) Operating activities: Operating activities generated net cash inflows this year.
- (2) Investing activities: Net cash outflows from investing activities were mainly due to the acquisition of property, plant and equipment and other financial assets.
- (3) Financing activities: Net cash outflows from financing activities were mainly due to the distribution of cash dividends.

#### 2. Cash shortage remediation measures and liquidity analysis:

- (1) There was no cash shortage during the year.
- (2) Liquidity analysis for the last two years:

Year	2024	2023	Increase (Decrease) %
Amount			
Cash flow ratio(%)	36.95	43.77	(15.58)
Cash flow adequacy ratio(%)	102.19	112.94	(9.52)
Cash flow reinvestment ratio(%)	1.02	4.16	(75.48)
Analysis of the changes in the ratio of increase and decrease: The decline in the cash flow reinvestment ratio was primarily due to a decrease in net cash inflows from operating activities in 2024.			

#### (2) Cash Flow Analysis for the Coming Year

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (3)	Estimated Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
\$5,334,076	\$2,624,545	\$3,109,889	\$4,848,732	None	None

#### 1. Analysis of the changes in cash flow for the year ended December 31, 2025:

- (1) Net cash inflow from operating activities: Net cash inflow was generated due to stable profitability.
- (2) Net cash outflows from investing activities: Acquisition of property, plant and equipment and other financial assets.
- (3) Net cash outflow from financing activities: mainly due to the estimated cash dividends allotted.

#### 2. Estimated cash shortage remedy: No cash shortage is expected.

4. The Impact of Major Capital Expenditures on Financial Operations:

The Company and its subsidiaries acquired property, plant and equipment in the amount of \$319,302 thousands in 2024, which was financed by its own funds and partly by bank loans.

5. Investment Policy in the Most Recent Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year:

(1) Reinvestment Policy:

The Company has established the "Procedures for the Acquisition or Disposal of Assets" in accordance with the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" issued by competent authorities. In addition, to enhance the supervision and management of our investee companies, we have established internal control system to control and manage the information disclosure, financial, business, inventory and financial management of our investee companies to maximize the effectiveness of our investee companies.

(2) The main reasons for the profit or loss of the latest invested business and the improvement plan

Unit: NT\$ thousands

Name of Investee	2024 profit after tax	Main reasons for gain or loss	Improvement
CWTC (Shanghai) Inc.	14,059	Profit: Stable profit from the sale and purchase of semiconductor packaging and testing materials and equipment in China.	None
Shing Zheng Investment Co., Ltd.	42,049	Profit: Stable development of semiconductor industry.	None
SH Asia Pacific Pte. Ltd.	686,877	Profit: Mainly recognized investment income from our subsidiaries.	None
Malaysian SH Electronics Sdn. Bhd.	309,044	Profit: Stable development of semiconductor industry.	None
SH Electronics Suzhou Co., Ltd.	214,525	Profit: Stable development of semiconductor industry.	None
SH Precision Chengdu Co., Ltd.	197,674	Profit: Stable development of the semiconductor industry.	None
SH Electronics Chengdu Co., Ltd.	93,516	Profit: Stable development of the semiconductor industry.	None
WSP Electromaterials Ltd.	151,889	Profit: A holding company that recognizes investment income from its companies.	None
Shanghai Chang Wah Electromaterials Inc.	93,325	Profit: Stable annual profit from the sale and purchase of semiconductor packaging and testing materials and equipment in China.	None

(3) Investment plan for the coming year: None.

## 6. Analysis and Assessment of Risks:

### (1) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures:

#### 1. Effect of changes in interest rates and exchange rates on the Company's profit or loss and future measures

Unit: NT\$ thousands

Item \ Year	2023			2024		
	Amount	As a percentage of operating revenue Net Ratio	Income before tax %	Amount	As a percentage of operating revenue Net Ratio	Income before tax %
Interest income	285,112	2.46%	14.47%	340,410	2.84%	14.41%
Interest expenses	93,248	0.81%	4.73%	112,588	0.94%	4.77%
Net foreign exchange losses	61,227	0.53%	3.11%	245,910	2.05%	10.41%
Operating revenue	11,581,245			11,986,794		
Net profit before tax	1,970,188			2,361,549		

Resource: Financial Statements audited by CPA.

#### (1) Interest rate

The Company and its subsidiaries regularly evaluate money market interest rates and financial information to take appropriate measures in a timely manner and, depending on their cost of capital and possible rewards and risks, choose the most favorable use of funds to reduce the risk of changes in interest rates, and therefore, changes in interest rates will not have a material adverse effect on the Company's profit or loss.

#### (2) Foreign exchange rates

In response to exchange rate fluctuations, the Company collects quotes and information on international financial, exchange rate and interest rate commodities from banks at any time to keep abreast of exchange rate fluctuations, and takes the following foreign exchange hedging measures in a timely manner:

- ① The Company continue to strengthen the awareness of exchange rate hedge among our finance staff, and through our real-time online exchange rate system and enhanced interaction with financial institutions, we are able to judge the trend of exchange rate changes in response to the negative impact of exchange rate fluctuations.
- ② Before providing quotations to customers, we will consider and evaluate future exchange rate trends and factors affecting exchange rates to determine appropriate and reasonable quotations in order to avoid significant impact on the Company's profitability from exchange rate fluctuations.
- ③ To achieve a certain degree of natural hedge by trading in the same type of foreign currency debt, and to reduce the risk of exchange rate fluctuations by adjusting the position of foreign currency assets and liabilities in a timely manner.

#### 2. Inflation

Up to now, the Company has not experienced any significant impact on profit or loss due to inflation. In addition to paying close attention to the fluctuation of upstream raw material market prices, the Company maintains good interaction with suppliers and customers to appropriately adjust raw material inventories to reduce the impact of price increases, which should effectively reduce the impact of inflation on the Company.



(2) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions:

- (1) Based on the principle of prudence and pragmatic management, the Company and its subsidiaries do not engage in high-risk and high-leverage investments, except for those focusing on the business areas of the Company and its subsidiaries.
- (2) The Company and its subsidiaries engage in the lending of funds to others and the endorsement and guarantee of funds only between the Company and its subsidiaries. The "Procedures for Endorsement and Guarantee" and "Procedures for Lending of Funds to Others" have been established in accordance with the relevant regulations and have been implemented in accordance with the relevant procedures, and there is no material adverse effect on the Company's profit or loss.
- (3) The Company and its subsidiaries engage in derivative financial instruments for hedging purposes and have established "Procedures for the Acquisition or Disposal of Assets" in accordance with the relevant regulations and have implemented them in accordance with the relevant operating procedures, which do not have a material adverse effect on the Company's profit or loss.

(3) Future Research & Development Projects and Corresponding Budget:

Please refer to Section (3), "Research and Development," under IV, "Operational Highlights," on page 98 of this annual report.

(4) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales:

The Company's operating is in compliance with the relevant domestic and foreign laws and regulations, and the relevant management is always aware of the changes in laws and regulations and provides real-time information for the Company's management's reference. In the most recent year and by the date of the annual report, the Company had no material adverse financial and business impact due to changes in domestic and foreign policies and laws and regulations.

(5) Effects of and Response to Changes in Technology (including information security risk) and the Industry Relating to Corporate Finance and Sales:

Our metal lead frames are used in a wide range of applications in the IC industry and the optoelectronics industry under the continuation of the semiconductor industry:

Industry	Current Product
IC Industry	IC semiconductors are the mainstay of active components in electronic components, and their applications are divided into four major categories, namely communication, information, consumer electronics and others (including automotive, industrial electronics and others). Our company is now moving into the manufacture and sale of IC Pre-Mold QFN lead frames, which can improve the process yield and output efficiency of IC products in the production (packaging), or assist in the use of consumable materials to reduce production costs. In addition, it can also provide ICs with a variety of options in package design (package process options), which will have a high potential for IC design and development. Therefore, the demand for metal lead frames in the IC industry will continue to be stable, and our products are highly futuristic and are expected to continue to grow.

Industry	Current Product
PV Industry	Our products (EMC lead frame) are mainly used as one of the main materials for the production of light emitting diode (LED) packaging. The market and applications of this industry (indoor and outdoor lighting, backlight modules, outdoor displays, automotive interior and exterior lighting, photographic flash and high brightness projectors...many applications) are still growing in the product lifecycle. Our products have excellent characteristics in plastic selection (high heat resistance, yellowing resistance, UV resistance, small size, and high current), and will continue to increase in market demand.

The Company's management team keeps abreast of industry trends and related technological changes, and evaluates the impact on the Company's operations. As of the date of the annual report, technological changes and industry changes have not had a significant impact on the Company's financial and business operations.

(6) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures:

Since its establishment, the Company has focused on its business operation, complied with relevant laws and regulations, and actively strengthened its internal management and improved its management quality and performance in order to continuously maintain its excellent corporate image and increase customers' trust in the Company. Therefore, in the most recent year and by the print date of the annual report, the Company has not experienced any operational crisis caused by the change of corporate image. However, the occurrence of corporate crisis may cause considerable damage to the company, so the Company will continue to implement various corporate governance requirements to reduce the occurrence of corporate risks and the impact on the Company.

(7) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: None.

(8) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans:

On February 20, 2025, the Company's Board of Directors approved an investment in Malaysia for the acquisition of land and facilities to expand production capacity in response to customer demand. The investment will be funded through the Company's own capital and long-term bank borrowings. As of the publication date of the annual report, there are no concerns regarding payment delays or project postponements.

(9) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration:

1. **Purchasing sources:** In 2024, the largest supplier of the Company and its subsidiaries was the agent of IC packaging materials in mainland China for the subsidiary Shanghai Chang Wah Electromaterials Inc., accounting for 30.79% of total purchases. No other suppliers accounted for more than 10% of total purchases.
2. **Customers:** In 2024, the largest customer of the Company and its subsidiaries was the parent company, Chang Wah Electromaterials Inc., which handles the distribution of semiconductor packaging materials in Taiwan, accounting for 18.42% of total revenue. No other customers accounted for more than 10% of total sales.

(10) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None.

(11) Effects of, Risks Relating to and Response to the Changes in Management Rights: None.

(12) For litigation or non-litigation events, the Company and its directors, supervisors, presidents, beneficial owners, majority shareholders holding more than 10% of the shares, and affiliated companies should disclose any significant litigation, non-litigation or administrative dispute that has been determined or is still pending, the outcome of which may have a significant impact on shareholders' equity or securities prices. The facts of the dispute, the amount of the subject matter, the date of commencement of the litigation, the principal parties involved in the litigation, and the status of the litigation as of the date of publication of the annual report:

1. In the most recent year and by the print date of the annual report, the facts to be disclosed by the Company, including facts of the dispute, the amount of the subject matter, the date of commencement of the litigation, the principal parties involved in the litigation and the current status of the litigation if the outcome of the litigation, non-litigation or administrative dispute has been determined or is still pending: None.

2. Directors, supervisors, presidents, beneficial owners, substantial shareholders and subsidiaries of the Company with a shareholding of more than 10%, in the most recent year and by the print date of the annual report, where litigation, non-litigation or administrative disputes have been determined or are currently pending, the outcome of which may have a material impact on the Company's shareholders' equity or securities prices:

Chang Wah Electromaterials Inc., the Company's director and a major shareholder holding more than 10% of the Company's shares, had the following litigation and non-litigation events in the recent year:

(1) In September 2016, Chipbond Technology Corp. filed a civil lawsuit against the Corporation for infringement of trade secrets. The main contents of the lawsuit included the prohibition on the use or disclosure of business secrets of Chipbond Technology Corp., the destruction of relevant files and the destruction of products that infringed upon business secrets. Chipbond Technology Corp. sought an indemnification of NT\$1,765,137 thousand and subsequently filed additional claims for damages. The court dismissed Chipbond Technology Corp.'s claims on December 29, 2023, but Chipbond Technology Corp. had filed the case. Based on the legal opinion issued by the Corporation's lawyers for the aforementioned litigation case, no significant adverse impact on the Corporation was concluded after the assessment of the lawyers. Therefore, the management of the Corporation believes that there will be no significant impact on the Corporation's business and financial position. As of the publication date of the annual report, the case had yet to be ruled by the court. The final outcome of the lawsuit was yet to be determined by the judicial authorities.

(2) Other than the above, there are no other directors, supervisors, presidents, beneficial owners, shareholders holding 10% or more of the shares and subsidiaries that have significant litigation, non-litigation or administrative disputes as of the printing date of the annual report that have a material effect on the shareholders' equity or the price of the Company's securities.

(13) Other Major Risks and Response: None.

7. Other important matters: None.

## **VI. Special Disclosure**

### **1. Information of the Associates:**

#### **(1) The consolidated business report of affiliated companies:**

Please refer to the Market Observation Post System > Single Company > Electronic Document Download > Related Party Transaction Reports Section;

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

#### **(2) Consolidated financial statements of affiliated companies:**

Please refer to the Market Observation Post System > Single Company > Electronic Document Download > Related Party Transaction Reports Section;

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

#### **(3) Relationship Report:**

Please refer to the Market Observation Post System > Single Company > Electronic Document Download > Related Party Transaction Reports Section;

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

### **2. Private Placement Securities in the Most Recent Years: None.**

### **3. Other necessary items to be supplemented: None.**

**VII. Any event that had a material impact on the rights of shareholders or the prices of securities provided in Clause 2, Paragraph 3, Article 36 of the Securities and Exchange Act occurred in the most recent year and by the print date of the annual report: None**

**Chang Wah Technology Co., Ltd.**

**Chairperson: Hung, Chuen-Sing**